

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, 2019

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

For the transition period from to

Commission File No. 1-13079

RYMAN HOSPITALITY PROPERTIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

73-0664379

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

One Gaylord Drive, Nashville, Tennessee

(Address of Principal Executive Offices)

37214

(Zip Code)

Registrant's Telephone Number, Including Area Code: (615) 316-6000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, par value \$.01	RHP	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

NONE

(Title of Class)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

The aggregate market value of the shares of Common Stock held by non-affiliates of the registrant based on the closing price of the Common Stock on the New York Stock Exchange on June 28, 2019 of \$81.09 per share was approximately \$3,737,335,683 (assuming for this purpose that shares beneficially owned by persons other than officers or directors of the registrant, and their affiliates, are held by non-affiliates).

As of January 31, 2020, there were 54,898,888 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 2020 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission are incorporated by reference into Part III of this Form 10-K.

RYMAN HOSPITALITY PROPERTIES, INC.

2019 ANNUAL REPORT ON FORM 10-K

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PART I

Throughout this report, we refer to Ryman Hospitality Properties, Inc., a Delaware corporation (“Ryman”), together with its subsidiaries, as “we,” “us,” “our,” or the “Company.” For each year discussed, our fiscal year ends on December 31. All of the discussion and analysis in this report should be read with, and is qualified in its entirety by, the Consolidated Financial Statements and related notes included in this Annual Report on Form 10-K.

Forward-Looking Statements

This report contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements concern our goals, beliefs, expectations, strategies, objectives, plans, future operating results and underlying assumptions, and other statements that are not necessarily based on historical facts. Without limitation, you can identify these statements by the fact that they do not relate strictly to historical or current facts, and these statements may contain words such as “may,” “will,” “could,” “should,” “might,” “projects,” “expects,” “believes,” “anticipates,” “intends,” “plans,” “continue,” “estimate,” or “pursue,” or the negative or other variations thereof or comparable terms. In particular, they include statements relating to, among other things, future actions, strategies, future performance, the outcome of contingencies such as legal proceedings and future financial results. These also include statements regarding (i) the effect of our election to be taxed as a real estate investment trust (“REIT”) and maintain REIT status for federal income tax purposes; (ii) the holding of our non-qualifying REIT assets in one or more taxable REIT subsidiaries (“TRSs”); (iii) our announced dividend policy including the frequency and amount of any dividend we may pay; (iv) potential growth opportunities, including future expansion of the geographic diversity of our existing asset portfolio through acquisitions and our investment in the joint venture (the “Gaylord Rockies joint venture”) that owns the Gaylord Rockies Resort & Convention Center in Aurora, Colorado (“Gaylord Rockies”); (v) Marriott International, Inc.’s (“Marriott”) ability to effectively manage our hotels and other properties; (vi) our anticipated capital expenditures and investments; (vii) the potential operating and financial restrictions imposed on our activities under existing and future financing agreements and other contractual arrangements with third parties, including management agreements with Marriott; (viii) our pending acquisition of the Block 21 complex in Austin, Texas (“Block 21”); and (ix) any other business or operational matters. We have based these forward-looking statements on our current expectations and projections about future events.

Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, our actual results could differ materially from the results anticipated by the forward-looking statements as a result of many known and unknown factors including, but not limited to, those discussed in Item 1A, “Risk Factors,” Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and elsewhere in this report. Any forward-looking statement made in this Annual Report on Form 10-K speaks only as of the date on which the statement is made. New risks and uncertainties may arise from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements we make in this report, except as may be required by law.

Item 1. *Business*

Overview

Ryman is the successor to Gaylord Entertainment Company (“Gaylord”), a Delaware corporation originally incorporated in 1956. As part of the plan to restructure our business operations to facilitate our qualification as a REIT for federal income tax purposes, Gaylord merged with and into its wholly-owned subsidiary, Ryman, on October 1, 2012, with Ryman as the surviving corporation, and Ryman succeeded to and began conducting, either directly or indirectly, all of the business conducted by Gaylord immediately prior to the merger. Ryman is a Delaware corporation that began operating as a self-advised and self-administered REIT for federal income tax purposes on January 1, 2013. We specialize in group-oriented, destination hotel assets in urban and resort markets. As a REIT, we generally will not be subject to federal corporate income taxes on that portion of our capital gain or ordinary income from our REIT operations that is distributed to our stockholders. This treatment substantially eliminates the federal “double taxation” on earnings from our REIT operations, or taxation once at the corporate level and again at the stockholder level, that generally results from investment in a regular C corporation. Our non-REIT operations, which consist of the activities of

our TRSs that lease or sublease our hotels from our qualified REIT subsidiaries, as well as businesses within our Entertainment segment, continue to be subject, as applicable, to federal and state corporate income taxes.

Our owned assets include a network of four upscale, meetings-focused resorts totaling 8,114 rooms that are managed by Marriott under the Gaylord Hotels brand. These four resorts, which we refer to as our Gaylord Hotels properties, consist of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee (“Gaylord Opryland”), the Gaylord Palms Resort & Convention Center near Orlando, Florida (“Gaylord Palms”), the Gaylord Texan Resort & Convention Center near Dallas, Texas (“Gaylord Texan”) and the Gaylord National Resort & Convention Center near Washington D.C. (“Gaylord National”). Other owned hotel assets managed by Marriott include the Inn at Opryland, an overflow hotel adjacent to Gaylord Opryland, and the AC Hotel at National Harbor, Washington D.C. (“AC Hotel”), an overflow hotel adjacent to Gaylord National. We also own a 62.1% interest in a joint venture that owns Gaylord Rockies, which opened in December 2018 and is managed by Marriott under the Gaylord Hotels brand.

We also own and operate media and entertainment assets including the Grand Ole Opry, the legendary weekly showcase of country music’s finest performers for over 90 years; the Ryman Auditorium, the storied live music venue and former home of the Grand Ole Opry located in downtown Nashville; WSM-AM, the Opry’s radio home; Ole Red, a brand of Blake Shelton-themed bar, music venue and event spaces; and three Nashville-based assets managed by Marriott – Gaylord Springs Golf Links (“Gaylord Springs”), the Wildhorse Saloon, and the General Jackson Showboat (“General Jackson”). We also own a 50% interest in a joint venture intended to create and distribute a linear multicast and over-the-top channel dedicated to the country music lifestyle (“Circle”).

Our operations are organized into three principal business segments: (i) Hospitality, which includes our directly-owned hotel properties and the results of hotel operations, as well as the Gaylord Rockies joint venture; (ii) Entertainment, which includes our Grand Ole Opry assets, the Ryman Auditorium, WSM-AM, Ole Red, our other Nashville-based attractions, among others, as well as the Circle joint venture; and (iii) Corporate and Other, which includes corporate expenses. These three business segments — Hospitality, Entertainment, and Corporate and Other — represented approximately 89%, 11%, and 0%, respectively, of our total revenues for the fiscal year ended December 31, 2019.

Financial information by business segment and for each of our Gaylord Hotels properties as of December 31, 2019 and for each of the three years then ended appears in Item 6, “Selected Financial Data,” Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in “Note 15 – Financial Reporting by Business Segments” to our consolidated financial statements included in this Annual Report on Form 10-K.

Our Strategic Plan

Our goal is to be the nation’s premier hospitality REIT for group-oriented, destination hotel assets in urban and resort markets.

- *Existing Hotel Property Design.* Our Gaylord Hotels properties focus on the large group meetings market in the United States and incorporate meeting and exhibition space, signature guest rooms, food and beverage offerings, fitness and spa facilities and other attractions within a large hotel property so attendees’ needs are met in one location. This strategy creates a better experience for both meeting planners and guests, and has led to our current Gaylord Hotels properties claiming a place among the leading convention hotels in the country.
- *Expansion of Hotel Asset Portfolio.* While our short-term capital allocation strategy has focused on returning capital to stockholders through the payment of dividends, part of our long-term growth strategy includes acquisitions of other hotels, particularly in the group meetings sector of the hospitality industry, either alone or through joint ventures or alliances with one or more third parties. We intend to pursue attractive investment opportunities which meet our acquisition parameters, specifically, group-oriented large hotels and overflow hotels with existing or potential leisure appeal. We are generally interested in highly accessible upper-upscale assets with over 400 hotel rooms in urban and resort group destination markets. We also consider assets that possess or are located near convention centers that present a repositioning opportunity and/or would significantly benefit from capital investment in additional rooms or meeting space. We plan to expand the geographic diversity of our existing asset portfolio through acquisitions. To this end, since December 2018, we

have increased our investment in the Gaylord Rockies joint venture from 35% to 62.1%. As a REIT, we do not view independent, large-scale development of resort and convention hotels as part of our long-term growth strategy.

- Leverage Brand Name Awareness.* We believe the Grand Ole Opry is one of the most recognized entertainment brands in the United States. We promote the Grand Ole Opry name through various media, including our WSM-AM radio station, the Internet and television, and through performances by the Grand Ole Opry’s members, many of whom are renowned country music artists. As such, we have alliances in place with multiple distribution partners in an effort to foster brand extension. We believe that licensing our brand for products may provide an opportunity to increase revenues and cash flow with relatively little capital investment. We are continuously exploring additional products, such as television specials and retail products, through which we can capitalize on our brand affinity and awareness. To this end, we have invested in four Blake Shelton-themed multi-level bar, music venue and event spaces in Nashville, Orlando, Gatlinburg Tennessee, and Tishomingo Oklahoma, named after the Shelton hit “Ol’ Red,” and invested in Circle.

Description of our Hotel Portfolio

Our Gaylord Hotels properties incorporate meeting, convention and exhibition space with a large hotel property so the attendees never have to leave the location during their meetings. This concept of a self-contained destination dedicated primarily to the meetings industry has placed our Gaylord Hotels properties among the leading convention hotels in the country.

Marriott is responsible for the day-to-day management of our Gaylord Hotels, Gaylord Rockies, the Inn at Opryland, and the AC Hotel. We believe that our Gaylord Hotels properties have benefitted and will continue to benefit from Marriott’s expansive sales force and popular frequent traveler program, as well as their ability to manage group business.

Based on our information, publicly-available information, and information and data obtained from Smith Travel Research, the top 10 hotels within the United States with the highest square footage of self-contained exhibit and meeting space as of January 2020 are as follows:

Facility (1)	Location	Hotel Rooms	Total Exhibit and Meeting Space (sq. ft.)
The Venetian Resort & Casino	Las Vegas, NV	4,028	2,250,000
Mandalay Bay Resort & Casino	Las Vegas, NV	3,209	2,100,000
Gaylord Opryland Resort & Convention Center	Nashville, TN	2,888	640,000
MGM Grand Las Vegas	Las Vegas, NV	5,044	602,000
Gaylord National Resort & Convention Center	National Harbor, MD	1,996	500,000
Gaylord Texan Resort & Convention Center	Grapevine, TX	1,814	488,000
Marriott Orlando World Center Resort	Orlando, FL	2,009	450,000
Rosen Shingle Creek Resort	Orlando, FL	1,501	410,000
Gaylord Rockies Resort & Convention Center (2)	Aurora, CO	1,501	409,000
Gaylord Palms Resort & Convention Center	Kissimmee, FL	1,416	400,000

(1) Bolded facilities are owned by the Company.

(2) The Company owns a 62.1 percent interest through the Gaylord Rockies joint venture.

Gaylord Opryland Resort and Convention Center — Nashville, Tennessee. Gaylord Opryland is one of the leading convention destinations in the United States based upon number of rooms, exhibit space and conventions held. Designed with lavish gardens and expansive atrium areas, the resort is situated on approximately 172 acres in the Opryland complex. Gaylord Opryland has a number of themed restaurants, retail outlets, and a full-service spa with 27,000 square feet of dedicated space. It also serves as a destination resort for vacationers due to its proximity to the Grand Ole Opry, the Ryman Auditorium, the General Jackson Showboat, and other attractions in the Nashville area. Gaylord Opryland has 2,888 signature guest rooms, four ballrooms with approximately 127,000 square feet, 111 banquet/meeting rooms,

and total meeting, exhibit and pre-function space of approximately 640,000 square feet. Gaylord Opryland is routinely recognized by many industry and commercial publications, including being awarded a 2019 STELLA Award Silver Winner for best conference center by Northstar Meetings Group and *Meetings & Conventions* and *Successful Meetings* magazines, a 2019 Award of Excellence Recipient from *Corporate & Incentive Travel* magazine, Best of the South Award Winner from *Meetings Today*, and recognition as a member of *Meeting & Conventions* Hall of Fame. We opened the indoor sections of SoundWaves, a \$90 million luxury indoor/outdoor waterpark with over 200,000 square feet of water attractions and amenities adjacent to Gaylord Opryland in December 2018 and the outdoor sections in May 2019.

Gaylord Palms Resort and Convention Center — Kissimmee, Florida. Gaylord Palms has 1,416 signature guest rooms, three ballrooms with approximately 76,000 square feet, 76 banquet/meeting rooms, and total meeting, exhibit and pre-function space of approximately 400,000 square feet. The resort is situated on a 65-acre site in Osceola County, Florida, which we have leased pursuant to a 75-year ground lease with a 24-year renewal option. The resort is approximately a five-minute drive from the main gate of the Walt Disney World® Resort complex. Gaylord Palms has a number of themed restaurants, retail outlets, a new resort pool, and a full-service spa with 20,000 square feet of dedicated space. Hotel guests also have golf privileges at Celebration Golf Club, located approximately two miles from the property. Gaylord Palms is rated as a AAA Four-Diamond Hotel and is routinely recognized by many industry and commercial publications, including being awarded a 2019 STELLA Award Bronze Winner for best conference center by Northstar Meetings Group and *Meetings & Conventions* and *Successful Meetings* magazines, a 2019 Award of Excellence Recipient from *Corporate & Incentive Travel* magazine, Best of the South Award Winner from *Meetings Today*, and recognition as a member of *Meeting & Conventions* Hall of Fame. In 2018, we began construction of a \$158 million expansion of Gaylord Palms, which will include an additional 303 guest rooms and 90,000 square feet of meeting space, an expanded resort pool and events lawn, and a new multi-level parking structure. The expansion is expected to be completed in summer 2021.

Gaylord Texan Resort and Convention Center — Grapevine, Texas. Gaylord Texan is situated on approximately 85 acres and is located approximately six minutes from the Dallas/Fort Worth International Airport. Of the 85 acres, we own 75 acres and lease approximately 10 acres pursuant to a ground lease. The hotel features a lavish and expansive atrium, 1,814 signature guest rooms, four ballrooms with approximately 115,000 square feet, 88 banquet/meeting rooms, and total meeting, exhibit and pre-function space of approximately 488,000 square feet. The property also includes a number of themed restaurants, retail outlets, a resort pool, a full-service spa with 25,000 square feet of dedicated space, and an entertainment complex consisting of an approximately 39,000 square foot venue with a performance stage, dance floor, and a two-story outdoor deck. Guests also have access to the adjacent Cowboys Golf Club. The Gaylord Texan is rated as a AAA Four-Diamond Hotel and is routinely recognized by many industry and commercial publications, including being awarded a 2019 STELLA Award Gold Winner by Northstar Meetings Group and *Meetings & Conventions* and *Successful Meetings* magazines, a 2019 Award of Excellence Recipient from *Corporate & Incentive Travel* magazine, and Best of the South Award Winner from *Meetings Today*. In 2018, we completed construction of a \$110 million expansion of Gaylord Texan that included an additional 303 guest rooms and 88,000 square feet of meeting space.

Gaylord National Resort and Convention Center — National Harbor, Maryland. Gaylord National is situated on approximately 42 acres of land located on the Potomac River in Prince George’s County, Maryland, eight miles south of Washington, D.C. The hotel has 1,996 signature guest rooms, four ballrooms with approximately 103,000 square feet, 82 conference and breakout rooms, and total meeting, exhibit and pre-function space of approximately 500,000 square feet. The hotel complex includes an 18-story glass atrium, a 20,000 square foot spa and fitness center, a freestanding 24,000-square foot ballroom building offering 16,000 square feet of meeting space on the banks of the Potomac River that opened in May 2017, and entertainment options such as restaurants, shops, and a two-story rooftop nightclub. The Gaylord National is rated as a AAA Four-Diamond Hotel and is routinely recognized by many industry and commercial publications, including being awarded a 2019 STELLA Award Gold Winner by Northstar Meetings Group and *Meetings & Conventions* and *Successful Meetings* magazines, a 2019 Award of Excellence Recipient from *Corporate & Incentive Travel* magazine, and Best of the East Award Winner from *Meetings Today*.

Gaylord Rockies Resort and Convention Center — Aurora, Colorado. As further discussed in “Note 4 – Investment in Gaylord Rockies Joint Venture” to our consolidated financial statements included in this Annual Report on Form 10-K, we own a 62.1% interest in, and are the managing member of, the Gaylord Rockies joint venture. Gaylord Rockies is

situated on approximately 85 acres and is located approximately 10 minutes from Denver International Airport. The hotel features a lavish and expansive atrium, 1,501 signature guest rooms, including 114 suites, four ballrooms with up to approximately 60,000 square feet, up to 81 breakout rooms, indoor meeting, exhibit and pre-function space of approximately 409,000 square feet, and additional outdoor meeting space of approximately 76,000 square feet. The property also includes a number of themed restaurants, retail outlets, a full-service spa, five outdoor event spaces and an indoor/outdoor pool complex. The approximately \$800 million hotel project opened on a limited basis in December 2018 and on a fully completed basis in January 2019. In February 2020, the Company and its joint venture partner announced an \$80 million, 317-room expansion for Gaylord Rockies expected to be completed in early 2022. Gaylord Rockies was awarded a 2019 STELLA Award Silver Winner for best conference center by Northstar Meetings Group and *Meetings & Conventions* and *Successful Meetings* magazines.

Inn at Opryland. We also own the Inn at Opryland, which is located across the street from Gaylord Opryland. The hotel has 303 rooms and approximately 14,000 square feet of meeting space.

AC Hotel. We also own the AC Hotel, which is located near Gaylord National. The hotel has 192 rooms and approximately 3,700 square feet of meeting space.

Description of our Entertainment Portfolio

The Grand Ole Opry. The Grand Ole Opry, which celebrated its 94th anniversary in 2019, is one of the most widely known platforms for country music in the world. The Opry features a live country music show with performances every Friday and Saturday night, as well as additional weekly performances on a seasonal basis. The Grand Ole Opry House, home of the Grand Ole Opry, seats approximately 4,400, is located in the Opryland complex, and was named the Venue of the Year by the Academy of Country Music in 2014. The Grand Ole Opry moved to the Opry House in 1974 from its most famous home in the Ryman Auditorium in downtown Nashville. Each week, the Grand Ole Opry is broadcast live to millions of country lifestyle consumers on radio via WSM-AM and Sirius/XM Radio and streamed on the Internet. The show has been broadcast since 1925 on WSM-AM, making it the longest running live radio program in the United States. In addition to performances by its members, the Grand Ole Opry presents performances by many other country music artists and other acts. We recently completed construction of an approximately \$20 million expansion to the Grand Ole Opry House, which includes a larger retail space, additional food and beverage options, a redesigned box office, VIP lounge area with a backstage tour theater, and additional parking.

Ryman Auditorium. The Ryman Auditorium, which was built in 1892 and seats approximately 2,300, is designated as a National Historic Landmark. The former home of the Grand Ole Opry, the Ryman Auditorium was renovated and re-opened in 1994 for concerts and musical productions. In June 2015, the Ryman completed a \$14 million expansion, including updated museum exhibits, a new museum theatre and a new café. The Grand Ole Opry returns to the Ryman Auditorium periodically, most recently from November 2019 to January 2020. In 2019, the Ryman Auditorium was named “Theatre of the Year” by Pollstar Concert Industry Awards for the ninth consecutive year, “Venue of the Year” by the Country Music Association for the fifth consecutive year, and “Venue of the Year – Small Capacity” by the Academy of Country Music for the sixth time.

WSM-AM. WSM-AM commenced broadcasting in 1925. The involvement of Ryman’s predecessors with country music dates back to the creation of the radio program that became The Grand Ole Opry, which has been broadcast live on WSM-AM since 1925. WSM-AM is broadcast from the Gaylord Opryland complex in Nashville and has a country music format. WSM-AM is one of the nation’s “clear channel” stations, meaning that no other station in a 750-mile radius uses the same frequency for night time broadcasts. As a result, the station’s signal, transmitted by a 50,000-watt transmitter, can be heard at night in much of the United States and parts of Canada.

Ole Red. In May 2018, we opened our flagship Ole Red location, a multi-level entertainment venue in downtown Nashville. The 26,000-square foot venue features a two-story bar and restaurant, performance space, private event space and a 6,000-square foot rooftop restaurant and bar. We own additional Ole Red locations in Gatlinburg, Tennessee and Tishomingo, Oklahoma, and are developing an additional location in Orlando, Florida that is expected to open in Spring 2020.

The General Jackson Showboat. We own the General Jackson Showboat, a 300-foot, four-deck paddle wheel showboat on the Cumberland River, which flows past the Gaylord Opryland complex in Nashville. Its Victorian Theatre can seat 600 people for banquets and 1,000 people for theater-style presentations. The showboat stages Broadway-style shows and other theatrical productions. The General Jackson is one of many sources of entertainment that is available to conventions held at Gaylord Opryland. During the day, it operates cruises, primarily serving tourists visiting the Gaylord Opryland complex and the Nashville area. Marriott manages the day-to-day operations of the General Jackson.

Gaylord Springs. Minutes from Gaylord Opryland, Gaylord Springs, our 18-hole championship golf course, was designed by former U.S. Open and PGA Champion Larry Nelson. The 40,000 square-foot antebellum-style clubhouse offers meeting space for up to 500 guests. Marriott manages the day-to-day operations of Gaylord Springs.

The Wildhorse Saloon. Since 1994, we have owned the Wildhorse Saloon, a country music performance venue on historic Second Avenue in downtown Nashville. The three-story facility includes a dance floor of approximately 2,000 square feet, as well as a restaurant and banquet facility that can accommodate up to 2,000 guests. Marriott manages the day-to-day operations of the Wildhorse Saloon.

Corporate and Other Segment

Our Corporate and Other segment includes operating and general and administrative expenses related to the overall management of the Company which are not allocated to the other reportable segments, including certain costs for our retirement plans, equity-based compensation plans, information technology, human resources, accounting, and other administrative expenses.

Corporate History and Structure

We were originally incorporated in 1956 and were reorganized in connection with a 1997 corporate restructuring. Prior to our REIT conversion, we operated as a C corporation. In 2012, we completed restructuring transactions intended to facilitate our qualification as a REIT for federal income tax purposes, which included the merger, effective on October 1, 2012, of our predecessor, Gaylord, with and into its wholly-owned subsidiary, Ryman, with Ryman surviving the merger, at which time Ryman succeeded to and began conducting, directly or indirectly, all of the business conducted by Gaylord immediately prior to the merger. Prior to Marriott's assumption of the day-to-day management of our hotels and certain of our Nashville attractions, we managed such assets. We elected REIT status effective January 1, 2013.

All of our assets are held by, and all of our operations are conducted through, RHP Hotel Properties, LP, a Delaware limited partnership (the "Operating Partnership"). On December 31, 2018, we amended the limited partnership agreement of the Operating Partnership to provide that its partnership units may be exchanged on a one-for-one basis for shares of our common stock. Under certain circumstances, we may issue such partnership units as consideration to acquire hotel properties. By offering partnership units, the seller of such hotel property could defer federal income tax on any of the seller's gains on sale, and this tax advantage may enable us to acquire hotel properties in the future which otherwise may not be available for sale.

As a REIT, at least 75% of our gross income for each taxable year must generally be derived from "rents from real property" or other income permitted by the Internal Revenue Code of 1986, as amended (the "Code"). To meet this requirement, our hotel properties are owned or leased by certain subsidiaries of the Operating Partnership, which are disregarded entities for federal income tax purposes, and these subsidiaries lease or sublease our hotels to our TRSs pursuant to leases that contain economic terms which are similar to leases between unrelated parties. The rent that we receive from our TRS lessees qualifies as "rents from real property" as long as the property is operated on behalf of our TRS lessees by a person who qualifies as an "independent contractor" (as defined in the Code) and who is, or is related to a person who is, actively engaged in the trade or business of operating "qualified lodging facilities" (as defined in the Code) for any person unrelated to us and our TRS lessees (an "eligible independent contractor"). Our TRS lessees have engaged Marriott to manage the day-to-day operations of our hotels as an eligible independent contractor.

In addition, we own our Entertainment businesses in TRSs, and certain of those TRSs have engaged Marriott to manage their assets, as described above.

Tax Status

As a REIT, we generally are not subject to corporate federal income tax on that portion of our REIT taxable income that we distribute to our stockholders. In addition to the requirement that 75% of our gross income for each taxable year be derived from “rents from real property” discussed above, we are subject to other organizational and operational requirements including the requirement that we distribute at least 90% of our REIT taxable income each year and the requirement that no more than 50% in value of our outstanding shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include various kinds of entities). We will be subject to federal and state income tax on our taxable income at regular corporate rates to the extent we distribute less than 100% of our REIT taxable income in any taxable year or if we fail to qualify as a REIT for federal income tax purposes in any taxable year. In that latter event, we will also not be permitted to qualify for treatment as a REIT for federal income tax purposes until the fifth year following any year in which qualification is lost. Our non-REIT operations, which consist of the activities of our TRSs that lease or sublease our hotels from the Operating Partnership, as well as businesses within our Entertainment segment, will continue to be subject, as applicable, to federal and state corporate income taxes.

Employees

At December 31, 2019, we had approximately 593 full-time and 613 part-time and temporary employees. Of these, approximately 498 full-time and 610 part-time employees were employed in our Entertainment segment; and approximately 95 full-time employees and 3 part-time employees were employed in our Corporate and Other segment, with several of those Corporate and Other segment employees providing direct support to our Entertainment segment. We believe our relations with our employees are good. In connection with Marriott’s assumption of the day-to-day management of our Gaylord Hotels properties and certain other assets, effective in 2012, our former employees involved in the day-to-day operations of our Gaylord Hotels, as well as the Inn at Opryland, the General Jackson, Gaylord Springs and the Wildhorse Saloon, became employees of Marriott. Since that time, Marriott has been responsible for hiring and maintaining the labor force at each of these properties, as well as Gaylord Rockies and the AC Hotel upon opening.

Competition

Hospitality

Our current hotel properties compete with numerous other hotels throughout the United States and abroad, particularly the approximately 100 convention hotels that, on average, have over 1,000 rooms and a significant amount of meeting and exhibit space. We believe that competition among convention hotels is based on, among other things: (i) the hotel’s reputation, (ii) the quality of the hotel’s facility, (iii) the quality and scope of a hotel’s meeting and convention facilities and services, (iv) the desirability of a hotel’s location, (v) travel distance to a hotel for meeting attendees, (vi) a hotel facility’s accessibility to a recognized airport, (vii) the amount of entertainment and recreational options available in and in the vicinity of the hotel, (viii) service levels at the hotel, and (ix) price. Our hotels also compete against large municipal convention centers, including Orlando, Chicago, Atlanta, Dallas, Nashville, Washington, D.C. and Denver.

The hotel business is management and marketing intensive. Our current hotel properties compete with other hotels throughout the United States for high quality management and marketing personnel. We believe that Marriott’s international brand, marketing scale and ability to manage group business have improved our hotels’ competitive position. However, there can be no assurance that Marriott will be able to continue to attract and retain employees with the requisite managerial and marketing skills.

Additionally, as a REIT, we compete for investment opportunities in the hospitality industry, particularly the group-oriented meetings sector of the hospitality industry, with entities that may have substantially greater financial and other resources than we have. These entities generally may be able to accept more risk than we can prudently manage. Our focus on acquiring hotels in the large group meetings sector of the hospitality industry and the competition in this sector may generally limit the number of hotel properties that we are able to acquire. This competition may also increase the bargaining power of property owners seeking to sell to us, making it more difficult for us to acquire new properties on attractive terms.

Entertainment

The Grand Ole Opry and our other entertainment businesses compete with all other forms of entertainment and recreational activities. The success of the Entertainment group is dependent upon certain factors beyond our control, including economic conditions, the amount of available leisure time, transportation cost, public taste and weather conditions. Our radio station competes with numerous other types of entertainment businesses and advertisement media, and success is often dependent on taste and fashion, which may fluctuate from time to time.

Management Agreements

Gaylord Hotels. We are a party to a management agreement with Marriott for each of our four owned Gaylord Hotels properties, as well as a pooling agreement with Marriott with respect to our four owned Gaylord Hotels properties on an aggregate basis. Each of the management agreements has a term expiring in 2047, with three automatic 10-year renewal periods (provided the applicable hotel has met certain performance thresholds). Each of the management agreements requires us to pay Marriott a base management fee of approximately 2% of gross revenues from the applicable property for each fiscal year or portion thereof. Additionally, the pooling agreement requires us to pay to Marriott an incentive fee of 10% of the first \$15.0 million of pooled available cash flow (which is generally operating profit for the pooled hotels less an owner's priority) plus 20% of any additional pooled available cash flow over such threshold. The owner's priority is collectively \$240 million, plus certain additional amounts, including 10% of certain non-routine capital expenditures and conversion work, and 10% of replacements of furniture, fixtures, and equipment and routine capital expenditures in excess of a reserve. If one or more of our Gaylord Hotels properties were not a "pooled hotel" (i.e., if we cease to own the hotel or we lease the hotel to a third party), the thresholds used to calculate the incentive fee in the pooling agreement will be adjusted, and the incentive fee for the non-pooled hotel will be based on such hotel's performance. The management agreements and pooling agreement also contain certain restrictions on our incurring indebtedness that encumber our Gaylord Hotels properties on an individual or aggregate basis. The management agreements may be terminated earlier than the stated term if certain events occur, including the failure of Marriott to satisfy certain performance standards. The management agreements prohibit us from selling the Gaylord Hotels properties to certain persons, including any person who does not, in Marriott's reasonable judgment, have sufficient financial resources and liquidity to fulfil our obligations under the management agreements, or any person who owns a controlling interest in a hotel brand (e.g., Hilton or Hyatt) totaling at least ten full-service hotels that are not affiliated with a brand but that are marketed and operated as a collective group, if such brand or group of hotels compete with Marriott. In addition, we may not sell a Gaylord Hotels property if we are then in breach of the applicable management agreement.

Gaylord Rockies. Marriott manages the day-to-day operations of Gaylord Rockies pursuant to a management agreement that requires the joint venture to pay Marriott a base management fee of approximately 3% of gross revenues for each fiscal year or portion thereof. This management agreement expires in 2049, with two automatic 20-year renewal periods (provided the hotel has met certain performance thresholds). Additionally, this management agreement requires the joint venture to pay Marriott an incentive fee of 20% of available cash flow (as defined in the management agreement). The owner's priority is \$81.4 million, plus certain additional amounts, including 10.75% of certain non-routine capital expenditures.

Inn at Opryland. Marriott manages the day-to-day operations of the Inn at Opryland pursuant to a management agreement that requires us to pay Marriott a base management fee of approximately 2% of gross revenues for each fiscal year or portion thereof. This management agreement expires in 2022, with five five-year renewal options, so long as neither party terminates the agreement. Additionally, this management agreement requires us to pay to Marriott an incentive fee of 20% of the excess of available cash flow (as defined in the management agreement) over a certain threshold.

AC Hotel. Marriott manages the day-to-day operations of the AC Hotel pursuant to a management agreement that requires us to pay Marriott a base management fee of 7% of gross revenues. This management agreement expires in 2040, with two ten-year renewal options so long as neither party terminates the agreement. Additionally, this management agreement requires us to pay to Marriott an incentive fee of 20% of the excess of available cash flow (as defined in the management agreement) over a certain threshold.

Certain Nashville Attractions. Marriott manages the General Jackson, the Wildhorse Saloon, and Gaylord Springs pursuant to management agreements. Each of these management agreements require us to pay Marriott a base management fee of approximately 2% of total revenues. Additionally, the management agreements require us to pay to Marriott an incentive fee of 20% of the excess of available cash flow (as defined in the management agreements) over a certain threshold. The management agreements for the General Jackson and the Wildhorse Saloon expired in 2017, with five one-year renewal options, the third of which was exercised in 2019, so long as neither party terminates the agreement. The management agreement for Gaylord Springs expires in 2022.

Total base management fees incurred during 2019, 2018 and 2017 were \$31.6 million, \$23.3 million and \$22.0 million, respectively. Total incentive fees incurred during 2019, 2018 and 2017 were \$12.6 million, \$11.8 million and \$6.1 million, respectively. Management fees are presented in the accompanying financial information net of the amortization of the deferred management rights proceeds discussed further in “Note 6 – Deferred Management Rights Proceeds” to our consolidated financial statements included in this Annual Report on Form 10-K.

Seasonality

Portions of our business are seasonal in nature. The group convention business at our Gaylord Hotels properties is subject to reduced levels of demand during the year-end holiday periods.

Regulation and Legislation

Hospitality

Our current hotel properties are subject to certain federal, state, and local governmental laws and regulations including, without limitation, labor regulations, health and safety laws and environmental regulations applicable to hotel and restaurant operations. The hotels are also subject to the requirements of the Americans with Disabilities Act and similar state laws, as well as regulations pursuant thereto. We believe that our hotel properties and our attractions are in substantial compliance with such regulations. In addition, the sale of alcoholic beverages by a hotel requires a license and is subject to regulation by the applicable state and local authorities. The agencies involved have the power to limit, condition, suspend or revoke any such license, and any disciplinary action or revocation could have an adverse effect upon the results of operations of our Hospitality segment. Pursuant to management agreements with Marriott, we do not control many of these activities at our hotel properties, and we rely on Marriott to comply with all such federal, state and local governmental laws and regulations with respect to such properties. However, under the terms of our management agreements with Marriott, we may be required to bear the cost of any capital expenditures necessary to comply with a legal requirement.

Entertainment

WSM-AM is subject to regulation under the Communications Act of 1934, as amended. Under the Communications Act, the Federal Communications Commission, or FCC, among other things, assigns frequency bands for broadcasting; determines the frequencies, location, and signal strength of stations; issues, renews, revokes, and modifies station licenses; regulates equipment used by stations; and adopts and implements regulations and policies that directly or indirectly affect the ownership, operation, and other practices of broadcasting stations. Licenses issued for radio stations have terms of eight years. Radio broadcast licenses are renewable upon application to the FCC and in the past have been renewed except in rare cases. Competing applications will not be accepted at the time of license renewal, and will not be entertained at all unless the FCC first concludes that renewal of the license would not serve the public interest. A station will be entitled to renewal in the absence of serious violations of the Communications Act or FCC regulations or other violations which constitute a pattern of abuse. WSM-AM’s current radio station license will expire in August 2020; however, we are not aware of any reason why WSM-AM’s radio station license should not be renewed.

Circle is subject to U.S. federal regulation of broadcast media, including FCC regulations on programming networks and content distributors. These include regulations related to closed captioning, advertising restrictions, obscenity restrictions and pricing, among others.

Our entertainment attractions are also subject to the requirements of the Americans with Disabilities Act and similar state laws, as well as the laws and regulatory activities associated with the sale of alcoholic beverages described above. Pursuant to management agreements with Marriott, we do not control many of these activities with respect to the General Jackson Showboat, Gaylord Springs, and the Wildhorse Saloon, and we rely on Marriott to comply with all such federal, state and local governmental laws and regulations with respect to such businesses. However, under the terms of our management agreements with Marriott, we may be required to bear the cost of any capital expenditures necessary to comply with a legal requirement.

Additional Information

Our web site address is www.rymanhp.com. We make available free of charge through our web site our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, definitive proxy statements, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (the “SEC”). The information provided on our web site is not part of this report, and is therefore not incorporated by reference unless such information is otherwise specifically referenced elsewhere in this report. The public may also read and copy any materials that we file with the SEC on their website at www.sec.gov.

Executive Officers of the Registrant

The following table sets forth certain information regarding the executive officers of the Company at January 1, 2020. All officers serve at the discretion of the Board of Directors (subject to, in the case of officers who have entered into employment agreements with the Company, the terms of such employment agreements).

NAME	AGE	POSITION
Colin V. Reed	72	Chairman of the Board of Directors and Chief Executive Officer
Mark Fioravanti	58	President and Chief Financial Officer
Patrick Chaffin	46	Executive Vice President and Chief Operating Officer
Bennett Westbrook	53	Executive Vice President and Chief Development Officer
Scott J. Lynn	46	Executive Vice President, General Counsel and Secretary
Jennifer Hutcheson	42	Senior Vice President, Corporate Controller and Chief Accounting Officer

The following is additional information with respect to the above-named executive officers.

Colin V. Reed has served as Chief Executive Officer and a director of the Company since April 2001, and Mr. Reed was also elected Chairman of the Board of Directors of the Company in May 2005. Until November 2008, and again from November 2012 to March 2015, Mr. Reed also served as President of the Company. Prior to joining the Company, Mr. Reed had served as a member of the three-executive Office of the President of Harrah’s Entertainment, Inc. (now Caesar’s Entertainment) since May 1999, and he had served as Harrah’s Chief Financial Officer since April 1997. Mr. Reed also was a director of Harrah’s from 1998 to May 2001. Mr. Reed served in a variety of other management positions with Harrah’s and its predecessor, Holiday Corp., since 1977. Mr. Reed is a director of First Horizon National Corporation.

Mark Fioravanti is President and Chief Financial Officer of the Company, a position he has held since March 2015. Prior to that time, Mr. Fioravanti served as Executive Vice President and Chief Financial Officer of the Company. Until June 2009, Mr. Fioravanti served as Senior Vice President of Finance and Treasurer of the Company, a position he had held since June 2007. Prior to such time, Mr. Fioravanti had served as Executive Vice President of the Company and President of ResortQuest International since March 2004. From August 2002 to March 2004, Mr. Fioravanti was the Company’s Senior Vice President of Marketing. Prior to joining the Company in August 2002, Mr. Fioravanti spent nine years in a variety of roles with casino operator Harrah’s Entertainment, Inc., where he was most recently Vice President of Finance and Administration of Harrah’s New Orleans. Mr. Fioravanti graduated from The Ohio State University, where he earned his B.S. degree. He also holds an MBA from the University of Tennessee.

Patrick Chaffin is Executive Vice President and Chief Operating Officer of the Company, a position he has held since May 2019. In this role, Mr. Chaffin leads our asset management function, state and local government relations, product enhancement and site selection for our hotel portfolio's growth. From April 2018 to May 2019, he was Executive Vice President of Asset Management for the Company. From January 2013 to March 2018, he was the Senior Vice President of Asset Management. From January 2007 to December 2012, he led the strategic planning, operations analysis and investor relations functions for Gaylord Entertainment. Prior to its sale in June 2007, Mr. Chaffin served as the head of finance for ResortQuest International, formerly a division of Gaylord Entertainment. Prior to joining Gaylord Entertainment in January 2005, Mr. Chaffin worked for General Motors Corporation for 9 years serving in a variety of corporate and manufacturing positions. Mr. Chaffin earned a B.S. degree from Lipscomb University and an MBA from the Owen Graduate School of Management at Vanderbilt University.

Bennett Westbrook is Executive Vice President and Chief Development Officer, a position he has held since June 2016. Prior to that time, Mr. Westbrook served as Senior Vice President of Investments and Design and Construction for the Company. Mr. Westbrook leads the Company's acquisition, development, and design and construction efforts on hospitality projects and other real estate and investment-related projects. Prior to joining the Company in 2001, Mr. Westbrook was Corporate Director of Development at Harrah's Entertainment, Inc. from 2000-2001, Regional Real Estate Manager for Federated Department Stores (now Macy's, Inc.) from 1997-2000, and Director of Development at Harrah's Entertainment, Inc. from 1994-1997. Mr. Westbrook earned both his B.A. degree in Political Science and MBA degree at Vanderbilt University.

Scott J. Lynn is the Executive Vice President, General Counsel and Secretary of the Company, a position he has held since May 2018. From January 2013 to April 2018, he was the Company's Senior Vice President, General Counsel and Secretary. From August 2003 to January 2013, he served as the Company's Associate General Counsel. From May 2002 to August 2003, Mr. Lynn was Senior Counsel at Progeny Marketing Innovations, a subsidiary of Cendant Corporation. From August 1998 to May 2002, Mr. Lynn was an associate at the law firm of Stokes & Bartholomew, P.A. Mr. Lynn is a graduate of the Vanderbilt University School of Law and Tennessee Technological University.

Jennifer Hutcheson is the Senior Vice President, Corporate Controller and Chief Accounting Officer of the Company, a position she has held since May 2018. From January 2013 to April 2018, she was the Senior Vice President and Corporate Controller of the Company. From March 2006 to December 2012, she served as the Company's Vice President of Accounting and Tax. From May 2004 to March 2006, she served as the Company's Director of Corporate Accounting. From August 2002 to April 2004, she was the Corporate Accounting Manager at Private Business Inc. Prior to that time, she was an auditor with Ernst & Young LLP and Arthur Andersen. Ms. Hutcheson, who is a certified public accountant, has a B.S. degree in accounting from Tennessee Technological University and an MBA from the Owen Graduate School of Management at Vanderbilt University.

Item 1A. Risk Factors

You should carefully consider the following specific risk factors as well as the other information contained or incorporated by reference in this Annual Report on Form 10-K as these are important factors, among others, that could cause our actual results to differ from our expected or historical results. It is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete statement of all our potential risks or uncertainties. Some statements in the "Business" section and elsewhere in this Annual Report on Form 10-K are "forward-looking statements" and are qualified by the cautionary language regarding such statements. See "Forward-Looking Statements" above.

If we fail to remain qualified as a REIT, we would be subject to tax at corporate income tax rates and would not be able to deduct distributions to stockholders when computing our taxable income.

If, in any taxable year, we fail to qualify for taxation as a REIT, and are not entitled to relief under the Internal Revenue Code of 1986, as amended (the "Code"):

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income; and

- we would be subject to federal and state income tax on our taxable income at regular corporate rates.

Any such corporate tax liability could be substantial and would reduce the amount of cash available for other purposes. This adverse impact could last for five or more years. Unless we are entitled to relief under certain statutory provisions, we would be taxable as a C corporation beginning in the year in which the failure occurs, and we would not be allowed to re-elect to be taxed as a REIT for the following four years.

If we fail to qualify for taxation as a REIT, we may need to borrow additional funds or liquidate certain assets to pay any additional tax liability. Accordingly, funds available for investment or distribution to stockholders would be reduced.

REIT qualification involves the application of highly technical and complex provisions of the Code to our operations, as well as various factual determinations concerning matters and circumstances not entirely within our control. There are limited judicial or administrative interpretations of these provisions. Although we plan to operate in a manner consistent with the REIT qualification rules, we cannot assure you that we will so qualify or remain so qualified.

As a REIT, failure to make required distributions to our stockholders would subject us to federal and state corporate income tax.

Prior to 2012, we had not paid a cash distribution on our common stock since 1999. Beginning in 2013 we declared, and we intend to continue to declare, regular quarterly distributions, the amount of which will be determined, and will be subject to adjustment, by our board of directors. Our board of directors has approved a dividend policy pursuant to which we will pay a quarterly cash dividend in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by us) less maintenance capital expenditures or 100% of REIT taxable income on an annual basis, whichever is greater. This dividend policy may be altered at any time by our board of directors, and certain provisions of our debt agreements may prohibit us from paying dividends in accordance with the policy. To qualify as a REIT, we are generally required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders. If our cash available for distribution falls short of our estimates, we may be unable to maintain the proposed quarterly distributions that approximate our taxable income and may fail to qualify for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the recognition of income for federal and state income tax purposes, or the effect of nondeductible expenditures.

To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to federal and state corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders for a calendar year is less than a minimum amount specified under the Code.

Covenants in our current and future debt instruments may limit our ability to make required distributions to our stockholders in accordance with our announced intended dividend policy.

Our credit facility imposes, and future financing agreements are likely to impose, operating and financial restrictions on our activities, including restrictions on the payment of dividends. These restrictions may prevent us from making distributions to our stockholders in accordance with our announced intended dividend policy.

We may be required to borrow funds, sell assets, or issue equity to satisfy our REIT distribution requirements or maintain the asset ownership tests.

To meet the REIT distribution requirements and maintain our qualification and taxation as a REIT, we may need to borrow funds, sell assets or issue equity, even if the then-prevailing market conditions are not favorable for these borrowings, sales or offerings. Any insufficiency of our cash flows to cover our REIT distribution requirements could adversely impact our ability to raise short- and long-term debt, to sell assets, or to offer equity securities to fund distributions required to maintain our qualification and taxation as a REIT. Furthermore, the REIT distribution

requirements may increase the financing we need to fund capital expenditures, future growth and expansion initiatives. This would increase our total leverage.

In addition, if we fail to comply with certain REIT asset ownership tests at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification. As a result, we may be required to liquidate otherwise attractive assets. These actions may reduce our income and amounts available for distribution to our stockholders.

Complying with REIT requirements may limit our flexibility or cause us to forego otherwise attractive opportunities.

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our common stock. Thus, compliance with these tests will require us to refrain from certain activities and may hinder our ability to make certain attractive investments, including the purchase of non-qualifying assets, the expansion of non-real estate activities, and investments in the businesses to be conducted by our TRSs, and to that extent limit our opportunities and our flexibility to change our business strategy. Furthermore, acquisition opportunities may be adversely affected if we need or require the target company to comply with some REIT requirements prior to closing. In addition, as a REIT, we may face investor pressures to forego growth opportunities that are not immediately accretive.

We hold our non-qualifying REIT assets in one or more TRSs. These non-qualifying REIT assets consist primarily of non-real estate assets related to our Hospitality segment and the assets related to our Entertainment segment as historically structured and operated. We conduct a significant portion of our business activities through these TRSs. Under the Code, no more than 25% of the value of the assets of a REIT may be represented by securities of one or more TRSs and other non-qualifying assets and no more than 20% of the value of the assets of a REIT may be represented by securities of one or more TRSs. These limitations may affect our ability to make additional investments in our Entertainment segment as historically structured and operated or in other non-REIT qualifying operations or assets. To meet our annual distribution requirements, we may be required to distribute amounts that may otherwise be used for our operations, including amounts that may otherwise be invested in future acquisitions, capital expenditures or repayment of debt, and it is possible that we might be required to borrow funds, sell assets or issue equity to fund these distributions, even if the then-prevailing market conditions are not favorable for these borrowings, sales or offerings.

Our planned use of TRSs may cause us to fail to qualify as a REIT.

The net income of our TRSs is not required to be distributed to us, and income that is not distributed to us generally will not be subject to the REIT income distribution requirement. However, there may be limitations on our ability to accumulate earnings in our TRSs and the accumulation or reinvestment of significant earnings in our TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in our TRSs causes the fair market value of our securities in our TRSs and certain other non-qualifying assets to exceed 20% of the fair market value of our assets, we would fail to qualify as a REIT.

If our leases of our hotel properties to TRS lessees are not true leases for federal income tax purposes, we may fail to qualify as a REIT.

In order for the lease payments by our TRS lessees to our property-owning subsidiaries to qualify for purposes of the gross income tests, the lease or sublease must be considered a true lease for federal income tax purposes and must not be treated as a service contract, joint venture, or some other type of arrangement. We believe we have structured our leases and subleases of our hotel properties to our TRS lessees so that the leases will be considered true leases for federal income tax purposes, but there can be no assurance that the IRS will agree with this characterization.

If Marriott or any future third-party hotel manager fails to qualify as an “eligible independent contractor,” or if our hotels are not “qualified lodging facilities,” we will fail to qualify as a REIT.

Rent paid by a lessee or sublessee that is a “related party tenant” of ours will not be qualifying income for purposes of the two gross income tests applicable to REITs. An exception is provided, however, for leases of “qualified lodging

facilities” to a TRS so long as the hotels are managed by an “eligible independent contractor” and certain other requirements are satisfied. We lease or sublease our hotel properties to TRS lessees, and such TRS lessees have engaged Marriott as a third-party hotel manager. We believe Marriott and any other third-party hotel manager that our TRS lessees may engage in the future will qualify as “eligible independent contractors” for federal income tax purposes. Among other requirements, to qualify as an “eligible independent contractor,” the third-party hotel manager must not own, directly or through its stockholders, more than 35% of our outstanding shares, and no person or group of persons can own more than 35% of our outstanding shares and the shares (or ownership interest) of the third-party hotel manager, taking into account certain ownership attribution rules. The ownership attribution rules that apply for purposes of these 35% thresholds are complex, and monitoring actual and constructive ownership of our shares by the third-party hotel manager and their owners may not be practical. Accordingly, there can be no assurance that these ownership limits will not be exceeded.

In addition, for a third-party hotel manager to qualify as an “eligible independent contractor,” such company or a related person must be actively engaged in the trade or business of operating “qualified lodging facilities” (as defined below) for one or more persons not related to the REIT or its TRSs at each time that such company enters into a hotel management contract with a TRS lessee. We believe that Marriott operates “qualified lodging facilities” for certain persons who are not related to us or our TRSs, and Marriott has agreed in the hotel management agreements that it, or its affiliates, are eligible independent contractors and will maintain such status. However, no assurances can be provided that Marriott or any other hotel managers that we may engage in the future will in fact comply with this requirement. Failure to comply with this requirement would require us to find other third-party hotel managers for future contracts, and, if we hired a third-party hotel manager without knowledge of the failure, it could jeopardize our status as a REIT.

Finally, each property with respect to which our TRS lessees pay rent must be a “qualified lodging facility.” A “qualified lodging facility” is a hotel, motel or other establishment more than one-half of the dwelling units in which are used on a transient basis, including customary amenities and facilities, provided that no wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility. We believe that our current hotel properties are “qualified lodging facilities.” Although we intend to monitor future acquisitions and improvements of properties, REIT provisions of the Code provide only limited guidance for making determinations under the requirements for “qualified lodging facilities,” and there can be no assurance that these requirements will be satisfied.

Our cash distributions are not guaranteed and may fluctuate.

A REIT generally is required to distribute at least 90% of its REIT taxable income to its stockholders. Our board of directors, in its sole discretion, will determine on a quarterly basis the amount of cash to be distributed to our stockholders based on a number of factors including, but not limited to, our results of operations, cash flow and capital requirements, economic conditions, tax considerations, borrowing capacity and other factors, including debt covenant restrictions that may impose limitations on cash payments and plans for future acquisitions and divestitures. Our board of directors has approved a dividend policy pursuant to which we will pay a quarterly cash dividend based on an annualized amount of at least 50% of adjusted funds from operations (as defined by us) less maintenance capital expenditures or 100% of REIT taxable income on an annual basis, whichever is greater. The dividend policy may be altered at any time by our board of directors and certain provisions of our debt agreements may prohibit us from paying dividends in accordance with the policy. Consequently, our distribution levels may fluctuate.

There are uncertainties relating to the estimate of our special dividend paid on December 21, 2012.

To qualify for taxation as a REIT effective for the year ended December 31, 2013, we were required to distribute to our stockholders our undistributed accumulated earnings and profits attributable to taxable periods ended prior to January 1, 2013. To satisfy this requirement, on November 2, 2012, our board of directors declared a special dividend in the amount of \$6.84 per share of common stock, or an aggregate of approximately \$309.8 million to stockholders of record as of the close of business on November 13, 2012, payable on December 21, 2012 in a combination of cash and stock, as elected by stockholders. We believe that the total value of the special dividend was sufficient to fully distribute our accumulated earnings and profits and that a portion of the special dividend exceeded our accumulated earnings and profits. However, the amount of our undistributed accumulated earnings and profits is a complex factual and legal determination. We may

have had less than complete information at the time we estimated our earnings and profits or may have interpreted the applicable law differently from the IRS. Substantial uncertainties exist relating to the computation of our undistributed accumulated earnings and profits, including the possibility that the IRS could successfully assert that our pre-REIT accumulated earnings and profits should be increased. Thus, we may fail to satisfy the requirement to distribute all of our pre-REIT accumulated earnings and profits by the close of our first taxable year as a REIT.

Even though we are conducting our business as a REIT, certain of our business activities will be subject to corporate level income tax, which will continue to reduce our cash flows, and we will have potential deferred and contingent tax liabilities.

Even though we are conducting our business as a REIT, we may be subject to certain federal, state, and local taxes on our income and assets, taxes on any undistributed income, and state or local income, franchise, property and transfer taxes. In addition, we could in certain circumstances be required to pay an excise or penalty tax, which could be significant in amount, to utilize one or more relief provisions under the Code to maintain qualification for taxation as a REIT.

Our business related to the non-real estate assets of our Hospitality segment and the assets of our Entertainment segment is conducted through wholly-owned TRSs because these activities could generate non-qualifying REIT income as historically structured and operated. Those TRS assets and operations continue to be subject, as applicable, to federal and state corporate income taxes in the jurisdictions in which those assets and operations are located. Any of these taxes would decrease our earnings and our available cash. In addition, net operating losses in any of our TRSs generally will not provide any tax benefit, except for use against current or future taxable income in the TRSs.

Complying with REIT requirements may limit our ability to hedge effectively and increase the costs of our hedging, and may cause us to incur tax liabilities.

The REIT provisions of the Code limit our ability to hedge liabilities. Generally, income from hedging transactions that we enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets and income from certain currency hedging transactions related to any non-U.S. operations do not constitute “gross income” for purposes of the REIT gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of the REIT gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRSs would be subject to tax on income or gains resulting from hedges entered into by them or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear.

U.S. federal tax reform legislation could affect REITs generally, the geographic markets in which we operate, our stock and our results of operations, both positively and negatively in ways that are difficult to anticipate.

In 2017, the U.S. Congress passed tax reform legislation that made significant changes to corporate and individual tax rates and the calculations of taxes, as well as international tax rules for U.S. domestic corporations. In addition, it is uncertain if and to what extent various states will conform to this legislation. As a REIT, we are generally not required to pay federal taxes otherwise applicable to regular corporations (except for income related to our TRSs) if we comply with the various tax regulations governing REITs. Stockholders, however, are generally required to pay taxes on REIT dividends. Tax reform legislation will continue to affect the way in which dividends paid on shares of our common stock are taxed and could impact our stock price or how stockholders and potential investors view an investment in REITs generally.

Legislative or other actions affecting REITs could have a negative effect on us or our stockholders.

At any time, the federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. Federal and state tax laws are constantly under review by persons involved in the legislative process, the IRS, the United States Department of the Treasury and state taxing authorities. Changes to the tax laws, regulations and administrative interpretations, which may have retroactive application, could adversely affect us. We cannot predict with

certainty whether, when, in what forms, or with what effective dates, the tax laws, regulations and administrative interpretations applicable to us may be changed. Accordingly, we cannot assure you that any such change will not significantly affect our ability to qualify for taxation as a REIT or the federal income tax consequences to us of such qualification.

Even as a REIT, changes in federal, state, or local tax law, interpretations of existing tax law or agreements with tax authorities could affect our profitability and financial condition by increasing our tax costs.

We are subject to taxation at the federal, state and local levels in the United States. Our future tax rates could be affected by changes in the composition of earnings in jurisdictions with differing tax rates, changes in the valuation of our deferred tax assets and liabilities, or changes in determinations regarding the jurisdictions in which we are subject to tax. From time to time, the U.S. federal, state and local governments make substantive changes to tax rules and the application thereof, which could result in materially higher corporate taxes than would be incurred under existing tax law or interpretations and could adversely impact profitability. State and local tax authorities have increased their efforts to increase revenues through changes in tax law and audits. Such changes and proposals, if enacted, could increase our future effective income tax rates, as well as other taxes, including property taxes.

The ability of our board of directors to revoke our REIT qualification, without stockholder approval, may cause adverse consequences to our stockholders.

Our Amended and Restated Articles of Incorporation (“Charter”) provides that the board of directors may revoke or otherwise terminate the REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to be a REIT, we will not be allowed a tax deduction with respect to distributions to our stockholders in computing our taxable income, and we will be subject to federal and state income tax at regular corporate rates and state and local taxes, which may have adverse consequences on our stock price, distributions, and total return to our stockholders.

If our third-party managers do not manage our hotel properties or other businesses successfully, our financial condition, results of operations and our ability to service debt and make distributions to our stockholders may be negatively impacted.

Due to federal income tax laws that restrict REITs from operating and managing hotels, we do not operate or manage the day-to-day functions of any of our hotel properties as a REIT. We lease or sublease our hotel properties to TRSs, and such TRS lessees have engaged Marriott as a third-party hotel manager pursuant to hotel management agreements. Marriott manages the day-to-day operations of our Gaylord Hotels, as well as Gaylord Rockies, the Inn at Opryland and the AC Hotel. We will identify third-party hotel managers to operate and manage any hotels that we acquire in the future. Our third-party hotel managers are responsible for the day-to-day management of our hotel properties, including, but not limited to, implementing significant operating decisions, setting rates for rooms and meeting space, controlling revenue and expenditures, collecting accounts receivable, and recruiting, employing and supervising employees at our hotel properties. We do not have the authority to require our third-party hotel managers to operate our hotel properties in a particular manner, although we have consent and approval rights for certain matters under our hotel management agreements with Marriott, subject to the limitations described therein. As a result, our financial condition, results of operations and our ability to service debt and make distributions to our stockholders are largely dependent on the ability of our third-party hotel managers to operate our hotel properties successfully. Any failure by our third-party hotel managers to provide quality services and amenities or to maintain and protect a quality brand name and reputation could have a negative impact on their ability to operate and manage our hotel properties successfully and could negatively impact our financial condition, results of operations and our ability to service debt and make distributions to our stockholders.

We cannot assure you that our third-party hotel managers will operate and manage our hotel properties in a manner that is consistent with their obligations under the hotel management agreements, that our third-party hotel managers will not be negligent in their performance or engage in other criminal or fraudulent activity, or that they will not otherwise default on their management obligations to us.

Even if we believe our hotel properties are being operated inefficiently or in a manner that does not result in satisfactory operational metrics, we will have limited ability to require our third-party hotel managers to change their method of operation of our hotel properties. We generally will attempt to resolve issues with third-party hotel managers through discussions and negotiations. However, if we are unable to reach satisfactory results through discussions and negotiations, we may choose to litigate the dispute or submit the matter to third-party dispute resolution or arbitration. We would be able to seek redress only if a third-party hotel manager violates the terms of the applicable hotel management agreement, and then only to the extent of the remedies provided for under the terms of the hotel management agreement. Additionally, in the event we need to replace any of our third-party hotel managers, we may experience significant business disruptions at the affected hotel properties, and may be liable, under certain circumstances, for significant damages and/or be required to make certain payments to our third-party managers.

The operation and management of our current hotel properties, the operation of which generates substantially all our Hospitality segment revenue, is concentrated in Marriott.

Our current hotel properties, the operation of which generates substantially all our Hospitality segment revenue, are operated and managed by Marriott. As a result, our operational risk is concentrated in one third-party hotel manager, which makes us more vulnerable economically to any weakness of Marriott than if we entered into hotel management agreements with several third-party hotel managers. We cannot assure you that Marriott will satisfy its obligations to us or successfully operate and manage our current hotel properties. Any adverse developments in Marriott's business and affairs, financial strength or ability to operate and manage our current hotel properties successfully could materially reduce our revenues and net income, which could in turn reduce the amount of distributions to our stockholders. Additionally, we rely on the resources of and financial information provided by Marriott to report the financial results of our hotel properties. A failure by Marriott to accurately report the financial results of our hotel properties could materially affect our understanding of the hotel properties' performance as well as our ability to accurately report on the hotel properties' performance. Further, Marriott now owns the Gaylord Hotels brand and trademarks, and a failure on their part to maintain quality standards could harm the brand and damage our business.

Revenue growth and cost synergies for our hotel operations are largely dependent on the efforts of Marriott. Marriott's efforts to leverage its rewards program, customer channels and brands, as well as its management of demand for rooms, meeting space and banquets, have resulted in revenue growth and Marriott's efforts to reduce hotel-level costs have yielded cost savings. There can be no assurance that improvements in revenue or cost savings can be sustained.

Restrictive covenants and other provisions in our hotel management agreements with third-party hotel managers could limit our ability to sell or lease our hotel properties or refinance our existing debt.

Our hotel management agreements with Marriott contain, and we anticipate that hotel management agreements with our future third-party hotel managers will contain, restrictive covenants that limit our flexibility to sell or lease our hotel properties. For example, we may not sell or lease our current hotel properties to a competitor of Marriott (as defined in our management agreements with Marriott), and any purchaser or lessee must have, in Marriott's judgment, sufficient financial resources and liquidity to fulfill our obligations under the hotel management agreements. Such restrictions on our ability to sell or lease our hotel properties could negatively affect the marketability of our hotel properties and restrict our ability to refinance our existing debt secured by our hotel properties.

Marriott and any future third-party hotel manager may own or operate hotels that compete with our hotel properties.

Our third-party hotel managers may own or operate hotels that compete with our current hotel properties and any hotel properties that we acquire, which may result in a conflict of interest. For example, Marriott and its affiliates own, have invested in, operate, and have provided credit support or operating guarantees to hotels that compete or will compete with our current hotel properties, including the Marriott Orlando World Center, which competes with Gaylord Palms, and the Washington Marriott Marquis, which competes with Gaylord National. As a result, our third-party hotel managers may make decisions regarding competing hotel properties that are not or would not be in our best interest. In addition, such third-party hotel managers' operation of other hotels may divert attention away from the operation and management of our hotel properties.

Our concentration in the hospitality industry, and in particular the group-oriented meetings sector of the hospitality industry, exposes us to certain risks outside of our and Marriott's control.

Our primary business is hotel-related, and our current hotel properties, the operation of which generates substantially all our Hospitality segment revenue, are concentrated in the group-oriented meetings sector of the hospitality industry. Therefore, a downturn in the lodging industry, in general, and the group-oriented meetings sector, in particular, would have a material adverse effect on our financial condition, results of operations, the market price of our common stock and our ability to service debt and make distributions to our stockholders.

The ability of Marriott to successfully operate and manage our current hotel properties and convention business is subject to factors beyond our and their control, which could reduce the revenue and operating income of these properties. These factors include:

- the desirability and perceived attractiveness of the Nashville, Tennessee; Orlando, Florida; Dallas, Texas; Washington D.C. and Denver, Colorado areas as tourist and convention destinations;
- adverse changes in the national economy and in the levels of tourism and convention business that affect our current hotel properties;
- the level of governmental group business, which has decreased at times in the past due to uncertainty surrounding the U.S. government budget;
- Marriott's ability to attract group convention business;
- Marriott's ability to contract for and collect attrition and cancellation fees from groups that do not fulfill minimum stay or spending requirements;
- the opening of other new hotels could impact the group convention business at our current hotel properties;
- the highly competitive nature of the hotel, tourism and convention business in which our hotel properties operate, including the fact that we compete for convention business with publicly-financed civic convention centers;
- the susceptibility of group convention business to reduced levels of demand during the year-end holiday periods, which Marriott may not be able to offset by attracting sufficient general tourism guests;
- the financial condition of the airline and other transportation-related industries and the resulting impact on travel; and
- increases in our operating costs due to labor costs in connection with workers' compensation, healthcare-related costs (including the Affordable Care Act or its potential replacement), and organized labor activities, the last of which, in addition to increasing labor costs, could cause a diversion of business from our hotels involved in labor negotiations and loss of group business.

These factors could reduce the revenues and net operating profits of our TRS lessees, which in turn could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to service debt and make distributions to our stockholders.

Due to the geographic concentration of our current hotel properties, we are subject to a greater degree of risk to certain factors.

Due to the geographic concentration of our current hotel properties, we are subject to a greater degree of risk to factors including:

- local economic and competitive conditions;
- natural and other disasters;
- a decline in air passenger travel due to higher ticket costs or fears concerning air travel;
- a decline in the attractiveness of the areas in which our hotels are located as a convention and tourism destination; and
- a decrease in convention and meeting business at any of our properties.

Any of these could negatively affect our financial condition, results of operations and our ability to service debt and make distributions to our stockholders.

We may be unable to successfully identify and complete future acquisitions.

Acquisitions of other hotels, particularly in the group-oriented meetings sector of the hospitality industry, either alone or through joint ventures or alliances with one or more third parties, are part of our long-term growth strategy. We may be unable to successfully identify or complete future acquisitions at acceptable prices and terms or, if we are able to find favorable acquisition targets, we may not be able to obtain financing on acceptable terms or secure beneficial joint ventures or alliances. We will evaluate potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope.

The hotel business is capital-intensive, and our inability to obtain financing or successfully complete acquisitions or capital improvements, or the disruption associated with them, could limit our growth.

Acquisitions of hotels will require significant capital expenditures, and hotels that we acquire may need renovations and capital improvements at the time of acquisition. All of our hotel properties will require periodic capital expenditures and renovation to remain competitive. We may also undertake hotel expansions or new features at our existing hotel properties that involve significant capital expenditures, such as our Gaylord Palms and Gaylord Rockies expansions. If any hotels that we acquire are subject to franchise agreements, the franchisors of these hotels may also require periodic capital improvements as a condition to our maintaining the franchise licenses. We may not be able to fund capital improvements or acquisitions solely from cash provided from our operating activities because we must distribute at least 90% of our REIT taxable income (determined before the deduction for dividends paid and net of capital gains) each year to maintain our qualification as a REIT for federal income tax purposes. As a result, our ability to fund acquisitions or capital expenditures through any retained earnings or operating cash flow will be limited. Consequently, we will rely upon the availability of debt or equity capital to fund hotel acquisitions and improvements. Our ability to grow through acquisitions will be limited if we cannot obtain satisfactory debt or equity financing, which will depend on market conditions. We cannot assure you that we will be able to obtain additional equity or debt financing or that we will be able to obtain such financing on favorable terms.

In addition, capital improvements may give rise to the following risks:

- possible environmental problems;
- construction cost overruns and delays;

- the possibility that revenues will be reduced while rooms, restaurants or other facilities are out of service due to capital improvement projects;
- a possible shortage of available cash to fund capital improvements and the related possibility that financing for these capital improvements may not be available to us on attractive terms; and
- uncertainties as to market demand or a loss of market demand after capital improvements have begun.

The costs of renovations and capital improvements could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to service debt and make distributions to our stockholders.

Our TRS lessee structure will subject us to the risk of increased hotel operating expenses and the inability of our TRS lessees to make lease payments to us.

Our leases with our TRS lessees will require our TRS lessees to make lease payments to us based in part on gross revenues from our hotel properties. Our operating risks will include decreases in revenues at our hotel properties and increases in operating expenses of our hotel properties. Decreases in revenues or increases in operating expenses could adversely affect our TRS lessees' ability to make lease payments due under the leases, including, but not limited to, increases in wage and benefit costs, repair and maintenance expenses, property taxes, insurance costs, and other operating expenses. Increases in those operating expenses can have a significant adverse impact on our financial condition, results of operations, the market price of our common stock, and our ability to service debt and make distributions to our stockholders.

In addition, our TRS lessees' ability to make lease payments will be affected by factors beyond their control, such as changes in general economic conditions, the level of demand for hotels and the related services of our hotel properties, competition in the lodging and hospitality industry, the third-party managers' ability to maintain and increase gross revenue at our hotel properties and other factors relating to the operations of our hotel properties.

Accounting for the acquisition of a hotel property or other entity as a business combination, or as part of a step acquisition in which we become the primary beneficiary in a variable interest entity, requires an allocation of the purchase price to the assets acquired and the liabilities assumed in the transaction at their estimated fair values. Should the allocation be incorrect, our assets and liabilities may be overstated or understated, which may also subsequently affect our statement of operations.

As we consider growth opportunities through acquisitions, accounting for any such acquisition of a hotel property or other entity as a purchase combination, or as part of a step acquisition in which we become the primary beneficiary of a variable interest entity, requires an allocation of the purchase price to the assets acquired and liabilities assumed in the transaction at their respective estimated fair values. The most difficult estimations of individual fair values are those involving long-lived assets, such as land, property, equipment, intangible assets and contractual obligations that are assumed as part of the acquisition. We used all available information to make these fair value determinations and may engage independent valuation specialists to assist in the fair value determination of the long-lived assets acquired and the liabilities assumed. Should any of these allocations be incorrect, our assets and liabilities may be overstated or understated, which may also subsequently affect our statement of operations.

Our substantial debt could reduce our cash flow and limit our business activities.

We currently have a significant amount of debt. At December 31, 2019, we had approximately \$2.6 billion of total debt (which includes approximately \$0.8 billion of debt related to our Gaylord Rockies joint venture, in which we own a 62.1% interest). We may incur additional debt in connection with any additional hotel acquisitions, development, investment in new projects, renovations, or capital improvement.

Our substantial amount of debt could have important consequences. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to make distributions to our stockholders and to fund future capital expenditures, working capital and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and the hospitality industry, which may place us at a competitive disadvantage compared with competitors that are less leveraged;
- limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity; and
- limit our ability to obtain additional financing for various projects, including possible expansions of our existing properties and acquisitions of additional properties.

In addition, the terms of our credit facility allow, and instruments governing any new debt may allow, us to incur substantial amounts of additional debt subject to certain limitations. Any such additional debt could increase the risks associated with our substantial leverage. At the time any principal amount of our indebtedness is due, we may not have cash available to pay this amount, and we may not be able to refinance our indebtedness on favorable terms, or at all.

We could be required to refinance our debt before it matures and there is no assurance that we will be able to refinance our debt on acceptable terms.

Our ability to refinance each of our financial agreements on acceptable terms will be dependent upon a number of factors, including our degree of leverage, the value of our assets, borrowing restrictions which may be imposed by lenders and conditions in the credit markets at the time we refinance. If we are unable to refinance our debt on acceptable terms, we may be forced to choose from a number of unfavorable options, including agreeing to otherwise unfavorable financing terms, selling one or more hotel properties at unattractive prices or on disadvantageous terms, or defaulting on mortgages and allowing our lenders to foreclose. Any one of these options could have a material adverse effect on our business, financial condition, results of operations and our ability to make distributions to our stockholders.

To service our debt and pay other obligations, we will require a significant amount of cash, which may not be available to us.

Our ability to make payments on, or repay or refinance, our debt, including our obligations under our senior notes and any future debt we may incur, and to fund planned capital expenditures will depend largely upon our future operating performance and our ability to generate cash from operations. Our future performance, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt and other obligations will depend on the satisfaction of the covenants and financial ratios in our senior credit facility and our other debt agreements, including other agreements we may enter into in the future. Our business may not generate sufficient cash flow from operations or we may not have future borrowings available to us under our credit facility or from other sources in an amount sufficient to enable us to pay our debt or to fund our other liquidity needs.

The agreements governing our debt contain various covenants that may limit our ability to operate our business and impair our ability to make distributions to our stockholders.

Our existing financial agreements, including our credit facility and term loan B impose, and future financing agreements are likely to impose, operating and financial restrictions on our activities, including our ability to make distributions to any stockholder. Our credit facility currently requires us to comply with or maintain certain financial tests and ratios,

including minimum fixed charge coverage ratio, minimum implied debt service coverage ratio and maximum funded debt to asset value ratio, and our financial agreements prohibit or limit our ability to, among other things:

- incur additional debt, issue guarantees of debt and issue preferred stock;
- create liens;
- sell assets;
- sell equity interests in our restricted subsidiaries;
- redeem and/or prepay certain debt;
- pay dividends on our stock to our stockholders or repurchase our stock or other equity interests;
- make certain investments;
- enter new lines of business;
- engage in consolidations, mergers and acquisitions;
- enter into transactions with affiliates; or
- agree to restrictions on our subsidiaries' ability to pay dividends and make other distributions to us.

If we fail to comply with these covenants, we would be in default under our credit facility and the indentures governing our senior unsecured notes, and the outstanding principal and accrued interest on such debt would become due and payable.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants and maintain these financial tests and ratios. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt, including, in the case of our existing credit facility, our Gaylord Hotels properties. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability to pay dividends, incur additional debt and to take other actions might significantly impair our ability to obtain other financing and to make distributions to our stockholders in accordance with our announced intended dividend policy.

Our indebtedness is secured by a substantial portion of our assets.

Subject to applicable laws and certain agreed-upon exceptions, our \$700 revolving credit facility, \$300 million term loan A, and \$500 million term loan B are secured by liens on the substantial majority of our assets, including mortgages on each of our Gaylord Hotels properties. In addition, the Gaylord Rockies joint venture's \$800 million term loan is secured by liens on the substantial majority of Gaylord Rockies assets. Further, the Block 21 assets are and will be subject to mortgage debt that we intend to assume. In the event of a default under our credit facility, or if we experience insolvency, liquidation, dissolution or reorganization, the holders of our secured debt instruments would first be entitled to payment from their collateral security, and only then would holders of our unsecured debt be entitled to payment from our remaining assets.

We are a holding company and depend upon our subsidiaries' cash flow to meet our debt service obligations.

We are a holding company and we conduct our operations through our subsidiaries, including our TRSs. As a result, our ability to meet our debt service obligations substantially depends upon our subsidiaries' cash flows and payments of funds to us by our subsidiaries as dividends, loans, advances, leases or other payments. The payment of dividends and/or making of loans, advances, leases or other payments by our subsidiaries will be subject to the approval of those subsidiaries' boards. Our subsidiaries' ability to pay such dividends and/or make such loans, advances, leases or other payments may also be restricted by, among other things, applicable laws and regulations, current and future debt agreements and management agreements into which our subsidiaries may enter.

Any replacement of LIBOR as the basis on which interest on our variable-rate debt is calculated may harm our financial results, profitability and cash flows.

As of December 31, 2019, we had \$1.5 billion of variable interest rate debt that was indexed to the London Inter-Bank Offered Rate ("LIBOR"). The United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced on July 27, 2017 that it intends to stop persuading or compelling banks to submit LIBOR quotations after 2021 (the "FCA Announcement"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be assured after 2021, and LIBOR may cease to exist or otherwise be unsuitable for use as a benchmark. Recent proposals for LIBOR reforms may result in the establishment of new methods for calculating LIBOR or the establishment of one or more alternative benchmark rates. Although the agreements governing our indebtedness provide for successor base rates, as applicable, the successor base rates may be related to LIBOR, and the consequences of any potential cessation, modification or other reform of LIBOR cannot be predicted at this time. If LIBOR ceases to exist, we may need to amend the agreements governing our indebtedness, and we cannot predict what alternative interest rate(s) will be negotiated with our counterparties. As a result, our interest expense may increase, our ability to refinance some or all of our existing indebtedness and/or interest rate swaps may be impacted and our available cash flow may be adversely affected.

We and our third-party hotel manager rely on information technology in our operations, and any material failure, inadequacy, interruption, or security failure could harm our business.

We and our third-party hotel manager rely on information technology systems, including networks and the Internet, to process, transmit, and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, personal identifying information, reservations, billing and operating data. Our businesses require collection of large volumes of internal and customer data, including credit card numbers and other personally identifiable information of our customers in various information systems and those of our service providers. The integrity and protection of customer, employee, and company data is critical to us. If that data is inaccurate or incomplete, we or the hotel managers could make faulty decisions. Customers and employees also have a high expectation that we and our third-party service providers and processors will adequately protect their personal information. The regulatory environment surrounding information, security and privacy is also increasingly demanding and evolving. For example, in June 2018, the State of California enacted the California Consumer Privacy Act (the "CCPA"), which became effective in January 2020, requiring companies that process information on California residents to, among other things, provide new disclosures and options to consumers about data collection, use and sharing policies. Our existing systems may be unable to satisfy changing regulatory requirements and employee and customer expectations, or may require significant additional investments or time to do so. Despite implementation of various measures designed to protect our information systems and records, including those we maintain with our service providers, we, the hotel managers and/or our third-party service providers may be subject to security breaches, system failures, viruses, operator error, unauthorized or inadvertent releases of data. A significant theft, loss, or fraudulent use of customer, employee, or company data maintained by us or by a service provider or failure to comply with the various U.S. and international laws and regulations applicable to the protection of such data, including the CCPA, or with Payment Card Industry (PCI) data security standards, could divert our attention, adversely impact our reputation, result in remedial and other fines or litigation, cause us to incur substantial liabilities or costs, result in a loss of valuable data, or a loss of consumer confidence. A breach in the security of our information systems or those of our service providers, or the unauthorized use of such data by us or our third-party providers, could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits.

Cyber security incidents could have a disruptive effect on our business.

While we have implemented security measures to safeguard our systems and data, our measures or the measures of our service providers or hotel manager may not be sufficient to maintain the confidentiality, security, or availability of the data collected, stored, and used to manage our Gaylord Hotels properties or Gaylord Rockies. Efforts to hack or circumvent security measures, efforts to gain unauthorized access to data, failure of systems or software to operate as designed or intended, viruses, “ransomware” or other malware, “phishing” or other types of business email compromises, operator error, or inadvertent releases of data may materially impact our information systems and records of those of our owners, licensees, or service providers. Our reliance on computer, Internet-based, and mobile systems and communications, and the frequency and sophistication of efforts by third parties to gain unauthorized access to such systems, have greatly increased in recent years. Like most large multinational corporations, our hotel manager and its service providers have experienced cyber-attacks, and attempts to disrupt access to their systems and data or those of properties our hotel manager manages and the frequency and sophistication of such efforts could continue to increase. Although some of these efforts may not be successful or impactful, a significant theft, loss, loss of access to, or fraudulent use of guest, associate, owner, licensee, or company data could adversely impact our reputation and could result in remedial and other expenses, fines, or litigation. Depending on the nature and scope of the event, compromises in the security of our information systems or those of our owners, licensees, or service providers or other disruptions in data services could lead to an interruption in the operation of our systems or our hotel manager’s systems, resulting in operational inefficiencies and a loss of profits, and negative publicity, resulting in tangible adverse effects on our business, including consumer boycotts, cancellations, lost sales or litigation, all of which could affect our market share, reputation, business, financial condition, or results of operations. In addition, although we or our manager carry cyber/privacy liability insurance that is designed to protect us against certain losses related to cyber risks, that insurance coverage may not be sufficient to cover all losses or all types of claims that may arise in connection with cyber-attacks, security compromises, and other related incidents. Furthermore, in the future such insurance may not be available on commercially reasonable terms, or at all.

Our real estate investments are subject to numerous risks.

Because we own hotels and attractions properties, we are subject to the risks that generally relate to investments in real property. The investment returns available from equity investments in real estate depend in large part on the amount of income earned and capital appreciation generated by the related properties, as well as the expenses incurred. In addition, a variety of other factors affect income from properties and real estate values, including governmental regulations, insurance, zoning, tax and eminent domain laws, interest rate levels and the availability of financing. For example, new or existing real estate zoning or tax laws can make it more expensive and/or time-consuming to develop real property or expand, modify or renovate properties. When interest rates increase, the cost of acquiring, developing, expanding or renovating real property increases, particularly as the cost of borrowing increases, and real property values may decrease as the number of potential buyers decreases. Similarly, as financing becomes less available, it becomes more difficult both to acquire and to sell real property. Finally, governments can, under eminent domain laws, take real property. Sometimes this taking is for less compensation than the owner believes the property is worth. Any of these factors could have a material adverse impact on our results of operations or financial condition. In addition, equity real estate investments, such as the investments we hold and any additional properties that we may acquire, are relatively difficult to sell quickly. If our properties do not generate revenue sufficient to meet operating expenses, including debt service and capital expenditures, our income will be reduced.

Our properties are subject to environmental regulations that could impose significant financial liability on us.

Environmental laws, ordinances and regulations of various federal, state, local and foreign governments regulate certain of our properties and could make us liable for the costs of removing or cleaning up hazardous or toxic substances on, under or in the properties we currently own or operate or those we previously owned or operated. Those laws could impose liability without regard to whether we knew of, or were responsible for, the presence of hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to properly clean up such substances when present, could jeopardize our ability to develop, use, sell or rent the real property or to borrow using the real property as collateral. If we arrange for the disposal or treatment of hazardous or toxic wastes, we could be liable for the costs of removing or cleaning up wastes at the disposal or treatment facility, even if we never owned or operated that facility.

Other laws, ordinances and regulations could require us to manage, abate or remove lead- or asbestos-containing materials. Similarly, the operation and closure of storage tanks are often regulated by federal, state, local and foreign laws. Finally, certain laws, ordinances and regulations, particularly those governing the management or preservation of wetlands, coastal zones and threatened or endangered species, could limit our ability to develop, use, sell or rent our real property. Existing governmental laws and regulations may be revised or new laws and regulations relating to climate change, air quality or other environmental and health concerns may be adopted or become applicable to us, which could affect the operations of our hotels and/or result in significant additional expense and operating restrictions. The costs to clean up a contaminated property, to defend a claim, or to comply with environmental laws could be material and could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to make distributions to our stockholders. Additionally, because we rely on third-party managers to operate our hotel properties and certain attractions, we have limited control over ensuring compliance at those locations with applicable environmental laws or regulations or approving certain remediation action taken by the manager to resolve such issues.

Compliance with the Americans with Disabilities Act could require us to incur substantial costs.

Under the Americans with Disabilities Act of 1990, as amended (the “ADA”), all public accommodations must meet various federal requirements related to access and use by disabled persons. Compliance with the ADA’s requirements could require removal of access barriers, and non-compliance could result in the U.S. government imposing fines or in private litigants winning damages. Although we believe that our hotel properties substantially comply with present requirements of the ADA, we may be subject to audits or investigations of all of our hotels to determine our compliance, and one or more hotels may not be fully compliant with the ADA. Noncompliance with the ADA could result in the incurrence of additional costs to attain compliance. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our hotel properties and to make alterations as appropriate in this respect. If we are required to make substantial modifications to our hotel properties, whether to comply with the ADA or other changes in governmental rules and regulations, our financial condition, results of operations, the market price of our common stock and amount of cash available for debt service or distributions to our stockholders could be adversely affected. Additionally, because we rely on third-party managers to operate our hotel properties and certain attractions, we have limited control over ensuring compliance at those locations with applicable ADA requirements or approving certain remediation action taken by the manager to resolve such issues.

We have invested in, and in the future may invest in, mortgage loans, mezzanine debt, joint ventures, such as our Gaylord Rockies and Circle investments, or certain minority equity interests over which we may not have significant control, to or for which we may owe significant funding or obligations and for which there is no readily available market, and these investments may not be profitable.

We may invest with third parties through partnerships, joint ventures or other entities, by acquiring non-controlling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. Further, we may invest in mortgage loans or mezzanine financing for a property. These types of investments may not be liquid and we may have little or no rights, or ability, to exercise the direction or control of the respective enterprises. In connection with these investments, we may have obligations under certain guarantees related to such investments. The ultimate value of any debt investments, joint ventures or minority investments will be dependent upon the efforts of others over an extended period of time. The nature of our interests and the absence of a readily available market for those interests restrict our ability to dispose of them. Our lack of control over the management of any business in which we are a creditor, joint owner or minority investor and the lack of a readily available market to sell our interest in these businesses may cause us to recognize a loss on our investment in these businesses or to incur costs or liabilities that we do not control, but for which we may be required to contribute capital or satisfy financial commitments. These arrangements are subject to uncertainties and risks, including those related to credit risk, conflicting joint venture partner interests, including with respect to competition in other markets, and to our joint venture partners failing to meet their financial or other obligations.

We may fail to complete the acquisition of Block 21 on a timely basis or at all, and our financial and operating results may suffer if we are unsuccessful in integrating Block 21 assets with our existing assets.

In December 2019, we entered into an agreement to purchase Block 21, a mixed-use entertainment, lodging, office and retail complex located in Austin, Texas, for \$275 million, which includes the assumption of approximately \$141 million of existing mortgage debt (collectively, the “Block 21 Acquisition”). Although we expect to complete the Block 21 Acquisition at the end of the first quarter or in early second quarter 2020, the completion of the Block 21 Acquisition is subject to customary closing requirements and conditions and there can be no assurance that the Block 21 Acquisition will be completed on the anticipated schedule or at all. If we fail to consummate the Block 21 Acquisition or should the completion of the Block 21 Acquisition be significantly delayed, we will have expended significant resources without realizing all or a portion of the intended economic benefits of the Block 21 Acquisition. Even if we consummate the Block 21 Acquisition, we may not realize the intended economic benefits. If we fail to consummate the Block 21 Acquisition, we would expect to seek to acquire another entertainment or hotel property or other investment, but we may not be able to identify suitable acquisition candidates on attractive terms or at all, or such acquisitions may take a significant amount of time to accomplish. Any failure to complete the Block 21 Acquisition could have a negative impact on our business, financial condition, results of operations and our ability to make distributions to our stockholders.

In addition, if we are unable to successfully integrate the assets acquired in the Block 21 Acquisition with our existing assets in an efficient and effective manner following the completion of the Block 21 Acquisition, the anticipated benefits of the Block 21 Acquisition may not be realized fully, or at all, or may take longer to realize than expected. Further, the integration of the Block 21 assets with our existing assets will require the dedication of significant management resources, which may distract management’s attention from day-to-day business operations. Austin, Texas is a new market for us, and our relative unfamiliarity with the market may result in our having to devote additional time and expense to gain familiarity with the market and maximize operations. An inability to realize the full extent of the anticipated benefits of the Block 21 Acquisition or any delays encountered in the integration process could have an adverse effect on our business, financial condition, results of operations and our ability to make distributions to our stockholders.

As an owner of hotel properties and operator of leisure businesses, we are subject to risks relating to acts of God, outbreaks of pandemic disease, terrorist activity and war.

Our operating income and ability to make distributions to our stockholders may be reduced by acts of God, outbreaks of pandemic disease, or acts of terrorism in locations where we own and/or operate significant properties and areas of the world from which we draw a large number of customers. Gaylord Opryland, which is located adjacent to the Cumberland River and is protected by levees built to sustain a 100-year flood, suffered flood damage on May 3, 2010 as the river rose to levels that over-topped the levees. The per occurrence flood insurance limit for our Gaylord Opryland hotel is now \$500 million. We have also completed enhancements to the levees that protect the hotel to increase the height of the levees. While we believe these steps are reasonable given the likelihood of flood damage at Gaylord Opryland, there can be no assurances that flooding will not occur at Gaylord Opryland in the future. Some types of losses, such as from flood, earthquake, terrorism and environmental hazards, may be either uninsurable, subject to sublimit, or too expensive to justify insuring against. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in a hotel, as well as the anticipated future revenue from the hotel. In that event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property. Similarly, outbreaks of pandemic disease, wars (including the potential for war), terrorist activity (including threats of terrorist activity), political unrest and other forms of civil strife as well as geopolitical uncertainty, may cause our future results to differ materially from anticipated results.

We are subject to risks associated with our hotel managers' employment of hotel personnel, particularly with hotels whose managers employ unionized labor, which could increase our hotels' operating costs, reduce the flexibility of our third-party hotel managers to adjust the size of the workforce at our hotel properties and impair our ability to make distributions to our stockholders.

Our third-party hotel managers are responsible for hiring and maintaining the labor force at each of our hotel properties. Although we do not employ or manage employees at our hotel properties, we are subject to many of the costs and risks generally associated with the hotel labor force, including at those of our hotels with unionized labor. From time to time, hotel operations may be disrupted as a result of strikes, lockouts, public demonstrations or other negative actions and publicity. We also may incur increased legal costs and indirect labor costs as a result of contract disputes or other events. The resolution of labor disputes or re-negotiated labor contracts could lead to increased labor costs, either by increases in wages or benefits or by changes in work rules that raise hotel operating costs. Furthermore, labor agreements may limit the ability of our third-party hotel managers to reduce the size of hotel workforces during an economic downturn because collective bargaining agreements are negotiated between the third-party hotel managers and labor unions. We do not have the ability to control the outcome of these negotiations.

Any failure to protect the trademarks and intellectual property used in our business could reduce the value of our brand names and harm our business.

Third-party infringement of the Gaylord Hotels marks now owned by Marriott or the marks we own and use in our entertainment business, or the failure to enforce rights to the marks, could be damaging to our business.

The reputation and perception of the brands we use is critical to our success. If trademarks or intellectual property are misappropriated or used without authorization, the value of those brands, their reputation, our competitive advantages and our goodwill could be harmed. We regularly apply to register our trademarks in the United States. However, we cannot be certain that those trademark registrations will be granted or that the steps we take to protect our trademarks or intellectual property in the United States will be adequate to prevent others, including third parties or former employees, from copying or using our trademarks or intellectual property without authorization. Our intellectual property is also vulnerable to unauthorized use in some countries outside the United States, where local laws may not adequately protect it. Marriott owns and maintains the marks used in the Gaylord Hotels operations.

Monitoring the unauthorized use of our intellectual property is difficult. As we have in the past, we may need to resort to litigation to enforce our intellectual property rights. Litigation of this type could be costly, force us to divert our resources, lead to counterclaims or other claims against us, or otherwise harm our business. Any failure to maintain and protect trademarks and other intellectual property used in our business could reduce the value of our brands and harm our business.

We are subject to risks related to our environmental, social and governance practices.

Many factors influence our reputation including the perception held by our customers and other key stakeholders and the communities in which we do business, and the perception held by customers of Marriott or any future third-party hotel manager. The lodging and entertainment industries in which we operate face increasing scrutiny related to environmental, social and governance activities and risk of damage to our reputation if we fail to act responsibly or comply with regulatory requirements in a number of areas, such as safety and security, environmental stewardship and sustainability, climate change, diversity, human rights, philanthropy and support for local communities. The continuing evolution of social media presents new challenges and requires us to keep pace with new developments and trends. Negative posts or comments about us, the properties we own and Marriott or any future third-party hotel manager on any social networking or user-generated review website, including travel and vacation property websites, could affect consumer opinions of us, and we cannot guarantee that we will timely or adequately redress such instances.

Hospitality companies have been the target of class actions and other lawsuits alleging violations of federal and state law and other claims, and we may be subject to legal claims.

Our operating income and profits may be reduced by legal or governmental proceedings brought by or on behalf of our employees, customers or other third parties. In recent years, a number of hospitality companies have been subject to lawsuits, including class action lawsuits, alleging violations of federal and state law regarding workplace and employment matters, discrimination, customer privacy breaches and other alleged violations of law. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar lawsuits have been instituted against us from time to time and were resolved in an immaterial manner, but we cannot assure you that we will not incur substantial damages and expenses resulting from future lawsuits of this type or other claims, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, because we rely on third-party managers to operate our hotel properties and certain attractions, we have limited control over defending lawsuits of this type or other claims.

Healthcare reform legislation could adversely affect our results of operations.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the “Affordable Care Act”) serves as the primary vehicle for comprehensive healthcare reform in the United States. Court challenges to the law and efforts by the presidential administration and certain members of Congress to repeal or make significant changes to the Affordable Care Act, its implementation and/or its interpretation, have cast considerable uncertainty on the future of the Affordable Care Act. For example, effective in 2019, the penalty associated with the individual mandate to maintain health insurance was repealed. As a result of this change, a federal judge in Texas ruled in December 2018 that the entire Affordable Care Act was unconstitutional. In December 2019, the Fifth Circuit Court of Appeals upheld this decision with respect to the individual mandate, but remanded for further consideration of how this affects the rest of the law. Pending the appeals process, the law remains in effect. We anticipate Congress and state governments will continue to review and assess alternative health care delivery and payment systems and may in the future propose and adopt legislation effecting additional fundamental changes in the health care system. For example, some members of Congress have suggested expanding the coverage of government-funded programs, including single-payor models.

At this time, pursuant to our management agreements, our third-party managers may pass certain health care costs for employees working at our properties through to us. As such, the provisions of the Affordable Care Act as currently in effect, as modified, or subsequent reform efforts, may significantly raise our and our third-party managers’ employee health benefits costs and/or alter the benefits we or our third-party managers are required to provide to our respective employees. If we or our third-party hotel managers are not able to limit or offset future cost increases, those costs could have an adverse effect on our results of operations. As a result, government efforts to repeal or change the Affordable Care Act or implement other reform initiatives may have an adverse effect on our business, results of operations, cash flow, capital resources and liquidity.

Our operating results and ability to service debt and make distributions to our stockholders may be adversely affected by various operating risks common to the lodging industry.

Our hotel properties have different economic characteristics than many other real estate assets, and a hotel REIT is structured differently than many other types of REITs. A typical office property owner, for example, has long-term leases with third-party tenants, which provide a relatively stable long-term stream of revenue. Our TRS lessees, on the other hand, do not enter into a lease with a third-party hotel manager. Instead, our TRS lessees engage our third-party managers pursuant to hotel management agreements and pay the third-party hotel managers fees for managing our hotel properties. The TRS lessees receive all the operating profit or losses at our hotel properties, net of fees and reimbursements. Moreover, virtually all hotel guests stay at a hotel for only a few nights at a time, so the rate and occupancy at each of our hotel properties may change every day. As a result, we may have highly volatile earnings.

In addition, our hotel properties are subject to various operating risks common to the lodging industry, many of which are beyond our or a manager's control, including the following:

- competition from other hotel properties and publicly-financed civic convention centers in our markets;
- over-building of hotels in our markets, which could adversely affect occupancy and revenues at our hotel properties;
- dependence on business and commercial travelers and tourism;
- increases in energy costs and other expenses affecting travel, which may affect travel patterns and reduce the number of business and commercial travelers and tourists;
- increases in operating costs due to inflation and other factors that may not be offset by increased room rates;
- changes in interest rates and in the availability, cost and terms of debt financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- adverse effects of international, national, regional and local economic and market conditions;
- the impact of the use of Internet travel intermediaries by consumers;
- unforeseen events beyond our control, such as terrorist attacks, travel-related health concerns including pandemics and epidemics (including a widespread outbreak of coronavirus in the United States), political instability, regional hostilities, imposition of taxes or surcharges by regulatory authorities, travel-related accidents and unusual weather patterns, including natural disasters, such as hurricanes and earthquakes;
- adverse effects of a downturn in the lodging industry; and
- risks generally associated with the ownership of hotels and real estate, as discussed in more detail below.

These factors could reduce the net operating profits of our TRS lessees, which in turn could adversely affect the amount and frequency of distributions we make to our stockholders and our ability to service our debt.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our hotel properties and harm our financial condition.

Because real estate investments are relatively illiquid, our ability to promptly sell one or more of our hotel properties in response to changing economic, financial and investment conditions may be limited. The real estate market is affected by many factors that are beyond our control, including:

- adverse changes in international, national, regional and local economic and market conditions;
- changes in interest rates and in the availability, cost and terms of debt financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- the ongoing need for capital improvements, particularly in older structures;

- changes in operating expenses; and
- civil unrest, acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses, and acts of war or terrorism, including the consequences of the terrorist acts.

We may decide in the future to sell one or more of our hotel properties. We cannot predict whether we will be able to sell any hotel property for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a hotel property. Further, as a REIT, we are subject to a 100% excise tax on net income derived from prohibited transactions, including the sale of property (other than foreclosure property) held primarily for sale to customers in the ordinary course. There can be no assurances that the IRS will not contend that the sale of a hotel is subject to this 100% excise tax.

We may be required to expend funds to correct defects or to make improvements before a hotel property can be sold. We cannot assure you that we will have funds available to correct those defects or to make those improvements. In acquiring a hotel, we may agree to lock-out provisions that materially restrict us from selling that hotel for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that hotel. These factors and any others that would impede our ability to respond to adverse changes in the performance of our hotel properties could have a material adverse effect on our operating results and financial condition, as well as the amount of cash available for distributions to our stockholders.

Our organizational documents and Delaware law could make it difficult for a third party to acquire control of us.

Our Charter and our Amended and Restated Bylaws contain provisions that could delay, deter or prevent a change in control of our company or our management. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors and take other corporate actions. These provisions:

- impose restrictions on transfer and ownership of our common stock that are designed to assist us in maintaining our status as a REIT;
- authorize us to issue “blank check” preferred stock, which is preferred stock that can be created and issued by our board of directors, without stockholder approval, with rights senior to those of common stock;
- establish advance notice requirements for submitting nominations for election to our board of directors and for proposing matters that can be acted upon by stockholders at meetings;
- provide that special meetings of stockholders may be called only by our chairman or by a majority of the members of our board of directors;
- prohibit stockholder actions taken on written consent; and
- impose restrictions on ownership of common stock by certain persons (including non-United States persons) due to our ownership of a radio station.

We are subject to anti-takeover provisions under Delaware law, which could also delay or prevent a change of control. Together, our Charter, Amended and Restated Bylaws, and Delaware law may discourage transactions that otherwise could provide for the payment of a premium over prevailing market prices for our common stock, and also could limit the price that investors are willing to pay in the future for shares of our common stock.

Our issuance of preferred stock could adversely affect holders of our common stock and discourage a takeover.

Our Charter permits our board of directors to issue up to 100 million shares of preferred stock without any action on the part of our stockholders. As of the date hereof, we have no shares of preferred stock outstanding. Our board of directors

also has the power, without stockholder approval, to set the terms of any new series of preferred stock that may be issued, including voting rights, dividend rights, preferences over our common stock with respect to dividends or in the event of a dissolution, liquidation or winding up and other terms. In the event that we issue shares of preferred stock in the future that have preference over our common stock with respect to payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of the holders of our common stock or the market price of our common stock could be adversely affected. In addition, the ability of our board of directors to issue shares of preferred stock without any action on the part of our stockholders may impede a takeover of us and prevent a transaction favorable to our stockholders.

The ownership limitations in our Charter may restrict or prevent stockholders from engaging in certain transfers of our common stock.

To qualify and remain qualified as a REIT, no more than 50% in value of our outstanding shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include various kinds of entities) during the last half of any taxable year. To assist us in qualifying as a REIT, our Charter contains a share ownership limit. Generally, any of our shares owned by affiliated owners will be added together for purposes of the share ownership limit. This share ownership limit provides that (subject to certain exceptions) no person may beneficially own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8%, in value or in number of shares, whichever is more restrictive, of the outstanding shares of our capital stock, or any class or series of our capital stock. If anyone transfers shares in a manner that would violate the share ownership limit or prevent us from qualifying as a REIT, those shares instead will be transferred to a trust for the benefit of a charitable beneficiary and will be either redeemed by us or sold to a person whose ownership of the shares will not violate the share ownership limit or we will consider the transfer to be null and void from the outset, and the intended transferee of those shares will be deemed never to have owned the shares.

Our Charter also prohibits the ownership of shares by any person or entity if such ownership would violate or otherwise be inconsistent with federal communications laws or regulations pertaining to the ownership of television or radio stations, cable television or other radio authorizations by (i) foreign persons or entities, (ii) persons or entities having interests in television or radio broadcast stations, newspapers or cable television systems, and (iii) entities seeking direct or indirect control of us without prior federal regulatory approval. In the event of a transfer that would result in a violation or inconsistency with federal communications laws or regulations we may refuse to permit the transfer, suspend the rights of share ownership as necessary to prohibit the violation or inconsistency, or redeem the shares. Anyone who acquires shares in violation of the share ownership limit or the other restrictions on transfer in our Charter bears the risk of suffering a financial loss when the shares are redeemed or sold if the market price of our shares falls between the date of purchase and the date of redemption or sale. In addition, these ownership limitations may prevent an acquisition of control of us by a third party without the approval of our board of directors, even if our stockholders believe the change of control is in their interest.

The ability of our board of directors to change our major policies without the consent of stockholders may not be in our stockholders' interest.

Our board of directors determines our major policies, including any policies and guidelines we may maintain from time to time relating to our acquisitions, leverage, financing, growth, qualification as a REIT and distributions to our stockholders. Our board of directors may amend or revise these and other policies and guidelines from time to time without the vote or consent of our stockholders. Accordingly, our stockholders will have limited control over changes in our policies and those changes could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to make distributions to our stockholders.

We may not have sufficient funds to make cash distributions to stockholders at intended payment levels, and we may be unable to generate sufficient cash flows from our operations to make distributions to our stockholders at any time in the future.

As a REIT, we will generally be required to distribute to our stockholders at least 90% of our REIT taxable income (subject to certain adjustments and excluding any net capital gains) each year for us to maintain our qualification as a

REIT under the Code, which requirement we currently intend to satisfy, and we must distribute 100% of our REIT taxable income, including capital gains, to eliminate federal corporate income tax liability. To the extent we satisfy the 90% distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income.

Subject to maintaining our REIT qualification, we intend to make regular quarterly distributions to our stockholders, but no assurances can be made as to the amount of distributions in the future. We have also announced our intention to make distributions at specified minimum levels. Our board of directors may alter our dividend policy at any time and will have the sole discretion to determine the timing, form and amount of any distributions to our stockholders. Among the factors that could impair our ability to make distributions to our stockholders are:

- our inability to invest our available cash;
- our inability to realize attractive risk-adjusted returns on our investments;
- unanticipated expenses that reduce our cash flow or non-cash earnings;
- defaults in our investment portfolio or decreases in the value of the underlying assets; and
- the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates.

As a result, no assurance can be given that the level of any distributions we make to our stockholders in the future will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect the market price of our common stock.

In addition, distributions that we make to our stockholders will generally be taxable to our stockholders as ordinary income and will generally not be eligible for reduced rates applicable to “qualified” dividend income. However, a portion of our distributions may be designated by us as long-term capital gains to the extent that they are attributable to capital gains income recognized by us or may constitute a return of capital to the extent that they exceed our earnings and profits as determined for tax purposes. A return of capital is not taxable, but has the effect of reducing the basis of a stockholder’s investment in our common stock.

The market price of our common stock may vary substantially.

The trading prices of equity securities issued by REITs have historically been affected by changes in market interest rates and other factors. One of the factors that may influence the market price of our common stock is the annual yield from distributions on our common stock as compared to yields on other financial instruments. An increase in market interest rates, or a decrease in our distributions to stockholders, may lead prospective purchasers of our shares to demand a higher annual yield and choose other investments, which could reduce the market price of our common stock.

Other factors that could affect the market price of our common stock include the following:

- actual or anticipated variations in our quarterly results of operations;
- changes in market valuations of companies in the hotel or real estate industries;
- changes in expectations of future financial performance or changes in estimates of securities analysts;
- fluctuations in stock market prices and volumes;
- issuances of common stock or other securities in the future;

- disputes with our hotel managers;
- the addition or departure of key personnel;
- announcements by us or our competitors of acquisitions, investments or strategic alliances; and
- unforeseen events beyond our control, such as terrorist attacks, travel related health concerns including pandemics and epidemics (including a widespread outbreak of coronavirus in the United States), political instability, regional hostilities, increases in fuel prices, imposition of taxes or surcharges by regulatory authorities, travel related accidents and unusual weather patterns, including natural disasters, such as hurricanes, tsunamis or earthquakes.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Hospitality Segment

Hotel	Location	Rooms	Meeting, Exhibit and Pre-Function Space
Gaylord Opryland	Nashville, TN	2,888	640,000
Gaylord National	National Harbor, MD (Washington, DC area)	1,996	500,000
Gaylord Texan	Grapevine, TX (Dallas area)	1,814	488,000
Gaylord Rockies (1)	Aurora, CO (Denver area)	1,501	409,000
Gaylord Palms	Kissimmee, FL (Orlando area)	1,416	400,000
Inn at Opryland	Nashville, TN	303	14,000
AC Hotel	National Harbor, MD (Washington, DC area)	192	3,700

- (1) The Company owns a 62.1 percent interest in a joint venture that owns this property.

We own our Opryland complex in Nashville, Tennessee, which includes the site of Gaylord Opryland (approximately 172 acres). We also own the approximately 6-acre site of the Inn at Opryland, which is located near the Opryland complex. We have leased a 65-acre tract in Osceola County, Florida, on which the Gaylord Palms is located, pursuant to a 75-year ground lease with a 24-year renewal option. We acquired approximately 85 acres in Grapevine, Texas, through ownership (approximately 75 acres) and ground lease (approximately 10 acres), on which the Gaylord Texan is located. We also own an additional approximately 40 acres of property near the Gaylord Texan. We own approximately 42 acres on the Potomac River in Prince George’s County, Maryland, on which the Gaylord National is located and we own fee title to the condominium unit in the eight-story building in which the AC Hotel is located. All of our four owned Gaylord Hotels properties secure our credit facility, and Gaylord Rockies assets secure the debt of the Gaylord Rockies joint venture, as described in the Liquidity and Capital Resources section of Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The Gaylord Rockies joint venture owns approximately 85 acres, on which Gaylord Rockies is located, which is leased to a TRS owned by the Gaylord Rockies joint venture. Each of our hotel properties is leased or subleased to one of our TRSs, and such TRS has engaged Marriott to manage the day-to-day operations of the hotel. For a description of the management agreements with Marriott, see “Management Agreements” in Item 1, “Business.” For the operating results of our hotels on a property basis, see “Operating Results – Detailed Segment Financial Information” in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Entertainment Segment

We own the General Jackson’s docking facility, the Grand Ole Opry House and WSM Radio’s offices and studios, each of which are located within the Opryland complex. We also own Gaylord Springs, an 18-hole golf course situated on

over 200 acres, which is located near the Opryland complex. In downtown Nashville, we own the Ryman Auditorium, Ole Red Nashville, and the Wildhorse Saloon dance hall and production facility. We also own an approximate 17,000 square foot building in downtown Nashville that we are currently transforming into additional connecting event space for the Wildhorse Saloon. Our TRSs have engaged Marriott to manage the day-to-day operations of the General Jackson Showboat, Gaylord Springs and the Wildhorse Saloon. For a description of the management agreements with Marriott, see “Management Agreements” in Item 1, “Business.”

Corporate and Other

We own our executive offices and headquarters located at One Gaylord Drive, Nashville, Tennessee, which consists of a five-story office building comprising approximately 80,000 square feet. We believe that these facilities and the facilities related to each of our business segments are generally well maintained.

Item 3. Legal Proceedings

We and various of our subsidiaries are involved in claims and lawsuits incidental to the ordinary course of our businesses, such as personal injury actions by guests and employees and complaints alleging employee discrimination. We maintain various insurance policies, including general liability and property damage insurance, as well as workers’ compensation, business interruption, and other policies, which we believe provide adequate coverage for the risks associated with our range of operations. We believe that we are adequately insured against these claims by our existing insurance policies and that the outcome of any pending claims or proceedings will not have a material effect on our financial statements.

For further discussion of legal proceedings, see “Note 13 – Commitments and Contingencies” to our consolidated financial statements included herein.

Item 4. Mine Safety Disclosures

None.

PART II

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

Our common stock is listed on the New York Stock Exchange under the symbol “RHP”.

Holder

There were approximately 776 record holders of our common stock at January 31, 2020.

Unregistered Sales of Equity Securities

There were no equity securities sold by the Company during the period covered by this Annual Report on Form 10-K that were not registered under the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

No shares of the Company’s common stock were repurchased during the three months ended December 31, 2019.

Other Information

To maintain our qualification as a REIT for federal income tax purposes, we must distribute at least 90% of our REIT taxable income each year. Pursuant to our current dividend policy, we currently plan to pay a quarterly cash dividend to stockholders in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by Ryman) less maintenance capital expenditures or 100% of REIT taxable income on an annual basis, whichever is greater. The declaration, timing and amount of dividends will be determined by future action of our board of directors. Our dividend policy may be altered at any time by our board of directors.

The terms of our credit facility restrict our ability to pay dividends. We are not permitted to pay a dividend to our stockholders if the aggregate amount of all distributions to our stockholders in a given year exceeds 95% of our funds from operations (as defined in the credit facility) for that fiscal year. Notwithstanding this restriction, we are permitted to pay dividends to stockholders to the extent necessary to maintain our status as a REIT.

Information relating to compensation plans under which our common stock is authorized for issuance is set forth in Part III, Item 12 of this Annual Report on Form 10-K.

Item 6. Selected Financial Data

The following selected historical financial information of the Company and its subsidiaries as of December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019 was derived from our audited consolidated financial statements included herein. The selected financial information as of December 31, 2017, 2016 and 2015 and for each of the two years in the period ended December 31, 2016 was derived from previously issued audited consolidated financial statements. The information in the following table should be read in conjunction with Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes as of December 31, 2019 and 2018 and for each of the three years in the period ended December 31, 2019 included herein (in thousands, except per share amounts).

	Years Ended December 31,				
	2019	2018	2017	2016	2015
Income Statement Data:					
REVENUES:					
Rooms	\$ 557,562	\$ 454,370	\$ 431,768	\$ 420,011	\$ 404,457
Food and beverage	660,770	519,843	483,945	477,493	461,157
Other hotel revenue	203,114	153,690	143,947	142,139	128,989
Entertainment	183,120	147,215	125,059	109,564	97,521
Total revenues	<u>1,604,566</u>	<u>1,275,118</u>	<u>1,184,719</u>	<u>1,149,207</u>	<u>1,092,124</u>
OPERATING EXPENSES:					
Rooms	144,834	118,060	112,636	109,618	110,067
Food and beverage	362,850	282,906	269,824	267,307	261,580
Other hotel expenses	409,883	339,529	327,283	323,320	313,706
Hotel management fees, net	39,608	30,744	23,856	22,194	14,657
Entertainment	126,609	109,249	84,513	74,627	67,484
Corporate	36,282	30,833	31,387	26,883	26,133
Preopening costs	3,122	4,869	1,926	—	909
Impairment charges (1)	—	23,783	35,418	—	19,200
Depreciation and amortization:					
Hospitality	201,068	108,779	102,759	100,186	105,876
Entertainment	11,150	10,280	7,074	7,034	5,747
Corporate and Other	1,629	1,817	2,126	2,596	2,760
Total depreciation and amortization	<u>213,847</u>	<u>120,876</u>	<u>111,959</u>	<u>109,816</u>	<u>114,383</u>
Total operating expenses	<u>1,337,035</u>	<u>1,060,849</u>	<u>998,802</u>	<u>933,765</u>	<u>928,119</u>
OPERATING INCOME:					
Hospitality	263,203	247,885	223,302	217,018	188,717
Entertainment	45,361	27,686	33,472	27,903	24,290
Corporate and Other	(37,911)	(32,650)	(33,513)	(29,479)	(28,893)
Preopening costs	(3,122)	(4,869)	(1,926)	—	(909)
Impairment charges (1)	—	(23,783)	(35,418)	—	(19,200)
Total operating income	<u>267,531</u>	<u>214,269</u>	<u>185,917</u>	<u>215,442</u>	<u>164,005</u>
Interest expense	(131,620)	(74,961)	(66,051)	(63,906)	(63,901)
Interest income	11,769	10,469	11,818	11,500	12,384
Loss on extinguishment of debt	(494)	—	—	—	—
Income (loss) from unconsolidated joint ventures (2)	(1,110)	125,005	(4,402)	(2,794)	—
Other gains and (losses), net (3)	693	1,633	(337)	2,524	(12,832)
Benefit (provision) for income taxes (4)	(18,475)	(11,745)	49,155	(3,400)	11,855
Net income	<u>128,294</u>	<u>264,670</u>	<u>176,100</u>	<u>159,366</u>	<u>111,511</u>
Net loss attributable to noncontrolling interest in consolidated joint venture (5)	17,500	—	—	—	—
Net income available to common stockholders	<u>\$ 145,794</u>	<u>\$ 264,670</u>	<u>\$ 176,100</u>	<u>\$ 159,366</u>	<u>\$ 111,511</u>
Basic income per share available to common stockholders	<u>\$ 2.82</u>	<u>\$ 5.16</u>	<u>\$ 3.44</u>	<u>\$ 3.12</u>	<u>\$ 2.18</u>
Diluted income per share available to common stockholders	<u>\$ 2.81</u>	<u>\$ 5.14</u>	<u>\$ 3.43</u>	<u>\$ 3.11</u>	<u>\$ 2.16</u>
Dividends Declared per Common Share (6)	<u>\$ 3.60</u>	<u>\$ 3.40</u>	<u>\$ 3.20</u>	<u>\$ 3.00</u>	<u>\$ 2.70</u>

	As of December 31,				
	2019	2018	2017	2016	2015
Balance Sheet Data (5):					
Total assets	\$ 4,088,468	\$ 3,853,883	\$ 2,524,228	\$ 2,405,753	\$ 2,331,434
Total debt	2,559,968	2,441,895	1,591,392	1,502,554	1,431,710
Total stockholders' equity	644,729	469,577	378,156	367,997	379,562

- (1) Impairment charges in 2018 primarily include costs associated with our previous investment in Opry City Stage, a four-level entertainment complex in Times Square. During the third quarter of 2018, we determined that current ongoing operations were not meeting our revenue projections from the time of purchase and we temporarily

suspended operations to appropriately reposition the venue and its operations. An impairment assessment at that time warranted an impairment charge of \$4.5 million. In December 2018, we determined that we would permanently close Opry City Stage and recorded an additional impairment charge of \$18.0 million. In addition, during 2018, we incurred \$1.2 million in impairment charges related to an entertainment concept that has been abandoned. Impairment charges in 2017 represent a portion of the notes receivable that we hold related to the Gaylord National construction, consisting of other-than-temporary impairment losses of \$35.4 million, which is net of \$6.5 million recognized in other comprehensive income. See further disclosure regarding this impairment in Note 3 to the consolidated financial statements included herein. Impairment charges in 2015 include costs associated with our decision to move forward with an expansion of the guest rooms and convention space at Gaylord Texan, which was ultimately completed in 2018. This capital project replaced a previously contemplated expansion that we began incurring design costs for during 2007 and had been subsequently put on hold. As the Gaylord Texan project was substantially different from the previously contemplated project, we incurred an impairment charge of \$16.3 million in 2015. In addition, during 2015, we incurred \$2.9 million in impairment charges related to assets previously used in special events programming that was discontinued.

- (2) Income from unconsolidated joint ventures for 2018 includes a \$131.4 million gain related to the re-measurement of the pre-existing equity method investment in the Gaylord Rockies joint venture prior to consolidation.
- (3) Other gains and (losses) for 2015 includes a \$20.2 million loss on the repurchase of a portion of the common stock warrants associated with our previous convertible notes. Other gains and (losses) for 2015 also includes a \$6.9 million gain associated with the reimbursement by the current developer of costs that were previously incurred related to a proposed development in Aurora, Colorado. These costs were impaired in 2012 as part of our strategic shift away from long-term development. Other gains and (losses) for 2019, 2018, 2017, 2016 and 2015 includes \$2.8 million, \$2.7 million, \$2.6 million, \$2.5 million and \$2.5 million in income, respectively, received from the marketing and maintenance fund associated with the Gaylord National bonds.
- (4) Benefit for income taxes for 2017 includes a benefit of \$53.4 million related to the release of valuation allowance.
- (5) As a result of the Company's purchase of an additional interest in the Gaylord Rockies joint venture as of December 31, 2018, the Company began consolidating the joint venture's balance sheet at December 31, 2018 and its operating results January 1, 2019. At December 31, 2019, the Company owns a 62.1% interest in the Gaylord Rockies joint venture.
- (6) Dividends declared for 2019 represent quarterly dividends totaling \$3.60 per share, or an aggregate of \$188.3 million in cash. Dividends declared for 2018 represent quarterly dividends totaling \$3.40 per share, or an aggregate of \$174.5 million in cash. Dividends declared for 2017 represent quarterly dividends totaling \$3.20 per share, or an aggregate of \$163.7 million in cash. Dividends declared for 2016 represent quarterly dividends totaling \$3.00 per share, or an aggregate of \$153.0 million in cash. Dividends declared for 2015 represent quarterly dividends totaling \$2.70 per share, or an aggregate of \$138.4 million in cash.

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

This section of this Annual Report on Form 10-K generally discusses 2019 and 2018 items and year-to-year comparisons between 2019 and 2018. Discussions of 2017 items and year-to-year comparisons between 2018 and 2017 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Overview

We are a Delaware corporation, originally incorporated in 1956, that, following our REIT conversion in 2012, began operating as a self-advised and self-administered REIT for federal income tax purposes on January 1, 2013, specializing in group-oriented, destination hotel assets in urban and resort markets. Our owned assets include a network of four upscale, meetings-focused resorts totaling 8,114 rooms that are managed by Marriott International, Inc. ("Marriott")

under the Gaylord Hotels brand. These four resorts, which we refer to as our Gaylord Hotels properties, consist of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee (“Gaylord Opryland”), the Gaylord Palms Resort & Convention Center near Orlando, Florida (“Gaylord Palms”), the Gaylord Texan Resort & Convention Center near Dallas, Texas (“Gaylord Texan”) and the Gaylord National Resort & Convention Center near Washington D.C. (“Gaylord National”). Our other owned hotel assets managed by Marriott include the Inn at Opryland, an overflow hotel adjacent to Gaylord Opryland, and the AC Hotel at National Harbor, Washington D.C. (“AC Hotel”), an overflow hotel adjacent to Gaylord National that opened in April 2015. We also own a 62.1% interest in a joint venture (the “Gaylord Rockies joint venture”) that owns Gaylord Rockies Resort & Convention Center near Denver, Colorado (“Gaylord Rockies”), which opened in December 2018 and is managed by Marriott.

We also own and operate media and entertainment assets including the Grand Ole Opry, the legendary weekly showcase of country music’s finest performers for over 90 years; the Ryman Auditorium, the storied live music venue and former home of the Grand Ole Opry located in downtown Nashville; WSM-AM, the Opry’s radio home; Ole Red, a brand of Blake Shelton-themed bar, music venue and event spaces; and three Nashville-based assets managed by Marriott – Gaylord Springs Golf Links (“Gaylord Springs”), the Wildhorse Saloon, and the General Jackson Showboat (“General Jackson”). We also own a 50% interest in a joint venture intended to create and distribute a linear multicast and over-the-top channel dedicated to the country music lifestyle (“Circle”).

Each of our award-winning Gaylord Hotels properties incorporates not only high quality lodging, but also at least 400,000 square feet of meeting, convention and exhibition space, superb food and beverage options and retail and spa facilities within a single self-contained property. As a result, our Gaylord Hotels properties provide a convenient and entertaining environment for convention guests. Our Gaylord Hotels properties focus on the large group meetings market in the United States.

Our goal is to be the nation’s premier hospitality REIT for group-oriented, destination hotel assets in urban and resort markets.

See “Forward-Looking Statements” and “Risk Factors” under Part I of this annual report for important information regarding forward-looking statements made in this report and risks and uncertainties we face.

Gaylord Rockies Joint Venture

As more fully discussed in Note 4, “Investment in Gaylord Rockies Joint Venture,” to the consolidated financial statements included herein, on December 31, 2018, we completed our purchase of additional interests in the Gaylord Rockies joint venture, increasing our ownership to 61.2%. In addition, on July 31, 2019, we increased our ownership in the Gaylord Rockies joint venture to 62.1%. Our management has concluded that the Company is the primary beneficiary of this variable interest entity (“VIE”) and the financial position and results of operations of the VIE have been consolidated in the accompanying consolidated financial statements included herein, beginning on December 31, 2018 with respect to the balance sheet and January 1, 2019 with respect to statements of operations and comprehensive income and statements of cash flows. Gaylord Rockies opened on a limited basis in December 2018 and on a fully operational basis in first quarter 2019 and is managed by Marriott.

Gaylord Palms Expansion

In 2018, we began construction of a \$158 million expansion of Gaylord Palms, which will include an additional 303 guest rooms and 90,000 square feet of meeting space, an expanded resort pool and events lawn, and a new multi-level parking structure. The expansion is expected to be completed in summer 2021.

Gaylord Rockies Expansion

In February 2020, we and our joint venture partner in the Gaylord Rockies joint venture announced an \$80 million expansion of Gaylord Rockies, which will include an additional 317 guest rooms. The expansion is expected to begin in the second quarter of 2020 and to be completed in early 2022.

SoundWaves at Gaylord Opryland

In December 2018, we opened the indoor portion of a \$90 million investment to create a luxury indoor/outdoor waterpark adjacent to Gaylord Opryland, SoundWaves. The project includes approximately 111,000 square feet of indoor water attractions and activities over three levels and approximately 106,000 square feet of outdoor water amenities. The project includes areas for adults, children and families, as well as dining options and bars. The outdoor portion of the project opened in second quarter 2019.

Circle

In 2019, we acquired a 50% equity interest in Circle for an initial capital contribution of \$2.0 million, and we contributed an additional \$2.0 million in December 2019. The joint venture agreement requires us to contribute up to an additional \$11.0 million through December 31, 2021. Circle launched its broadcast network on January 1, 2020, with sixteen original shows and two major distribution partnerships that broadcast Circle in markets accessible to more than 50% of U.S. television households.

Potential Acquisition of Block 21

In December 2019, we entered into an agreement (the “Block 21 Agreement”) to purchase Block 21, a mixed-use entertainment, lodging, office and retail complex located in Austin, Texas, for \$275 million, which includes the assumption of approximately \$141 million of existing mortgage debt. Block 21 is the home of the ACL Live at the Moody Theater, a 2,750-seat entertainment venue that serves as the filming location for the Austin City Limits television series. The Block 21 complex also includes the 251-room W Austin Hotel, the 350-seat 3TEN at ACL Live club and approximately 53,000 square feet of Class A commercial space. We paid a nonrefundable deposit of \$15 million upon entry into the Block 21 Agreement, and the acquisition is expected to close at the end of the first quarter or in early second quarter 2020, subject to customary closing conditions including, but not limited to, consent to our assumption of the existing mortgage loan by the loan servicer and the consent of the hotel property manager, an affiliate of Marriott, to our assignment and assumption of the existing hotel management agreement. We intend to fund the acquisition with a portion of the proceeds from the equity offering discussed below.

Equity Offering

In December 2019, we completed an underwritten public offering of approximately 3.5 million shares of our common stock, par value \$0.01 per share, at a price to the public of \$85.60 per share. Our net proceeds, after deducting underwriting discounts and commissions and other expenses paid by us, were approximately \$283 million. We intend to use a portion of the net proceeds to fund the approximately \$134 million cash portion of the consideration for the acquisition of Block 21 and the related fees and expenses of the acquisition. We intend to use the remaining net proceeds, or all of the net proceeds if the Block 21 acquisition is not consummated, for general corporate purposes, including future acquisitions or investments and the repayment of any indebtedness outstanding under our revolving credit facility.

Refinancing Activity

In July 2019, the Gaylord Rockies joint venture refinanced its previous \$500 million construction loan and \$39 million mezzanine loan, which were scheduled to mature in December 2019, by entering into an \$800 million secured term loan facility, with an option for an additional \$80 million of borrowing capacity should the Gaylord Rockies joint venture pursue a future expansion of Gaylord Rockies, which the joint venture announced in February 2020 that it intends to pursue. The new term loan facility matures in 2023. Net proceeds, after repayment of the construction and mezzanine loans and the payment of expenses, were distributed to the owners of the Gaylord Rockies joint venture pro rata in proportion to their interests therein. We received a distribution of approximately \$153 million, which we used to repay a portion of the outstanding indebtedness under our revolving credit facility.

In September 2019, we refinanced our previous \$350 million 5% senior notes due 2021 by issuing \$500 million in 4.75% senior notes due 2027 through a private placement. Net proceeds of the \$500 million 4.75% senior notes, after

deducting the initial purchasers' discounts, commissions and offering expenses, were approximately \$493 million, and were used to repurchase a portion of the \$350 million 5% senior notes due 2021 validly tendered and accepted for purchase pursuant to our previously announced cash tender offer, redeem the remaining portion of the \$350 million 5% senior notes, and to repay a portion of the outstanding indebtedness under our revolving credit facility.

In October 2019, we completed a tack-on private placement of \$200 million in additional 4.75% senior notes due 2027 at an issue price of 101.250% of their aggregate principal amount plus accrued interest from the issuance date of the original \$500 million 4.75% senior notes. Net proceeds, after deducting the initial purchasers' discounts, commissions and offering expenses, were approximately \$199 million, and were used to repay a portion of the outstanding indebtedness under our revolving credit facility.

In October 2019, we completed the refinancing of our existing credit facility by extending the maturity of our \$700 million revolving credit facility and \$200 million term loan A to 2024 and 2025, respectively. In addition, we increased the outstanding portion of the term loan A to \$300 million and the accordion feature of the facility from \$500 million to \$600 million. Further, the applicable margin on the interest rate for the revolving credit facility and the term loan A portion of the facility was decreased. There were no changes to the terms of the \$500 million term loan B portion of the credit facility. The net proceeds of the increase in the term loan A, after deducting initial transaction expenses payable at closing, were approximately \$94 million and, along with cash on hand, were used to repay \$100 million of the outstanding indebtedness under our \$500 million term loan B.

For further discussion of the agreements governing each of these debt instruments, see the "Principal Debt Agreements" section of "Liquidity and Capital Resources" below.

Dividend Policy

Pursuant to our current dividend policy, we plan to continue to pay a quarterly cash dividend to stockholders in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by us) less maintenance capital expenditures, or 100% of REIT taxable income, whichever is greater. During 2019, the Company's board of directors declared quarterly dividends totaling \$3.60 per share of common stock, or an aggregate of \$188.3 million in cash. During 2018, the Company's board of directors declared quarterly dividends totaling \$3.40 per share of common stock, or an aggregate of \$174.5 million in cash. During 2017, the Company's board of directors declared quarterly dividends totaling \$3.20 per share of common stock, or an aggregate of \$163.7 million in cash. The declaration, timing and amount of dividends will be determined by future action of our board of directors. Our dividend policy may be altered at any time by our board of directors.

Our Current Operations

Our ongoing operations are organized into three principal business segments:

- Hospitality, consisting of our Gaylord Hotels properties, the Inn at Opryland, the AC Hotel, and our investment in the Gaylord Rockies joint venture, each of which is managed by Marriott.
- Entertainment, consisting of the Grand Ole Opry, the Ryman Auditorium, WSM-AM, Ole Red, and our other Nashville-based attractions, as well as our investment in the Circle joint venture. We own our Entertainment businesses in TRSs, and Marriott manages the General Jackson, Wildhorse Saloon and Gaylord Springs.
- Corporate and Other, consisting of our corporate expenses.

For the years ended December 31, 2019, 2018 and 2017, our total revenues were divided among these business segments as follows:

<u>Segment</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Hospitality	89 %	88 %	89 %
Entertainment	11 %	12 %	11 %
Corporate and Other	0 %	0 %	0 %

Key Performance Indicators

The operating results of our Hospitality segment are highly dependent on the volume of customers at our hotels and the quality of the customer mix at our hotels, which are managed by Marriott. These factors impact the price that Marriott can charge for our hotel rooms and other amenities, such as food and beverage and meeting space. The following key performance indicators are commonly used in the hospitality industry and are used by management to evaluate hotel performance and potentially allocate capital expenditures:

- hotel occupancy (a volume indicator);
- average daily rate (“ADR”) – a price indicator calculated by dividing rooms revenue by the number of rooms sold;
- Revenue per Available Room (“RevPAR”) – a summary measure of hotel results calculated by dividing rooms revenue by room nights available to guests for the period;
- Total Revenue per Available Room (“Total RevPAR”) – a summary measure of hotel results calculated by dividing the sum of room, food and beverage and other ancillary service revenue by room nights available to guests for the period; and
- Net Definite Room Nights Booked – a volume indicator which represents the total number of definite bookings for future room nights at our hotels confirmed during the applicable period, net of cancellations.

Hospitality segment revenue from our occupied hotel rooms is recognized over time as the daily hotel stay is provided to hotel groups and guests. Revenues from concessions, food and beverage sales, and group meeting services are recognized over the period or at the point in time those goods or services are delivered to the group or hotel guest. Revenues from ancillary services at our hotels, such as spa, parking, and transportation services, are generally recognized at the time the goods or services are provided. Cancellation fees, as well as attrition fees that are charged to groups when they do not fulfill the minimum number of room nights or minimum food and beverage spending requirements originally contracted for, are generally recognized as revenue in the period we determine it is probable that a significant reversal in the amount of revenue recognized will not occur, which is typically the period these fees are collected.

Almost all of our Hospitality segment revenues are either cash-based or, for meeting and convention groups that meet our credit criteria, billed and collected on a short-term receivables basis. The hospitality industry is capital intensive, and we rely on the ability of our hotels to generate operating cash flow to repay debt financing and fund maintenance capital expenditures.

The results of operations of our Hospitality segment are affected by the number and type of group meetings and conventions scheduled to attend our hotels in a given period. A variety of factors can affect the results of any interim period, including the nature and quality of the group meetings and conventions attending our hotels during such period, which meetings and conventions have often been contracted for several years in advance, the level of attrition our hotels experience, and the level of transient business at our hotels during such period. We rely on Marriott, as the manager of our hotels, to manage these factors and to offset any identified shortfalls in occupancy.

Summary Financial Results

The following table summarizes our financial results for the years ended December 31, 2019, 2018 and 2017 (in thousands, except percentages and per share data):

	2019	% Change	2018	% Change	2017
Total revenues	\$ 1,604,566	25.8 %	\$ 1,275,118	7.6 %	\$ 1,184,719
Total operating expenses	1,337,035	26.0 %	1,060,849	6.2 %	998,802
Operating income	267,531	24.9 %	214,269	15.2 %	185,917
Net income	128,294	(51.5)%	264,670	50.3 %	176,100
Net income available to common shareholders	145,794	(44.9)%	264,670	50.3 %	176,100
Net income available to common shareholders per share - diluted	2.81	(45.3)%	5.14	49.9 %	3.43

2019 Results as Compared to 2018 Results

The increase in our total revenues during 2019, as compared to 2018, is attributable to increases in our Hospitality segment and Entertainment segment revenues of \$293.5 million and \$35.9 million, respectively, as discussed more fully below.

The increase in total operating expenses during 2019, as compared to 2018, is primarily the result of increases in Hospitality segment and Entertainment segment expenses of \$185.9 million and \$17.4 million, respectively, as well as an increase in depreciation and amortization expense of \$93.0 million. These increases were partially offset by \$23.8 million in impairment charges for 2018 that did not recur in 2019.

The above factors resulted in a \$53.3 million increase in operating income for 2019, as compared to 2018.

The \$136.4 million decrease in our net income in 2019, as compared to 2018, was due to the change in our operating income described above, offset by the following factors, each as described more fully below:

- A loss from unconsolidated joint ventures of \$1.1 million in 2019 compared to income from unconsolidated joint ventures of \$125.0 million in 2018. Income from unconsolidated joint ventures for 2018 includes a \$131.4 million gain related to the re-measurement of the pre-existing equity method investment in the Gaylord Rockies joint venture prior to consolidation.
- A \$56.7 million increase in interest expense for 2019, driven by outstanding debt from the Gaylord Rockies joint venture, which we began consolidating December 31, 2018.
- A \$6.7 million increase in the provision for income taxes in 2019.

Factors and Trends Contributing to Operating Performance in 2019 Compared to 2018

The most important factors and trends contributing to our operating performance in 2019 as compared to 2018 were:

- The opening of Gaylord Rockies on a limited basis in December 2018 and on a fully-operational basis in the first quarter of 2019, and the resulting impact on our financial results.
- Increased occupied rooms (an increase of 11.3%), and outside-the-room spending (an increase of 13.1%) at Gaylord Texan during 2019, as compared to 2018, primarily due to increases in group business partially attributable to the recent rooms and meeting space expansion, which opened in the second quarter of 2018.
- Increased ADR (an increase of 2.8%) and outside-the-room spending (an increase of 6.0%) at Gaylord Opryland during 2019, as compared to 2018. The increase in ADR is due to increases in both group and

transient rates. The increase in outside-the-room spending is primarily due to increased food and beverage outlet revenue, as well as the opening of SoundWaves.

- A decrease in net definite room nights booked during 2019, as compared to 2018 (a decrease of 10.1% and 12.8% for total Hospitality and same-store, which excludes Gaylord Rockies, respectively), primarily due to the fourth quarter 2018 being an all-time record booking quarter for the Company. In addition, we have the highest level of room nights on-the-books in the Company's history, which has limited the availability of additional bookings into high demand periods for group business.
- Increased revenue for our Entertainment segment during 2019, as compared to 2018 (an increase of 24.4%), due primarily to increased shows, attendance and retail revenue at the Grand Ole Opry and Ryman Auditorium, as well as the operation of Ole Red Gatlinburg, which opened in March 2019, and increased revenue at Ole Red Nashville, which opened in May 2018.
- Increased expenses for our Entertainment segment during 2019, as compared to 2018 (an increase of 15.9%), due primarily to the operations of Ole Red Gatlinburg, as well as increased expenses at the Ryman Auditorium, primarily due to the increase in variable expenses associated with the increase in revenue. In addition, 2019 was impacted by the full year of operations of Ole Red Nashville. The 2019 year also benefitted from 2018 including losses from operations of Opry City Stage, which the Company closed in late 2018.

Operating Results – Detailed Segment Financial Information

Hospitality Segment

Total Segment Results. The following presents the financial results of our Hospitality segment for the years ended December 31, 2019, 2018 and 2017 (in thousands, except percentages and performance metrics):

	2019	% Change	2018	% Change	2017
Revenues:					
Rooms	\$ 557,562	22.7 %	\$ 454,370	5.2 %	\$ 431,768
Food and beverage	660,770	27.1 %	519,843	7.4 %	483,945
Other hotel revenue	203,114	32.2 %	153,690	6.8 %	143,947
Total hospitality revenue	<u>1,421,446</u>	26.0 %	<u>1,127,903</u>	6.4 %	<u>1,059,660</u>
Hospitality operating expenses:					
Rooms	144,834	22.7 %	118,060	4.8 %	112,636
Food and beverage	362,850	28.3 %	282,906	4.8 %	269,824
Other hotel expenses	409,883	20.7 %	339,529	3.7 %	327,283
Management fees, net	39,608	28.8 %	30,744	28.9 %	23,856
Depreciation and amortization	201,068	84.8 %	108,779	5.9 %	102,759
Total Hospitality operating expenses	<u>1,158,243</u>	31.6 %	<u>880,018</u>	5.2 %	<u>836,358</u>
Hospitality operating income (1)	<u>\$ 263,203</u>	6.2 %	<u>\$ 247,885</u>	11.0 %	<u>\$ 223,302</u>
Hospitality performance metrics:					
Occupancy (2)	75.8 %	0.5 pts	75.3 %	(0.2)pts	75.5 %
ADR	\$ 199.26	2.4 %	\$ 194.64	3.2 %	\$ 188.67
RevPAR (3)	\$ 151.09	3.1 %	\$ 146.50	2.9 %	\$ 142.42
Total RevPAR (4)	\$ 385.20	5.9 %	\$ 363.66	4.0 %	\$ 349.53
Net Definite Group Room Nights Booked	2,216,000	(10.1)%	2,465,000	0.3 %	2,457,000
Same-store Hospitality performance metrics (5):					
Occupancy (2)	77.0 %	1.7 pts	75.3 %	(0.2)pts	75.5 %
ADR	\$ 199.31	2.4 %	\$ 194.64	3.2 %	\$ 188.67
RevPAR (3)	\$ 153.42	4.7 %	\$ 146.50	2.9 %	\$ 142.42
Total RevPAR (4)	\$ 380.26	4.6 %	\$ 363.66	4.0 %	\$ 349.53
Net Definite Group Room Nights Booked	1,836,000	(12.8)%	2,106,000	4.7 %	2,012,000

- (1) Hospitality segment operating income does not include preopening costs of \$1.3 million, \$2.9 million and \$0.3 million in 2019, 2018 and 2017, respectively. Hospitality segment operating income also does not include impairment charges of \$35.4 million during 2017 or income (loss) from unconsolidated joint ventures of \$124.4 million and \$(1.9) million in 2018 and 2017, respectively. See the discussion of these items set forth below.
- (2) Hospitality segment occupancy percentage was impacted in 2019 and 2018 due to the addition of 303 rooms associated with the 2018 Texan expansion and the related additional rooms available. Hospitality segment occupancy percentage was also impacted in 2019 due to the addition of Gaylord Rockies. Actual occupied rooms increased 19.9% on a consolidated basis and 3.6% on a same-store basis, which excludes Gaylord Rockies, for 2019, as compared to 2018.
- (3) We calculate Hospitality segment RevPAR by dividing rooms revenue by room nights available to guests for the period. Hospitality segment RevPAR is not comparable to similarly titled measures such as revenues.
- (4) We calculate Hospitality segment Total RevPAR by dividing the sum of room, food and beverage, and other ancillary services revenue (which equals Hospitality segment revenue) by room nights available to guests for the period. Hospitality segment Total RevPAR is not comparable to similarly titled measures such as revenues.
- (5) Same-store Hospitality segment performance metrics do not include Gaylord Rockies, which opened in December 2018.

The increase in total Hospitality segment revenue in 2019, as compared to 2018, is primarily due to increases in revenue of \$32.1 million, \$19.6 million, \$7.5 million and \$7.1 million at Gaylord Texan, Gaylord Opryland, Gaylord Palms and Gaylord National, respectively, as well as revenue from Gaylord Rockies of \$226.6 million. See below for further discussion. Total Hospitality revenues in 2019 include \$18.3 million in attrition and cancellation fee collections, a \$6.5 million increase from 2018.

The percentage of group versus transient business based on rooms sold for our Hospitality segment for the years ended December 31 was approximately as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Group	72 %	71 %	71 %
Transient	28 %	29 %	29 %

The type of group based on rooms sold for our Hospitality segment for the years ended December 31 was approximately as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Corporate Groups	51 %	53 %	51 %
Associations	29 %	32 %	33 %
Other Groups	20 %	15 %	16 %

Rooms operating expenses increased in 2019, as compared to 2018, due primarily to the addition of Gaylord Rockies, as well as increased variable costs at Gaylord Texan, as described below. Food and beverage operating expenses increased in 2019, as compared to 2018, due primarily to the addition of Gaylord Rockies, as well as increased variable costs for Gaylord Texan and Gaylord Opryland, as described below.

Other hotel expenses for the following years ended December 31 included (in thousands):

	<u>2019</u>	<u>% Change</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>
Administrative employment costs	\$ 147,302	25.6 %	\$ 117,311	5.5 %	\$ 111,207
Utilities	31,624	16.9 %	27,060	(1.9)%	27,596
Property taxes	35,736	5.5 %	33,872	1.9 %	33,231
Other	195,221	21.0 %	161,286	3.9 %	155,249
Total other hotel expenses	\$ 409,883	20.7 %	\$ 339,529	3.7 %	\$ 327,283

Administrative employment costs include salaries and benefits for hotel administrative functions, including, among others, senior management, accounting, human resources, sales, conference services, engineering and security. Administrative employment costs increased during 2019, as compared to 2018, primarily due to increases related to Gaylord Rockies, as well as slight increases at each of our other Gaylord Hotels properties. Utility costs increased during 2019, as compared to 2018, primarily due to utility costs for Gaylord Rockies, as well as an increase at Gaylord Opryland primarily attributable to SoundWaves. Property taxes increased during 2019, as compared to 2018, primarily due to an increase at Gaylord National as a result of a 2018 refund from a prior period tax settlement. Note that property taxes did not increase significantly related to Gaylord Rockies as a result of the tax rebate incentive agreement discussed in Note 1 to the accompanying consolidated financial statements included herein. Other expenses, which include supplies, advertising, maintenance costs and consulting costs, increased during 2019, as compared to 2018, primarily as a result of expenses at Gaylord Rockies, as well as various increases at each of our other Gaylord Hotels properties.

As discussed above, each of our management agreements with Marriott for our four owned Gaylord Hotels properties requires us to pay Marriott a base management fee of approximately 2% of gross revenues from the applicable property for each fiscal year or portion thereof. Additionally, an incentive fee is based on the profitability of our Gaylord Hotels properties calculated on a pooled basis. The Gaylord Rockies' management agreement with Marriott requires Gaylord Rockies to pay a base management fee of 3% of gross revenues for each fiscal year or portion thereof, as well as an incentive management fee based on the profitability of the hotel. We incurred \$30.9 million, \$22.7 million and \$21.4 million in total base management fees to Marriott related to our Hospitality segment during 2019, 2018 and 2017,

respectively. We also incurred \$11.8 million, \$11.3 million and \$5.5 million related to incentive management fees for our Hospitality segment during 2019, 2018 and 2017, respectively. Management fees are presented throughout this Annual Report on Form 10-K net of the amortization of the deferred management rights proceeds discussed in Note 6, “Deferred Management Rights Proceeds,” to the consolidated financial statements included herein.

Hospitality segment depreciation and amortization expense increased in 2019, as compared to 2018, primarily due to depreciation and amortization at Gaylord Rockies, which is significantly higher than our other Gaylord Hotels properties due to amortization related to intangible assets that were recognized as part of our increased ownership as of December 31, 2018, as well as higher fixed asset balances than the other hotels.

Property-Level Results. The following presents property-level financial results for our Gaylord Hotels properties for the years ended December 31, 2019, 2018 and 2017 and for Gaylord Rockies for the year ended December 31, 2019:

Gaylord Opryland Results. The results of Gaylord Opryland for the years ended December 31, 2019, 2018 and 2017 are as follows (in thousands, except percentages and performance metrics):

	2019	% Change	2018	% Change	2017
Revenues:					
Rooms	\$ 162,577	4.6 %	\$ 155,501	7.6 %	\$ 144,453
Food and beverage	157,933	1.6 %	155,417	11.4 %	139,478
Other hotel revenue	65,100	18.2 %	55,081	2.3 %	53,833
Total revenue	385,610	5.4 %	365,999	8.4 %	337,764
Operating expenses:					
Rooms	37,203	1.8 %	36,547	9.5 %	33,362
Food and beverage	84,351	3.6 %	81,408	9.6 %	74,305
Other hotel expenses	114,716	9.9 %	104,405	1.0 %	103,369
Management fees, net	12,024	0.1 %	12,016	38.6 %	8,667
Depreciation and amortization	34,794	0.4 %	34,665	2.1 %	33,966
Total operating expenses (1)	283,088	5.2 %	269,041	6.1 %	253,669
Performance metrics:					
Occupancy	78.5 %	1.3 pts	77.2 %	2.1 pts	75.1 %
ADR	\$ 196.54	2.8 %	\$ 191.17	4.8 %	\$ 182.42
RevPAR	\$ 154.23	4.5 %	\$ 147.52	7.6 %	\$ 137.04
Total RevPAR	\$ 365.81	5.4 %	\$ 347.21	8.4 %	\$ 320.42

(1) Gaylord Opryland operating expenses do not include preopening costs of \$0.1 million and \$0.9 million in 2019 and 2018, respectively. See the discussion of preopening costs below.

Rooms revenue and RevPAR increased at Gaylord Opryland during 2019, as compared to 2018, as a result of an increase in transient occupancy and an increase in ADR for both group and transient rates. Rooms revenue and RevPAR were negatively impacted in 2019 by a rooms renovation project, which resulted in approximately 31,500 room nights out of service during 2019. The rooms renovation project was completed in the fourth quarter of 2019. Rooms expenses increased during 2019, as compared to 2018, primarily due to increased variable costs associated with the increase in occupancy.

The increase in food and beverage revenue at Gaylord Opryland during 2019, as compared to 2018, was primarily due to increased food and beverage outlet revenue, including new food and beverage outlets associated with SoundWaves. Food and beverage expenses increased in 2019, as compared to 2018, primarily due to increased employment costs and increased variable costs associated with the increase in revenue.

Other hotel revenue increased at Gaylord Opryland during 2019, as compared to 2018, due primarily to revenues from SoundWaves, as well as an increase in attrition and cancellation fee collections. Other hotel expenses increased in 2019, as compared to 2018, due primarily to additional operating expense for SoundWaves.

Management fees, net and depreciation and amortization remained stable at Gaylord Opryland during 2019, as compared to 2018.

Gaylord Palms Results. The results of Gaylord Palms for the years ended December 31, 2019, 2018 and 2017 are as follows (in thousands, except percentages and performance metrics):

	2019	% Change	2018	% Change	2017
Revenues:					
Rooms	\$ 78,392	1.9 %	\$ 76,901	2.5 %	\$ 75,001
Food and beverage	98,831	3.0 %	95,955	1.9 %	94,179
Other hotel revenue	31,075	11.4 %	27,907	5.1 %	26,555
Total revenue	208,298	3.8 %	200,763	2.6 %	195,735
Operating expenses:					
Rooms	16,662	(1.8)%	16,960	2.6 %	16,526
Food and beverage	51,865	2.6 %	50,538	(1.8)%	51,444
Other hotel expenses	73,837	3.4 %	71,397	4.7 %	68,197
Management fees, net	5,868	11.2 %	5,275	15.4 %	4,572
Depreciation and amortization	19,393	(0.4)%	19,465	2.3 %	19,031
Total operating expenses (1)	167,625	2.4 %	163,635	2.4 %	159,770
Performance metrics:					
Occupancy	77.4 %	(0.1)pts	77.5 %	(0.8)pts	78.3 %
ADR	\$ 196.06	2.1 %	\$ 192.10	3.6 %	\$ 185.44
RevPAR	\$ 151.68	1.9 %	\$ 148.79	2.5 %	\$ 145.12
Total RevPAR	\$ 403.02	3.8 %	\$ 388.44	2.6 %	\$ 378.71

(1) Gaylord Palms operating expenses do not include preopening costs of \$0.6 million in 2019. See the discussion of preopening costs below.

Rooms revenue and RevPAR increased at Gaylord Palms during 2019, as compared to 2018, due primarily to an increase in ADR for both group and transient rates. Rooms expenses decreased during 2019, as compared to 2018, due primarily to a decrease in group commissions.

The increase in food and beverage revenue at Gaylord Palms during 2019, as compared to 2018, was primarily due to an increase in catering revenue. Food and beverage expenses increased in 2019, as compared to 2018, due primarily to an increase in variable expenses related to the increase in revenue.

Other hotel revenue at Gaylord Palms increased during 2019, as compared to 2018, primarily due to increased attrition and cancellation fee collections, as well as an increase in resort fees driven by an increase in the resort fee rate. Other hotel expenses increased during 2019, as compared to 2018, due primarily to an increase in sales and marketing costs.

Management fees, net increased at Gaylord Palms during 2019, as compared to 2018, due primarily to an increase in incentive management fees.

Depreciation and amortization remained stable during 2019, as compared to 2018.

Gaylord Texan Results. The results of Gaylord Texan for the years ended December 31, 2019, 2018 and 2017 are as follows (in thousands, except percentages and performance metrics):

	2019	% Change	2018	% Change	2017
Revenues:					
Rooms	\$ 101,604	11.0 %	\$ 91,558	13.5 %	\$ 80,691
Food and beverage	148,154	15.1 %	128,676	11.7 %	115,158
Other hotel revenue	42,790	6.5 %	40,184	17.4 %	34,236
Total revenue	292,548	12.3 %	260,418	13.2 %	230,085
Operating expenses:					
Rooms	21,469	13.2 %	18,966	8.4 %	17,495
Food and beverage	72,008	13.0 %	63,739	7.4 %	59,334
Other hotel expenses	77,989	7.1 %	72,835	8.2 %	67,328
Management fees, net	9,189	19.4 %	7,695	58.1 %	4,867
Depreciation and amortization	26,362	8.4 %	24,309	18.1 %	20,575
Total operating expenses (1)	207,017	10.4 %	187,544	10.6 %	169,599
Performance metrics:					
Occupancy	78.2 %	3.3 pts	74.9 %	(1.3)pts	76.2 %
ADR	\$ 196.26	(0.3)%	\$ 196.78	2.4 %	\$ 192.09
RevPAR	\$ 153.45	4.1 %	\$ 147.35	0.7 %	\$ 146.31
Total RevPAR	\$ 441.84	5.4 %	\$ 419.12	0.5 %	\$ 417.19

- (1) Gaylord Texan operating expenses do not include preopening costs of \$2.0 million and \$0.1 million in 2018 and 2017, respectively related to an expansion of the guest rooms and convention space at Gaylord Texan, which opened in the second quarter of 2018.

Rooms revenue and RevPAR increased at Gaylord Texan during 2019, as compared to 2018, due primarily to an increase in occupancy for both group and transient business. The 2019 year was also positively impacted by additional room availability from the 2018 rooms expansion, which resulted in an increase in actual rooms sold of 11.3%, compared to 2018. Rooms expenses increased during 2019, as compared to 2018, primarily due to an increase in variable costs associated with the increase in rooms sold and increased capacity.

Food and beverage revenue increased at Gaylord Texan during 2019, as compared to 2018, due to an increase in both catering and food and beverage outlet revenue. Food and beverage expenses increased in 2019, as compared to 2018, primarily due to an increase in variable expenses related to the increase in revenue.

Other revenue at Gaylord Texan increased during 2019, as compared to 2018, primarily as a result of an increase in parking and resort fees associated with the increase in total room nights sold, partially offset by a decrease in attrition and cancellation fee collections. Other hotel expenses increased in 2019, as compared to 2018, due primarily to increased marketing, maintenance and credit card expenses.

Management fees, net increased at Gaylord Texan during 2019, as compared to 2018, due to an increase in both base and incentive management fees.

Depreciation and amortization increased during 2019, as compared to 2018, primarily as a result of the 2018 rooms and meeting space expansion that resulted in increased depreciable asset levels.

Gaylord National Results. The results of Gaylord National for the years ended December 31, 2019, 2018 and 2017 are as follows (in thousands, except percentages and performance metrics):

	<u>2019</u>	<u>% Change</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>
Revenues:					
Rooms	\$ 117,977	7.7 %	\$ 109,511	(0.0)%	\$ 109,542
Food and beverage	130,210	(3.3)%	134,645	3.7 %	129,812
Other hotel revenue	33,180	10.1 %	30,143	4.1 %	28,959
Total revenue	<u>281,367</u>	2.6 %	<u>274,299</u>	2.2 %	<u>268,313</u>
Operating expenses:					
Rooms	41,863	4.7 %	39,986	0.8 %	39,654
Food and beverage	83,101	(0.2)%	83,249	2.9 %	80,895
Other hotel expenses	88,336	7.2 %	82,405	1.7 %	81,027
Management fees, net	4,736	3.1 %	4,595	2.6 %	4,478
Depreciation and amortization	27,776	0.8 %	27,565	3.9 %	26,524
Total operating expenses	<u>245,812</u>	3.4 %	<u>237,800</u>	2.2 %	<u>232,578</u>
Performance metrics:					
Occupancy	75.1 %	2.8 pts	72.3 %	(1.2)pts	73.5 %
ADR	\$ 215.74	3.8 %	\$ 207.83	1.6 %	\$ 204.50
RevPAR	\$ 161.94	7.7 %	\$ 150.31	(0.0)%	\$ 150.36
Total RevPAR	<u>\$ 386.21</u>	2.6 %	<u>\$ 376.50</u>	2.2 %	<u>\$ 368.29</u>

- (1) Gaylord National operating expenses for 2017 do not include impairment charges of \$35.4 million, as further discussed in Note 3, “Notes Receivable,” to the accompanying consolidated financial statements. Gaylord National operating expenses for 2017 also do not include preopening costs of \$0.2 million associated with a riverfront ballroom at Gaylord National, which opened in the second quarter of 2017.

Rooms revenue and RevPAR increased at Gaylord National during 2019, as compared to 2018, primarily as a result of an increase in ADR for both group and transient business, as well as an increase in group occupancy. The 2018 year was negatively impacted by Hurricane Florence in September 2018. Rooms expenses increased during 2019, as compared to 2018, primarily due to increased group commissions.

The decrease in food and beverage revenue at Gaylord National during 2019, as compared to 2018, was primarily due to a decrease in banquet revenue due to a mix shift from corporate groups to other groups. Food and beverage expenses decreased in 2019, as compared to 2018, primarily due to decreased variable costs associated with the decrease in revenue.

Other revenue increased at Gaylord National during 2019, as compared to 2018, primarily due to an increase in ancillary fees, such as parking and spa revenue. Other hotel expenses increased in 2019, as compared to 2018, primarily as a result of an increase in credit card expense, as well as an increase in property tax expense due to 2018 including a refund from a previous property tax settlement.

Management fees, net and depreciation and amortization increased slightly at Gaylord National during 2019, as compared to 2018.

Gaylord Rockies Results. The results of Gaylord Rockies for the year ended December 31, 2019 are as follows (in thousands, except percentages and performance metrics):

	<u>2019</u>
Revenues:	
Rooms	\$ 75,475
Food and beverage	120,634
Other hotel revenue	30,467
Total revenue	<u>226,576</u>
Operating expenses:	
Rooms	22,127
Food and beverage	67,565
Other hotel expenses	46,930
Management fees, net	8,987
Depreciation and amortization	90,038
Total operating expenses (1)	<u>235,647</u>
Performance metrics:	
Occupancy	69.2 %
ADR	\$ 198.94
RevPAR	\$ 137.76
Total RevPAR	<u>\$ 413.56</u>

- (1) Gaylord Rockies operating expenses do not include preopening costs of \$0.6 million for 2019. See the discussion of preopening costs below.

Entertainment Segment

The following presents the financial results of our Entertainment segment for the years ended December 31, 2019, 2018 and 2017 (in thousands, except percentages):

	<u>2019</u>	<u>% Change</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>
Revenues	\$ 183,120	24.4 %	\$ 147,215	17.7 %	\$ 125,059
Operating expenses	126,609	15.9 %	109,249	29.3 %	84,513
Depreciation and amortization	11,150	8.5 %	10,280	45.3 %	7,074
Operating income (1)	<u>\$ 45,361</u>	63.8 %	<u>\$ 27,686</u>	(17.3)%	<u>\$ 33,472</u>

- (1) Entertainment segment operating income does not include preopening costs of \$1.9 million, \$1.9 million and \$1.6 million in 2019, 2018 and 2017, respectively, primarily associated with our Ole Red locations. Entertainment segment operating income also does not include impairment charges of \$23.8 million in 2018 related to Opry City Stage or income (loss) from unconsolidated joint ventures of \$(1.1) million, \$0.6 million and \$(2.5) million in 2019, 2018 and 2017, respectively. The loss from unconsolidated joint ventures in 2019 relates to Circle, and the income (loss) from unconsolidated joint ventures in 2018 and 2017 relates to Opry City Stage.

Entertainment segment revenues increased during 2019, as compared to 2018, primarily due to increased shows, attendance and retail revenue at the Grand Ole Opry and Ryman Auditorium, as well as the opening of Ole Red Gatlinburg in March 2019. In addition, the 2019 year benefitted from the full year of operations of Ole Red Nashville, which opened in May 2018.

Entertainment segment operating expenses increased during 2019, as compared to 2018, primarily due to the operations of Ole Red Gatlinburg, as well as increased expenses at the Ryman Auditorium primarily due to the increase in variable expenses associated with the increase in revenue. In addition, the 2019 year includes the full year of operations of Ole Red Nashville. Further, the 2018 year includes expenses from operations of Opry City Stage, which we closed in 2018.

Entertainment segment depreciation and amortization expense increased in 2019, as compared to 2018, primarily as a result of Ole Red Gatlinburg and capital improvements at the Grand Ole Opry to improve the customer experience, each resulting in increased depreciable asset levels.

Corporate and Other Segment

The following presents the financial results of our Corporate and Other segment for the years ended December 31, 2019, 2018 and 2017 (in thousands, except percentages):

	<u>2019</u>	<u>% Change</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>
Operating expenses	\$ 36,282	17.7 %	\$ 30,833	(1.8)%	\$ 31,387
Depreciation and amortization	1,629	(10.3)%	1,817	(14.5)%	2,126
Operating loss	<u>\$ (37,911)</u>	16.1 %	<u>\$ (32,650)</u>	(2.6)%	<u>\$ (33,513)</u>

Corporate and Other operating expenses, which consist primarily of costs associated with senior management salaries and benefits, legal, human resources, accounting, pension and other administrative costs, increased in 2019, as compared to 2018, due primarily to an increase in administrative and employment costs associated with supporting our growth initiatives within our Hospitality and Entertainment segments.

Operating Results – Preopening costs

We expense the costs associated with start-up activities and organization costs as incurred. Our preopening costs for 2019 include costs associated with Ole Red Gatlinburg, which opened in March 2019, Gaylord Rockies, which opened on a fully operational basis in first quarter 2019, and Gaylord Palms, the expansion of which is scheduled to be complete in summer 2021. Our preopening costs for 2018 include costs associated with an expansion of the guest rooms and convention space at Gaylord Texan, which opened in the second quarter of 2018, costs associated with Ole Red Nashville, which opened in May 2018, and costs at Gaylord Opryland associated with SoundWaves, the indoor portion of which opened in December 2018.

Operating Results – Impairment Charges

Impairment charges in 2018 primarily include costs associated with our previous investment in Opry City Stage. Subsequent to our purchase of the remaining 50% joint venture interest in the second quarter of 2018, we determined that current ongoing operations were not meeting our revenue expectations from the time of purchase, and we temporarily suspended operations at Opry City Stage to appropriately reposition the venue and its operations. An impairment assessment at that time warranted an impairment charge of \$4.5 million. In December 2018, we determined that we would permanently close Opry City Stage and recorded an additional impairment charge of \$18.0 million. In addition, during 2018, we incurred \$1.2 million in impairment charges related to an entertainment concept that has been abandoned.

Non-Operating Results Affecting Net Income

General

The following table summarizes the other factors which affected our net income for the years ended December 31, 2019, 2018 and 2017 (in thousands, except percentages):

	<u>2019</u>	<u>% Change</u>	<u>2018</u>	<u>% Change</u>	<u>2017</u>
Interest expense	\$ 131,620	75.6 %	\$ 74,961	13.5 %	\$ 66,051
Interest income	11,769	12.4 %	10,469	(11.4)%	11,818
Loss from extinguishment of debt	(494)	(100.0)%	—	— %	—
Income (loss) from unconsolidated joint ventures	(1,110)	(100.9)%	125,005	2,939.7 %	(4,402)
Other gains and (losses), net	693	(57.6)%	1,633	584.6 %	(337)
(Provision) benefit for income taxes	(18,475)	(57.3)%	(11,745)	(123.9)%	49,155

Interest Expense

Interest expense increased \$56.7 million in 2019, as compared to 2018, due primarily to increased interest expense related to debt held by the Gaylord Rockies joint venture, which we began consolidating for statement of operations purposes in 2019, as well as increased interest expense related to our revolving credit facility due to increased average borrowings and interest rate, increased interest expense related to our senior notes due to increased borrowings, and a decrease in capitalized interest in 2019. Our weighted average interest rate on our borrowings, excluding the write-off of deferred financing costs and capitalized interest, was 5.0% in 2019 as compared to 4.8% in 2018. Cash interest expense increased \$45.0 million to \$122.4 million in 2019, as compared to 2018, and noncash interest expense, which includes amortization and write-off of deferred financing costs, the effects of interest rate swaps, and is offset by capitalized interest, increased \$11.6 million to \$9.2 million in 2019, as compared to 2018.

Interest Income

Interest income for 2019 and 2018 primarily includes amounts earned on the bonds that we received in April 2008 in connection with the development of Gaylord National, which we hold as notes receivable.

Loss on Extinguishment of Debt

In September 2019, we commenced a cash tender offer for any and all outstanding \$350 million 5% senior notes due 2021 at a redemption price of \$1,002.50 per \$1,000 principal amount. Pursuant to the tender offer, \$197.5 million aggregate principal amount of these notes were validly tendered. As a result of our purchase of these tendered notes, we recognized a loss on extinguishment of debt of \$0.5 million in 2019.

Income (Loss) from Unconsolidated Joint Ventures

The loss from unconsolidated joint ventures for 2019 represents our equity method share of the preopening losses associated with Circle. Income from unconsolidated joint ventures in 2018 primarily includes a \$131.4 million gain related to the re-measurement of our pre-existing equity method investment in the Gaylord Rockies joint venture prior to consolidation, as well as our equity method share of the operating losses incurred by Gaylord Rockies, primarily pre-opening expenses. In addition, 2018 includes a gain of \$2.8 million recognized from the re-measurement of the pre-existing Opry City Stage equity method investment, as well as our equity method share of the operating losses incurred by Opry City Stage, prior to consolidation. As discussed above, we permanently closed Opry City Stage in December 2018.

Other Gains and (Losses)

Other gains and (losses) for 2019 and 2018 includes gains of \$2.8 million and \$2.7 million, respectively, from a fund associated with the Gaylord National bonds to reimburse us for certain marketing and maintenance expenses. These

gains were partially offset by pension settlement losses associated with our defined benefit pension plan of \$1.9 million and \$1.6 million for 2019 and 2018, respectively.

(Provision) Benefit for Income Taxes

As a REIT, we generally will not be subject to federal corporate income taxes on ordinary taxable income and capital gains income from real estate investments that we distribute to our stockholders. We will continue to be required to pay federal and state corporate income taxes on earnings of our TRSs.

During 2019 and 2018, we recorded an income tax provision of \$18.5 million and \$11.7 million, respectively. These results differ from the statutory rate primarily due to the REIT dividends paid deduction for both periods.

Liquidity and Capital Resources

Cash Flows from Operating Activities. Cash flow from operating activities is the principal source of cash used to fund our operating expenses, interest payments on debt, maintenance capital expenditures, and dividends to stockholders. During 2019, our net cash flows provided by our operating activities were \$354.7 million, reflecting primarily our income before depreciation expense, amortization expense and other non-cash charges of approximately \$376.2 million, partially offset by unfavorable changes in working capital of approximately \$21.6 million. The unfavorable changes in working capital primarily resulted from a decrease in accounts payable and accrued liabilities primarily attributable to the timing of payments.

During 2018, our net cash flows provided by our operating activities were \$321.9 million, reflecting primarily our income before depreciation expense, amortization expense, impairment charges, income from unconsolidated joint ventures and other non-cash charges of approximately \$309.8 million and favorable changes in working capital of approximately \$12.2 million. The favorable changes in working capital primarily resulted from an increase in accounts payable and accrued liabilities due to the timing of payments, partially offset by an increase in accounts receivable due to the timing of collections.

Cash Flows from Investing Activities. During 2019, our primary use of funds for investing activities was the purchase of property and equipment of \$152.5 million and consisted primarily of the expansion of Gaylord Palms, a rooms renovation at Gaylord Opryland, construction of Ole Red Orlando, construction of SoundWaves, and ongoing maintenance for our existing properties. We also paid a \$15.0 million earnest money deposit for the potential acquisition of Block 21. These uses of cash were partially offset by the receipt of \$13.2 million of principal received from the governmental bonds held by Gaylord National and the redemption of the governmental bonds previously held by the Gaylord Rockies joint venture, as further described in Note 3, "Notes Receivable," to the consolidated financial statements included herein.

During 2018, our primary uses of funds for investing activities were the purchase of an additional interest in the Gaylord Rockies joint venture of \$223.6 million, net of cash acquired, and purchases of property and equipment of \$188.2 million. Purchase of property and equipment consisted primarily of construction of SoundWaves, the expansion of the guest rooms and convention space at Gaylord Texan, an expansion of the retail, ticketing and parking areas at the Grand Ole Opry House, construction of Ole Red Nashville, and ongoing maintenance for our existing properties.

Cash Flows from Financing Activities. Our cash flows from financing activities reflect primarily the incurrence of and the repayment of long-term debt and the payment of dividends. During 2019, our net cash flows provided by financing activities were \$79.7 million, primarily reflecting the net issuance of \$352.5 million in senior notes, increased borrowings under the Gaylord Rockies loans of \$303.4 million, and the issuance of \$282.9 million in our common stock, net of discounts, commissions and other offering expenses. These sources of cash were partially offset by the net repayment of \$530.0 million under our credit facility, the payment of \$183.3 million in cash dividends, the distribution by the Gaylord Rockies joint venture of \$113.9 million to the noncontrolling interest partners in that joint venture, and the payment of \$27.7 million in deferred financing costs.

During 2018, our net cash flows provided by financing activities were approximately \$171.8 million, primarily reflecting \$354.0 million in net borrowings under our revolving credit facility, partially offset by the payment of \$172.4 million in cash dividends.

Liquidity

At December 31, 2019, we had \$362.4 million in unrestricted cash and \$699.1 million available for borrowing under our revolving credit facility. During 2019, we net repaid \$177.5 million in borrowings under our credit facility and senior notes, paid cash dividends of \$183.3 million, incurred capital expenditures of \$152.5 million, increased the borrowings under the Gaylord Rockies loans by \$303.4 million, and issued, net of discounts, commissions and other offering expenses, \$282.9 million in our common stock. In addition, the Gaylord Rockies joint venture distributed \$113.9 million to the noncontrolling interest partners in that joint venture. These net outflows were offset by cash flows from operating activities discussed above, resulting in the increase in our cash balance from 2018 to 2019.

We currently plan to declare dividends of \$3.80 per share in 2020, payable in equal quarterly amounts, subject to future determinations as to the timing and amount by our board of directors. We anticipate investing in our operations during 2020 by spending between approximately \$260 million and \$290 million in capital expenditures, which primarily includes ongoing maintenance capital of our current facilities, an expansion of the guest rooms and convention space at Gaylord Palms, an expansion of the guest rooms at Gaylord Rockies, and a rooms renovation at Gaylord National. In addition, we anticipate spending \$275 million at closing, including the assumption of existing mortgage debt and the earnest money deposit, as part of the Block 21 acquisition.

We believe that our cash on hand and cash from operations will be adequate to fund our general short-term commitments, as well as: (i) normal operating expenses, (ii) interest expense on long-term debt obligations, (iii) financing lease and operating lease obligations, and (iv) declared dividends. If our existing cash and cash from operations were inadequate to fund such commitments, as well as capital expenditures, we could draw on our credit facility, subject to the satisfaction of covenants in the credit facility.

Our outstanding principal debt agreements are described below. Based on current projections for compliance under our financial covenants contained in these agreements, we do not foresee a maturity issue prior to their scheduled maturity date.

At December 31, 2019, we were in compliance with all covenants related to our outstanding debt.

Principal Debt Agreements

Credit Facility. On October 31, 2019, we entered into a Sixth Amended and Restated Credit Agreement (the “Credit Agreement”) among the Company, as a guarantor, the Operating Partnership, as borrower, certain other subsidiaries of the Company party thereto, as guarantors, certain subsidiaries of the Company party thereto, as pledgors, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent, which amended and restated the Company’s existing credit facility. As amended, our credit facility consists of a \$700.0 million senior secured revolving credit facility (the “Revolver”), a \$300.0 million senior secured term loan A (the “Term Loan A”), and a \$500.0 million senior secured term loan B (the “Term Loan B”), each as discussed below. The Credit Agreement also increased the accordion feature of the previous credit agreement from \$500 million to \$600 million and includes a \$50.0 million letter of credit sublimit.

Each of the Revolver, Term Loan A and Term Loan B is guaranteed by us, each of our four wholly-owned subsidiaries that own the four owned Gaylord Hotels properties, and certain of our other subsidiaries. Each is secured by (i) a first mortgage lien on the real property of each of our four owned Gaylord Hotels properties, (ii) pledges of equity interests in our subsidiaries that own the Gaylord Hotels properties, (iii) our personal property and the personal property of the Operating Partnership and our guarantor subsidiaries and (iv) all proceeds and products from our Gaylord Hotels properties. Advances are subject to a 55% borrowing base, based on the appraisal value of the Gaylord Hotels properties (reduced to 50% in the event one of the Gaylord Hotel properties is sold). Assets of the Gaylord Rockies joint venture are not subject to the liens of our credit facility.

In addition, each of the Revolver, Term Loan A and Term Loan B contains certain covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements. The material financial covenants, ratios or tests contained in the Credit Agreement are as follows:

- We must maintain a consolidated funded indebtedness to total asset value ratio as of the end of each calendar quarter of not more than .65 to 1.0.
- We must maintain a consolidated fixed charge coverage ratio, as defined in the Credit Agreement, of not less than 1.50 to 1.00.
- We must maintain an implied debt service coverage ratio (the ratio of adjusted net operating income to monthly principal and interest that would be required if the outstanding balance were amortized over 25 years at an assumed fixed rate) of not less than 1.60 to 1.00.

If an event of default shall occur and be continuing under the Credit Agreement, the commitments under the Credit Agreement may be terminated and the principal amount outstanding under the Credit Agreement, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

Revolving Credit Facility. Pursuant to the Credit Agreement, we extended the maturity of the Revolver to March 31, 2024, with two additional six-month extension options, at our election. Borrowings under the Revolver bear interest at an annual rate equal to, at our option, either (i) LIBOR plus the applicable margin ranging from 1.40% to 1.95%, dependent upon our funded debt to total asset value ratio (as defined in the Credit Agreement) or (ii) a base rate as set in the Credit Agreement. At December 31, 2019, the interest rate on the Revolver was LIBOR plus 1.55%. Principal is payable in full at maturity.

At December 31, 2019, no borrowings were outstanding under the Revolver, and the lending banks had issued \$0.9 million of letters of credit under the Credit Agreement, which left \$699.1 million of availability under the Revolver (subject to the satisfaction of debt incurrence tests under the indentures governing our \$400 million in aggregate principal amount of senior notes due 2023 (the "\$400 Million 5% Senior Notes") and our \$700 million in aggregate principal amount of senior notes due 2027 (the "\$700 Million 4.75% Senior Notes"), which we met at December 31, 2019).

Term Loan A Facility. Pursuant to the Credit Agreement, the Term Loan A was increased from \$200 million to \$300 million and the maturity date was extended to March 31, 2025. Borrowings bear interest at an annual rate equal to, at our option, either (i) LIBOR plus the applicable margin ranging from 1.35% to 1.90%, dependent upon our funded debt to total asset value ratio (as defined in the Credit Agreement) or (ii) a base rate as set in the Credit Agreement. At December 31, 2019, the interest rate on the Term Loan A was LIBOR plus 1.50%. Amounts borrowed under the Term Loan A that are repaid or prepaid may not be reborrowed. At closing in 2017, we drew down on the Term Loan A in full and proceeds were used to pay down a portion of the Revolver. Net proceeds from the increase in the Term Loan A pursuant to the Credit Agreement were approximately \$94 million and, along with cash on hand, were used to repay \$100 million of the outstanding indebtedness under the Term Loan B.

Term Loan B Facility. The Term Loan B has a maturity date of May 11, 2024. The applicable interest rate margins on borrowings under the Term Loan B are, at our option, either (i) LIBOR plus 2.00% or (ii) a base rate as set in the Credit Agreement. At December 31, 2019, the interest rate on the Term Loan B was LIBOR plus 2.00%. In October 2019, we entered into four interest rate swaps with a total notional amount of \$350.0 million to fix the LIBOR portion of the interest rate, at rates between 1.2235% and 1.2315%, through May 11, 2023. We have designated these interest rate swaps as effective cash flow hedges. The Term Loan B amortizes in equal quarterly installments in aggregate annual amounts equal to 1.0% of the original principal amount of \$500.0 million, with the balance due at maturity. In addition, if for any fiscal year there is Excess Cash Flow (as defined in the Credit Agreement), an additional principal amount is required. Amounts borrowed under the Term Loan B that are repaid or prepaid may not be reborrowed. At closing in 2017, we drew down on the Term Loan B in full. The Credit Agreement did not change the maturity date or applicable

margin on interest rates for the Term Loan B. At December 31, 2019, \$386.3 million in borrowings were outstanding under the Term Loan B.

\$700 Million 4.75% Senior Notes. In September 2019, the Operating Partnership and Finco completed the private placement of \$500.0 million in aggregate principal amount of senior notes due 2027, which are guaranteed by the Company and its subsidiaries that guarantee the Credit Agreement. The \$500 Million 4.75% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The \$500 Million 4.75% Senior Notes have a maturity date of October 15, 2027 and bear interest at 4.75% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year, beginning on April 15, 2020. The \$500 Million 4.75% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of payment with such subsidiaries' existing and future senior unsecured indebtedness, including the \$400 Million 5% Senior Notes, and senior in right of payment to future subordinated indebtedness, if any. The \$500 Million 4.75% Senior Notes are effectively subordinated to the issuing subsidiaries' secured indebtedness to the extent of the value of the assets securing such indebtedness. The guarantees rank equally in right of payment with the applicable guarantor's existing and future senior unsecured indebtedness and senior in right of payment to any future subordinated indebtedness of such guarantor. The \$500 Million 4.75% Senior Notes are effectively subordinated to any secured indebtedness of any guarantor to the extent of the value of the assets securing such indebtedness and structurally subordinated to all indebtedness and other obligations of the Operating Partnership's subsidiaries that do not guarantee the \$500 Million 4.75% Senior Notes.

The net proceeds from the issuance of the \$500 Million 4.75% Senior Notes totaled approximately \$493 million, after deducting the initial purchasers' discounts, commissions and offering expenses. We used substantially all of these proceeds to tender and redeem our previous \$350 Million 5% Senior Notes, as discussed below, and to repay a portion of the amounts outstanding under the Revolver.

In October 2019, we completed a tack-on private placement of \$200.0 million in aggregate principal amount of 4.75% senior notes due 2027 (the "additional 2027 notes") at an issue price of 101.250% of their aggregate principal amount plus accrued interest from the September 19, 2019 issue date for the \$500 Million 4.75% Senior Notes. The additional 2027 notes and the \$500 Million 4.75% Senior Notes constitute a single class of securities (collectively, the "\$700 Million 4.75% Senior Notes"). All other terms and conditions of the additional 2027 notes are identical to the \$500 Million 4.75% Senior Notes.

The net proceeds of the additional 2027 notes totaled approximately \$199 million, after deducting the initial purchasers' discounts, commissions and offering expenses. We used substantially all of these proceeds to repay a portion of the amounts outstanding under the Revolver.

The \$700 Million 4.75% Senior Notes are redeemable before October 15, 2022, in whole or in part, at 100.00%, plus accrued and unpaid interest thereon to, but not including, the redemption date, plus a make-whole premium. The \$700 Million 4.75% Senior Notes will be redeemable, in whole or in part, at any time on or after October 15, 2022 at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 103.563%, 102.375%, 101.188%, and 100.00% beginning on October 15 of 2022, 2023, 2024, and 2025, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

In connection with the issuance of the \$700 Million 4.75% Senior Notes, we entered into a registration rights agreement that requires us to complete a registered offer to exchange the \$700 Million 4.75% Senior Notes for registered notes with substantially identical terms as the \$700 Million 4.75% Senior Notes on or before September 18, 2020.

\$400 Million 5% Senior Notes. In 2015, the Operating Partnership and Finco completed the private placement of \$400.0 million in aggregate principal amount of senior notes due 2023. The \$400 Million 5% Senior Notes are general unsecured senior obligations of the Company's issuing subsidiaries and are guaranteed by the Company and its subsidiaries that guarantee the Credit Agreement. The \$400 Million 5% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The \$400 Million 5% Senior Notes have a maturity date of April 15, 2023 and bear interest at 5% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year. The \$400 Million 5% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of

payment with such subsidiaries' existing and future senior unsecured indebtedness, including the \$700 Million 4.75% Senior Notes, and senior in right of payment to future subordinated indebtedness, if any. The \$400 Million 5% Senior Notes are effectively subordinated to the issuing subsidiaries' secured indebtedness to the extent of the value of the assets securing such indebtedness. The guarantees rank equally in right of payment with the applicable guarantor's existing and future senior unsecured indebtedness and senior in right of payment to any future subordinated indebtedness of such guarantor. The \$400 Million 5% Senior Notes are effectively subordinated to any secured indebtedness of any guarantor to the extent of the value of the assets securing such indebtedness and structurally subordinated to all indebtedness and other obligations of the Operating Partnership's subsidiaries that do not guarantee the \$400 Million 5% Senior Notes.

The \$400 Million 5% Senior Notes are redeemable, in whole or in part, at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 102.50%, 101.25%, and 100.00% beginning on April 15 of 2019, 2020, and 2021, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

In connection with the issuance of the \$400 Million 5% Senior Notes, we completed a registered offer to exchange the \$400 Million 5% Senior Notes for registered notes with substantially identical terms as the \$400 Million 5% Senior Notes.

\$350 Million 5% Senior Notes. In 2013, the Operating Partnership and Finco completed the private placement of \$350.0 million in aggregate principal amount of senior notes due 2021, which were guaranteed by the Company and its subsidiaries that guarantee the Credit Agreement.

In September 2019, we commenced a cash tender offer for any and all outstanding \$350 Million 5% Senior Notes at a redemption price of \$1,002.50 per \$1,000 principal amount. Pursuant to the tender offer, \$197.5 million aggregate principal amount of the \$350 Million 5% Senior Notes were validly tendered. As a result of this tender offer, we recognized a loss on extinguishment of debt of \$0.5 million in 2019. We used a portion of the proceeds from the issuance of the \$500 Million 4.75% Senior Notes to fund the tender offer.

In accordance with the indenture governing the \$350 Million 5% Senior Notes, subsequent to expiration of the tender offer, in September 2019, we gave irrevocable notice of the redemption of all remaining \$350 Million 5% Senior Notes not tendered in the tender offer and irrevocably deposited with the trustee for the \$350 Million 5% Senior Notes an amount sufficient to pay the redemption price of the \$350 Million 5% Senior Notes called for redemption at that date, including interest. We used a portion of the proceeds from the issuance of the \$500 Million 4.75% Senior Notes to fund the redemption.

\$800 Million Term Loan (Gaylord Rockies Joint Venture). On July 2, 2019, Aurora Convention Center Hotel, LLC and Aurora Convention Center Hotel Lessee, LLC, subsidiaries of the entities comprising the Gaylord Rockies joint venture, entered into a Second Amended and Restated Loan Agreement (the "Gaylord Rockies Loan") with Wells Fargo Bank, National Association, as administrative agent, which refinanced the Gaylord Rockies joint venture's existing \$500 million construction loan and \$39 million mezzanine loan, which were scheduled to mature in December 2019. The Gaylord Rockies Loan consists of an \$800.0 million secured term loan facility and also includes the option for an additional \$80.0 million of borrowing capacity should the Gaylord Rockies joint venture pursue a future expansion of Gaylord Rockies, which it announced in February 2020 that it intends to pursue. The Gaylord Rockies Loan matures July 2, 2023 with three, one-year extension options, subject to certain requirements in the Gaylord Rockies Loan, and bears interest at LIBOR plus 2.50%. Simultaneous with closing, the Gaylord Rockies joint venture entered into an interest rate swap to fix the LIBOR portion of the interest rate at 1.65% for the first three years of the loan. We have designated this interest rate swap as an effective cash flow hedge.

The proceeds from the Gaylord Rockies Loan were used by the Gaylord Rockies joint venture to repay the previously outstanding \$500 million construction loan and \$39 million mezzanine loan, and, after payment of expenses, the Gaylord Rockies joint venture distributed the excess proceeds to the owners of the Gaylord Rockies joint venture pro rata in proportion to their interests therein. We received a distribution of approximately \$153 million, which was used to repay a portion of the amounts outstanding under the Revolver.

The Gaylord Rockies Loan is secured by a deed of trust lien on the Gaylord Rockies real estate and related assets. We and an affiliate of RIDA each entered into limited repayment and carry guaranties that, in the aggregate, guarantee repayment of 10% of the principal debt, together with interest and operating expenses, which are to be released once the Gaylord Rockies joint venture achieves a certain debt service coverage threshold as defined in the Gaylord Rockies Loan. Generally, the Gaylord Rockies Loan is non-recourse to the Company, subject to (i) those limited guaranties, (ii) a completion guaranty in the event the expansion is pursued, and (iii) customary non-recourse carve-outs.

\$500 Million Construction Loan (Gaylord Rockies Joint Venture)

In 2015, Aurora Convention Hotel, LLC (“Hotel Owner”) and Aurora Convention Center Hotel Lessee, LLC (collectively, “Borrower”), subsidiaries of the entities comprising the Gaylord Rockies joint venture, entered into a Building Loan Agreement (the “Construction Loan”) with Wells Fargo Bank, N.A., as administrative agent, for a senior loan with available borrowings of up to \$500.0 million. The Construction Loan bore interest at an annual rate equal to LIBOR plus 3.25% and had an original maturity date of December 18, 2019. The Construction Loan was secured by substantially all of the assets of Hotel Owner and an assignment of the hotel’s management agreement. As discussed above, the Construction Loan was paid off in July 2019 with proceeds from the Gaylord Rockies Loan.

\$39 Million Mezzanine Loan (Gaylord Rockies Joint Venture)

In 2015, Aurora Convention Hotel Mezz, LLC (“Mezz”) and Aurora Convention Center Hotel Lessee Midco Member, LLC (collectively, “Mezz Borrower”), subsidiaries of the entities comprising the Gaylord Rockies joint venture, entered into a Mezzanine Loan Agreement (the “Mezzanine Loan”) with Marriott International Capital Corporation, for a mezzanine loan with available borrowings, as amended, of up to \$39.0 million. The Mezzanine Loan bore interest at an annual rate of LIBOR plus 7.00% and had an original maturity date of December 18, 2019. The Mezzanine Loan was secured by Mezz Borrower’s interests in the joint venture. As discussed above, the Mezzanine Loan was paid off in July 2019 with proceeds from the Gaylord Rockies Loan.

Additional Debt Limitations. Pursuant to the terms of the four owned Gaylord Hotels management agreements and pooling agreement with Marriott, we are subject to certain debt limitations described below.

The management agreements provide for the following limitations on indebtedness encumbering a hotel:

- The aggregate principal balance of all mortgage and mezzanine debt encumbering the hotel shall be no greater than 75% of the fair market value of the hotel; and
- The ratio of (a) aggregate Operating Profit (as defined in the management agreement) in the 12 months prior to the closing on the mortgage or mezzanine debt to (b) annual debt service for the hotel shall equal or exceed 1.2:1; but is subject to the pooling agreement described below.

The pooled limitations on Secured Debt (as defined in the pooling agreement) are as follows:

- The aggregate principal balance of all mortgage and mezzanine debt on Pooled Hotels (as defined in the pooling agreement), shall be no more than 75% of the fair market value of Pooled Hotels.
- The ratio of (a) aggregate Operating Profit (as defined in the pooling agreement) of Pooled Hotels in the 12 months prior to closing on any mortgage or mezzanine debt, to (b) annual debt service for the Pooled Hotels, shall equal or exceed 1.2:1.

Gaylord Rockies is not a Pooled Hotel for this purpose.

Off-Balance Sheet Arrangements

We enter into commitments under letters of credit, primarily for the purpose of securing our deductible obligations with our insurers, and lending banks under our credit facility had issued \$0.9 million of letters of credit at December 31, 2019. Except as set forth in this paragraph, we do not have any off-balance sheet arrangements that have or are reasonable likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Commitments and Contractual Obligations

The following table summarizes our significant contractual obligations at December 31, 2019, including long-term debt and operating and capital lease commitments (amounts in thousands):

Contractual obligations	Total amounts committed	Payment due by Period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt (1) (2)	\$ 2,586,250	\$ 5,000	\$ 10,000	\$ 1,571,250	\$ 1,000,000
Finance leases	1,606	260	494	245	607
Operating leases (3)	604,387	6,252	12,094	11,797	574,244
Construction commitments (4)	53,505	53,505	—	—	—
Other	13,032	1,109	2,218	2,218	7,487
Total contractual obligations	<u>\$ 3,258,780</u>	<u>\$ 66,126</u>	<u>\$ 24,806</u>	<u>\$ 1,585,510</u>	<u>\$ 1,582,338</u>

- (1) Long-term debt commitments do not include approximately \$543.0 million in interest payments projected to be due in future years (less than 1 year – \$108.8 million; 1-3 years – \$217.3 million; 3-5 years – \$121.6 million; more than 5 years – \$95.3 million) based on the stated interest rates on our fixed-rate debt and the rates in effect at December 31, 2019 for our variable-rate debt after considering interest rate swaps, as applicable. Variable rates, as well as outstanding principal balances, could change in future periods. See “Principal Debt Agreements” above for a discussion of our outstanding long-term debt. See “Supplemental Cash Flow Information” in Note 1 to our consolidated financial statements included herein for a discussion of the interest we paid during 2019, 2018 and 2017.
- (2) Debt commitments due in 3-5 years includes \$800.0 million of the Gaylord Rockies Loan for the Gaylord Rockies joint venture.
- (3) Total operating lease commitments of \$604.4 million include the 75-year operating lease agreement we entered into during 1999 for 65.3 acres of land located in Osceola County, Florida where Gaylord Palms is located, which we may extend until January 2101.
- (4) With respect to our properties that are operated under management agreements with Marriott, we are obligated to maintain an FF&E reserve account for future planned and emergency-related capital expenditures at these properties. The amount funded into each of these reserve accounts is determined pursuant to the management agreements and is generally 5.0% of the respective properties’ total annual revenue. At December 31, 2019, \$53.5 million was held in FF&E reserve accounts for future capital expenditures at our properties. According to the terms of each management agreement with Marriott, the reserve funds are to be held by the properties in a restricted cash account. Although it is not required that such funds be expended in a given year, each management agreement provides any excess funds will carry over for use in future years.

The expected cash flows under our defined benefit pension plan, our non-qualified retirement plan, our non-qualified contributory deferred compensation plan and our defined benefit postretirement health care and life insurance plan are estimated based upon the best information currently available, but are not driven by contractual terms. Therefore, these obligations have been excluded from the contractual obligations table above. During 2020, we expect to contribute approximately \$1.7 million, \$1.0 million and \$0.3 million, respectively, to our defined benefit pension plan, our non-

qualified retirement plan and our defined benefit postretirement health care and life insurance plan. See Note 9 and Note 10 to our consolidated financial statements included herein for further discussion related to these obligations.

Critical Accounting Policies and Estimates

Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” discusses our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. Accounting estimates are an integral part of the preparation of the consolidated financial statements and the financial reporting process and are based upon current judgments. The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 reported period. Certain accounting estimates are particularly sensitive because of their complexity and the possibility that future events affecting them may differ materially from our current judgments and estimates.

This listing of critical accounting policies is not intended to be a comprehensive list of all of our accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles, with no need for management’s judgment regarding accounting policy. We believe that of our significant accounting policies, which are discussed in Note 1 to the consolidated financial statements included herein, the following may involve a higher degree of judgment and complexity.

Revenue recognition. Revenues from occupied hotel rooms are recognized over time as the daily hotel stay is provided to hotel groups and guests. Revenues from concessions, food and beverage sales, and group meeting services are recognized over the period or at the time those goods or services are delivered to the hotel group or guest. Revenues from ancillary services at our hotels, such as spa, parking, and transportation services, are generally recognized at the time the goods or services are provided. Cancellation fees and attrition fees, which are charged to groups when they do not fulfill the minimum number of room nights or minimum food and beverage spending requirements originally contracted for, are generally recognized as revenue in the period we determine it is probable that a significant reversal in the amount of revenue recognized will not occur, which is typically the period these fees are collected. We generally recognize revenues from the Entertainment segment at the point in time that services are provided or goods are delivered or shipped to the customer, as applicable.

Impairment of long-lived and other assets. In accounting for our long-lived and other assets (including our property and equipment, notes receivable associated with the development of Gaylord National and intangible assets acquired as part of a business combination), we assess our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable.

Recoverability of property and equipment and definite-lived intangible assets that will continue to be used is measured by comparing the carrying amount of the asset or asset group to the related total future undiscounted net cash flows. If an asset or asset group’s carrying value is not recoverable through those cash flows, the asset group is considered to be impaired. The impairment is measured by the difference between the assets’ carrying amount and their fair value, which is estimated using discounted cash flow analyses that utilize comprehensive cash flow projections, as well as observable market data to the extent available.

Recoverability of the notes receivable associated with Gaylord National is measured by comparing the carrying amount of the notes to the fair value of the notes. If the carrying value is greater than the fair value, we then assess if the decline in fair value is other-than-temporary, because of our intent and ability to hold the notes receivable to maturity. If the decline in fair value is deemed to be other-than-temporary, which is based on whether we expect to receive debt service payments in excess of the carrying value under the notes, then the notes are impaired. Subsequent to the recognition of an other-than-temporary impairment, we account for the notes receivable as if it had been purchased on the measurement date of the other-than-temporary impairment at an amortized cost basis equal to the previous amortized cost basis less the other-than-temporary impairment previously recognized in earnings. The difference between the new amortized cost basis and the cash flows expected to be collected is accreted into interest income.

Stock-based compensation. For awards of restricted stock and restricted stock units, we measure compensation expense based on the fair value of the awards on the date of grant. The fair value of time-based awards is determined based on the closing trading price of our common shares on the measurement date, which is generally the date of grant. The fair value of performance-based awards based on a market condition is determined using a Monte Carlo simulation. A Monte Carlo simulation requires the use of a number of assumptions, including historical volatility and correlation of the price of our common shares and the price of the common shares of a peer group, a risk-free rate of return, and an expected term. For each award, compensation expense is recognized on a straight-line basis over the vesting period. For both time-based awards and performance-based awards, once the total amount of compensation expense is determined on the date of the grant, no adjustments are made to the amount recognized each period, unless there is a change to a non-market condition assumption. No compensation expense is recognized for awards for which employees do not render the requisite service.

Derivative financial instruments. We have entered into and may in the future enter into additional interest rate swap agreements to hedge against interest rate fluctuations. Neither the Company nor the Gaylord Rockies joint venture use derivatives for trading or speculative purposes and currently do not hold any derivatives that are not designated as hedges.

For derivatives designated as and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative resulting from recording each instrument at estimated fair value is recorded in accumulated other comprehensive loss and subsequently reclassified to interest expense in the same period during which the hedged transaction affects earnings. These amounts reported in accumulated other comprehensive loss will be reclassified to interest expense as interest payments are made on the related variable-rate debt.

We or the Gaylord Rockies joint venture, as applicable, determine the fair values of our interest rate swap contracts based on a widely accepted valuation methodology of netting the discounted future fixed cash flows and the discounted expected variable cash flow, using interest rates derived from observable market interest rate curves and volatilities, with appropriate adjustments for any significant impact of non-performance risk of the parties to the swap contracts. We believe it is unlikely that materially different estimates for the fair value of financial derivative instruments would be made or reported based on other reasonable assumptions or conditions suggested by actual historical experience and other data available at the time the estimates were made.

Depreciation and amortization. Depreciation expense is based on the estimated useful life of our fixed assets. Amortization expense for leasehold improvements is based on the shorter of the lease term or the estimated useful life of the related assets, and amortization expense for intangibles acquired as part of a business combination is based on the specific circumstances of each intangible asset. The lives of the assets are based on a number of assumptions, including cost and timing of capital expenditures to maintain and refurbish the assets, as well as specific market and economic conditions. While management believes its estimates are reasonable, a change in the estimated lives could affect our depreciation expense in future periods.

Income taxes. As a REIT, generally we will not be subject to federal corporate income taxes on ordinary taxable income and capital gains income from real estate investments that we distribute to our stockholders. We will continue to be required to pay federal and state corporate income taxes on earnings of our TRSs.

Our deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

We must assess the likelihood that we will be able to recover our deferred tax assets. If recovery is not likely, the provision for taxes is increased by recording a reserve, in the form of a valuation allowance, against the estimated deferred tax assets that will not ultimately be recoverable.

In addition, we must evaluate uncertainties in the application of complex tax regulations in the calculation of tax liabilities. We provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. We make this assessment based on only the technical merits of the tax position. The technical merits of a tax position derive

from both statutory and judicial authority (legislation and statutes, legislative intent, regulations, rulings, and case law) and their applicability to the facts and circumstances of the tax position. If a tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements and a liability for unrecognized tax benefits is established. A tax position that meets the more likely than not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax benefit recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate resolution with a taxing authority. To the extent that we prevail in matters for which a liability for an unrecognized tax benefit is established or are required to pay amounts in excess of the liability established, our effective tax rate in a given financial statement period may be affected. At December 31, 2019 and 2018, we had no accruals for unrecognized tax benefits. We recognize interest and penalties related to uncertain tax positions, if any, in income tax expense. At December 31, 2019 and 2018, we have accrued no interest or penalties related to uncertain tax positions.

Pension and postretirement benefits other than pension plans. The costs and obligations of our pension and postretirement benefits other than pension plans recognized in our consolidated financial statements are determined from actuarial valuations, which are dependent on significant assumptions, judgments, and estimates. These assumptions, judgments, and estimates, which include discount rates at which the liabilities could be settled at the measurement date, expected return on plan assets and mortality rates, are evaluated at each annual measurement date. In accordance with generally accepted accounting principles, actual results that differ from these assumptions, judgments, and estimates are accumulated and amortized over future periods and, therefore, affect expense recognized and obligations recorded in future periods.

The discount rate utilized for determining future benefit obligations is based on the market rate of a broad-based index of high-quality bonds receiving an AA- or better rating from a recognized rating agency on our annual measurement date that is matched to the future expected cash flows of the benefit plans by annual periods. The resulting discount rate decreased from 3.95% for the pension plan and 3.83% for the postretirement benefits other than pension plans at December 31, 2018 to 2.85% and 2.70%, respectively, at December 31, 2019.

We determine the overall expected long-term return on plan assets based on our estimate of the return that plan assets will provide over the period that benefits are expected to be paid out. In preparing this estimate, we assess the rates of return on each allocation of plan assets and advice by our third-party actuary and investment consultants. The expected return on plan assets is a long-term assumption that is determined at the beginning of each year and generally does not significantly change annually. While historical returns are considered, the rate of return assumption is primarily based on projections of expected returns, using economic data and financial models to estimate the probability of returns. The probability distribution of annualized returns for the portfolio using current asset allocations is used to determine the expected range of returns for a ten-to-twenty-year horizon. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our pension expense. The expected return on plan assets assumption used for determining net periodic pension expense for 2019 and 2018 was 6.5%. Actual return on plan assets for 2019 and 2018 was 22.1% and (6.0)%, respectively. Our historical actual return averaged 8.7% for the ten-year period ended December 31, 2019. In the future, we may make additional discretionary contributions to the plan or we could be required to make mandatory cash funding payments.

The mortality rate assumption used for determining future benefit obligations as of December 31, 2019 and 2018 was based on the Pri-2012 Total Dataset Mortality Table and the RP 2014 Adjusted to 2006 Total Dataset Mortality Table, respectively. In estimating the health care cost trend rate, we consider our actual health care cost experience, industry trends, and advice from our third-party actuary.

While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our pension and postretirement benefit obligations and expense. For example, holding all other assumptions constant, a 1% increase or decrease in the assumed discount rate related to the retirement plan would increase or decrease 2019 net periodic pension expense by approximately \$0.1 million. Likewise, a 1% increase or decrease in the assumed rate of return on plan assets would decrease or increase 2019 net periodic pension expense by approximately \$0.6 million.

Acquisitions and Purchase Price Allocations. Accounting for the acquisition of a hotel property or other entity as a business combination, or becoming the primary beneficiary of a previously unconsolidated variable interest entity, requires an allocation of the purchase price to the assets acquired and the liabilities assumed in the transaction at their respective estimated fair values. The most difficult estimations of individual fair values are those involving long-lived assets, such as property, equipment, and intangible assets, that are assumed as part of the transaction, as well as any noncontrolling interests. We use all available information to make these fair value determinations, including market data for similar assets, expected cash flows discounted at risk-adjusted rates, and replacement cost for assets, among others. We may engage third parties to provide valuation services to assist in the fair value determinations of the long-lived assets acquired and the liabilities assumed. Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred.

Legal Contingencies. We are subject to various legal proceedings and claims, the outcomes of which are subject to significant uncertainty. We record an accrual for loss contingencies when a loss is probable and the amount of the loss can be reasonably estimated. We review these accruals each reporting period and make revisions based on changes in facts and circumstances.

Recently Issued Accounting Standards

For a discussion of recently issued accounting standards, see Note 1 to our consolidated financial statements included herein.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposures to market risk are from changes in interest rates and changes in asset values of investments that fund our pension plan. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Item 1A, “Risk Factors” in this Annual Report on Form 10-K for more discussion on how interest rate increases affect our operations and financial condition.

Risk Related to Changes in Interest Rates

Borrowings outstanding under our Term Loan A currently bear interest at an annual rate of LIBOR plus 1.50%, subject to adjustment as defined in the agreement. If LIBOR were to increase by 100 basis points, our annual interest cost on the \$300.0 million in borrowings outstanding under the Term Loan A at December 31, 2019 would increase by approximately \$3.0 million.

Borrowings outstanding under our Term Loan B currently bear interest at an annual rate of LIBOR plus 2.00%, subject to adjustment as defined in the agreement. We have hedged our interest rate exposure on \$350.0 million of borrowings under the Term Loan B with interest rate swaps that fix the LIBOR portion of interest payments through May 2023. If LIBOR were to increase by 100 basis points, our annual interest cost on the \$36.3 million in borrowings outstanding under the Term Loan B that are not hedged at December 31, 2019 would increase by approximately \$0.4 million.

Borrowings outstanding under the Gaylord Rockies Loan currently bear interest at an annual rate of LIBOR plus 2.50%. The Gaylord Rockies joint venture has hedged its interest rate exposure with an interest rate swap that fixes the LIBOR portion of interest payments through August 2022. If the Gaylord Rockies joint venture does not enter into an additional interest rate swap, the joint venture will be subject to interest rate risk from August 2022 through the maturity date of July 2023.

Certain of our outstanding cash balances are occasionally invested overnight with high credit quality financial institutions. We do not have significant exposure to changing interest rates on invested cash at December 31, 2019. As a result, the interest rate market risk implicit in these investments at December 31, 2019, if any, is low.

Risk Related to Changes in Asset Values that Fund our Pension Plans

The expected rates of return on the assets that fund our defined benefit pension plan are based on the asset allocation of the plan and the long-term projected return on those assets, which represent a diversified mix of equity securities, fixed income securities and cash. At December 31, 2019, the value of the investments in the pension fund was \$66.0 million, and an immediate ten percent decrease in the value of the investments in the fund would have reduced the value of the fund by approximately \$6.6 million.

Summary

Based upon our overall market risk exposures at December 31, 2019, we believe that the effects of changes in interest rates related to our borrowings and asset values of investments that fund our pension plan could be material to our consolidated financial position, results of operations or cash flows.

Item 8. *Financial Statements and Supplementary Data*

Information with respect to this Item is contained in the Company's consolidated financial statements included in the Index beginning on page 74 of this Annual Report on Form 10-K and incorporated by reference herein.

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

None.

Item 9A. *Controls and Procedures*

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this Annual Report. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this Annual Report.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

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

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) in Internal Control - Integrated Framework.

Based on management's assessment and those criteria, management believes that, as of December 31, 2019, the Company's internal control over financial reporting was effective.

The Company's independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the Company's internal control over financial reporting, which is included herein.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information about our Board of Directors required by Item 401 of Regulation S-K is incorporated herein by reference to the discussion under the heading "Election of the Eight Nominees for Director Identified in this Proxy Statement" in our Proxy Statement for the 2020 Annual Meeting of Stockholders, to be filed with the SEC. Information regarding procedures for stockholder nominations to our Board of Directors required by Item 407(c)(3) of Regulation S-K is incorporated by reference to the discussion under the heading "Submitting Stockholder Proposals and Nominations for 2021 Annual Meeting" in our Proxy Statement for the 2020 Annual Meeting of Stockholders to be filed with the SEC.

Certain other information concerning executive officers and certain other officers of the Company is included in Item 1 of Part I of this Annual Report on Form 10-K under the caption "Executive Officers of the Registrant."

The Company has a separately designated audit committee of the Board of Directors established in accordance with the Exchange Act. Alvin Bowles, Fazal Merchant, Christine Pantoya and Robert S. Prather, Jr. currently serve as members of the Audit Committee, and Mr. Prather serves as its chairman. Our Board of Directors has determined that Mr. Prather and Mr. Merchant are "audit committee financial experts" as defined by the SEC and are independent, as that term is defined in the Exchange Act and the listing standards of the New York Stock Exchange.

Our Board of Directors has adopted a Code of Business Conduct and Ethics applicable to the members of our Board of Directors and our officers, including our Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer. In addition, the Board of Directors has adopted Corporate Governance Guidelines and restated charters for our Audit Committee, Human Resources Committee, and Nominating and Corporate Governance Committee. You can access our Code of Business Conduct and Ethics, Corporate Governance Guidelines and current committee charters on our website at www.rymanhp.com or request a copy of any of the foregoing by writing to the following address: Ryman Hospitality Properties, Inc., Attention: Secretary, One Gaylord Drive, Nashville, Tennessee 37214. The Company will make any legally required disclosures regarding amendments to, or waivers of, provisions of the Code of Business Conduct and Ethics, Corporate Governance Guidelines or current committee charters on its

website. In accordance with the corporate governance listing standards of the New York Stock Exchange, the Company has designated Mr. Michael I. Roth as the lead director at all meetings of non-management directors, which meetings will be held on a regular basis. Stockholders, employees and other interested parties may communicate with Mr. Roth, individual non-management directors, or the non-management directors as a group, by email at boardofdirectors@rymanhp.com.

Item 11. *Executive Compensation*

The information required by this Item is incorporated herein by reference to the discussions under the headings “Director Compensation,” “Compensation Discussion and Analysis,” “Executive Compensation – 2019 Summary Compensation Table,” “2019 Grants of Plan-Based Awards,” “Outstanding Equity Awards at 2019 Fiscal Year End,” “2019 Option Exercises and Stock Vested,” “Other Compensation Information – Pension Benefits,” “Other Compensation Information – Nonqualified Deferred Compensation,” “Other Compensation Information – 2019 Nonqualified Deferred Compensation Table,” “Potential Payments on Termination or Change of Control,” “Committees of the Board – Compensation Committee Interlocks and Insider Participation,” and “Human Resources Committee Report” in our Proxy Statement for the 2020 Annual Meeting of Stockholders, to be filed with the SEC.

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

The information required by this Item is incorporated herein by reference to the discussions under the headings “Stock Ownership” and “Equity Compensation Plan Information” in our Proxy Statement for the 2020 Annual Meeting of Stockholders, to be filed with the SEC.

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

The information required by this Item is incorporated herein by reference to the discussions under the headings “Company Information – Corporate Governance – Independence of Directors” and “Certain Transactions” in our Proxy Statement for the 2020 Annual Meeting of Stockholders, to be filed with the SEC.

Item 14. *Principal Accountant Fees and Services*

The information required by this Item is incorporated herein by reference to the discussion under the heading “Our Independent Registered Public Accounting Firm” in our Proxy Statement for the 2020 Annual Meeting of Stockholders, to be filed with the SEC.

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

(a)(1) *Financial Statements*

The accompanying index to financial statements on page 74 of this Annual Report on Form 10-K is provided in response to this Item.

(a)(2) *Financial Statement Schedules*

The following financial statement schedule is filed as a part of this report and is included herein on page 126 of this Annual Report on Form 10-K:

Schedule III – Real Estate and Accumulated Depreciation

All other financial statement schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

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(a)(3) Exhibits

The following exhibits are filed with this Annual Report on Form 10-K or are incorporated herein by reference:

EXHIBIT NUMBER	DESCRIPTION
2.1†	Purchase Agreement, dated as of September 13, 2018, by and among Ryman Hospitality Properties, Inc., Aurora Convention Center Hotel Partners, LLC, AREG Aurora CCH LLC, and RIDA Aurora LLC (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed September 14, 2018).
2.2	First Amendment to Purchase Agreement, dated December 31, 2018, by and among Ryman Hospitality Properties, Inc., Aurora Convention Center Hotel Partners, LLC, AREG Aurora CCH LLC, and RIDA Aurora LLC (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed January 7, 2019).
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed October 1, 2012).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed October 1, 2012).
4.1	Specimen of Common Stock certificate of the Company (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 24, 2012).
4.2	Reference is made to Exhibits 3.1 and 3.2 hereof for instruments defining the rights of common stockholders of the Company.
4.3*	Description of Securities.
4.4	Indenture, dated as of April 14, 2015, among RHP Hotel Properties, LP, RHP Finance Corporation, Ryman Hospitality Properties, Inc., each of the guarantors named therein and U.S. Bank National Association, as trustee, relating to the 5.00% Senior Notes due 2023 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 14, 2015).
4.5	Form of 5.00% Senior Note due 2023 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed April 14, 2015).
4.6	Indenture, dated as of September 19, 2019, among RHP Hotel Properties, LP and RHP Finance Corporation, as the issuers, Ryman Hospitality Properties, Inc., as a guarantor, each of the subsidiary guarantors named therein and U.S. Bank National Association, as trustee, relating to the 4.750% Senior Notes due 2027 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 19, 2019).
4.7	Form of 4.750% Senior Note due 2027 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed September 19, 2019).
4.8	Registration Rights Agreement, dated as of September 19, 2019, among RHP Properties, LP, RHP Finance Corporation, Ryman Hospitality Properties, Inc., each of the guarantors named therein, and Deutsche Bank Securities Inc. as representative of the initial purchasers (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed September 19, 2019).
4.9	Supplemental Indenture No. 1, dated as of October 8, 2019, by and among RHP Hotel Properties, LP, and RHP Finance Corporation, as the issuers, Ryman Hospitality Properties, Inc., as a guarantor, each of the subsidiary guarantors named therein and U.S. Bank National Association, as trustee, relating to the 4.750% Senior Notes due 2027 (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed October 8, 2019).
4.10	Registration Rights Agreement, dated as of October 8, 2019, among RHP Properties, LP, RHP Finance Corporation, Ryman Hospitality Properties, Inc., each of the guarantors named therein, and Deutsche Bank Securities Inc. as representative of the initial purchasers (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed October 8, 2019).

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- 10.1† [Sixth Amended and Restated Credit Agreement dated as of October 31, 2019, among Ryman Hospitality Properties, Inc., as a guarantor, RHP Hotel Properties, LP, as borrower, certain other subsidiaries of Ryman Hospitality Properties, Inc. party thereto, as guarantors, certain subsidiaries of Ryman Hospitality Properties, Inc. party thereto, as pledgors, the lenders party thereto and Wells Fargo Bank National Association, as administrative agent \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed November 1, 2019\).](#)
- 10.2 [Opryland Hotel-Florida Ground Lease, dated as of March 3, 1999, by and between Xentury City Development Company, L.L.C., and Opryland Hotel-Florida Limited Partnership \(incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999\).](#)
- 10.3 [Hotel/ Convention Center Sublease Agreement, dated as of May 16, 2000, by and between the City of Grapevine, Texas and Opryland Hotel-Texas Limited Partnership \(incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002\).](#)
- 10.4 [Sublease Addendum Number 1, dated July 28, 2000, by and between the City of Grapevine, Texas and Opryland Hotel-Texas Limited Partnership \(incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002\).](#)
- 10.5 [First Amended and Restated Agreement of Limited Partnership of RHP Hotel Properties, LP, dated December 31, 2018 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed January 7, 2019\).](#)
- 10.6† [Second Amended and Restated Loan Agreement entered into as of July 2, 2019, among Aurora Convention Center Hotel, LLC, Aurora Convention Center Hotel Lessee, LLC, Wells Fargo Bank, National Association, as administrative agent, and the financial institutions from time to time party thereto \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 5, 2019\).](#)
- 10.7# [The Opryland USA Inc. Supplemental Deferred Compensation Plan \(incorporated by reference to Exhibit 10.11 to the former Gaylord Entertainment Company's Registration Statement on Form S-1\).](#)
- 10.8# [Gaylord Entertainment Company Retirement Benefit Restoration Plan \(incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000\).](#)
- 10.9# [Executive Employment Agreement of Colin V. Reed, dated February 25, 2008, with the Company \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 27, 2008\).](#)
- 10.10# [First Amendment to Executive Employment Agreement of Colin V. Reed, dated December 18, 2008, with Company \(incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed with the SEC on December 23, 2008\).](#)
- 10.11# [Second Amendment to Executive Employment Agreement, dated September 3, 2010, by and between the Company and Colin V. Reed \(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010\).](#)
- 10.12# [Third Amendment to Executive Employment Agreement, dated as of November 5, 2012, by and between the Company and Colin V. Reed \(incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012\).](#)
- 10.13# [Indemnification Agreement, dated as of April 23, 2001, by and between the Company and Colin V. Reed \(incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001\).](#)
- 10.14# [Form of Employment Agreement of Mark Fioravanti, dated February 25, 2008, with the Company \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on February 27, 2008\).](#)
- 10.15# [Form of Amendment No. 1 to Employment Agreement of Mark Fioravanti \(incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009\).](#)
- 10.16# [Amendment No. 2 to Employment Agreement, dated September 3, 2010, by and between the Company and Mark Fioravanti \(incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010\).](#)

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- 10.17# [Third Amendment to Executive Employment Agreement dated as of November 5, 2012, by and between the Company and Mark Fioravanti \(incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012\).](#)
- 10.18# [Employment Agreement dated as of February 25, 2008 by and between the Company and Bennett Westbrook \(incorporated by reference to Exhibit 10.45 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012\).](#)
- 10.19# [Amendment No. 1 to Employment Agreement dated as of September 3, 2010 by and between Bennett Westbrook \(incorporated by reference to Exhibit 10.46 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012\).](#)
- 10.20# [Second Amendment to Employment Agreement dated as of November 5, 2012 by and between the Company and Bennett Westbrook \(incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K for the year December 31, 2012\).](#)
- 10.21# [Third Amendment to Employment Agreement dated as of July 1, 2016 by and between the Company and Bennett Westbrook \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016\).](#)
- 10.22# [Severance Agreement dated as of February 26, 2018 between the Company and Patrick Chaffin \(incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017\).](#)
- 10.23# [Severance Agreement dated as of February 26, 2018 between the Company and Scott Lynn \(incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017\).](#)
- 10.24# [Severance Agreement dated as of February 26, 2018 between the Company and Jennifer Hutcheson \(incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017\).](#)
- 10.25# [Form of Indemnification Agreement between the Company and each of its non-employee directors \(incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002\).](#)
- 10.26*# [Summary of Director and Executive Officer Compensation.](#)
- 10.27# [Gaylord Entertainment Company Amended and Restated 2006 Omnibus Incentive Plan \(incorporated by reference to Annex A to the Company's Definitive Proxy Statement for the 2011 Annual Meeting of Stockholders filed with the SEC on April 1, 2011\).](#)
- 10.28# [Amendment dated February 10, 2017 to Amended and Restated 2006 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016\).](#)
- 10.29# [Form of Restricted Share Award Agreement with respect to restricted stock granted pursuant to the Company's 2006 Omnibus Incentive Plan, as amended \(incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006\).](#)
- 10.30# [Form of Non-Qualified Stock Option Agreement with respect to stock options granted pursuant to the Company's 2006 Omnibus Incentive Plan, as amended \(incorporated by reference to Exhibit 10.41 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006\).](#)
- 10.31# [Form of Director Non-Qualified Stock Option Agreement with respect to stock options granted pursuant to the Company's 2006 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.42 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006\).](#)
- 10.32# [Form of Director Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006\).](#)
- 10.33# [Form of Restricted Stock Unit Award Agreement with respect to performance-vesting restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive plan \(incorporated by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2008\).](#)
- 10.34# [Form of Restricted Stock Unit Award Agreement with respect to time-vesting restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.52 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009\).](#)

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10.35#	Form of Restricted Stock Unit Award Agreement with respect to performance-based restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012).
10.36#	Form of 2013 Time-Based Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.67 to the Company's Annual Report on Form 10-K for the year December 31, 2012).
10.37#	Form of 2013 Performance-Based Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.68 to the Company's Annual Report on Form 10-K for the year December 31, 2012).
10.38#	Form of Director Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan in lieu of cash retainer fees (incorporated by reference to Exhibit 10.68 to the Company's Annual Report on Form 10-K for the year December 31, 2013).
10.39#	Form of Director Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan to replace previously deferred cash retainer fees (incorporated by reference to Exhibit 10.69 to the Company's Annual Report on Form 10-K for the year December 31, 2013).
10.40#	Ryman Hospitality Properties, Inc. 2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 6, 2016).
10.41#	Amendment dated February 10, 2017 to Ryman Hospitality Properties, Inc. 2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016).
10.42#	Form of Restricted Stock Unit Award Agreement granted pursuant to the Company's 2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016).
10.43#	Form of Restricted Stock Unit Award Agreement with respect to time-based vesting restricted stock units granted pursuant to the Company's 2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016).
10.44#	Form of Restricted Stock Unit Award Agreement with respect to performance-based vesting restricted stock units granted pursuant to the Company's 2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016).
21*	Subsidiaries of the Company.
23.1*	Consent of Independent Registered Public Accounting Firm.
31.1*	Certification of Chief Executive Officer of Periodic Report Pursuant to Rule 13a - 14(a) and Rule 15d - 14(a).
31.2*	Certification of Chief Financial Officer of Periodic Report Pursuant to Rule 13a - 14(a) and Rule 15d - 14(a).
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.
101*	The following materials from Ryman Hospitality Property, Inc.'s Annual Form on Form 10-K for the year ended December 31, 2019, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets at December 31, 2019 and 2018, (ii) Consolidated Statements of Operations for the years ended December 31, 2019, 2018 and 2017, (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2019, 2018 and 2017, (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2019, 2018 and 2017, (v) Consolidated Statement of Changes in Stockholders' Equity and Noncontrolling Interest for the years ended December 31, 2019, 2018 and 2017, and (vi) Notes to Consolidated Financial Statements.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.

† As directed by Item 601(a)(5) or 601(b)(2) of Regulation S-K, as applicable, certain schedules and exhibits to this exhibit are omitted from this filing. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RYMAN HOSPITALITY PROPERTIES, INC.

Date: February 25, 2020

By: /s/ Colin V. Reed
Colin V. Reed
Chairman of the Board of Directors and Chief Executive Officer

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Colin V. Reed</u> Colin V. Reed	Chairman of the Board of Directors and Chief Executive Officer	February 25, 2020
<u>/s/ Rachna Bhasin</u> Rachna Bhasin	Director	February 25, 2020
<u>/s/ Alvin Bowles, Jr.</u> Alvin Bowles, Jr.	Director	February 25, 2020
<u>/s/ Fazal F. Merchant</u> Fazal F. Merchant	Director	February 25, 2020
<u>/s/ Patrick Q. Moore</u> Patrick Q. Moore	Director	February 25, 2020
<u>/s/ Christine Pantoya</u> Christine Pantoya	Director	February 25, 2020
<u>/s/ Robert S. Prather, Jr.</u> Robert S. Prather, Jr.	Director	February 25, 2020
<u>/s/ Michael I. Roth</u> Michael I. Roth	Director	February 25, 2020
<u>/s/ Mark Fioravanti</u> Mark Fioravanti	President and Chief Financial Officer	February 25, 2020
<u>/s/ Jennifer Hutcheson</u> Jennifer Hutcheson	Senior Vice President, Corporate Controller and Chief Accounting Officer	February 25, 2020

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Ryman Hospitality Properties, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Ryman Hospitality Properties, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, stockholders' equity and noncontrolling interest and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 25, 2020, expressed an unqualified opinion thereon.

Adoption of New Accounting Standard

As discussed in Note 1 to the consolidated financial statements, the Company changed its method for accounting for leases in 2019 due to the adoption of ASU No. 2016-02, "Leases" (ASC 842). As explained below, auditing the Company's adoption of ASC 842 was a critical audit matter.

Basis for Opinion

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

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

Critical Audit Matters

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

Valuation of Gaylord National Bonds

Description of the Matter At December 31, 2019, the Company holds within Notes Receivable certain bonds received in connection with the development of the Gaylord National Resort & Convention Center (“Bonds”) which are reported at a carrying amount of \$110.1 million. The Company has determined that it has the intent and ability to hold the Bonds to maturity and is following the accounting guidance related to investments in debt securities. As such, the Company assesses the Bonds for impairment, which requires an estimation of fair value of the Bonds. The Bonds and related accounting and historical impairments are more fully described in Notes 1 and 3 to the consolidated financial statements.

Auditing management’s assessment of the valuation of the Bonds was complex and judgmental due to the significant estimation and assumptions required in projecting the future tax revenues to be generated by the Gaylord National Resort & Convention Center, which are the basis for estimating the Bonds’ fair value. In particular, the fair value estimate is sensitive to significant assumptions, such as the expected average daily rates, occupancy rates, real estate capitalization rate and discount rate, which are affected by expectations about future market and economic conditions, particularly those in the Washington D.C. market. Finally, such assumptions are judgmental as the Bonds and related projected cash flows continue for an extended period of time through 2037.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company’s valuation of the Bonds, including controls over management’s review of the significant assumptions described above.

To test the Company’s determination of the estimated fair value of the Bonds, we performed audit procedures that included, among others, assessing the fair value methodologies utilized by management, testing the significant assumptions discussed above and the related underlying data used by the Company in its evaluation, and testing the mathematical accuracy of the calculations. In performing those procedures, we compared the significant assumptions used by management to current industry, market, and economic trends, along with the recent historical results, reassessed the accuracy of management’s historical projected cash flows utilized in prior period evaluations, performed sensitivity analyses of changes in significant assumptions, and compared forecasts of cash flows utilized in the evaluation to current business plans. We also involved a valuation specialist to assist in assessing the Company’s valuation methodologies and significant assumptions used in the valuation analysis.

Adoption of ASC 842, Leases – Valuation of Gaylord Palms Ground Lease

Description of the Matter As described above and in Note 1 and Note 7 to the consolidated financial statements, the Company adopted Accounting Standard Codification Topic 842, Leases (“ASC 842”), on January 1, 2019. The adoption of ASC 842 resulted in the recognition of both right of use operating lease assets and operating lease liabilities of approximately \$100.9 million as of January 1, 2019.

Auditing the Company’s adoption of ASC 842 was complex because the Company is the lessee in a long-term ground lease at the Gaylord Palms Resort & Convention Center, with a remaining lease term in excess of 50 years at January 1, 2019. Given the long-term nature of this ground lease and the significance of the cash lease payments over this period of time which were discounted to measure the lease asset and liability, auditing the Company’s estimate of the incremental borrowing rate (“IBR”) for the long-term ground lease was especially challenging and required management to exercise judgment.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for the adoption of ASC 842, including controls over management's review of the IBR model for the Gaylord Palms Resort & Convention Center ground lease.

To test the Company's adoption of ASC 842, we performed audit procedures that included, among others, testing the accuracy of the lease terms and testing the accuracy of the Company's calculations of the initial measurement of the right of use assets and lease liabilities. Additionally, we involved valuation specialists to test management's model for estimating the IBR for the Gaylord Palms Resort & Convention Center ground lease. We evaluated management's methodology for developing the IBR and tested judgments and estimates regarding the Company's secured borrowing rates, market credit rating, comparable bond yield curve, and adjustments to market yield curves to determine a securitized rate. We compared the Company's IBR to ranges developed by our valuation specialists based on independently observed data.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 2002.
Nashville, Tennessee
February 25, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Ryman Hospitality Properties, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Ryman Hospitality Properties, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2019, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Ryman Hospitality Properties, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2019 consolidated financial statements of the Company, and our report dated February 25, 2020, expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
February 25, 2020

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except per share data)

	December 31, 2019	December 31, 2018
ASSETS:		
Property and equipment, net of accumulated depreciation (including \$979,012 and \$1,018,499 from VIEs, respectively)	\$ 3,130,252	\$ 3,149,095
Cash and cash equivalents - unrestricted (including \$33,772 and \$11,648 from VIEs, respectively)	362,430	103,437
Cash and cash equivalents - restricted	57,966	45,652
Notes receivable (including \$0 and \$11,230 from VIEs, respectively)	110,135	122,209
Trade receivables, less allowance of \$828 and \$763, respectively (including \$16,523 and \$2,019 from VIEs, respectively)	70,768	67,923
Deferred income tax assets, net	25,959	40,557
Prepaid expenses and other assets (including \$27,888 and \$20,419 from VIEs, respectively)	123,845	78,240
Intangible assets (including \$202,366 and \$241,973 from VIEs, respectively)	207,113	246,770
Total assets	<u>\$ 4,088,468</u>	<u>\$ 3,853,883</u>
LIABILITIES AND EQUITY:		
Debt and finance lease obligations (including \$792,696 and \$494,578 from VIEs, respectively)	\$ 2,559,968	\$ 2,441,895
Accounts payable and accrued liabilities (including \$57,590 and \$70,215 from VIEs, respectively)	264,915	274,890
Dividends payable	50,711	45,019
Deferred management rights proceeds	175,332	174,026
Operating lease liabilities	106,331	—
Other liabilities	64,971	161,043
Commitments and contingencies		
Noncontrolling interest in consolidated joint venture	221,511	287,433
Stockholders' equity:		
Preferred stock, \$.01 par value, 100,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$.01 par value, 400,000 shares authorized, 54,897 and 51,336 shares issued and outstanding, respectively	549	513
Additional paid-in capital	1,185,168	900,795
Treasury stock of 619 and 592 shares, at cost	(17,315)	(15,183)
Accumulated deficit	(495,514)	(388,524)
Accumulated other comprehensive loss	(28,159)	(28,024)
Total stockholders' equity	644,729	469,577
Total liabilities and equity	<u>\$ 4,088,468</u>	<u>\$ 3,853,883</u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2019, 2018 and 2017
(Amounts in thousands, except per share data)

	2019	2018	2017
Revenues:			
Rooms	\$ 557,562	\$ 454,370	\$ 431,768
Food and beverage	660,770	519,843	483,945
Other hotel revenue	203,114	153,690	143,947
Entertainment	183,120	147,215	125,059
Total revenues	<u>1,604,566</u>	<u>1,275,118</u>	<u>1,184,719</u>
Operating expenses:			
Rooms	144,834	118,060	112,636
Food and beverage	362,850	282,906	269,824
Other hotel expenses	409,883	339,529	327,283
Management fees, net	39,608	30,744	23,856
Total hotel operating expenses	<u>957,175</u>	<u>771,239</u>	<u>733,599</u>
Entertainment	126,609	109,249	84,513
Corporate	36,282	30,833	31,387
Preopening costs	3,122	4,869	1,926
Depreciation and amortization	213,847	120,876	111,959
Impairment charges	—	23,783	—
Other-than-temporary impairment loss on held-to-maturity securities:			
Total other-than-temporary impairment loss	—	—	41,961
Less portion recognized in other comprehensive income	—	—	(6,543)
Net impairment loss recognized in earnings on held-to-maturity securities	—	—	35,418
Total operating expenses	<u>1,337,035</u>	<u>1,060,849</u>	<u>998,802</u>
Operating income	267,531	214,269	185,917
Interest expense	(131,620)	(74,961)	(66,051)
Interest income	11,769	10,469	11,818
Loss on extinguishment of debt	(494)	—	—
Income (loss) from unconsolidated joint ventures	(1,110)	125,005	(4,402)
Other gains and (losses), net	693	1,633	(337)
Income before income taxes	<u>146,769</u>	<u>276,415</u>	<u>126,945</u>
(Provision) benefit for income taxes	<u>(18,475)</u>	<u>(11,745)</u>	<u>49,155</u>
Net income	128,294	264,670	176,100
Net loss attributable to noncontrolling interest in consolidated joint venture	17,500	—	—
Net income available to common stockholders	<u>\$ 145,794</u>	<u>\$ 264,670</u>	<u>\$ 176,100</u>
Basic income per share available to common stockholders	<u>\$ 2.82</u>	<u>\$ 5.16</u>	<u>\$ 3.44</u>
Diluted income per share available to common stockholders	<u>\$ 2.81</u>	<u>\$ 5.14</u>	<u>\$ 3.43</u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2019, 2018 and 2017
(Amounts in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net income	\$ 128,294	\$ 264,670	\$ 176,100
Other comprehensive income (loss), before tax:			
Gain (loss) on minimum pension liability:			
Gains (losses) arising during the period	693	(2,231)	3,111
Amount reclassified from accumulated other comprehensive loss	97	(64)	60
	<u>790</u>	<u>(2,295)</u>	<u>3,171</u>
Interest rate derivatives:			
Gains arising during period	3,539	—	—
Amount reclassified from accumulated other comprehensive loss	(1,905)	—	—
	<u>1,634</u>	<u>—</u>	<u>—</u>
Other-than-temporary impairment loss on held-to-maturity securities:			
Non-credit loss on other-than-temporary impairment	—	—	(6,543)
Amount reclassified from accumulated other comprehensive loss	333	333	—
	<u>333</u>	<u>333</u>	<u>(6,543)</u>
Other comprehensive income (loss), before tax	2,757	(1,962)	(3,372)
Income tax (provision) benefit related to items of comprehensive loss	(185)	630	(1,052)
Other comprehensive income (loss), net of tax	<u>2,572</u>	<u>(1,332)</u>	<u>(4,424)</u>
Comprehensive income	\$ 130,866	\$ 263,338	\$ 171,676
Comprehensive loss attributable to noncontrolling interest	18,328	—	—
Comprehensive income available to common stockholders	<u>\$ 149,194</u>	<u>\$ 263,338</u>	<u>\$ 171,676</u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019, 2018 and 2017
(Amounts in thousands)

	2019	2018	2017
Cash Flows from Operating Activities:			
Net income	\$ 128,294	\$ 264,670	\$ 176,100
Amounts to reconcile net income to net cash flows provided by operating activities:			
Provision (benefit) for deferred income taxes	14,414	10,190	(52,637)
Depreciation and amortization	213,847	120,876	111,959
Amortization of deferred financing costs	7,662	5,632	5,350
Impairment charges	—	23,783	—
Net impairment loss recognized in earnings on held-to-maturity securities	—	—	35,418
Write-off of deferred financing costs	3,079	1,956	925
(Income) loss from unconsolidated joint ventures	1,110	(125,005)	4,402
Stock-based compensation expense	7,833	7,656	6,640
Changes in:			
Trade receivables	(2,844)	(8,320)	(9,702)
Accounts payable and accrued liabilities	(13,674)	22,201	17,189
Other assets and liabilities	(5,035)	(1,720)	186
Net cash flows provided by operating activities	<u>354,686</u>	<u>321,919</u>	<u>295,830</u>
Cash Flows from Investing Activities:			
Purchases of property and equipment	(152,541)	(188,217)	(182,565)
Collection of notes receivable	13,211	2,560	2,370
Investment in Gaylord Rockies joint venture	—	—	(16,309)
Purchase of additional interest in Gaylord Rockies joint venture, net of cash acquired	(5,481)	(223,564)	—
Earnest money deposit for potential Block 21 acquisition	(15,000)	—	—
Investment in other joint ventures	(4,241)	(2,199)	(9,313)
Purchase of remaining interest in Opry City Stage, net of cash acquired	—	(3,963)	—
Other investing activities	1,015	(7,927)	(9,604)
Net cash flows used in investing activities	<u>(163,037)</u>	<u>(423,310)</u>	<u>(215,421)</u>
Cash Flows from Financing Activities:			
Net borrowings (repayments) under revolving credit facility	(525,000)	354,000	(211,400)
Borrowings under term loan A	100,000	—	200,000
Borrowings under term loan B	—	—	500,000
Repayments under term loan B	(105,000)	(5,000)	(393,750)
Issuance of senior notes	702,500	—	—
Redemption of senior notes	(350,000)	—	—
Borrowing under Gaylord Rockies term loan	800,000	—	—
Repayment of Gaylord Rockies construction and mezzanine loans	(496,612)	—	—
Deferred financing costs paid	(27,666)	(642)	(12,268)
Issuance of common stock	282,908	—	—
Payment of dividends	(183,346)	(172,415)	(161,706)
Distributions from consolidated joint venture to noncontrolling interest partners	(113,894)	—	—
Payment of tax withholdings for share-based compensation	(3,989)	(4,164)	(3,810)
Other financing activities	(243)	(9)	45
Net cash flows provided by (used in) financing activities	<u>79,658</u>	<u>171,770</u>	<u>(82,889)</u>
Net change in cash, cash equivalents, and restricted cash	271,307	70,379	(2,480)
Cash, cash equivalents, and restricted cash, beginning of period	149,089	78,710	81,190
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 420,396</u>	<u>\$ 149,089</u>	<u>\$ 78,710</u>
Reconciliation of cash, cash equivalents, and restricted cash to balance sheet:			
Cash and cash equivalents - unrestricted	\$ 362,430	\$ 103,437	\$ 57,557
Cash and cash equivalents - restricted	57,966	45,652	21,153
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 420,396</u>	<u>\$ 149,089</u>	<u>\$ 78,710</u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND NONCONTROLLING INTEREST
For the Years Ended December 31, 2019, 2018 and 2017
(Amounts in thousands)

	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interest
BALANCE, December 31, 2016	\$ 510	\$ 893,102	\$ (11,542)	\$ (491,805)	\$ (22,268)	\$ 367,997	\$ —
Net income	—	—	—	176,100	—	176,100	—
Other comprehensive loss, net of income taxes	—	—	—	—	(4,424)	(4,424)	—
Payment of dividends (\$3.20 per share)	—	745	(1,711)	(163,465)	—	(164,431)	—
Exercise of stock options	—	65	—	—	—	65	—
Restricted stock units and stock options surrendered	2	(3,793)	—	—	—	(3,791)	—
Stock-based compensation expense	—	6,640	—	—	—	6,640	—
BALANCE, December 31, 2017	\$ 512	\$ 896,759	\$ (13,253)	\$ (479,170)	\$ (26,692)	\$ 378,156	\$ —
Net income	—	—	—	264,670	—	264,670	—
Transition adjustment related to adoption of ASU 2014-09	—	—	—	(134)	—	(134)	—
Other comprehensive loss, net of income taxes	—	—	—	—	(1,332)	(1,332)	—
Payment of dividends (\$3.40 per share)	—	514	(1,930)	(173,890)	—	(175,306)	—
Exercise of stock options	—	11	—	—	—	11	—
Restricted stock units and stock options surrendered	1	(4,145)	—	—	—	(4,144)	—
Stock-based compensation expense	—	7,656	—	—	—	7,656	—
Establishment of noncontrolling interest in consolidated joint venture	—	—	—	—	—	—	287,433
BALANCE, December 31, 2018	\$ 513	\$ 900,795	\$ (15,183)	\$ (388,524)	\$ (28,024)	\$ 469,577	\$ 287,433
Net income	—	—	—	145,794	—	145,794	(17,500)
Adjustment of noncontrolling interest to redemption value	—	—	—	(68,054)	—	(68,054)	68,054
Transition adjustment related to adoption of ASU 2018-02	—	—	—	2,707	(2,707)	—	—
Other comprehensive income, net of income taxes	—	—	—	—	2,572	2,572	—
Purchase of additional ownership interest in consolidated joint venture	—	(2,899)	—	—	—	(2,899)	(2,582)
Distributions from consolidated joint venture to noncontrolling interest partners	—	—	—	—	—	—	(113,894)
Issuance of common stock	35	282,873	—	—	—	282,908	—
Payment of dividends (\$3.60 per share)	—	532	(2,132)	(187,437)	—	(189,037)	—
Exercise of stock options	—	35	—	—	—	35	—
Restricted stock units and stock options surrendered	1	(4,001)	—	—	—	(4,000)	—
Stock-based compensation expense	—	7,833	—	—	—	7,833	—
BALANCE, December 31, 2019	<u>\$ 549</u>	<u>\$ 1,185,168</u>	<u>\$ (17,315)</u>	<u>\$ (495,514)</u>	<u>\$ (28,159)</u>	<u>\$ 644,729</u>	<u>\$ 221,511</u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Business and Summary of Significant Accounting Policies

For financial statement presentation and reporting purposes, the Company is the successor to Gaylord Entertainment Company, a Delaware corporation (“Gaylord”). As part of the plan to restructure the business operations of Gaylord to facilitate its qualification as a real estate investment trust (“REIT”) for federal income tax purposes, Gaylord merged with and into its wholly-owned subsidiary, Ryman Hospitality Properties, Inc., a Delaware corporation (“Ryman”), on October 1, 2012, with Ryman as the surviving corporation (the “Merger”). At 12:01 a.m. on October 1, 2012, the effective time of the Merger, Ryman succeeded to and began conducting, directly or indirectly, all of the business conducted by Gaylord immediately prior to the Merger. The “Company” refers to Ryman and its subsidiaries and to Gaylord.

On January 1, 2013, the Company began operating as a REIT for federal income tax purposes, specializing in group-oriented, destination hotel assets in urban and resort markets. The Company’s owned assets include a network of upscale, meetings-focused resorts that are managed by Marriott International, Inc. (“Marriott”) under the Gaylord Hotels brand. These resorts, which the Company refers to as the Gaylord Hotels properties, consist of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee (“Gaylord Opryland”), the Gaylord Palms Resort & Convention Center near Orlando, Florida (“Gaylord Palms”), the Gaylord Texan Resort & Convention Center near Dallas, Texas (“Gaylord Texan”) and the Gaylord National Resort & Convention Center near Washington D.C. (“Gaylord National”). The Company’s other owned hotel assets managed by Marriott include the Inn at Opryland, an overflow hotel adjacent to Gaylord Opryland, and the AC Hotel at National Harbor, Washington D.C. (“AC Hotel”), an overflow hotel adjacent to Gaylord National. The Company also owns a 62.1% interest in a joint venture (the “Gaylord Rockies joint venture”) that owns the Gaylord Rockies Resort & Convention Center near Denver, Colorado (“Gaylord Rockies”), which opened in December 2018 and is managed by Marriott. For more information regarding the Company’s increase in its ownership percentage in the Gaylord Rockies joint venture as of December 31, 2018, see Note 4, “Investment in Gaylord Rockies Joint Venture.”

The Company also owns a number of media and entertainment assets, including the Grand Ole Opry, the legendary weekly showcase of country music’s finest performers; the Ryman Auditorium, the storied live music venue and former home of the Grand Ole Opry located in downtown Nashville; WSM-AM, the Opry’s radio home; Ole Red, a brand of Blake Shelton-themed bar, music venue and event spaces; and three Nashville-based assets managed by Marriott – Gaylord Springs Golf Links (“Gaylord Springs”), the Wildhorse Saloon, and the General Jackson Showboat (“General Jackson”). The Company also owns a 50% interest in a joint venture intended to create and distribute a linear multicast and over-the-top channel dedicated to the country music lifestyle (“Circle”), which launched its broadcast network on January 1, 2020. See Note 13, “Commitments and Contingencies,” for further disclosure.

The Company previously owned Opry City Stage, a four-level entertainment complex in Times Square that opened in December 2017 under a joint venture agreement of which the Company initially owned 50%. In the second quarter of 2018, the Company acquired the remaining 50% joint venture interest in Opry City Stage for a combination of \$3.9 million in cash and the forgiveness of a note receivable previously due to the Company from the other joint venture partner of \$7.9 million. Subsequent to the Company’s purchase of the remaining 50% joint venture interest, the Company determined that current ongoing operations were not meeting the revenue expectations from the time of purchase. In September 2018, the Company announced that it was temporarily suspending operations at Opry City Stage to appropriately reposition the venue and its operations, and in December 2018, the Company determined that it would permanently close the venue. During 2018, the Company performed impairment assessments of the carrying amount of Opry City Stage assets and recorded impairment charges of \$22.6 million, which represented substantially all of the assets associated with the venue, and are reflected as impairment charges in the accompanying consolidated statements of operations for 2018.

The Company conducts its business through an umbrella partnership REIT, in which all of its assets are held by, and all of its operations are conducted through, RHP Hotel Properties, LP, a subsidiary operating partnership (the “Operating

Partnership”) that the Company formed in connection with its REIT conversion. Ryman is the sole limited partner of the Operating Partnership and currently owns, either directly or indirectly, all of the partnership units of the Operating Partnership. RHP Finance Corporation, a Delaware corporation (“Finco”), was formed as a wholly-owned subsidiary of the Operating Partnership for the sole purpose of being an issuer of debt securities with the Operating Partnership. Neither Ryman nor Finco has any material assets, other than Ryman’s investment in the Operating Partnership and its 100%-owned subsidiaries. As 100%-owned subsidiaries of Ryman, neither the Operating Partnership nor Finco has any business, operations, financial results or other material information, other than the business, operations, financial results and other material information described in this Annual Report on Form 10-K and Ryman’s other reports, documents or other information filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

On December 31, 2018, the Company amended the limited partnership agreement of the Operating Partnership to provide that its partnership units may be exchanged on a one-for-one basis for shares of the Company’s common stock. Under certain circumstances, the Company may issue such partnership units as consideration to acquire hotel properties.

The Company principally operates, through its subsidiaries and its property managers, as applicable, in the following business segments: Hospitality; Entertainment; and Corporate and Other. The Company’s fiscal year ends on December 31 for all periods presented.

Business Segments

Hospitality

The Hospitality segment includes the Gaylord Hotels branded hotels, the Inn at Opryland and the AC Hotel, as well as the Company’s equity investment in Gaylord Rockies. See Note 4, “Investment in Gaylord Rockies Joint Venture,” for further discussion of this investment. Each of the Company’s hotels, as well as Gaylord Rockies, is managed by Marriott pursuant to a management agreement for each hotel.

Entertainment

The Entertainment segment includes the Grand Ole Opry, the Ryman Auditorium, WSM-AM, Ole Red, the General Jackson, the Wildhorse Saloon, Gaylord Springs, and the Company’s investment in the Circle joint venture, among various others. Marriott manages the day-to-day operations of the General Jackson, Gaylord Springs and the Wildhorse Saloon pursuant to management agreements.

Corporate and Other

The Corporate and Other segment includes operating and general and administrative expenses related to the overall management of the Company which are not allocated to the other reportable segments, including certain costs for the Company’s retirement plans, equity-based compensation plans, information technology, human resources, accounting, and other administrative expenses.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. The Company’s investments in non-controlled entities in which it has the ability to exercise significant influence over operating and financial policies are accounted for by the equity method. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company analyzes its variable interests, including loans, guarantees, management agreements, leasing arrangements and equity investments, to determine if an entity in which it has a variable interest is a variable interest entity (“VIE”). This analysis primarily includes a qualitative review, which is based on a review of the design of the entity, its organizational structure, including decision-making ability, and relevant financial agreements. This analysis is also used to determine if the Company must consolidate the VIE as the primary beneficiary.

The terms of the Company's increased investment in the Gaylord Rockies joint venture and certain related agreements provide that a subsidiary of the Company is the managing member and is responsible for day-to-day management of the joint venture and for future financings meeting certain parameters. Designated decisions, such as refinancings that do not meet established parameters, future expansions of the hotel, transactions with affiliates, selling the hotel, and admitting additional members of the joint venture, are to be approved by a majority vote of a committee consisting of two members designated by the Company and two members designated by the minority partner. Based on management's analysis of these updated agreements, management concluded the Company's responsibility for the day-to-day management of the joint venture and for future financings meeting certain parameters results in the Company having the power to direct the activities that most significantly impact the economic performance of the joint venture. In addition, the shared decisions represent protective rights of both parties. Thus, the Company became the primary beneficiary of this variable interest entity at December 31, 2018. As such, the Company consolidated the assets and liabilities of the joint venture effective December 31, 2018 and began consolidating the ongoing operations of the joint venture effective January 1, 2019. See "Noncontrolling Interest in Consolidated Joint Venture" and Note 4, "Investment in Gaylord Rockies Joint Venture," below for further discussion.

The terms of the Company's joint venture agreement in Circle provide that the Company and its joint venture partner each share the authority to make major decisions in the joint venture, including operating plans, entering into certain contracts, admitting additional members of the joint venture, issuing additional membership interests, and amending the operating agreement. In addition, the officers of Circle are not employees of the Company. Based on management's analysis of the joint venture agreement, management concluded that the Company is not the primary beneficiary of this variable interest entity and accounts for this investment under the equity method.

Potential Acquisition

In December 2019, the Company entered into an agreement to purchase Block 21, a mixed-use entertainment, lodging, office and retail complex located in Austin, Texas, for \$275 million, which includes the assumption of approximately \$141 million of existing mortgage debt. Block 21 is the home of the Austin City Limits Live at The Moody Theater ("ACL Live"), a 2,750-seat entertainment venue that serves as the filming location for the Austin City Limits television series. The Block 21 complex also includes the 251-room W Austin Hotel, the 350-seat 3TEN at ACL Live club and approximately 53,000 square feet of Class A commercial space. The Company paid a nonrefundable deposit of \$15 million with the agreement, and the acquisition is expected to close at the end of the first quarter or in early second quarter 2020, subject to customary closing conditions including, but not limited to, consent to the Company's assumption of the existing mortgage loan by the loan servicer and the consent of the hotel property manager, an affiliate of Marriott, to the Company's assignment and assumption of the existing hotel management agreement. The Company intends to fund the acquisition with a portion of the proceeds from the equity offering discussed in Note 11, "Equity."

Property and Equipment

Property and equipment are stated at cost or at estimated fair value if recorded in connection with purchase accounting. Improvements and significant renovations that extend the lives of existing assets are capitalized. Interest on funds borrowed to finance the construction of major capital additions not funded through furniture, fixtures and equipment reserves is included in the cost of the applicable capital addition. Maintenance and repairs are charged to expense as incurred. Property and equipment are generally depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Land improvements	20 years
Furniture, fixtures and equipment	5-8 years
Leasehold improvements	The shorter of the lease term or useful life

Cash and Cash Equivalents — Unrestricted

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Cash and Cash Equivalents — Restricted

Restricted cash and cash equivalents primarily represent funds held by our property managers for furniture, fixtures and equipment reserves. In addition, the Company holds certificates of deposit with an original maturity of greater than three months in order to secure its Tennessee workers' compensation self-insurance obligations.

Supplemental Cash Flow Information

Cash paid for interest for the years ended December 31 was comprised of (amounts in thousands):

	2019	2018	2017
Debt interest paid	\$ 121,876	\$ 74,821	\$ 63,325
Capitalized interest	(1,618)	(10,013)	(6,645)
Cash paid for interest, net of capitalized interest	<u>\$ 120,258</u>	<u>\$ 64,808</u>	<u>\$ 56,680</u>

Net cash payments of income taxes in 2019, 2018 and 2017 were \$3.6 million, \$1.6 million and \$4.1 million, respectively.

Accounts Receivable

The Company's accounts receivable are primarily generated by meetings and convention attendees' room nights and food and beverage. Receivables arising from these sales are not collateralized. Credit risk associated with the accounts receivable is minimized due to the large and diverse nature of the customer base.

Allowance for Doubtful Accounts

The Company provides allowances for doubtful accounts based upon a percentage of revenue and periodic evaluations of the aging of accounts receivable.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets at December 31 consist of (amounts in thousands):

	2019	2018
Prepaid expenses	\$ 18,888	\$ 15,732
Supplemental deferred compensation plan assets	29,174	24,687
Tax rebate receivables	20,389	17,143
Earnest money deposit for potential Block 21 acquisition	15,000	—
Inventories	10,329	9,823
Deferred financing costs on revolving credit facility	8,493	—
Derivative assets	3,808	—
Other	17,764	10,855
Total prepaid expenses and other assets	<u>\$ 123,845</u>	<u>\$ 78,240</u>

Prepaid expenses consist of prepayments for property taxes, insurance and other contracts that will be expensed during the subsequent year. Inventories consist primarily of food and beverage inventory for resale and retail inventory sold in the Entertainment segment. Inventory is carried at the lower of cost or net realizable value. Cost is computed on an average cost basis. Deferred financing costs ("DFCs") on the Company's revolving credit facility are included in prepaid expenses and other assets when the related revolving credit facility has no outstanding balance. Other assets include capitalized software costs, non-trade receivables, and investments in joint ventures, among others.

The Gaylord Rockies joint venture is party to an incentive agreement with the local government that provides that the joint venture is entitled to receive monthly rebates of certain city and state taxes, including property, sales and lodging taxes. The term of the rebate agreement varies by type of tax but ranges from 25-33 years from commencement of the

construction of Gaylord Rockies. The joint venture earned \$34.6 million in rebates in 2019, which are generally recorded as a reduction in other hotel expenses in the accompanying consolidated statement of operations for 2019.

Intangible Assets

In connection with the Company's purchase price allocation of the Gaylord Rockies joint venture, as discussed further in Note 4, "Investment in Gaylord Rockies Joint Venture," the Company acquired certain definite-lived intangibles, which are shown on the accompanying consolidated balance sheets. Included in these intangibles are the original estimated fair value of advanced bookings of \$125.5 million and the original estimated fair value related to the Gaylord Hotels trade name, which Marriott owns, of \$115.3 million. The advanced bookings asset is being amortized on a straight-line basis over a period of 3.5 years, which corresponds with the period in which the advanced deposits relate, and the value in the trade name is being amortized on a straight-line basis over 30 years, which is the period of the Marriott management agreement.

The gross carrying amount of intangible assets at December 31, 2019 and 2018 was \$252.7 million and \$252.2 million, respectively. Accumulated amortization of intangible assets at December 31, 2019 and 2018 was \$45.6 million and \$5.4 million, respectively. Amortization expense related to intangible assets during 2019, 2018 and 2017 was \$40.2 million, \$0.2 million and \$0.1 million, respectively. The estimated amounts of amortization expense for the next five years are as follows (amounts in thousands):

2020	\$	40,198
2021		40,198
2022		22,240
2023		4,282
2024		4,044
	\$	<u>110,962</u>

Investments

From time to time, the Company has owned minority interest investments in certain businesses. Generally, non-marketable investments (excluding limited partnerships and limited liability company interests) in which the Company owns less than 20 percent are accounted for using the cost method of accounting, and investments in which the Company owns between 20 percent and 50 percent and limited partnerships, including its investment in Circle, are accounted for using the equity method of accounting.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at December 31 consist of (amounts in thousands):

	2019	2018
Trade accounts payable	\$ 40,238	\$ 77,620
Property and other taxes payable	57,668	35,947
Deferred revenues	76,744	69,280
Accrued salaries and benefits	35,303	21,544
Accrued interest payable	16,520	16,027
Other accrued liabilities	38,442	54,472
Total accounts payable and accrued liabilities	<u>\$ 264,915</u>	<u>\$ 274,890</u>

Deferred revenues consist primarily of deposits on advance bookings of hotel rooms and advance ticket sales at the Company's tourism properties, as well as uncollected attrition and cancellation fees. Other accrued liabilities include accruals for, among others, purchasing, meeting planner commissions and utilities.

Income Taxes

The Company establishes deferred tax assets and liabilities based on the difference between the financial statement and income tax carrying amounts of assets and liabilities using existing tax laws and tax rates. The Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. See Note 12, "Income Taxes," for more detail on the Company's income taxes.

The effect on deferred tax assets and liabilities of a change in the tax rate is recognized in income in the period that includes the enactment date of the rate change. The Company records a valuation allowance to reduce its deferred tax assets to the amount that is more likely than not to be realized. The Company has considered projected future taxable income and ongoing feasible tax planning strategies in assessing the need for a valuation allowance.

Deferred Management Rights Proceeds

The Company has deferred and amortizes the proceeds received from Marriott that were allocated to the sale of the management rights, as discussed further in Note 6, "Deferred Management Rights Proceeds," on a straight-line basis over the term of the hotel management agreements, including extensions, as a reduction in management fee expense in the accompanying consolidated statements of operations.

Other Liabilities

Other liabilities at December 31 consist of (amounts in thousands):

	2019	2018
Pension and postretirement benefits liability	\$ 32,670	\$ 34,712
Straight-line lease liability	—	100,068
Deferred compensation liability	29,174	24,687
Derivative liabilities	2,174	—
Other	953	1,576
Total other liabilities	<u>\$ 64,971</u>	<u>\$ 161,043</u>

Deferred Financing Costs

DFCs consist of loan fees and other costs of financing that are amortized over the term of the related financing agreements, using the effective interest method, and are generally presented as a reduction of the related debt liability. DFCs on the Company's revolving credit facility are included in prepaid expenses and other assets when the related revolving credit facility has no outstanding balance. During 2019, 2018 and 2017, DFCs of \$7.7 million, \$5.6 million and \$5.4 million, respectively, were amortized and recorded as interest expense in the accompanying consolidated statements of operations.

As a result of refinancing portions of the Company's outstanding debt, the Company wrote off \$3.1 million, \$2.0 million and \$0.9 million of DFCs during 2019, 2018 and 2017, respectively, which are included in interest expense in the accompanying consolidated statements of operations.

Noncontrolling Interest in Consolidated Joint Venture

The noncontrolling interest in the Gaylord Rockies joint venture represents the minority partners' proportionate share of the assets and liabilities of the joint venture. The noncontrolling interest is classified in the mezzanine section of the consolidated balance sheets as the related redemption options do not meet the requirements for permanent equity classification because these redemption options may be redeemed by the holder as described in Note 4, "Investment in Gaylord Rockies Joint Venture."

The initial value of the noncontrolling interest, which includes certain put rights, was estimated based on the purchase price allocation performed and is discussed further in Note 4, "Investment in Gaylord Rockies Joint Venture." In general, the carrying value on a go-forward basis will be based on the greater of the accumulated historical cost or the put right redemption value, and at December 31, 2019, approximates the fair value of the noncontrolling interest. Beginning in 2019, an adjustment is also made for the minority partners' proportionate share of income or loss.

Revenue Recognition

Revenues from occupied hotel rooms are recognized over time as the daily hotel stay is provided to hotel groups and guests. Revenues from concessions, food and beverage sales and group meeting services are recognized over the period or at the point in time those goods or services are delivered to the hotel group or guest. Revenues from ancillary services at the Company's hotels, such as spa, parking, and transportation services, are generally recognized at the time the goods or services are provided. Cancellation fees and attrition fees, which are charged to groups when they do not fulfill the minimum number of room nights or minimum food and beverage spending requirements originally contracted for, are generally recognized as revenue in the period the Company determines it is probable that a significant reversal in the amount of revenue recognized will not occur, which is typically the period these fees are collected. The Company generally recognizes revenues from the Entertainment segment at the point in time that services are provided or goods are delivered or shipped to the customer, as applicable. The Company is required to collect certain taxes from customers on behalf of government agencies and remit these to the applicable governmental entity on a periodic basis. These taxes are collected from customers at the time of purchase, but are not included in revenue. The Company records a liability upon collection from the customer and relieves the liability when payments are remitted to the applicable governmental agency.

The Company's revenues disaggregated by major source are as follows (in thousands):

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Hotel group rooms	\$ 387,741	\$ 312,364	\$ 294,411
Hotel transient rooms	169,821	142,006	137,357
Hotel food and beverage - banquets	453,612	360,181	329,655
Hotel food and beverage - outlets	207,158	159,662	154,290
Hotel other	203,114	153,690	143,947
Entertainment admissions/ticketing	81,434	69,291	63,586
Entertainment food and beverage	63,815	45,961	31,901
Entertainment retail and other	37,871	31,963	29,572
Total revenues	<u>\$ 1,604,566</u>	<u>\$ 1,275,118</u>	<u>\$ 1,184,719</u>

The Company's Hospitality segment revenues disaggregated by location are as follows (in thousands):

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Gaylord Opryland	\$ 385,610	\$ 365,999	\$ 337,764
Gaylord Palms	208,298	200,763	195,735
Gaylord Texan	292,548	260,418	230,085
Gaylord National	281,367	274,299	268,313
Gaylord Rockies	226,576	—	—
AC Hotel	11,725	10,761	11,805
Inn at Opryland and other	15,322	15,663	15,958
Total Hospitality segment revenues	<u>\$ 1,421,446</u>	<u>\$ 1,127,903</u>	<u>\$ 1,059,660</u>

The majority of the Company's Entertainment segment revenues are concentrated in Tennessee.

The Company records deferred revenues when cash payments are received in advance of its performance obligations, primarily related to advanced deposits on hotel rooms in its Hospitality segment and advanced ticketing in its Entertainment segment. At December 31, 2019 and December 31, 2018, the Company had \$76.7 million and \$69.3 million, respectively, in deferred revenues, which are included in accounts payable and accrued liabilities in the

accompanying consolidated balance sheets. Of the amount outstanding at December 31, 2018, approximately \$54.9 million was recognized in revenues during 2019.

Management Fees

The Company pays Marriott a base management fee of approximately 2% of revenues for the wholly-owned properties that Marriott manages and a base management fee of approximately 3% of revenues for Gaylord Rockies, as well as an incentive fee for each managed property that is based on profitability. The Company incurred \$31.6 million, \$23.3 million and \$22.0 million in base management fees to Marriott during 2019, 2018 and 2017, respectively. The Company incurred \$12.6 million, \$11.8 million and \$6.1 million in incentive fees to Marriott during 2019, 2018 and 2017, respectively. Management fees are presented in the consolidated statements of operations net of the amortization of the deferred management rights proceeds discussed further in Note 6, "Deferred Management Rights Proceeds."

Advertising Costs

Advertising costs are expensed as incurred and were \$53.2 million, \$41.2 million, and \$38.4 million for 2019, 2018 and 2017, respectively.

Stock-Based Compensation

The Company has stock-based employee compensation plans, which are described more fully in Note 8, "Stock Plans." The Company accounts for its stock-based compensation plan under the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 718, "*Compensation – Stock Compensation*."

Preopening Costs

The Company expenses the costs associated with start-up activities and organization costs associated with its development or reopening of hotels and significant attractions as incurred. The Company's preopening costs during 2019 include costs associated with Ole Red Gatlinburg, which opened in March 2019, costs associated with the opening of Gaylord Rockies, which opened on a fully operational basis in January 2019, and costs associated with the ongoing expansion at Gaylord Palms, which is scheduled to be completed in summer 2021. The Company's preopening costs during 2018 include costs associated with an expansion of the guest rooms and convention space at Gaylord Texan, which opened in May 2018, costs associated with Ole Red Nashville, which opened in May 2018, and costs associated with SoundWaves, an indoor/outdoor luxury waterpark at Gaylord Opryland, the indoor portion of which opened in December 2018.

Derivative Financial Instruments

The Company has entered into and may in the future enter into additional interest rate swap agreements to hedge against interest rate fluctuations. Neither the Company nor the Gaylord Rockies joint venture uses derivatives for trading or speculative purposes and currently does not hold any derivatives that are not designated as hedges.

For derivatives designated as and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative resulting from recording each instrument at estimated fair value is recorded in accumulated other comprehensive loss and subsequently reclassified to interest expense in the same period during which the hedged transaction affects earnings. These amounts reported in accumulated other comprehensive loss will be reclassified to interest expense as interest payments are made on the related variable-rate debt. The Company estimates that an immaterial amount will be reclassified from accumulated other comprehensive loss to interest expense in the next twelve months.

Impairment of Long-Lived and Other Assets

In accounting for the Company's long-lived and other assets (including its property and equipment, intangible assets and notes receivable associated with the development of Gaylord National and Gaylord Rockies), the Company assesses its

long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable.

Recoverability of property and equipment and definite-lived intangible assets that will continue to be used is measured by comparing the carrying amount of the asset or asset group to the related total future undiscounted net cash flows. If an asset or asset group's carrying value is not recoverable through those cash flows, the asset group is considered to be impaired. The impairment is measured by the difference between the assets' carrying amount and their fair value, which is estimated using discounted cash flow analyses that utilize comprehensive cash flow projections, as well as observable market data to the extent available.

Recoverability of the notes receivable associated with Gaylord National is measured by comparing the carrying amount of the notes to the fair value of the notes. If the carrying value is greater than the fair value, the Company then assesses if the decline in fair value is other-than-temporary, because of the Company's intent and ability to hold the notes receivable to maturity. If the decline in fair value, which is based on whether the Company expects to receive debt service payments in excess of the carrying value under the notes, is deemed to be other-than-temporary, then the notes receivable are impaired. Subsequent to the recognition of an other-than-temporary impairment, the Company accounts for the notes receivable as if it had been purchased on the measurement date of the other-than-temporary impairment at an amortized cost basis equal to the previous amortized cost basis less the other-than-temporary impairment previously recognized in earnings. The difference between the new amortized cost basis and the cash flows expected to be collected is accreted into interest income. See Note 3, "Notes Receivable," for further disclosure.

Income Per Share

Earnings per share is measured as basic earnings per share and diluted earnings per share. Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed by dividing net income by the weighted average number of common shares outstanding after considering the effect of conversion of dilutive instruments, calculated using the treasury stock method or if-converted method, as applicable. Net income per share amounts are calculated as follows for the years ended December 31 (income and share amounts in thousands):

	2019		
	Income	Shares	Per Share
Net income available to common stockholders	\$ 145,794	51,609	\$ 2.82
Effect of dilutive stock-based compensation	—	169	—
Effect of dilutive put rights	—	197	—
Net income available to common stockholders — assuming dilution	<u>\$ 145,794</u>	<u>51,975</u>	<u>\$ 2.81</u>
	2018		
	Income	Shares	Per Share
Net income available to common stockholders	\$ 264,670	51,294	\$ 5.16
Effect of dilutive stock-based compensation	—	213	—
Net income available to common stockholders — assuming dilution	<u>\$ 264,670</u>	<u>51,507</u>	<u>\$ 5.14</u>
	2017		
	Income	Shares	Per Share
Net income available to common stockholders	\$ 176,100	51,147	\$ 3.44
Effect of dilutive stock-based compensation	—	224	—
Net income available to common stockholders — assuming dilution	<u>\$ 176,100</u>	<u>51,371</u>	<u>\$ 3.43</u>

As more fully discussed in Note 4, "Investment in Gaylord Rockies Joint Venture," to the consolidated financial statements included herein, certain affiliates of Ares Management, L.P. ("Ares") each have a put right to require the

Company to purchase their joint venture interests in the Gaylord Rockies joint venture in consideration of cash or operating partnership units (“OP Units”) of the Operating Partnership. Any OP Units issued by the Operating Partnership to the certain affiliates of Ares will be redeemable at the option of the holders thereof for shares of the Company’s common stock on a one-for-one basis, subject to certain adjustments.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 reported period. Actual results could differ from those estimates.

Newly Issued Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02, “*Leases*” (ASC 842), that requires lessees to put most leases on their balance sheet, but recognize expenses on their income statements in a manner similar to previous accounting. ASC 842 also eliminates the required use of bright-line tests for determining lease classification. The Company adopted ASC 842 as of January 1, 2019 using the modified retrospective approach. Existing leases were recorded at the adoption date and comparative periods were not restated and are presented based on previous existing guidance. The Company also adopted several practical expedients, which allowed the Company to avoid reassessing (i) whether an expired or existing contract meets the definition of a lease; (ii) the lease classification at the adoption date for existing leases; and (iii) whether costs previously capitalized as initial direct costs would continue to be amortized. In addition, the Company elected to adopt a practical expedient that allows the Company to avoid reassessing existing or expired land easements that were not previously accounted for as a lease, as well as a practical expedient that allows the Company to avoid separating nonlease components from lease components and instead to account for each separate lease component and related nonlease component as a single lease component. As permitted, the Company has elected to not apply the recognition requirements of ASC 842 to short-term leases. Adoption of this new standard resulted in the recording of right-of-use operating lease assets and operating lease liabilities of \$100.9 million as of January 1, 2019. However, after considering the Company’s previous straight-line lease liability of \$100.1 million, the Company recorded \$0.8 million in net right-of-use assets related to its operating leases as of January 1, 2019. Right-of-use assets are recorded in prepaid expenses and other assets in the accompanying consolidated balance sheet at December 31, 2019. See Note 2, “Property and Equipment,” and Note 7, “Leases,” for additional disclosures regarding the Company’s leases.

In June 2016, the FASB issued ASU No. 2016-13, “*Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments*,” which will change how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The ASU will replace the current “incurred loss” approach with an “expected loss” model for instruments measured at amortized cost. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a new forward-looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. An entity will apply these amendments with a modified-retrospective approach, with a cumulative-effect adjustment to retained earnings as of the beginning of period of adoption. For debt securities for which an other-than-temporary impairment has been previously recognized, a prospective transition approach for the prior other-than-temporary impairment is required. The Company will adopt this ASU in the first quarter of 2020 and anticipates making an adjustment to beginning retained earnings of approximately \$3 million to \$7 million. The Company does not anticipate any other significant impacts on its financial statements.

In August 2017, the FASB issued ASU No. 2017-12, “*Derivatives and Hedging – Targeted Improvements to Accounting for Hedging Activities*,” which makes more financial and nonfinancial hedging strategies eligible for hedge accounting, changes how companies assess hedge effectiveness, and amends the presentation and disclosure requirements for hedging transactions. The Company adopted this ASU in the first quarter of 2019, and this adoption did not have a material impact on the Company’s financial statements.

In February 2018, the FASB issued ASU No. 2018-02, “*Income Statement – Reporting Comprehensive Income: Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*,” which gives entities the option

to reclassify to retained earnings tax effects related to items that have been stranded in accumulated other comprehensive income as a result of the Tax Cuts and Jobs Act (“TCJA”). An entity that elects to reclassify these amounts must reclassify stranded tax effects related to the TCJA’s change in US federal tax rate for all items accounted for in other comprehensive income. These entities can also elect to reclassify other stranded effects that relate to the TCJA but do not directly relate to the change in the federal tax rate. The Company adopted this ASU in the first quarter of 2019, and the Company recorded a transition adjustment of \$2.7 million, which is reflected as a reclassification from accumulated other comprehensive loss to accumulated deficit in the accompanying consolidated balance sheet at December 31, 2019.

In August 2018, the FASB issued ASU No. 2018-14, “*Compensation – Retirement Benefits – Defined Benefit Plans – General*,” that requires sponsors of defined benefit pension and/or other postretirement plans to disclose the weighted-average interest crediting rate for cash balance plans and other plans with promised interest crediting rates and to disclose an explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period. The guidance also eliminated certain disclosures. The Company adopted this ASU in the first quarter of 2019, and this adoption did not have a material impact on the Company’s financial statements.

2. Property and Equipment

Property and equipment at December 31 is recorded at cost, with the exception of right-of-use finance leases and the Gaylord Rockies joint venture as discussed below, and summarized as follows (amounts in thousands):

	<u>2019</u>	<u>2018</u>
Land and land improvements	\$ 349,024	\$ 347,654
Buildings	3,432,136	3,379,041
Furniture, fixtures and equipment	968,858	913,528
Right-of-use finance lease assets	1,613	—
Construction-in-progress	82,906	48,295
	<u>4,834,537</u>	<u>4,688,518</u>
Accumulated depreciation and amortization	<u>(1,704,285)</u>	<u>(1,539,423)</u>
Property and equipment, net	<u>\$ 3,130,252</u>	<u>\$ 3,149,095</u>

Property and equipment includes all property and equipment of the Gaylord Rockies joint venture as of December 31, 2018, reflected at fair value according to the Company’s purchase price allocation described in Note 4, “Investment in Gaylord Rockies Joint Venture.” Depreciation expense, including amortization of assets under finance lease obligations, during 2019, 2018 and 2017 was \$172.2 million, \$119.5 million, and \$110.4 million, respectively.

In June 2017, the Company entered into an agreement with the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the “Board”) to implement a tax abatement plan related to Gaylord Opryland. The tax abatement plan provides for the capping of real property taxes for a period of eight years by legally transferring title to the Gaylord Opryland real property to the Board. The Board financed the acquisition of the Gaylord Opryland real property by issuing a \$650 million industrial revenue bond to the Company. The Board then leased this property back to the Company. The Company is obligated to make lease payments equal to the debt service on the industrial revenue bond. No cash was exchanged, and no cash will be exchanged in connection with the Company’s lease payments under the lease. The tax abatement period extends through the term of the lease, which coincides with the nine-year maturity of the bond. At any time, the Company has the option to repurchase the real property at a de minimis amount. Due to the form of these transactions, the Company has not recorded the bond or the lease obligation associated with the sale lease-back transaction, and the cost of the Gaylord Opryland real property remains recorded on the balance sheet and is being depreciated over its estimated useful life.

3. Notes Receivable

In connection with the development of Gaylord National, Prince George’s County, Maryland (“the County”) issued a bond with a face value of \$95 million (“Series A Bond”) and an additional bond with a face value of \$50 million (“Series B Bond”), which were delivered to the Company upon substantial completion and opening of Gaylord National

on April 2, 2008. The interest rate on the Series A Bond and Series B Bond is 8.0% and 10.0%, respectively. The maturity date of the Series A Bond and the Series B Bond is July 1, 2034 and September 1, 2037, respectively.

For these bonds, the Company follows the accounting guidance related to investments in debt securities. Upon receipt in 2008, the Company calculated the present value of the future debt service payments from the Series A Bond and Series B Bond based on their effective interest rates of 8.04% and 11.42%, respectively, and recorded the notes receivable at their discounted values of \$93.8 million and \$38.3 million, respectively. The Company records the amortization of discount on these notes receivable as interest income over the terms of the notes. The Company is currently holding the Series A Bond and Series B Bond, which have aggregate carrying values and approximate fair values of \$74.8 million and \$35.3 million, respectively, at December 31, 2019. The Company bases its estimates of fair value on the projected future cash flows of the bonds. The Company is receiving the debt service on the notes receivable, which are payable from tax increments, hotel taxes and special hotel rental taxes generated from the development through the maturity date. Thus, the fair value estimate is sensitive to the significant assumptions, which include the expected average daily rates, occupancy rates, real estate capitalization rates and discount rates, and which are affected by expectations about future market and economic conditions, particularly those in the Washington D.C. market. The Company considers such assumptions to be Level 3 fair value estimates. Further, such assumptions are judgmental as the bonds and related projected cash flows continue for an extending period of time through maturity.

The Company has the intent and ability to hold the Series A Bond and Series B Bond to maturity and had previously expected to receive all debt service payments due. In the fourth quarter and year ended December 31, 2017, as part of its impairment analysis related to the Series B Bond, the Company considered reduced projected tax revenues, which will service the bond, as compared to previous impairment analyses, over the remaining term of the Series B Bond. These long-range tax revenue projections were reduced in 2017 primarily as the result of two factors. First, transient rooms revenue growth rates had been reduced as the initial impact of the opening of the new nearby MGM casino on overnight regional guests had been less than originally anticipated. Second, while the anticipated recovery of the Washington D.C. market had materialized in the central business district, recovery of National Harbor and the surrounding areas had been at a slower pace than previously projected. In response, Gaylord National developed marketing campaigns targeted to regional customers to help drive transient business among regional customers. While these campaigns had proven successful, this change resulted in a lower average daily rate (“ADR”) than previously forecasted. As a result, the level of anticipated transient occupancy and ADR increase included in previous long-range projections had not materialized.

As a result of these reduced long-range tax revenue projections over the remaining life of the Series B Bond, the Company no longer believed it would receive all debt service payments due under the note, and the Company considered the Series B Bond to be other-than-temporarily impaired (“OTTI”) in 2017. The Company compared the expected cash flows to be collected at the original discount rate of 11.42% to the carrying value and determined that the present value of the future cash flows was less than the carrying value. The Company then compared the expected cash flows to be collected at a then-current discount rate of 14.0% to the carrying value of the Series B Bond. The resulting discounted cash flows resulted in an OTTI of \$42.0 million, which was recorded as a reduction in the carrying value of notes receivable in the consolidated balance sheet at December 31, 2017. The amount of the OTTI related to the credit loss, or the decrease in expected cash flows, of \$35.4 million was recorded as an impairment in the accompanying consolidated statement of operations for 2017. The amount of the OTTI related to changing market conditions, or the increase in the discount rate, of \$6.5 million was recorded as an increase to other comprehensive loss in the accompanying consolidated statement of comprehensive income and consolidated statement of stockholders’ equity for 2017 and is amortized as an adjustment to the carrying value of the Series B Bond in the accompanying consolidated balance sheets. The discount rate was determined based on current market interest rates of notes receivable with comparable market ratings and current expectations about the timing of debt service payments under the note.

During 2019, 2018 and 2017, the Company recorded interest income of \$10.2 million, \$10.1 million and \$11.6 million, respectively, on these bonds. The Company received payments of \$11.3 million, \$10.9 million and \$11.1 million during 2019, 2018 and 2017, respectively, relating to these notes receivable, which includes principal and interest payments.

In connection with the development of certain infrastructure adjacent to Gaylord Rockies, in December 2015, Colorado International Center Metropolitan District No. 4 (“CIC4”) issued a bond with a face value of \$20.4 million (“GR Series A Bond”) and an additional bond with a face value of \$1.5 million (“GR Series B Bond”), of which \$9.0 million

of the GR Series A Bond and all of the GR Series B Bond were purchased by the Gaylord Rockies joint venture at issuance at face value. The interest rate on both bonds was 2.5% through November 30, 2020; 6.0% from December 1, 2020 through November 30, 2024; and 8.0% from December 1, 2024 through the respective maturity date. The original maturity date of the GR Series A Bond and the GR Series B Bond was December 1, 2030 and December 1, 2040, respectively. In April 2019, these bonds were redeemed by CIC4, and the joint venture received the outstanding principal and interest, which resulted in no impact to the Company's consolidated statement of operations for 2019.

4. Investment in Gaylord Rockies Joint Venture

In March 2016, certain subsidiaries of the Company entered into a series of agreements with affiliates of RIDA Development Corporation ("RIDA") and Ares with respect to an equity investment in the Gaylord Rockies joint venture, which developed Gaylord Rockies. The hotel is managed by Marriott pursuant to a long-term management contract and consists of a 1,501-room resort hotel with over 485,000 square feet of exhibition, meeting, pre-function and outdoor space. The hotel opened in December 2018 at a total project cost of approximately \$800 million.

In 2016, the Company acquired a 35% interest in a limited liability company which owns the real property comprising the hotel, which the Company purchased for a capital contribution of approximately \$86.5 million. The Company also acquired a 35% interest in a limited liability company which leases the hotel from the property owner and assumed the Marriott management agreement prior to the opening of the hotel. The equity method income (losses) in this investment were \$124.4 million and \$(1.9) million for 2018 and 2017, respectively.

A subsidiary of the Company provided designated asset management services on behalf of the hotel during the pre-construction period in exchange for a flat fee and after opening of the hotel in exchange for a fee based on the hotel's gross revenues on an annual basis.

On December 31, 2018, the Company purchased additional interests in the Gaylord Rockies joint venture, pursuant to a Purchase Agreement by and among the Company and affiliates of RIDA and Ares, and then owned a 61.2% interest in each of the limited liability companies discussed above. The purchase price paid by the Company was approximately \$235.2 million, funded with cash on hand and borrowings under the Company's revolving credit facility. The terms of the Company's increased investment in the Gaylord Rockies joint venture and certain related agreements provide that a subsidiary of the Company is the managing member and is responsible for day-to-day management of the joint venture and for future financings meeting certain parameters. Designated decisions, such as refinancings that do not meet established parameters, future expansions of the hotel, transactions with affiliates, selling the hotel, and admitting additional members of the joint venture, are to be approved by majority vote of a committee consisting of two members designated by the Company and two members designated by the minority partner. Based on management's analysis of these updated agreements, management concluded that the Company's responsibility for the day-to-day management of the joint venture and for future financings meeting certain parameters results in the Company holding the power to direct the activities that most significantly impact the economic performance of the joint venture. In addition, the shared decisions represent protective rights of both parties. Thus, the Company is the primary beneficiary of this variable interest entity at December 31, 2018. As such, the Company consolidated the assets and liabilities of the joint venture effective December 31, 2018 and began consolidating the ongoing operations of the joint venture effective January 1, 2019.

The Company performed a valuation of the overall fair value of the Gaylord Rockies joint venture and the acquired assets and liabilities as of December 31, 2018. This valuation was determined based on a variety of factors and inputs, including future projected cash flows, market data for similar assets, future projected occupancy and ADR, replacement values of land and property, and advanced bookings already received for the hotel, all of which the Company considers as Level 3 fair value measurements. This valuation resulted in an estimation that the fair value of the Company's existing joint venture interest immediately prior to the purchase of additional interest was \$218.4 million, which exceeded the carrying value of the Company's existing interest in the joint venture. The resulting gain of \$131.4 million related to the re-measurement of the pre-existing equity method investment prior to consolidation was recorded as income from unconsolidated joint ventures in the accompanying consolidated statement of operations for 2018.

Utilizing the valuation, the Company performed a purchase price allocation for the acquired assets and liabilities of the Gaylord Rockies joint venture. As a result, the following assets, liabilities and obligations were recorded in the Company's accompanying consolidated balance sheet at December 31, 2018 (amounts in thousands):

Property and equipment (Note 2)	\$ 1,018,499
Cash and cash equivalents - unrestricted	11,653
Notes receivable (Note 3)	11,230
Trade receivables	2,019
Prepaid expenses and other assets	20,419
Intangible assets (Note 1)	241,973
Total assets acquired	<u>1,305,793</u>
Debt and capital lease obligations (Note 5)	(494,578)
Accounts payable and accrued liabilities	(70,215)
Total liabilities assumed	<u>(564,793)</u>
Noncontrolling interest in consolidated joint venture	(287,433)
Previously unconsolidated investment in joint venture	(86,913)
Gain on re-measurement of pre-existing equity method investment	(131,437)
Purchase price of additional interest in Gaylord Rockies joint venture	<u>\$ 235,217</u>

On July 31, 2019, the Company purchased an additional 0.9% interest in the Gaylord Rockies joint venture for a purchase price of \$5.5 million, net of closing true-ups. Subsequent to this transaction, the Company now owns 62.1% of the Gaylord Rockies joint venture.

Pursuant to the amended and restated joint venture agreements, certain affiliates of Ares have a put right to require the Company to purchase their joint venture interests at an appraised value during an annual window period, or under certain other circumstances, in consideration of cash or OP Units of the Operating Partnership. Such put right may be exercised for a number of OP Units, which have economic terms that are substantially similar to shares of the Company's common stock. Any OP Units issued by the Operating Partnership will be redeemable at the option of the holders thereof for shares of the Company's common stock on a one-for-one basis, subject to certain adjustments.

Affiliates of RIDA also have a put right at an appraised value, for cash, which will become exercisable at the earlier of five years after the closing under the Purchase Agreement or the date on which a certain change of control of RIDA occurs.

The Company also entered into a tax protection agreement in connection with the December 31, 2018 purchase of additional interests in the Gaylord Rockies joint venture, which will generally require the Company to, among other things, indemnify certain Ares affiliates that are members of the Gaylord Rockies joint venture that remain invested in the Gaylord Rockies joint venture for 50% of any income taxes incurred by them as a result of a direct or indirect sale or other disposition of the Gaylord Rockies joint venture, within seven years of closing, and for 100% of any income taxes incurred by them as a result of the failure to comply with certain obligations related to nonrecourse liability allocations and debt guarantee opportunities for the purpose of protecting such parties' tax bases.

5. Debt

The Company's debt and finance lease obligations at December 31 consisted of (amounts in thousands):

	2019	2018
\$700M Revolving Credit Facility, less unamortized DFCs of \$0 and \$6,542	\$ —	\$ 518,458
\$300M Term Loan A, less unamortized DFCs of \$2,478 and \$1,220	297,522	198,780
\$500M Term Loan B, less unamortized DFCs of \$4,501 and \$5,307	381,749	485,943
\$350M Senior Notes, less unamortized DFCs of \$0 and \$2,385	—	347,615
\$400M Senior Notes, less unamortized DFCs of \$3,222 and \$4,097	396,778	395,903
\$700M Senior Notes, less unamortized DFCs of \$11,808 and \$0, plus unamortized premium of \$2,434 and \$0	690,626	—
\$800M Term Loan (Gaylord Rockies JV), less unamortized DFCs of \$8,015 and \$0	791,985	—
\$500M Construction Loan (Gaylord Rockies JV), less unamortized DFCs of \$0 and \$1,807	—	457,090
\$39M Mezzanine Loan (Gaylord Rockies JV), less unamortized DFCs of \$0 and \$227	—	37,488
Finance lease obligations	1,308	618
Total debt	\$ 2,559,968	\$ 2,441,895

At December 31, 2019, the Company was in compliance with all covenants related to its outstanding debt.

Annual maturities of long-term debt, excluding finance lease obligations, are as follows (amounts in thousands):

	2020	2021	2022	2023	2024	Years Thereafter	Total
\$700M Revolving Credit Facility	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$300M Term Loan A	—	—	—	—	—	300,000	300,000
\$500M Term Loan B	5,000	5,000	5,000	5,000	366,250	—	386,250
\$400M 5% Senior Notes	—	—	—	400,000	—	—	400,000
\$700M 4.75% Senior Notes	—	—	—	—	—	700,000	700,000
\$800M Term Loan (1)	—	—	—	800,000	—	—	800,000
Total	\$ 5,000	\$ 5,000	\$ 5,000	\$ 1,205,000	\$ 366,250	\$ 1,000,000	\$ 2,586,250

(1) The \$800 million term loan is indebtedness of the Gaylord Rockies joint venture.

Credit Facility

On October 31, 2019, the Company entered into a Sixth Amended and Restated Credit Agreement (the "Credit Agreement") among the Company, as guarantor, the Operating Partnership, as borrower, certain other subsidiaries of the Company party thereto, as guarantors, certain subsidiaries of the Company party thereto, as pledgors, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent, which amended and restated the Company's existing credit facility. As amended, the Company's credit facility consists of a \$700.0 million senior secured revolving credit facility (the "Revolver"), a \$300.0 million senior secured term loan A (the "Term Loan A") which was increased from \$200.0 million pursuant to the amended agreement, and a \$500.0 million senior secured term loan B (the "Term Loan B"), each as discussed below. The Credit Agreement also increased the accordion feature of the previous credit agreement from \$500 million to \$600 million and includes a \$50.0 million letter of credit sublimit.

Each of the Revolver, Term Loan A and Term Loan B is guaranteed by the Company, each of the four wholly-owned subsidiaries that own the Gaylord Hotels properties, and certain other of the Company's subsidiaries. Each is secured by (i) a first mortgage lien on the real property of each of the four owned Gaylord Hotels properties, (ii) pledges of equity interests in the Company's subsidiaries that own the Gaylord Hotels properties, (iii) the personal property of the Company, the Operating Partnership and the subsidiaries that guarantee the Credit Agreement and (iv) all proceeds and products from the Company's Gaylord Hotels properties. Advances are subject to a 55% borrowing base, based on the appraisal value of the Gaylord Hotels properties (reduced to 50% in the event one of the Gaylord Hotel properties is sold). Assets of the Gaylord Rockies joint venture are not subject to the liens of the credit facility.

In addition, each of the Revolver, Term Loan A and Term Loan B contains certain covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements.

If an event of default shall occur and be continuing under the Credit Agreement, the commitments under the Credit Agreement may be terminated and the principal amount outstanding under the Credit Agreement, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

As a result of refinancings of its previous credit facility, the Company wrote off \$0.2 million, \$2.0 million and \$0.9 million of DFCs during 2019, 2018 and 2017, respectively.

\$700 Million Revolving Credit Facility

Pursuant to the Credit Agreement, the Company extended the maturity of the Revolver to March 31, 2024. Borrowings under the Revolver bear interest at an annual rate equal to, at the Company's option, either (i) LIBOR plus the applicable margin ranging from 1.40% to 1.95%, dependent upon the Company's funded debt to total asset value ratio (as defined in the Credit Agreement) or (ii) a base rate as set in the Credit Agreement. At December 31, 2019, the interest rate on the Revolver is LIBOR plus 1.55%. No additional amounts were borrowed under the Revolver at closing of the Credit Agreement.

\$300 Million Term Loan A

Pursuant to the Credit Agreement, the Company increased its Term Loan A from \$200 million to \$300 million and extended the maturity to March 31, 2025. Borrowings under the Term Loan A bear interest at an annual rate equal to, at the Company's option, either (i) LIBOR plus the applicable margin ranging from 1.35% to 1.90%, dependent upon the Company's funded debt to total asset value ratio (as defined in the Credit Agreement) or (ii) a base rate as set in the Credit Agreement. At December 31, 2019, the interest rate on the Term Loan A was LIBOR plus 1.50%. Amounts borrowed under the Term Loan A that are repaid or prepaid may not be reborrowed. At original closing, the Company drew down on the Term Loan A in full. Net proceeds of the 2019 increase in the Term Loan A, after certain transaction expenses payable at closing, were approximately \$94 million and, along with cash on hand, were used to repay \$100 million of the outstanding indebtedness under the Term Loan B.

\$500 Million Term Loan B

The Term Loan B has a maturity of May 11, 2024. The applicable interest rate margins for borrowings under the Term Loan B are, at the Company's option, either (i) LIBOR plus 2.00% or (ii) a base rate as set in the Credit Agreement. At December 31, 2019, the interest rate on the Term Loan B was LIBOR plus 2.00%. In October 2019, we entered into four interest rate swaps with a total notional amount of \$350.0 million to fix the LIBOR portion of the interest rate, at rates between 1.2235% and 1.2315%, through May 11, 2023. The Company has designated these swaps as effective cash flow hedges. The Term Loan B amortizes in equal quarterly installments in aggregate annual amounts equal to 1.0% of the original principal amount of \$500.0 million, with the balance due at maturity. In addition, if for any fiscal year there is Excess Cash Flow (as defined in the Credit Agreement), payment of an additional principal payment is required. Amounts borrowed under the Term Loan B that are repaid or prepaid may not be reborrowed. At closing, the Company drew down on the Term Loan B in full. The credit agreement did not change the maturity date or applicable margin on interest rates for the Term Loan B.

\$350 Million 5% Senior Notes Due 2021

In 2013, the Operating Partnership and Finco completed the private placement of \$350.0 million in aggregate principal amount of senior notes due 2021 (the "\$350 Million 5% Senior Notes"), which were guaranteed by the Company and its subsidiaries that guarantee the Credit Agreement.

In September 2019, the Company commenced a cash tender offer for any and all outstanding \$350 Million 5% Senior Notes at a redemption price of \$1,002.50 per \$1,000 principal amount. Pursuant to the tender offer, \$197.5 million aggregate principal amount of the \$350 Million 5% Senior Notes were validly tendered. As a result of the Company's purchase of tendered \$350 Million 5% Senior Notes, the Company recognized a loss on extinguishment of debt of \$0.5 million in 2019. The Company used a portion of the proceeds from the issuance of the \$700 million 4.75% senior notes discussed below to fund the tender offer.

In accordance with the indenture governing the \$350 Million 5% Senior Notes, subsequent to expiration of the tender offer, in September 2019 the Company gave irrevocable notice of the redemption of all remaining \$350 Million 5% Senior Notes not tendered in the tender offer and irrevocably deposited with the trustee for the \$350 Million 5% Senior Notes an amount sufficient to pay the redemption price of the \$350 Million 5% Senior Notes called for redemption at that date, including interest. The Company used a portion of the proceeds from the issuance of the \$700 million 4.75% senior notes discussed below to fund the redemption.

As a result of the refinancing of the \$350 Million 5% Senior Notes, the Company wrote off \$1.7 million of unamortized DFCs, which are recorded as interest expense in the accompanying consolidated statement of operations for 2019.

\$400 Million 5% Senior Notes Due 2023

On April 14, 2015, the Operating Partnership and Finco completed the private placement of \$400.0 million in aggregate principal amount of senior notes due 2023 (the "\$400 Million 5% Senior Notes"), which are guaranteed by the Company and its subsidiaries that guarantee the Credit Facility. The \$400 Million 5% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The \$400 Million 5% Senior Notes have a maturity date of April 15, 2023 and bear interest at 5% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year. The \$400 Million 5% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of payment with such subsidiaries' existing and future senior unsecured indebtedness and senior in right of payment to future subordinated indebtedness, if any. The \$400 Million 5% Senior Notes are effectively subordinated to the issuing subsidiaries' secured indebtedness to the extent of the value of the assets securing such indebtedness. The guarantees rank equally in right of payment with the applicable guarantor's existing and future senior unsecured indebtedness and senior in right of payment to any future subordinated indebtedness of such guarantor. The \$400 Million 5% Senior Notes are effectively subordinated to any secured indebtedness of any guarantor to the extent of the value of the assets securing such indebtedness and structurally subordinated to all indebtedness and other obligations of the Operating Partnership's subsidiaries that do not guarantee the \$400 Million 5% Senior Notes.

The \$400 Million 5% Senior Notes are redeemable, in whole or in part, at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 102.50%, 101.25% and 100.00% beginning on April 15 of 2019, 2020 and 2021, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

In connection with the issuance of the \$400 Million 5% Senior Notes, in September 2015, the Company completed a registered offer to exchange the \$400 Million 5% Senior Notes for registered notes with substantially identical terms as the \$400 Million 5% Senior Notes.

\$700 Million 4.75% Senior Notes Due 2027

In September 2019, the Operating Partnership and Finco completed the private placement of \$500.0 million in aggregate principal amount of senior notes due 2027 (the "\$500 Million 4.75% Senior Notes"), which are guaranteed by the Company and its subsidiaries that guarantee the Credit Agreement. The \$500 Million 4.75% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The \$500 Million 4.75% Senior Notes have a maturity date of October 15, 2027 and bear interest at 4.75% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year, beginning on April 15, 2020. The \$500 Million 4.75% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of payment with such subsidiaries' existing and future senior unsecured indebtedness and senior in right of payment to future subordinated indebtedness, if any. The

\$500 Million 4.75% Senior Notes are effectively subordinated to the issuing subsidiaries' secured indebtedness to the extent of the value of the assets securing such indebtedness. The guarantees rank equally in right of payment with the applicable guarantor's existing and future senior unsecured indebtedness and senior in right of payment to any future subordinated indebtedness of such guarantor. The \$500 Million 4.75% Senior Notes are effectively subordinated to any secured indebtedness of any guarantor to the extent of the value of the assets securing such indebtedness and structurally subordinated to all indebtedness and other obligations of the Operating Partnership's subsidiaries that do not guarantee the \$500 Million 4.75% Senior Notes.

The net proceeds from the issuance of the \$500 Million 4.75% Senior Notes totaled approximately \$493 million, after deducting the initial purchasers' discounts, commissions and offering expenses. The Company used substantially all of these proceeds to repurchase a portion of the \$350 Million 5% Senior Notes validly tendered and accepted for purchase pursuant to the cash tender offer discussed above, redeem the remaining portion of the \$350 Million 5% Senior Notes discussed above, and to repay a portion of the amounts outstanding under the Revolver.

In October 2019, the Operating Partnership and Finco completed a tack-on private placement of \$200.0 million in aggregate principal amount of 4.75% senior notes due 2027 (the "additional 2027 notes") at an issue price of 101.250% of their aggregate principal amount plus accrued interest from the September 19, 2019 issue date for the \$500 Million 4.75% Senior Notes. The additional 2027 notes and the \$500 Million 4.75% Senior Notes constitute a single class of securities (collectively, the "\$700 Million 4.75% Senior Notes"). All other terms and conditions of the additional 2027 notes are identical to the \$500 Million 4.75% Senior Notes.

The net proceeds of the additional 2027 notes totaled approximately \$199 million, after deducting the initial purchasers' discounts, commissions and offering expenses. The Company used substantially all of these proceeds to repay a portion of the amounts outstanding under the Revolver.

The \$700 Million 4.75% Senior Notes are redeemable before October 15, 2022, in whole or in part, at 100.00% of the principal amount thereof, plus accrued and unpaid interest thereon to, but not including, the redemption date plus a make-whole redemption premium. The \$700 Million 4.75% Senior Notes will be redeemable, in whole or in part, at any time on or after October 15, 2022 at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 103.563%, 102.375%, 101.188%, and 100.00% beginning on October 15 of 2022, 2023, 2024, and 2025, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

In connection with the issuance of the \$700 Million 4.75% Senior Notes, the Company entered into a registration rights agreement that requires it to complete a registered offer to exchange the \$700 Million 4.75% Senior Notes for registered notes with substantially identical terms as the \$700 Million 4.75% Senior Notes on or before September 18, 2020.

\$800 Million Term Loan (Gaylord Rockies Joint Venture)

On July 2, 2019, Aurora Convention Center Hotel, LLC ("Hotel Owner") and Aurora Convention Center Hotel Lessee, LLC (collectively, "Borrower"), subsidiaries of the entities comprising the Gaylord Rockies joint venture, entered into a Second Amended and Restated Loan Agreement (the "Gaylord Rockies Loan") with Wells Fargo Bank, National Association, as administrative agent, which refinanced the Gaylord Rockies joint venture's previous \$500 million construction loan and \$39 million mezzanine loan, which were scheduled to mature in December 2019. The Gaylord Rockies Loan consists of an \$800.0 million secured term loan facility and also includes the option for an additional \$80.0 million of borrowing capacity should the Gaylord Rockies joint venture intend to pursue a future expansion of Gaylord Rockies, which it announced in February 2020 that it intends to pursue. The Gaylord Rockies Loan matures July 2, 2023 with three, one-year extension options, subject to certain requirements in the Gaylord Rockies Loan, and bears interest at LIBOR plus 2.50%. Simultaneous with closing, the Gaylord Rockies joint venture entered into an interest rate swap to fix the LIBOR portion of the interest rate at 1.65% for the first three years of the loan. The Company has designated this interest rate swap as an effective cash flow hedge.

The proceeds from the Gaylord Rockies Loan were used by the Gaylord Rockies joint venture to repay the previously outstanding \$500 million construction loan and \$39 million mezzanine loan, and, after payment of expenses, the Gaylord Rockies joint venture distributed the excess proceeds to the owners of the Gaylord Rockies joint venture pro rata in proportion to their interests therein. The noncontrolling interest owners received a distribution of approximately

\$95 million, and the Company received a distribution of approximately \$153 million, which was used to repay a portion of the outstanding indebtedness under the Revolver.

The Gaylord Rockies Loan is secured by a deed of trust lien on the Gaylord Rockies real estate and related assets. The Company and an affiliate of RIDA each entered into limited repayment and carry guaranties that, in the aggregate, guarantee repayment of 10% of the principal debt, together with interest and operating expenses, which are to be released once the Gaylord Rockies joint venture achieves a certain debt service coverage threshold as defined in the Gaylord Rockies Loan. Generally, the Gaylord Rockies Loan is non-recourse to the Company, subject to (i) those limited guaranties, (ii) a completion guaranty in the event the expansion is pursued and (iii) customary non-recourse carve-outs.

As a result of the refinancing, the Gaylord Rockies joint venture wrote off \$1.1 million of unamortized DFCs, which are recorded as interest expense in the accompanying consolidated statement of operations for 2019.

\$500 Million Construction Loan (Gaylord Rockies Joint Venture)

In December 2015, Borrower entered into a Building Loan Agreement (the “Construction Loan”) with Wells Fargo Bank, N.A., as administrative agent, for a senior loan with available borrowings of up to \$500.0 million. The Construction Loan bore interest at an annual rate equal to LIBOR plus 3.25% and had an original maturity date of December 18, 2019. The Construction Loan was secured by substantially all of the assets of Hotel Owner and an assignment of the hotel’s management agreement. As discussed above, the Construction Loan was paid off in July 2019 with proceeds from the Gaylord Rockies Loan.

\$39 Million Mezzanine Loan (Gaylord Rockies Joint Venture)

In December 2015, Aurora Convention Hotel Mezz, LLC (“Mezz”) and Aurora Convention Center Hotel Lessee Midco Member, LLC (collectively, “Mezz Borrower”), subsidiaries of the entities comprising the Gaylord Rockies joint venture, entered into a Mezzanine Loan Agreement (the “Mezzanine Loan”) with Marriott International Capital Corporation, for a mezzanine loan with available borrowings, as amended, of up to \$39.0 million. The Mezzanine Loan bore interest at an annual rate of LIBOR plus 7.00% and had an original maturity date of December 18, 2019. The Mezzanine Loan was secured by Mezz Borrower’s interests in the joint venture. As discussed above, the Mezzanine Loan was paid off in July 2019 with proceeds from the Gaylord Rockies Loan.

Interest Rate Derivatives

In October 2019, the Company entered into interest rate swaps to manage interest rate risk associated with the Term Loan B and has designated these swaps as effective cash flow hedges whereby the Company receives variable-rate amounts in exchange for fixed-rate payments over the life of the agreement without exchange of the underlying principal amount. In July 2019, the Gaylord Rockies joint venture entered into an interest rate swap to manage interest rate risk associated with the Gaylord Rockies Loan. The Gaylord Rockies joint venture has designated this swap as a cash flow hedge whereby the joint venture receives variable-rate amounts in exchange for fixed-rate payments over the life of the agreement without exchange of the underlying principal amount.

The estimated fair value of the Company’s derivative financial instruments at December 31 is as follows (in thousands):

Hedged Debt	Type	Strike Rate	Index	Maturity Date	Notional Amount	Estimated Fair Value	
						Asset (Liability) Balance 2019	Balance 2018
Term Loan B	Interest Rate Swap	1.2235%	1-month LIBOR	May 11, 2023	\$ 87,500	\$ 959	\$ —
Term Loan B	Interest Rate Swap	1.2235%	1-month LIBOR	May 11, 2023	\$ 87,500	959	—
Term Loan B	Interest Rate Swap	1.2235%	1-month LIBOR	May 11, 2023	\$ 87,500	956	—
Term Loan B	Interest Rate Swap	1.2315%	1-month LIBOR	May 11, 2023	\$ 87,500	934	—
Gaylord Rockies Loan	Interest Rate Swap	1.6500%	1-month LIBOR	August 1, 2022	\$ 800,000	(2,174)	—
						<u>\$ 1,634</u>	<u>\$ —</u>

Derivative financial instruments in an asset position are included in prepaid expenses and other assets and those in a liability position are included in other liabilities in the accompanying consolidated balance sheets.

The effect of the Company's derivative financial instruments on the accompanying consolidated statements of operations and comprehensive income for the years ended December 31 is as follows (in thousands):

	Amount of Gain (Loss) Recognized in OCI on Derivative		Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Expense)	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Expense)	
	2019	2018		2019	2018
Derivatives in Cash Flow Hedging Relationships:					
Interest rate swaps	\$ 3,539	\$ —	Interest expense	\$ 1,905	\$ —
Total derivatives	\$ 3,539	\$ —		\$ 1,905	\$ —

Reclassifications from accumulated other comprehensive loss for interest rate swaps are shown in the table above and included in interest expense. Total consolidated interest expense for 2019, 2018 and 2017 was \$131.6 million, \$75.0 million and \$66.1 million, respectively.

At December 31, 2019, the fair value of derivatives in a net liability position including accrued interest but excluding any adjustment for nonperformance risk related to these agreements was \$2.3 million. As of December 31, 2019, the Company has not posted any collateral related to these agreements and was not in breach of any agreement provisions. If the Company had breached any of these provisions, it could have been required to settle its obligations under the agreements at the aggregate termination value of \$2.3 million. In addition, the Company has an agreement with its derivative counterparty that contains a provision whereby the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

6. Deferred Management Rights Proceeds

On October 1, 2012, the Company consummated its agreement to sell the Gaylord Hotels brand and rights to manage the Gaylord Hotels properties (the "Management Rights") to Marriott for \$210.0 million in cash. Effective October 1, 2012, Marriott assumed responsibility for managing the day-to-day operations of the Gaylord Hotels properties pursuant to a management agreement for each Gaylord Hotel property. The Company allocated \$190.0 million of the purchase price to the Management Rights, based on the Company's estimates of the fair values for the respective components. For financial reporting purposes, the amount related to the Management Rights was deferred and is amortized on a straight-line basis over the 65-year term of the hotel management agreements, including extensions, as a reduction in management fee expense in the accompanying consolidated statements of operations.

In addition, the Gaylord Rockies joint venture sold its management rights to Marriott for \$4.9 million, which was also deferred and is amortized on a straight-line basis over the 70-year term of the hotel management agreement, including extensions, as a reduction in management fee expense in the accompanying consolidated statements of operations.

7. Leases

The Company is a lessee of a 65.3 acre site in Osceola County, Florida on which Gaylord Palms is located, building or land leases for Ole Red Gatlinburg, Ole Red Orlando and Ole Red Tishomingo, various warehouse, general office and other equipment leases. The Gaylord Palms land lease has a term through 2074, which may be extended through January 2101, at the Company's discretion. The leases for Ole Red locations range from five to ten years, with renewal options ranging from five to fifty-five years, at the Company's discretion. Extension options are not considered reasonably assured and thus are not included in the Company's calculation of its right-of-use assets and liabilities.

The terms of the Gaylord Palms lease include variable lease payments based upon net revenues at Gaylord Palms and certain other of the Company's leases include rental payments adjusted periodically for inflation. The Company recorded \$2.5 million, \$2.2 million and \$2.2 million of contingent rental expense related to the Gaylord Palms in 2019, 2018 and

2017, respectively. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As the discount rate implicit in the Company's operating leases is not readily determinable, the Company applied judgments related to the determination of the discount rates used to calculate the lease liability as required by ASC 842. The Company calculated its incremental borrowing rates by utilizing judgments and estimates regarding the Company's secured borrowing rates, market credit rating, comparable bond yield curve, and adjustments to market yield curves to determine a securitized rate.

The Company's lease cost for the year ended December 31, 2019 is as follows (in thousands):

	2019
Operating lease cost	\$ 13,877
Finance lease cost:	
Amortization of right-of-use assets	157
Interest on lease liabilities	63
Net lease cost	<u>\$ 14,097</u>

Lease expense for operating leases for 2018 and 2017 was \$14.3 million and \$12.5 million, respectively.

Future minimum lease payments under non-cancelable leases at December 31, 2019 are as follows (in thousands):

	Operating Leases	Finance Leases
Year 1	\$ 6,252	\$ 260
Year 2	6,151	260
Year 3	5,943	234
Year 4	5,969	199
Year 5	5,828	46
Years thereafter	574,244	607
Total future minimum lease payments	<u>604,387</u>	<u>1,606</u>
Less amount representing interest	(498,056)	(298)
Total present value of minimum payments	<u>\$ 106,331</u>	<u>\$ 1,308</u>

The remaining lease term and discount rate for the Company's leases are as follows:

Weighted-average remaining lease term:	
Operating leases	50.7 years
Finance leases	10.1 years
Weighted-average discount rate:	
Operating leases	6.8 %
Finance leases	4.0 %

8. Stock Plans

The Company's 2016 Omnibus Incentive Plan (the "Plan") permits the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other share-based awards to its directors, employees and consultants. At December 31, 2019, approximately 1.3 million shares of common stock remained available for issuance pursuant to future grants of awards under the Plan.

Restricted stock units granted to employees vest one to four years from the date of grant, and restricted stock units granted to non-employee directors vest one year from the date of grant, unless the recipient chooses to defer the vesting for a period of time. Depending on the type of award, the fair value of restricted stock units is determined either based on the market price of the Company's stock at the date of grant or based on a Monte-Carlo valuation. Forfeitures are estimated based on historical experience. The Company generally records compensation expense equal to the fair value of each restricted stock unit granted over the vesting period. The weighted-average grant-date fair value of restricted stock units granted during 2019, 2018, and 2017 was \$89.29, \$71.74, and \$66.54, respectively.

A summary of the status of the Company's restricted stock units as of December 31, 2019 and changes during the year ended December 31, 2019, is presented below:

Restricted Stock Units	Shares	Weighted Average Grant-Date Fair Value
Nonvested shares at January 1, 2019	363,122	\$ 60.24
Granted	150,777	89.29
Vested	(149,468)	54.19
Canceled	(15,073)	68.84
Nonvested shares at December 31, 2019	<u>349,358</u>	<u>73.47</u>

The fair value of all restricted stock units that vested during 2019, 2018 and 2017 was \$12.7 million, \$11.7 million and \$10.2 million, respectively.

At December 31, 2019, there was \$14.1 million of total unrecognized compensation cost related to restricted stock units granted under the Company's equity incentive plans. That cost is expected to be recognized over a weighted-average period of 2.4 years.

The compensation cost that has been charged against pre-tax income for all of the Company's stock-based compensation plans was \$7.8 million, \$7.7 million, and \$6.6 million for 2019, 2018, and 2017, respectively. The total income tax benefit recognized in the accompanying consolidated statements of operations for all of the Company's stock-based employee compensation plans was \$1.8 million, \$1.7 million, and \$1.5 million for 2019, 2018, and 2017, respectively.

The actual tax benefit realized from exercise, vesting or cancellation of the stock-based employee compensation arrangements during 2019, 2018, and 2017 totaled \$1.5 million, \$1.0 million, and \$1.0 million, respectively, and is reflected as an adjustment to deferred tax liabilities in the accompanying consolidated balance sheets.

9. Pension Plans

Prior to January 1, 2001, the Company maintained a noncontributory defined benefit pension plan in which substantially all of its employees were eligible to participate upon meeting the pension plan's participation requirements. The benefits were based on years of service and compensation levels. On December 31, 2000, benefits credited under the plan's previous formula were frozen. On January 1, 2001, the Company amended its defined benefit pension plan to determine future benefits using a cash balance formula. Under the cash formula, each participant had an account which was credited monthly with 3% of qualified earnings and the interest earned on their previous month-end cash balance. In addition, the Company included a "grandfather" clause which assures that those participating at January 1, 2001 will receive the greater of the benefit calculated under the cash balance plan and the benefit that would have been payable if the defined benefit plan had remained in existence. The benefit payable to a terminated vested participant upon retirement at age 65, or as early as age 55 if the participant had 15 years of service at the time the plan was frozen, is equal to the participant's account balance, which increases with interest credits over time. At retirement, the employee generally receives the balance in the account as a lump sum. The funding policy of the Company is to contribute annually an amount which equals or exceeds the minimum required by applicable law. On December 31, 2001, the plan was frozen such that no new participants were allowed to enter the plan and existing participants were no longer eligible to earn service credits.

As a result of increased lump-sum distributions from the retirement plan during 2019, 2018 and 2017, net settlement losses of \$1.9 million, \$1.6 million and \$1.7 million were recognized in 2019, 2018 and 2017, respectively. These settlement losses have been classified as other gains and (losses), net in the accompanying consolidated statements of operations.

The following table sets forth the funded status of the retirement plan at December 31 (amounts in thousands):

	2019	2018
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	\$ 77,847	\$ 85,695
Interest cost	2,713	2,829
Actuarial (gain) loss	8,436	(4,459)
Benefits paid	(6,478)	(6,218)
Benefit obligation at end of year	82,518	77,847
CHANGE IN PLAN ASSETS:		
Fair value of plan assets at beginning of year	59,653	69,245
Actual return on plan assets	11,346	(4,937)
Employer contributions	1,479	1,563
Benefits paid	(6,478)	(6,218)
Fair value of plan assets at end of year	66,000	59,653
Funded status and accrued pension cost	<u>\$ (16,518)</u>	<u>\$ (18,194)</u>

Net periodic pension expense reflected in other gains and (losses), net in the accompanying consolidated statements of operations included the following components for the years ended December 31 (amounts in thousands):

	2019	2018	2017
Interest cost	\$ 2,713	\$ 2,829	\$ 3,019
Expected return on plan assets	(3,849)	(4,363)	(4,202)
Amortization of net actuarial loss	970	750	919
Net settlement loss	1,904	1,559	1,734
Total net periodic pension expense	<u>\$ 1,738</u>	<u>\$ 775</u>	<u>\$ 1,470</u>

Assumptions

The assumptions used to determine the benefit obligation at December 31 are as follows:

	2019	2018	2017
Discount rate	2.85 %	3.95 %	3.30 %
Rate of compensation increase	N/A	N/A	N/A

The weighted-average assumptions used to determine the net periodic pension expense for years ended December 31 are as follows:

	2019	2018	2017
Discount rate	3.51 %	3.47 %	3.59 %
Rate of compensation increase	N/A	N/A	N/A
Expected long-term rate of return on plan assets	6.50 %	6.50 %	6.50 %

The rate of increase in future compensation levels was not applicable for any reported years due to the Company amending the plan to freeze the cash balance benefit as described above.

The Company determines the overall expected long-term rate of return on plan assets based on its estimate of the return that plan assets will provide over the period that benefits are expected to be paid out. In preparing this estimate, the Company assesses the rates of return on each current allocation of plan assets, and advice from its third-party actuary

and investment consultants. The expected return on plan assets is a long-term assumption and generally does not significantly change annually. While historical returns are considered, the rate of return assumption is primarily based on projections of expected returns based on fair value, using economic data and financial models to estimate the probability of returns. The probability distribution of annualized returns for the portfolio using current asset allocations is used to determine the expected range of returns for a ten-to-twenty-year horizon. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the Company's pension obligations and expense.

Plan Assets

The plan's overall strategy is to achieve a rate of return necessary to fund benefit payments by utilizing a variety of asset types, investment strategies and investment managers. The plan seeks to achieve a real long-term rate of return over inflation resulting from income, capital gains, or both, which assists the plan in meeting its long-term objectives.

The long-term target allocations for the plan's assets are managed dynamically according to a sliding scale correlating with the funded status of the plan. As the plan's funded status increases, allocations are moved away from equity securities toward fixed income securities. Equity securities primarily include large cap and mid cap companies. Fixed income securities primarily include corporate bonds of companies in diversified industries, mortgage-backed securities and U.S. Treasuries. Investments in hedge funds and private equity funds are not held by the plan.

The allocation of the defined benefit pension plan's assets at December 31 is as follows (amounts in thousands):

<u>Asset Class</u>	<u>2019</u>	<u>2018</u>
Cash	\$ 43	\$ 162
Mutual funds	65,957	59,491
Total	<u>\$ 66,000</u>	<u>\$ 59,653</u>

All of the assets held by the plan consist of money market and mutual funds traded in an active market. The Company determined the fair value of these assets based on the net asset value per unit of the funds or the portfolio, which is based upon quoted market prices in an active market. Therefore, the Company has categorized these investments as Level 1.

Periodically, and based on market conditions, the entire account is rebalanced to maintain the desired allocation and the investment policy is reviewed. Within each asset class, plan assets are allocated to various investment styles. Professional managers manage all assets of the plan, and professional advisors assist the plan in the attainment of its objectives.

Expected Contributions and Benefit Payments

The Company expects to contribute approximately \$1.7 million to its defined benefit pension plan in 2020. Based on the Company's assumptions discussed above, the Company expects to make the following estimated future benefit payments under the plan during the years ending December 31 (amounts in thousands):

2020	\$ 6,930
2021	4,917
2022	5,795
2023	4,956
2024	4,932
2025 - 2029	30,300

Other Information

The Company also maintains non-qualified pension plans (the "Non-Qualified Plans") to provide benefits to certain key employees. The Non-Qualified Plans are not funded and the beneficiaries' rights to receive distributions under these

plans constitute unsecured claims to be paid from the Company's general assets. At December 31, 2019, the Non-Qualified Plans' projected benefit obligations and accumulated benefit obligations were \$13.4 million.

The Company's accrued cost related to its qualified and non-qualified pension plans of \$29.9 million and \$31.9 million at December 31, 2019 and 2018, respectively, is included in other liabilities in the accompanying consolidated balance sheets. The change in the deferred net loss related to the Company's retirement plans during 2019, 2018 and 2017 resulted in an increase (decrease) in equity of \$2.1 million, \$(1.3) million and \$4.5 million, respectively, net of taxes of \$0.5 million, \$(0.4) million, and \$1.5 million, respectively. Each of these adjustments to equity due to the change in the minimum liability are included in other comprehensive loss in the accompanying consolidated statements of stockholders' equity and noncontrolling interest.

The net gain (loss) recognized in other comprehensive income for the years ended December 31, 2019 and 2018 was \$2.1 million and \$(1.3) million, respectively. Included in accumulated other comprehensive loss at December 31, 2019 and 2018 are unrecognized actuarial losses of \$35.2 million and \$37.2 million (\$28.4 million and \$25.9 million net of tax), respectively, that have not yet been recognized in net periodic pension expense. Net losses are amortized into net periodic pension expense based on the life expectancy of plan participants expected to receive benefits, using a corridor approach based on the greater of projected benefit obligation or fair value of plan assets.

10. Postretirement Benefits Other than Pensions

The Company sponsors an unfunded defined benefit postretirement health care plan for certain employees and contributes toward the cost of health insurance benefits. In order to be eligible for these postretirement benefits, an employee must retire after attainment of age 55 and completion of 15 years of service, or attainment of age 65 and completion of 10 years of service. The Company's Benefits Trust Committee determines retiree premiums. The Company amended the plans effective December 31, 2001 such that only retirees who were receiving benefits under the plans at that time and active employees at that time whose age plus years of service totaled at least 60 and who had at least 10 years of service as of December 31, 2001 remain eligible.

The following table reconciles the change in benefit obligation of the postretirement plans to the accrued postretirement liability as reflected in other liabilities in the accompanying consolidated balance sheets at December 31 (amounts in thousands):

	2019	2018
Benefit obligation at beginning of year	\$ 2,774	\$ 3,167
Interest cost	101	96
Actuarial (gain) loss	196	(96)
Benefits paid	(336)	(393)
Benefit obligation at end of year	<u>\$ 2,735</u>	<u>\$ 2,774</u>

Net postretirement benefit income reflected in other gains and (losses), net in the accompanying consolidated statements of operations included the following components for the years ended December 31 (amounts in thousands):

	2019	2018	2017
Interest cost	\$ 101	\$ 96	\$ 108
Amortization of net actuarial loss	238	257	245
Amortization of prior service credit	(1,314)	(1,314)	(1,314)
Total net postretirement benefit income	<u>\$ (975)</u>	<u>\$ (961)</u>	<u>\$ (961)</u>

The discount rate used to determine the benefit obligation at December 31, 2019, 2018 and 2017 was 2.70%, 3.83% and 3.15%, respectively. The discount rate used to determine the net postretirement benefit income for years ended December 31, 2019, 2018 and 2017 was 3.83%, 3.15% and 3.47%, respectively.

The Company expects to contribute \$0.3 million to the plan in 2020. Based on the Company's assumptions discussed above, the Company expects to make the following estimated future benefit payments under the plan during the years ending December 31 (amounts in thousands):

2020	\$	302
2021		279
2022		258
2023		239
2024		223
2025 - 2029		893

The net loss, amortization of net loss and amortization of prior service credit recognized in other comprehensive income for 2019 was \$0.2 million, \$0.2 million, and \$1.3 million, respectively. Included in accumulated other comprehensive loss at December 31, 2019 are the following amounts that have not yet been recognized in net postretirement benefit expense: unrecognized actuarial losses of \$3.1 million (\$2.2 million net of tax) and unrecognized prior service credits of \$9.8 million (\$7.0 million net of tax). The net gain, amortization of net loss and amortization of prior service credit recognized in other comprehensive income for 2018 was \$0.1 million, \$0.3 million, and \$1.3 million, respectively. Included in accumulated other comprehensive loss at December 31, 2018 are the following amounts that have not yet been recognized in net postretirement benefit expense: unrecognized actuarial losses of \$3.1 million (\$1.7 million net of tax) and unrecognized prior service credits of \$11.1 million (\$6.1 million net of tax). The net loss, amortization of net loss and amortization of prior service credit recognized in other comprehensive income for 2017 was \$0.3 million, \$0.2 million and \$1.3 million, respectively.

11. Equity

Equity Offering

In December 2019, the Company completed an underwritten public offering of approximately 3.5 million shares of its common stock, par value \$0.01 per share, at a price to the public of \$85.60 per share. Net proceeds to the Company, after deducting underwriting discounts and commissions and other expenses paid by the Company, were approximately \$283 million. The Company intends to use a portion of the net proceeds to fund the approximately \$134 million cash portion of the consideration for the acquisition of Block 21 discussed in Note 1, "Description of the Business and Summary of Significant Accounting Policies," and the related fees and expenses of the acquisition. The Company intends to use the remaining net proceeds, or all of the net proceeds if the Block 21 acquisition is not consummated, for general corporate purposes, including future acquisitions or investments and the repayment of any indebtedness outstanding under the Revolver.

Dividends

During 2019, the Company's board of directors declared quarterly dividends totaling \$3.60 per share of common stock for the full year, or an aggregate of \$188.3 million in cash.

During 2018, the Company's board of directors declared quarterly dividends totaling \$3.40 per share of common stock for the full year, or an aggregate of \$174.5 million in cash.

During 2017, the Company's board of directors declared quarterly dividends totaling \$3.20 per share of common stock for the full year, or an aggregate of \$163.7 million in cash.

To maintain its qualification as a REIT for federal income tax purposes, the Company must distribute at least 90% of its REIT taxable income each year. The Company's board of directors has approved the Company's current dividend policy pursuant to which the Company plans to pay a quarterly cash dividend to stockholders in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by the Company) less maintenance capital expenditures or 100% of REIT taxable income on an annual basis, whichever is greater. The declaration, timing

and amount of dividends will be determined by future action of the Company’s board of directors. The dividend policy may be altered at any time by the Company’s board of directors.

Treasury Stock

On December 18, 2008, following approval by the Human Resources Committee and the Board of Directors, the Company and the Company’s Chairman of the Board of Directors and Chief Executive Officer (“Executive”) entered into an amendment to Executive’s employment agreement. The amendment provided Executive with the option of making an irrevocable election to invest his existing Supplemental Employee Retirement Plan (“SERP”) benefit in Company common stock, which election Executive subsequently made. The investment was made by a rabbi trust in which, during January 2009, the independent trustee of the rabbi trust purchased shares of Company common stock in the open market in compliance with applicable law. Executive is only entitled to a distribution of the Company common stock held by the rabbi trust in satisfaction of his SERP benefit. As such, the Company believes that the ownership of shares of common stock by the rabbi trust and the distribution of those shares to Executive in satisfaction of his SERP benefit meets the requirements necessary so that the Company will not recognize any increase or decrease in expense as a result of subsequent changes in the value of the Company common stock and the purchased shares are treated as treasury stock and the SERP benefit is included in additional paid-in capital in the Company’s accompanying consolidated financial statements. The increase in treasury stock for a particular year represents dividends received on shares of Company common stock held by the rabbi trust.

Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss by component consisted of the following (amounts in thousands):

	Minimum Pension Liability	Other-Than-Temporary Impairment of Investment	Interest Rate Derivatives	Total
Balance, December 31, 2016	\$ (22,268)	\$ —	\$ —	\$ (22,268)
Gains (losses) arising during period	3,111	(6,543)	—	(3,432)
Amounts reclassified from accumulated other comprehensive loss	60	—	—	60
Income tax expense	(1,052)	—	—	(1,052)
Net other comprehensive income (loss)	2,119	(6,543)	—	(4,424)
Balance, December 31, 2017	\$ (20,149)	\$ (6,543)	\$ —	\$ (26,692)
Losses arising during period	(2,231)	—	—	(2,231)
Amounts reclassified from accumulated other comprehensive loss	(64)	333	—	269
Income tax benefit	630	—	—	630
Net other comprehensive income (loss)	(1,665)	333	—	(1,332)
Balance, December 31, 2018	\$ (21,814)	\$ (6,210)	\$ —	\$ (28,024)
Gains arising during period	693	—	3,539	4,232
Amounts reclassified from accumulated other comprehensive loss	97	333	(1,905)	(1,475)
Income tax expense	(185)	—	—	(185)
Net other comprehensive income	605	333	1,634	2,572
Transition adjustment related to adoption of ASU 2018-02 (see Note 1)	(2,707)	—	—	(2,707)
Balance, December 31, 2019	\$ (23,916)	\$ (5,877)	\$ 1,634	\$ (28,159)

12. Income Taxes

The Company has elected to be taxed as a REIT effective January 1, 2013, pursuant to the U.S. Internal Revenue Code of 1986, as amended. As a REIT, generally the Company will not be subject to federal corporate income taxes on ordinary taxable income and capital gains income from real estate investments that it distributes to its stockholders. The Company will continue to be required to pay federal and state corporate income taxes on earnings of its taxable REIT subsidiaries (“TRSs”).

The income tax (provision) benefit for continuing operations consists of the following (amounts in thousands):

	<u>2019</u>	<u>2018</u>	<u>2017</u>
CURRENT:			
Federal	\$ (120)	\$ (118)	\$ (1,107)
State	(3,941)	(1,437)	(2,375)
Total current provision	<u>(4,061)</u>	<u>(1,555)</u>	<u>(3,482)</u>
DEFERRED:			
Federal	(13,715)	(7,271)	32,308
State	(699)	(2,919)	18,299
Effect of federal tax law change	—	—	2,030
Total deferred (provision) benefit	<u>(14,414)</u>	<u>(10,190)</u>	<u>52,637</u>
Total (provision) benefit for income taxes	<u>\$ (18,475)</u>	<u>\$ (11,745)</u>	<u>\$ 49,155</u>

On December 22, 2017, the TCJA was enacted and included a reduction to the U.S. federal corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. At December 31, 2017, the Company had not completed its accounting for the tax effects of the enactment; however, based on a reasonable estimate, the Company recorded a non-cash tax benefit of \$2.0 million during the fourth quarter of 2017 to reflect the impact of this rate change on existing deferred tax amounts, which is included above as a component of the benefit for income taxes for 2017. During 2018, the Company completed its accounting for all of the enactment-date income tax effects of the TCJA and made no adjustments to the provisional amounts recorded at December 31, 2017.

The Company evaluates its deferred tax assets each reporting period to determine if it is more likely than not that those assets will be realized or if a valuation allowance is needed. In the fourth quarter of 2017, due to projected future taxable income of its TRSs driven by fourth quarter 2017 modifications to internal hotel leases, the Company determined that the release of a significant portion of its federal and state valuation allowance was appropriate. This release of valuation allowance totaling \$53.4 million was the primary factor for the income tax benefit for 2017 and is included as a component of the benefit for income taxes for 2017.

The Company is required to distribute at least 90% of its annual taxable income, excluding net capital gains, to its stockholders in order to maintain its qualification as a REIT. The taxability of distributions to stockholders is determined by the Company's earnings and profits, which differs from net income reported for financial reporting purposes. The estimated taxability of cash distributions to common shareholders is as follows (per common share):

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Ordinary income	\$ 2.55	\$ 2.67	\$ 2.97
Capital gains	0.05	0.05	0.03
Return of capital	0.88	—	0.15
	<u>\$ 3.48</u>	<u>\$ 2.72</u>	<u>\$ 3.15</u>

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The differences between the income tax provision calculated at the statutory U.S. federal income tax rate of 21% for 2019 and 2018 and 35% for 2017 and the actual income tax (provision) benefit recorded for continuing operations are as follows (amounts in thousands):

	2019	2018	2017
Statutory federal income tax provision	\$ (30,822)	\$ (58,047)	\$ (44,431)
Adjustment for nontaxable income of the REIT	15,803	50,075	38,272
State taxes (net of federal tax benefit)	(4,596)	(4,268)	(1,317)
Permanent share-based compensation adjustment	1,257	821	1,446
Other permanent items	(377)	(46)	(251)
Change in federal valuation allowance	556	46	36,156
Change in state valuation allowance (net of federal tax benefit)	(44)	(88)	17,241
Effect of federal tax law change	—	—	2,030
Other	(252)	(238)	9
	<u>\$ (18,475)</u>	<u>\$ (11,745)</u>	<u>\$ 49,155</u>

Significant components of the Company's deferred tax assets and liabilities at December 31 are as follows (amounts in thousands):

	2019	2018
DEFERRED TAX ASSETS:		
Accounting reserves and accruals	\$ 15,931	\$ 14,594
Defined benefit plan	4,194	4,620
Deferred management rights proceeds	43,420	44,189
Federal and State net operating loss carryforwards	45,794	59,382
Tax credits and other carryforwards	499	870
Other assets	4,605	4,427
Total deferred tax assets	114,443	128,082
Valuation allowance	(12,387)	(14,210)
Total deferred tax assets, net of valuation allowance	102,056	113,872
DEFERRED TAX LIABILITIES:		
Property and equipment, net	61,970	57,931
Investment in joint ventures	12,639	14,135
Goodwill and other intangibles	717	478
Other liabilities	771	771
Total deferred tax liabilities	76,097	73,315
Net deferred tax assets	<u>\$ 25,959</u>	<u>\$ 40,557</u>

Federal net operating loss carryforwards at December 31, 2019 totaled \$114.5 million, resulting in a deferred tax benefit of \$24.0 million, which will begin to expire in 2033. The use of certain federal net operating losses, credits and other deferred tax assets are limited to the Company's future taxable earnings. As a result, a valuation allowance has been provided for certain federal deferred tax assets. The valuation allowance related to federal deferred tax assets decreased \$0.5 million, \$0 million and \$60.6 million in 2019, 2018 and 2017, respectively. State net operating loss carryforwards at December 31, 2019 totaled \$393.3 million, resulting in a deferred tax benefit of \$21.8 million, which will expire between 2020 and 2039. The use of certain state net operating losses, credits and other state deferred tax assets are limited to the future taxable earnings of separate legal entities. As a result, a valuation allowance has been provided for certain state deferred tax assets, including loss carryforwards. The valuation allowance related to state deferred tax assets decreased \$1.3 million, \$0.4 million and \$13.4 million in 2019, 2018 and 2017, respectively. The total 2017 decrease in federal and state valuation allowance of \$74.0 million differs from the amounts shown in the rate reconciliation of \$53.4 million due primarily to the effects of the rate change enacted as a result of the TCJA, which resulted in a reduction in deferred tax assets and liabilities offset by a reduction in the corresponding valuation allowance. Management believes that it is more likely than not that the results of operations will generate sufficient taxable income to realize the deferred tax assets after giving consideration to the valuation allowance.

The Company has concluded IRS examinations of the TRS through the 2015 tax year. For federal income tax purposes and substantially all the states with which the Company has nexus, the statute of limitations has expired through 2015. However, the Company has state net operating loss carryforwards from closed years, which could be adjusted upon audit. The Company is routinely subject to other various jurisdictional income tax audits; however, there were no outstanding state or local audits at December 31, 2019.

At December 31, 2019 and 2018, the Company had no accruals for unrecognized tax benefits. The Company recognizes interest and penalties related to uncertain tax positions, if any, in income tax expense. At December 31, 2019 and 2018, the Company has accrued no interest or penalties related to uncertain tax positions.

13. Commitments and Contingencies

In April 2019, the Company acquired a 50% equity interest in Circle for an initial capital contribution of \$2.0 million. The Company contributed an additional \$2.0 million in December 2019. The joint venture agreement requires the Company to contribute up to an additional \$11.0 million through December 31, 2021.

The Company is self-insured up to a stop loss for certain losses relating to workers' compensation claims and general liability claims through September 30, 2012, and for certain losses related to employee medical benefits through December 31, 2012. The Company's insurance program has subsequently transitioned to a low or no deductible program. The Company has purchased stop-loss coverage in order to limit its exposure to any significant levels of claims relating to workers' compensation, employee medical benefits and general liability for which it is self-insured.

The Company has entered into employment agreements with certain officers, which provide for severance payments upon certain events, including after a change of control.

The Company, in the ordinary course of business, is involved in certain legal actions and claims on a variety of other matters. It is the opinion of management that such legal actions will not have a material effect on the financial statements of the Company.

14. Fair Value Measurements

The Company uses a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The investments held by the Company in connection with its deferred compensation plan consist of money market and mutual funds traded in an active market. The Company determined the fair value of these assets based on the net asset value per unit of the funds or the portfolio, which is based upon quoted market prices in an active market. Therefore, the Company has categorized these investments as Level 1.

The Company's interest rate swaps and the Gaylord Rockies joint venture's interest rate swap consist of over-the-counter swap contracts, which are not traded on a public exchange. The Company or the Gaylord Rockies joint venture, as applicable, determines the fair value of these swap contracts based on a widely accepted valuation methodology of netting the discounted future fixed cash flows and the discounted expected variable cash flow, using interest rates derived from observable market interest rate curves and volatilities, with appropriate adjustments for any significant impact of non-performance risk of the parties to the swap contracts. Therefore, these swap contracts have been classified as Level 2.

The Company has consistently applied these valuation techniques in all periods presented and believes it has obtained the most accurate information available for the types of instruments it holds.

The Company's assets and liabilities that are required to be measured at fair value on a recurring basis at December 31, were as follows (in thousands):

	December 31, 2019	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	\$ 29,174	\$ 29,174	\$ —	\$ —
Variable to fixed interest rate swaps	3,808	—	3,808	—
Total assets measured at fair value	\$ 32,982	\$ 29,174	\$ 3,808	\$ —
Variable to fixed interest rate swaps	\$ 2,174	\$ —	\$ 2,174	\$ —
Total liabilities measured at fair value	\$ 2,174	\$ —	\$ 2,174	\$ —
	December 31, 2018	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	\$ 24,687	\$ 24,687	\$ —	\$ —
Total assets measured at fair value	\$ 24,687	\$ 24,687	\$ —	\$ —
Total liabilities measured at fair value	\$ —	\$ —	\$ —	\$ —

The remainder of the assets and liabilities held by the Company at December 31, 2019 and 2018 are not required to be measured at fair value, and the carrying value of the majority of these assets and liabilities approximates fair value. The carrying value of certain of these liabilities do not approximate fair value, as describe below.

As discussed in Note 5, "Debt," the Company has outstanding \$400.0 million in aggregate principal amount of the \$400 Million 5% Senior Notes. The carrying value of these notes at December 31, 2019 was \$396.8 million, net of unamortized DFCs. The fair value of these notes, based upon quoted market prices (Level 1), was \$409.0 million at December 31, 2019.

As discussed in Note 5, "Debt," the Company has outstanding \$700.0 million in aggregate principal amount of the \$700 Million 4.75% Senior Notes. The carrying value of these notes at December 31, 2019 was \$690.6 million, net of unamortized DFCs. The fair value of these notes, based upon quoted market prices (Level 1), was \$724.1 million at December 31, 2019.

See Note 4, "Investment in Gaylord Rockies Joint Venture," for additional disclosures related to the fair value measurements used in accounting for the purchase of an additional interest in the Gaylord Rockies joint venture.

15. Financial Reporting By Business Segments

The Company's continuing operations are organized into the following principal business segments:

- *Hospitality*, which includes the Gaylord Hotels properties, the Inn at Opryland, the AC Hotel, and the Company's investment in the Gaylord Rockies joint venture;
- *Entertainment*, which includes the Grand Ole Opry, the Ryman Auditorium, WSM-AM, Ole Red, the Company's other Nashville-based attractions, and the Company's investment in the Circle joint venture; and
- *Corporate and Other*, which includes the Company's corporate expenses.

The following information (amounts in thousands) is derived directly from the segments' internal financial reports used for corporate management purposes.

	2019	2018	2017
Revenues:			
Hospitality	\$ 1,421,446	\$ 1,127,903	\$ 1,059,660
Entertainment	183,120	147,215	125,059
Corporate and Other	—	—	—
Total	\$ 1,604,566	\$ 1,275,118	\$ 1,184,719
Depreciation and amortization:			
Hospitality	\$ 201,068	\$ 108,779	\$ 102,759
Entertainment	11,150	10,280	7,074
Corporate and Other	1,629	1,817	2,126
Total	\$ 213,847	\$ 120,876	\$ 111,959
Operating income:			
Hospitality	\$ 263,203	\$ 247,885	\$ 223,302
Entertainment	45,361	27,686	33,472
Corporate and Other	(37,911)	(32,650)	(33,513)
Preopening costs (1)	(3,122)	(4,869)	(1,926)
Impairment charges (2)	—	(23,783)	(35,418)
Total operating income	267,531	214,269	185,917
Interest expense	(131,620)	(74,961)	(66,051)
Interest income	11,769	10,469	11,818
Loss from extinguishment of debt	(494)	—	—
Income (loss) from unconsolidated joint ventures (3)	(1,110)	125,005	(4,402)
Other gains and (losses), net	693	1,633	(337)
Income before income taxes	\$ 146,769	\$ 276,415	\$ 126,945

- (1) Preopening costs for 2019 include \$1.3 million and \$1.9 million for the Hospitality and Entertainment segments, respectively. Preopening costs for 2018 include \$2.9 million and \$1.9 million for the Hospitality and Entertainment segments, respectively. Preopening costs for 2017 include \$0.3 million and \$1.6 million for the Hospitality and Entertainment segments, respectively.
- (2) Impairment charges for 2018 relate to the Entertainment segment. Impairment charges for 2017 relate to the Hospitality segment.
- (3) Loss from unconsolidated joint ventures for 2019 relates to the Entertainment segment. Income from unconsolidated joint ventures for 2018 includes \$124.4 million (which includes the gain discussed in Note 4) and \$0.6 million for the Hospitality and Entertainment segments, respectively. Loss from unconsolidated joint ventures for 2017 includes \$1.9 million and \$2.5 million for the Hospitality and Entertainment segments, respectively.

	December 31, 2019	December 31, 2018
Identifiable assets:		
Hospitality	\$ 3,494,084	\$ 3,547,638
Entertainment	181,036	155,412
Corporate and Other	413,348	150,833
Total identifiable assets	\$ 4,088,468	\$ 3,853,883

The following table represents the capital expenditures by segment for the years ended December 31 (amounts in thousands):

	2019	2018	2017
Hospitality	\$ 120,899	\$ 142,738	\$ 163,227
Entertainment	25,000	44,863	18,814
Corporate and other	6,642	616	524
Total capital expenditures	<u>\$ 152,541</u>	<u>\$ 188,217</u>	<u>\$ 182,565</u>

16. Quarterly Financial Information (Unaudited)

The following is selected unaudited quarterly financial data for the fiscal years ended December 31, 2019 and 2018 (amounts in thousands, except per share data).

The sum of the quarterly per share amounts may not equal the annual totals due to rounding.

	2019			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	\$ 370,775	\$ 407,719	\$ 379,787	\$ 446,285
Depreciation and amortization	53,009	53,553	53,998	53,287
Operating income	53,964	85,316	56,503	71,748
Income before income taxes	24,644	54,516	24,427	43,182
Provision for income taxes	(1,974)	(8,232)	(3,537)	(4,732)
Net income	22,670	46,284	20,890	38,450
Net income available to common shareholders	29,408	49,383	22,349	44,654
Basic income per share available to common stockholders	0.57	0.96	0.43	0.86
Diluted income per share available to common stockholders	0.57	0.95	0.43	0.85

	2018			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	\$ 288,370	\$ 333,934	\$ 292,249	\$ 360,565
Depreciation and amortization	28,666	29,995	30,994	31,221
Operating income	45,944	76,699	40,100	51,526
Income before income taxes	29,548	61,222	24,454	161,191
Provision for income taxes	(2,209)	(5,676)	(1,863)	(1,997)
Net income	27,339	55,546	22,591	159,194
Net income available to common shareholders	27,339	55,546	22,591	159,194
Basic income per share available to common stockholders	0.53	1.08	0.44	3.10
Diluted income per share available to common stockholders	0.53	1.08	0.44	3.09

During the fourth quarter of 2018, the Company recognized a \$131.4 million gain associated with the revaluation of its investment interest in the Gaylord Rockies joint venture, as described in Note 4. This gain is included in income from unconsolidated joint ventures in the accompanying consolidated statement of operations.

During the fourth quarter of 2018, the Company incurred an impairment charge of \$18.0 million associated with the closure of Opry City Stage, as described in Note 1. This impairment charge is included in impairment charges in the accompanying consolidated statement of operations.

17. Information Concerning Guarantor and Non-Guarantor Subsidiaries

The \$400 Million 5% Senior Notes and the \$700 Million 4.75% Senior Notes were each issued by the Operating Partnership and Finco and are guaranteed on a senior unsecured basis by the Company, each of the Company's four wholly-owned subsidiaries that own the Gaylord Hotels properties, and certain other of the Company's subsidiaries, each

of which guarantees the Credit Agreement (such subsidiary guarantors, together with the Company, the “Guarantors”). The subsidiary Guarantors are 100% owned, and the guarantees are full and unconditional and joint and several. Not all of the Company’s subsidiaries have guaranteed the \$400 Million 5% Senior Notes and the \$700 Million 4.75% Senior Notes.

The following condensed consolidating financial information includes certain allocations of expenses based on management’s best estimates, which are not necessarily indicative of financial position, results of operations and cash flows that these entities would have achieved on a stand-alone basis.

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
As of December 31, 2019

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
ASSETS:						
Property and equipment, net of accumulated depreciation	\$ —	\$ —	\$ 1,632,744	\$ 1,497,508	\$ —	\$ 3,130,252
Cash and cash equivalents - unrestricted	29	200,534	3	161,864	—	362,430
Cash and cash equivalents - restricted	—	—	—	57,966	—	57,966
Notes receivable	—	—	—	110,135	—	110,135
Trade receivables, less allowance	—	—	—	70,768	—	70,768
Deferred income tax assets, net	—	—	(413)	26,372	—	25,959
Prepaid expenses and other assets	—	12,390	3	118,301	(6,849)	123,845
Intangible assets	—	—	—	207,113	—	207,113
Intercompany receivables, net	—	—	2,113,481	—	(2,113,481)	—
Investments	1,050,955	2,949,445	708,588	2,077,984	(6,786,972)	—
Total assets	<u>\$ 1,050,984</u>	<u>\$ 3,162,369</u>	<u>\$ 4,454,406</u>	<u>\$ 4,328,011</u>	<u>\$ (8,907,302)</u>	<u>\$ 4,088,468</u>
LIABILITIES AND EQUITY:						
Debt and finance lease obligations	\$ —	\$ 1,766,675	\$ —	\$ 793,293	\$ —	\$ 2,559,968
Accounts payable and accrued liabilities	50	13,738	6,996	244,734	(603)	264,915
Dividends payable	50,711	—	—	—	—	50,711
Deferred management rights proceeds	—	—	—	175,332	—	175,332
Operating lease liabilities	—	—	104,742	7,835	(6,246)	106,331
Other liabilities	—	—	—	64,971	—	64,971
Intercompany payables, net	355,494	1,514,770	—	243,217	(2,113,481)	—
Commitments and contingencies						
Noncontrolling interest in consolidated joint venture	—	—	—	221,511	—	221,511
Stockholders' equity:						
Preferred stock	—	—	—	—	—	—
Common stock	549	1	1	2,387	(2,389)	549
Additional paid-in-capital	1,185,168	315,680	2,894,830	2,843,450	(6,053,960)	1,185,168
Treasury stock	(17,315)	—	—	—	—	(17,315)
Accumulated deficit	(495,514)	(452,303)	1,447,837	(236,752)	(758,782)	(495,514)
Accumulated other comprehensive loss	(28,159)	3,808	—	(31,967)	28,159	(28,159)
Total stockholders' equity	<u>644,729</u>	<u>(132,814)</u>	<u>4,342,668</u>	<u>2,577,118</u>	<u>(6,786,972)</u>	<u>644,729</u>
Total liabilities and equity	<u>\$ 1,050,984</u>	<u>\$ 3,162,369</u>	<u>\$ 4,454,406</u>	<u>\$ 4,328,011</u>	<u>\$ (8,907,302)</u>	<u>\$ 4,088,468</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
As of December 31, 2018

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
ASSETS:						
Property and equipment, net of accumulated depreciation	\$ —	\$ —	\$ 1,646,946	\$ 1,502,149	\$ —	\$ 3,149,095
Cash and cash equivalents - unrestricted	81	657	54	102,645	—	103,437
Cash and cash equivalents - restricted	—	—	—	45,652	—	45,652
Notes receivable	—	—	—	122,209	—	122,209
Trade receivables, less allowance	—	—	—	67,923	—	67,923
Deferred income tax assets, net	—	—	(444)	41,001	—	40,557
Prepaid expenses and other assets	—	34	—	79,460	(1,254)	78,240
Intangible assets	—	—	—	246,770	—	246,770
Intercompany receivables, net	—	—	1,895,086	—	(1,895,086)	—
Investments	1,101,740	2,950,457	710,516	1,898,756	(6,661,469)	—
Total assets	<u>\$ 1,101,821</u>	<u>\$ 2,951,148</u>	<u>\$ 4,252,158</u>	<u>\$ 4,106,565</u>	<u>\$ (8,557,809)</u>	<u>\$ 3,853,883</u>
LIABILITIES AND EQUITY:						
Debt and finance lease obligations	\$ —	\$ 1,946,699	\$ —	\$ 495,196	\$ —	\$ 2,441,895
Accounts payable and accrued liabilities	50	13,752	7,253	255,089	(1,254)	274,890
Dividends payable	45,019	—	—	—	—	45,019
Deferred management rights proceeds	—	—	—	174,026	—	174,026
Other liabilities	—	—	100,068	60,975	—	161,043
Intercompany payables, net	587,175	846,478	—	461,433	(1,895,086)	—
Commitments and contingencies						
Noncontrolling interest in consolidated joint venture	—	—	—	287,433	—	287,433
Stockholders' equity:						
Preferred stock	—	—	—	—	—	—
Common stock	513	1	1	2,387	(2,389)	513
Additional paid-in-capital	900,795	499,122	2,895,842	2,668,134	(6,063,098)	900,795
Treasury stock	(15,183)	—	—	—	—	(15,183)
Accumulated deficit	(388,524)	(354,904)	1,248,994	(270,084)	(624,006)	(388,524)
Accumulated other comprehensive loss	(28,024)	—	—	(28,024)	28,024	(28,024)
Total stockholders' equity	<u>469,577</u>	<u>144,219</u>	<u>4,144,837</u>	<u>2,372,413</u>	<u>(6,661,469)</u>	<u>469,577</u>
Total liabilities and equity	<u>\$ 1,101,821</u>	<u>\$ 2,951,148</u>	<u>\$ 4,252,158</u>	<u>\$ 4,106,565</u>	<u>\$ (8,557,809)</u>	<u>\$ 3,853,883</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2019

(in thousands)	<u>Parent Guarantor</u>	<u>Issuer</u>	<u>Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues:						
Rooms	\$ —	\$ —	\$ —	\$ 557,562	\$ —	\$ 557,562
Food and beverage	—	—	—	660,770	—	660,770
Other hotel revenue	—	—	323,769	260,052	(380,707)	203,114
Entertainment	—	—	—	186,223	(3,103)	183,120
Total revenues	—	—	323,769	1,664,607	(383,810)	1,604,566
Operating expenses:						
Rooms	—	—	—	144,834	—	144,834
Food and beverage	—	—	—	362,850	—	362,850
Other hotel expenses	—	—	47,426	730,722	(368,265)	409,883
Management fees, net	—	—	—	39,608	—	39,608
Total hotel operating expenses	—	—	47,426	1,278,014	(368,265)	957,175
Entertainment	—	—	—	126,545	64	126,609
Corporate	251	1,736	2	34,293	—	36,282
Preopening costs	—	—	—	3,122	—	3,122
Corporate overhead allocation	3,659	—	11,950	—	(15,609)	—
Depreciation and amortization	—	—	65,445	148,402	—	213,847
Total operating expenses	3,910	1,736	124,823	1,590,376	(383,810)	1,337,035
Operating income (loss)	(3,910)	(1,736)	198,946	74,231	—	267,531
Interest expense	—	(95,501)	—	(36,824)	705	(131,620)
Interest income	—	332	—	12,142	(705)	11,769
Loss on extinguishment of debt	—	(494)	—	—	—	(494)
Loss from unconsolidated joint ventures	—	—	—	(1,110)	—	(1,110)
Other gains and (losses), net	—	—	—	693	—	693
Income (loss) before income taxes	(3,910)	(97,399)	198,946	49,132	—	146,769
Provision for income taxes	—	—	(103)	(18,372)	—	(18,475)
Equity in subsidiaries' earnings, net	132,204	—	—	—	(132,204)	—
Net income (loss)	<u>\$ 128,294</u>	<u>\$ (97,399)</u>	<u>\$ 198,843</u>	<u>\$ 30,760</u>	<u>\$ (132,204)</u>	<u>\$ 128,294</u>
Comprehensive income (loss), net of taxes	<u>\$ 130,866</u>	<u>\$ (93,591)</u>	<u>\$ 198,843</u>	<u>\$ 29,524</u>	<u>\$ (134,776)</u>	<u>\$ 130,866</u>
Net income (loss) available to common shareholders	<u>\$ 145,794</u>	<u>\$ (97,399)</u>	<u>\$ 198,843</u>	<u>\$ 30,760</u>	<u>\$ (132,204)</u>	<u>\$ 145,794</u>
Comprehensive income (loss), net of taxes, available to common shareholders	<u>\$ 149,194</u>	<u>\$ (93,591)</u>	<u>\$ 198,843</u>	<u>\$ 30,352</u>	<u>\$ (135,604)</u>	<u>\$ 149,194</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2018

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	\$ —	\$ —	\$ —	\$ 454,393	\$ (23)	\$ 454,370
Food and beverage	—	—	—	519,890	(47)	519,843
Other hotel revenue	—	—	305,802	168,071	(320,183)	153,690
Entertainment	—	—	—	147,993	(778)	147,215
Total revenues	—	—	305,802	1,290,347	(321,031)	1,275,118
Operating expenses:						
Rooms	—	—	—	118,060	—	118,060
Food and beverage	—	—	—	282,906	—	282,906
Other hotel expenses	—	—	45,576	600,207	(306,254)	339,529
Management fees, net	—	—	—	30,744	—	30,744
Total hotel operating expenses	—	—	45,576	1,031,917	(306,254)	771,239
Entertainment	—	—	—	109,120	129	109,249
Corporate	481	1,542	2	28,909	(101)	30,833
Preopening costs	—	—	—	4,869	—	4,869
Impairment charges	—	—	—	23,783	—	23,783
Corporate overhead allocation	3,400	—	11,405	—	(14,805)	—
Depreciation and amortization	—	—	61,380	59,496	—	120,876
Total operating expenses	3,881	1,542	118,363	1,258,094	(321,031)	1,060,849
Operating income (loss)	(3,881)	(1,542)	187,439	32,253	—	214,269
Interest expense	—	(74,936)	—	(25)	—	(74,961)
Interest income	—	—	—	10,469	—	10,469
Income from unconsolidated joint ventures	—	—	—	125,005	—	125,005
Other gains and (losses), net	—	—	—	1,633	—	1,633
Income (loss) before income taxes	(3,881)	(76,478)	187,439	169,335	—	276,415
Provision for income taxes	—	—	(280)	(11,465)	—	(11,745)
Equity in subsidiaries' earnings, net	268,551	—	—	—	(268,551)	—
Net income (loss)	<u>\$ 264,670</u>	<u>\$ (76,478)</u>	<u>\$ 187,159</u>	<u>\$ 157,870</u>	<u>\$ (268,551)</u>	<u>\$ 264,670</u>
Comprehensive income (loss)	<u>\$ 263,338</u>	<u>\$ (76,478)</u>	<u>\$ 187,159</u>	<u>\$ 156,538</u>	<u>\$ (267,219)</u>	<u>\$ 263,338</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2017

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	\$ —	\$ —	\$ —	\$ 431,768	\$ —	\$ 431,768
Food and beverage	—	—	—	483,945	—	483,945
Other hotel revenue	—	—	316,402	159,162	(331,617)	143,947
Entertainment	—	—	—	125,844	(785)	125,059
Total revenues	—	—	316,402	1,200,719	(332,402)	1,184,719
Operating expenses:						
Rooms	—	—	—	112,636	—	112,636
Food and beverage	—	—	—	269,824	—	269,824
Other hotel expenses	—	—	44,386	599,760	(316,863)	327,283
Management fees, net	—	—	—	23,856	—	23,856
Total hotel operating expenses	—	—	44,386	1,006,076	(316,863)	733,599
Entertainment	—	—	—	84,404	109	84,513
Corporate	253	1,596	2	29,536	—	31,387
Preopening costs	—	—	—	1,926	—	1,926
Impairment charges	—	—	—	35,418	—	35,418
Corporate overhead allocation	8,615	—	7,033	—	(15,648)	—
Depreciation and amortization	—	—	59,534	52,425	—	111,959
Total operating expenses	8,868	1,596	110,955	1,209,785	(332,402)	998,802
Operating income (loss)	(8,868)	(1,596)	205,447	(9,066)	—	185,917
Interest expense	—	(66,025)	—	(26)	—	(66,051)
Interest income	—	—	—	11,818	—	11,818
Loss from unconsolidated joint ventures	—	—	—	(4,402)	—	(4,402)
Other gains and (losses), net	—	—	—	(337)	—	(337)
Income (loss) before income taxes	(8,868)	(67,621)	205,447	(2,013)	—	126,945
(Provision) benefit for income taxes	—	—	(37)	49,192	—	49,155
Equity in subsidiaries' earnings, net	184,968	—	—	—	(184,968)	—
Net income (loss)	<u>\$ 176,100</u>	<u>\$ (67,621)</u>	<u>\$ 205,410</u>	<u>\$ 47,179</u>	<u>\$ (184,968)</u>	<u>\$ 176,100</u>
Comprehensive income (loss)	<u>\$ 171,676</u>	<u>\$ (67,621)</u>	<u>\$ 205,410</u>	<u>\$ 42,755</u>	<u>\$ (180,544)</u>	<u>\$ 171,676</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantor	Eliminations	Consolidated
Net cash provided by (used in) operating activities	\$ (95,662)	\$ 395,877	\$ 48,232	\$ 6,239	\$ —	\$ 354,686
Purchases of property and equipment	—	—	(48,283)	(104,258)	—	(152,541)
Collection of notes receivable	—	—	—	13,211	—	13,211
Purchase of additional interest in Gaylord Rockies joint venture	—	—	—	(5,481)	—	(5,481)
Earnest money deposit for potential Block 21 acquisition	—	—	—	(15,000)	—	(15,000)
Investment in other joint ventures	—	—	—	(4,241)	—	(4,241)
Other investing activities	—	—	—	1,015	—	1,015
Net cash used in investing activities	—	—	(48,283)	(114,754)	—	(163,037)
Net repayments under revolving credit facility	—	(525,000)	—	—	—	(525,000)
Borrowings under term loan A	—	100,000	—	—	—	100,000
Repayments under term loan B	—	(105,000)	—	—	—	(105,000)
Issuance of senior notes	—	702,500	—	—	—	702,500
Redemption of senior notes	—	(350,000)	—	—	—	(350,000)
Borrowing under Gaylord Rockies term loan	—	—	—	800,000	—	800,000
Repayment of Gaylord Rockies construction and mezzanine loans	—	—	—	(496,612)	—	(496,612)
Deferred financing costs paid	—	(18,500)	—	(9,166)	—	(27,666)
Issuance of common stock	282,908	—	—	—	—	282,908
Payment of dividends	(183,346)	—	—	—	—	(183,346)
Distributions from consolidated joint venture to noncontrolling interest partners	—	—	—	(113,894)	—	(113,894)
Payment of tax withholdings for share-based compensation	(3,989)	—	—	—	—	(3,989)
Other financing activities	37	—	—	(280)	—	(243)
Net cash provided by (used in) financing activities	95,610	(196,000)	—	180,048	—	79,658
Net change in cash, cash equivalents, and restricted cash	(52)	199,877	(51)	71,533	—	271,307
Cash, cash equivalents, and restricted cash, beginning of period	81	657	54	148,297	—	149,089
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 29</u>	<u>\$ 200,534</u>	<u>\$ 3</u>	<u>\$ 219,830</u>	<u>\$ —</u>	<u>\$ 420,396</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantor	Eliminations	Consolidated
Net cash provided by (used in) operating activities	\$ 176,611	\$ (348,460)	\$ 74,430	\$ 419,338	\$ —	\$ 321,919
Purchases of property and equipment	—	—	(74,412)	(113,805)	—	(188,217)
Collection of notes receivable	—	—	—	2,560	—	2,560
Purchase of additional interest in Gaylord Rockies joint venture	—	—	—	(223,564)	—	(223,564)
Purchase of remaining interest in Opry City Stage	—	—	—	(3,963)	—	(3,963)
Investment in other joint ventures	—	—	—	(2,199)	—	(2,199)
Other investing activities	—	—	—	(7,927)	—	(7,927)
Net cash used in investing activities	—	—	(74,412)	(348,898)	—	(423,310)
Net borrowings under revolving credit facility	—	354,000	—	—	—	354,000
Repayments under term loan B	—	(5,000)	—	—	—	(5,000)
Deferred financing costs paid	—	(642)	—	—	—	(642)
Payment of dividends	(172,415)	—	—	—	—	(172,415)
Payment of tax withholdings for share-based compensation	(4,164)	—	—	—	—	(4,164)
Other financing activities	11	—	—	(20)	—	(9)
Net cash provided by (used in) financing activities	(176,568)	348,358	—	(20)	—	171,770
Net change in cash, cash equivalents, and restricted cash	43	(102)	18	70,420	—	70,379
Cash, cash equivalents, and restricted cash, beginning of period	38	759	36	77,877	—	78,710
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 81</u>	<u>\$ 657</u>	<u>\$ 54</u>	<u>\$ 148,297</u>	<u>\$ —</u>	<u>\$ 149,089</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

(in thousands)	Parent Guarantor	Issuer	Guarantor	Non- Guarantor	Eliminations	Consolidated
Net cash provided by (used in) operating activities	\$ 165,461	\$ (83,057)	\$ 96,529	\$ 116,897	\$ —	\$ 295,830
Purchases of property and equipment	—	—	(96,516)	(86,049)	—	(182,565)
Collection of notes receivable	—	—	—	2,370	—	2,370
Investment in Gaylord Rockies joint venture	—	—	—	(16,309)	—	(16,309)
Investment in other joint ventures	—	—	—	(9,313)	—	(9,313)
Other investing activities	—	—	—	(9,604)	—	(9,604)
Net cash used in investing activities	—	—	(96,516)	(118,905)	—	(215,421)
Net borrowings under revolving credit facility	—	(211,400)	—	—	—	(211,400)
Borrowings under term loan A	—	200,000	—	—	—	200,000
Borrowings under term loan B	—	500,000	—	—	—	500,000
Repayments under term loan B	—	(393,750)	—	—	—	(393,750)
Deferred financing costs paid	—	(12,268)	—	—	—	(12,268)
Payment of dividends	(161,706)	—	—	—	—	(161,706)
Payment of tax withholdings for share-based compensation	(3,810)	—	—	—	—	(3,810)
Other financing activities, net	65	—	—	(20)	—	45
Net cash provided by (used in) financing activities	(165,451)	82,582	—	(20)	—	(82,889)
Net change in cash and cash equivalents	10	(475)	13	(2,028)	—	(2,480)
Cash and cash equivalents at beginning of period	28	1,234	23	79,905	—	81,190
Cash and cash equivalents at end of period	\$ 38	\$ 759	\$ 36	\$ 77,877	\$ —	\$ 78,710

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
SCHEDULE III – REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2019
(Amounts in thousands)

	Encmbr	Initial Cost to Company		Costs	Gross Amount at End of Year			Acc Depr	Date Acq/ Constr	Depr Life (yrs)
		Land	Bldgs & Impr	Capitalized Subs to Acq	Land	Bldgs & Impr	Total (3)			
Gaylord Opryland	(1)	\$ 9,817	\$ 77,125	\$ 683,817	\$ 69,279	\$ 701,480	\$ 770,759	\$ 373,052	1983	20-40
Gaylord Palms	(1)	21,564	314,661	66,612	35,329	367,508	402,837	175,126	2002	20-40
Gaylord Texan	(1)	21,235	388,030	181,165	48,388	542,042	590,430	186,944	2004	20-40
Gaylord National	(1)	43,212	840,261	39,265	47,524	875,214	922,738	253,011	2008	20-40
Gaylord Rockies (4)	(2)	53,338	760,664	245	53,343	760,904	814,247	23,004	2018	20-40
Inn at Opryland	—	2,675	7,248	18,860	3,009	25,774	28,783	10,007	1998	20-40
AC Hotel	—	9,079	17,340	3,776	9,099	21,096	30,195	2,674	2014	20-40
Miscellaneous	—	21,290	16,250	17,496	35,927	19,109	55,036	20,871	N/A	20-40
	—	<u>\$ 182,210</u>	<u>\$ 2,421,579</u>	<u>\$ 1,011,236</u>	<u>\$ 301,898</u>	<u>\$ 3,313,127</u>	<u>\$ 3,615,025</u>	<u>\$ 1,044,689</u>		

	2019	2018	2017
Investment in real estate:			
Balance at beginning of year	\$ 3,563,304	\$ 2,570,390	\$ 2,529,641
Acquisitions	—	814,765	—
Improvements	53,373	179,787	40,749
Disposals	(1,652)	(1,638)	—
Balance at end of year	<u>\$ 3,615,025</u>	<u>\$ 3,563,304</u>	<u>\$ 2,570,390</u>
Accumulated depreciation:			
Balance at beginning of year	\$ 949,630	\$ 883,445	\$ 818,323
Depreciation	95,415	67,652	65,122
Disposals	(356)	(1,467)	—
Balance at end of year	<u>\$ 1,044,689</u>	<u>\$ 949,630</u>	<u>\$ 883,445</u>

- (1) Pledged as collateral under the Company's credit facility. At December 31, 2019, \$687.1 million in borrowings and letters of credit were outstanding under such facility.
- (2) Pledged as collateral under the Gaylord Rockies joint venture term loan. At December 31, 2019, \$800.0 million in borrowings were outstanding under such loan.
- (3) The aggregate cost of properties for federal income tax purposes is approximately \$3.5 billion at December 31, 2019.
- (4) The Company owns a 62.1% investment in the joint venture that owns Gaylord Rockies.

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

The following description of the capital stock of Ryman Hospitality Properties, Inc. (“us,” “our” or “we,”) is a summary of the rights of our common stock and certain provisions of our amended and restated certificate of incorporation, or the Charter, and amended and restated bylaws, or the Bylaws, as currently in effect. This summary does not purport to be complete and is qualified in its entirety by the provisions of the Charter and Bylaws, copies of which are filed as exhibits to this Annual Report on Form 10-K and are incorporated by reference herein, and to the applicable provisions of Delaware and U.S. federal law. We encourage you to read the Charter and Bylaws, and the applicable provisions of Delaware and U.S. federal law for additional information.

Authorized Capital

The Charter authorizes us to issue up to 500,000,000 shares of capital stock, consisting of 400,000,000 shares of common stock, par value \$.01 per share, and 100,000,000 shares of preferred stock, par value \$.01 per share. All shares of our common stock will be validly issued, fully paid and non-assessable. Under Delaware law, stockholders generally are not personally liable for a corporation’s acts or debts.

Voting Rights. With respect to all matters upon which stockholders are entitled to vote, except as required by applicable law, the holders of our common stock will be entitled to one vote in person or by proxy for each share of our common stock outstanding in the name of such stockholder on the record of stockholders. Generally, all matters to be voted on by our stockholders must be approved by a majority (or by a plurality in the case of election of directors where the number of candidates nominated for election exceeds the number of directors to be elected) of the votes entitled to be cast by all shares of our common stock present in person or by proxy.

Dividends. Subject to applicable law and rights, if any, of the holders of any outstanding class or series of preferred stock having a preference over our common stock with respect to the payment of dividends, dividends may be declared and paid on our common stock from time to time and in amounts as our board of directors may determine.

Liquidation Rights. Upon our liquidation or dissolution or the winding up of our business, whether voluntarily or involuntarily, the holders of our common stock will be entitled to share ratably in all assets available for distribution after payment or provision for the payment of our debt and liabilities and to holders of preferred stock then outstanding of any amount required to be paid to them.

Other Provisions. The holders of our common stock will not be entitled to any preemptive, subscription or redemption rights, and will not be entitled to the benefit of any sinking fund.

Miscellaneous. The transfer agent and registrar for our common stock is Computershare, Inc. Our common stock is listed on the NYSE under the symbol “RHP.”

Preferred Stock

Pursuant to the Charter, our board of directors is empowered, without any approval of our stockholders, to issue shares of preferred stock in one or more classes or series, to establish the number of shares in each class or series, and to fix the voting powers, designations, powers, preferences and relative, participating, optional or other rights, of each such class or series, and any qualifications, limitations or restrictions thereof. The specific rights and powers that may be determined by our board of directors include the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, us; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock.

Currently, there are no shares of our preferred stock issued and outstanding.

Because our board of directors will have the power to establish the preferences and rights of each class or series of preferred stock, it may afford the stockholders of any series of preferred stock preferences, powers and rights senior to the rights of holders of shares of our common stock, which could have the effect of delaying, deferring or preventing a change in control of us.

Restrictions on Ownership and Transfer

For us to comply with and have maximum business flexibility under the Federal Communications Laws (defined in the Charter and including the Communications Act of 1934, as amended), and for us to qualify as a real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Code, the Charter contains restrictions on stock ownership and stock transfers summarized below.

All certificates, if any, representing shares of our capital stock will bear legends describing or referencing both sets of restrictions. Further, these ownership and transfer restrictions could delay, defer or prevent a transaction or a change in control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

Federal Communications Laws Restrictions. The Charter permits us to restrict the ownership or proposed ownership of shares of our common stock if such ownership or proposed ownership, or the exercise of any rights of ownership with respect to such ownership, by any person could result in any inconsistency with, or violation of, Federal Communications Laws (as defined in the Charter). Under the Charter, we may require any person whose ownership, or proposed ownership, or the exercise of any rights of ownership with respect to such ownership, of shares of our capital stock by any person may be inconsistent with, or in violation of, any provision of the Federal Communications Laws to promptly furnish to us such information (including, without limitation, information with respect to the citizenship, other ownership interests and affiliations) as we may reasonably request to determine whether the ownership of, or the exercise of any rights with respect to, shares of our capital stock by any such person could result in any inconsistency with, or violation of, the Federal Communications Laws. If such person fails to furnish all of the information that we request, or we conclude that such person's ownership or proposed ownership of our common stock, or the exercise by such person of any rights of stock ownership in connection with our common stock, may be inconsistent with, or in violation of, the Federal Communications Laws, under the terms of the Charter, we may (i) refuse to permit the transfer of shares of our capital stock to any proposed transferee, (ii) suspend those rights of stock ownership the exercise of which would result in any inconsistency with, or violation of, the Federal Communications Laws, or (iii) redeem such shares of our capital stock pursuant to the procedures set forth below.

The following procedures apply to the redemption of such person's capital stock:

- the redemption price of any redeemed shares of our capital stock shall be the lesser of (i) the Market Price (as defined in the Charter) of such shares on the date of the notice of redemption, and (ii) if such capital stock was purchased by a Disqualified Holder (as defined in the Charter) within one year of the redemption date, such Disqualified Holder's purchase price per share;
 - the redemption price may be paid in cash, Redemption Securities (as defined in the Charter) or any combination thereof;
 - our board of directors in its sole discretion may decide to only redeem some (but not all) of a disqualified holder's shares, which may include the selection of the most recently purchased or acquired shares, selection by lot or selection by such other manner as determined by the board of directors;
 - we must provide at least 30 days' prior written notice to each record holder of the shares selected to be redeemed of the date on which we plan to effect the redemption (unless waived by such record holder); provided, that the redemption date may be the date on which written notice is given to such record holder if the cash or Redemption Securities necessary to effect the redemption have been deposited in trust for the benefit of such record holder and are subject to immediate withdrawal by such record
-

holder upon surrender of the stock certificates (or, in the case of uncertificated shares, evidence of the transfer thereof) for the redeemed shares;

- from and after the date of the redemption, any and all rights relating to the redeemed shares shall cease and terminate and such record holder shall only possess the right to obtain cash (or any other of our debt or equity securities) payable upon the redemption; and
- such other terms and condition as our board of directors determines.

REIT-Related Restrictions. In order to qualify as a REIT under the Code for each taxable year beginning after December 31, 2013, our shares of capital stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, for our taxable years beginning after December 31, 2013, no more than 50% of the value of the outstanding shares of our capital stock may be owned, directly or constructively, by five or fewer individuals (as defined in the Code to include certain entities) during the second half of any calendar year.

The Charter contains restrictions on the number of shares of our capital stock that a person may own, subject to certain exceptions. The Charter provides that (subject to certain exceptions described below) no person may beneficially own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% in value or in number of shares, whichever is more restrictive, of the aggregate of the outstanding shares of our capital stock, or any class or series of our capital stock. For purposes of these calculations, shares of capital stock that may be acquired upon conversion, exchange or exercise of any of our securities held by a person, but not capital stock issuable with respect to the conversion, exchange or exercise of our securities held by other persons, will be deemed to be outstanding prior to conversion, exchange or exercise.

The applicable constructive ownership rules under the Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be treated as owned by one individual or entity. As a result, the acquisition of less than 9.8% in value or number of our outstanding capital stock or any class or series of our capital stock (including through the acquisition of an interest in an entity that owns, actually or constructively, any of our capital stock) by an individual or entity could nevertheless cause that individual or entity, or another individual or entity, to own, constructively or beneficially, in excess of 9.8% in value or number of our outstanding capital stock or any class or series of our capital stock.

Pursuant to the Charter, our board of directors has the power (prospectively or retroactively) to increase or decrease the 9.8% ownership limit referenced above. However, any decreased stock ownership limit will not apply to any person whose percentage ownership of our capital stock or any class or series of our capital stock, as the case may be, is in excess of such decreased stock ownership limit until that person's percentage ownership of our capital stock or any class or series of our capital stock, as the case may be, equals or falls below the decreased stock ownership limit. Until such a person's percentage ownership of our capital stock or any class or series of our capital stock, as the case may be, falls below such decreased stock ownership limit, any further acquisition of capital stock or any class or series of our capital stock, as the case may be, will be in violation of the decreased stock ownership limit.

Our board of directors, in its sole discretion, may exempt a person from the foregoing restrictions (as defined in the Charter, an "Excepted Holder"). The person seeking an exemption must provide to our board of directors such representations and undertakings and satisfy such conditions, in each case as our board of directors may deem necessary or advisable to conclude that granting the exemption will not cause us to lose our qualification as a REIT. Our board of directors may also require a ruling from the Internal Revenue Service or an opinion of counsel in order to determine or ensure our qualification as a REIT in the context of granting such exemptions. In addition to our board of directors having the discretion to exempt an Excepted Holder, the Charter provides that any other person that holds shares of common stock in excess of 9.8% of the outstanding shares of common stock on the date of the completion of the merger will be permitted to hold shares in an amount not to exceed the amount of shares held as of such date (provided, that in no event will any individual (within the meaning of Section 542(a)(2) of the Code as modified by Section 856 of the Code) be permitted to beneficially own or constructively own shares in excess of the 9.8% ownership limit).

Pursuant to the Charter, our board of directors may only reduce the revised ownership limit for an Excepted Holder (i) with the written consent of such Excepted Holder, or (ii) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the revised ownership limit for that Excepted Holder. Notwithstanding the foregoing, our board of directors also may reduce the revised ownership limit then applicable to one or more particular Excepted Holders if such reduction is, in the judgment of the board of directors, in its sole discretion, necessary or advisable in enabling us to maintain its qualification as a REIT or is otherwise in our best interest. Any such decreased stock ownership limit, however, will not apply to any person whose percentage ownership of our capital stock or any class or series of capital stock, as the case may be, is in excess of such decreased stock ownership limit until that person's percentage ownership of our capital stock or any class or series of capital stock, as the case may be, equals or falls below the decreased stock ownership limit. Until such a person's percentage ownership of our capital stock or any class or series of capital stock, as the case may be, falls below such decreased stock ownership limit, any further acquisition of capital stock or any class or series of capital stock, as the case may be, will be in violation of the decreased stock ownership limit. The Charter also provides that no such decreased stock ownership limit applicable to any Excepted Holder shall be reduced to a percentage that is less than the stock ownership limit applicable to our stockholders generally.

The Charter also (i) prohibits any person from beneficially or constructively owning shares of our capital stock that would result in us being "closely held" under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT or (ii) any transfer of shares of capital stock if the transfer would result in our capital stock being beneficially owned by fewer than 100 persons. In addition, the Charter provides that (i) no person shall beneficially own shares of capital stock to the extent such beneficial ownership of capital stock would result in our failing to qualify as a "domestically controlled qualified investment entity" within the meaning of Section 897(h) of the Code, and (ii) no person shall beneficially own shares of capital stock to the extent such beneficial ownership of capital stock would result in our being "predominantly held" (within the meaning of Section 856(h)(3)(D) of the Code) by "qualified trusts" (within the meaning of Section 856(h)(3)(E) of the Code).

The Charter provides that any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of our capital stock that will or may violate any of the foregoing restrictions on transferability and ownership, or who is the intended transferee of shares of our capital stock that are transferred to the trust (as described below), is required to give written notice immediately to us and provide us with such other information as we may request in order to determine the effect of such transfer on our qualification as a REIT. The foregoing restrictions on transferability and ownership will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

The Charter provides that any attempted transfer of shares of our capital stock or other event which, if effective, would result in a violation of the foregoing restrictions will cause the number of shares causing the violation to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries, and the proposed transferee or stockholder whose shares would result in this violation will not acquire any rights in such shares. The automatic transfer will be deemed to be effective as of the close of business on the Business Day (as defined in the Charter) prior to the date of the transfer or other event (but in no event earlier than the date of the closing of the merger). If, for any reason, the transfer to the trust does not occur or would not prevent a violation of the restrictions on ownership contained in the Charter, the Charter provides that the purported transfer will be void *ab initio*.

Shares of our capital stock held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares of our capital stock held in the trust, will have no rights to dividends and no rights to vote or other rights attributable to the shares of capital stock held in the trust. The trustee of the trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary. Any dividend or other distribution paid prior to our discovery that shares of capital stock have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or distribution paid to the trustee will be held in trust for the charitable beneficiary. Subject to Delaware law, the trustee will have the authority to rescind as void any vote cast by the proposed transferee or stockholder whose shares would result in this violation prior to our discovery that the shares have been transferred to the trust and to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary. However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days after receiving notice from us that shares of our capital stock have been transferred to the trust, the Charter provides that the trustee will sell the shares to a person designated by the trustee, whose ownership of the shares will not violate the above ownership limitations. Upon such sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee or stockholder whose ownership would result in the violation and to the charitable beneficiary as follows: the proposed transferee or such stockholder will receive the lesser of (i) the price paid by the proposed transferee or stockholder for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust (e.g., a gift, devise or other similar transaction or in the case of a non-transfer event), the Market Price (as defined in the Charter) of the shares on the day of the event causing the shares to be held in the trust and (ii) the price received by the trustee from the sale or other disposition of the shares. Any net sale proceeds in excess of the amount payable to the proposed transferee will be paid immediately to the charitable beneficiary. If, prior to our discovery that shares of our capital stock have been transferred to the trust, the shares are sold by the proposed transferee or stockholder whose ownership would result in the violation, then (i) the shares shall be deemed to have been sold on behalf of the trust and (ii) to the extent that the proposed transferee received an amount for the shares that exceeds the amount the proposed transferee was entitled to receive, the excess shall be paid to the trustee upon demand.

In addition, the Charter provides that shares of capital stock held in the trust will be deemed to have been offered for sale to us or our designee at a price per share equal to the lesser of the price per share in the transaction that resulted in the transfer to the trust (or, in the case of a devise or gift or non-transfer event, the market price at the time of the devise or gift or non-transfer event) and the market price on the date that we or our designee accept the offer. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee or stockholder whose ownership would have resulted in the violation.

The Charter provides that every owner of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) in number or in value of the outstanding shares of capital stock, within 30 days after the end of each taxable year, will be required to give written notice to us stating the name and address of such owner, the number of shares of our capital stock that the owner beneficially owns or constructively owns and a description of the manner in which the shares are held. Each owner must provide to us such additional information as we may request to determine the effect, if any, of the beneficial ownership or constructive ownership on our qualification as a REIT and to ensure compliance with the ownership limitations. In addition, the Charter provides that each such owner shall, upon demand, be required to provide to us such information as we may request, in good faith, to determine our qualification as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the 9.8% ownership limitations in the Charter.

Anti-Takeover Effect of Certain Provisions of the Charter and Bylaws

Certain provisions of the Charter and Bylaws, described below, as well as the ability of our board of directors to issue shares of preferred stock and to set voting rights, preferences and other terms of the preferred stock, could delay, defer or prevent a transaction or a change in control in us that might involve a premium for the holders of our common stock or might otherwise not be in their best interests.

Size of the Board of Directors; Filling of Vacancies. The Charter provides that our board of directors shall consist of not less than one and not more than 15 persons, with the exact number fixed from time to time by the majority voting of the entire board of directors. The Charter provides that any vacancy on the board of directors, including one created by an increase in the number of directors, may be filled only by a majority of the directors then in office (even if less than a quorum), or by a sole remaining director. The combined result of these provisions is that our stockholders cannot increase the size of the board and fill newly created directorships without amending the Charter.

Special Meeting of Stockholders; No Stockholder Action by Written Consent. The Charter provides that special meetings of stockholders may be called only by the chairman of the board of directors or a majority of the board of directors. The Charter also prohibits stockholders from taking any action by written consent. These provisions limit the ability of stockholders to take certain actions, except at an annual meeting of stockholders, which may hinder or delay the ability of others to acquire control of us.

Advance Notice of Director Nominations and Stockholder Proposals. The Bylaws include an advance notice provision, informational requirements and time limitations on any director nomination or stockholder proposal that a stockholder wishes to make at a meeting of stockholders. Failure to comply with these advance notice, timing and informational requirements can result in a stockholder's director nomination or proposal not being considered at a meeting of stockholders.

Supermajority Voting Requirements. As required by Delaware law, any amendment to the Charter must first be approved by our board of directors and, if required by law, thereafter approved by a majority of the outstanding shares entitled to vote with respect to the amendment. In addition, under the Charter, the amendment, repeal, or adoption of any provision inconsistent with certain sections of the Charter requires the affirmative vote of the holders of at least 66 2/3% of the issued and outstanding stock entitled to vote thereon, voting together as a single class. The Charter and the Bylaws also provide that the Bylaws may be amended by the affirmative vote of at least 66 2/3% of the issued and outstanding stock entitled to vote thereon, voting together as a single class. These supermajority voting provisions could delay, deter or prevent a change in control of us or our management.

Ownership Limitations. Primarily to protect us against the risk of losing our status as a REIT, the Charter contains provisions that limit the ownership by any person of shares of any class or series of our capital stock. Additionally, because we are subject to the regulations of the Federal Communications Commission, the Charter contains provisions limiting ownership of our capital stock if such ownership would violate or be inconsistent with U.S. federal communications laws. These provisions may have the effect of inhibiting or impeding a change in control.

Anti-Takeover Effect of Delaware Law

We are subject to Section 203 of the Delaware General Corporation Law, which regulates corporate acquisitions. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder, unless:

- the board of directors approved the transaction in which the stockholder became an interested stockholder prior to the date the interested stockholder attained such status;
 - upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by (i) persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
 - the business combination is approved by a majority of the board of directors and by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.
-

Ryman Hospitality Properties, Inc. (the “Company”)

Summary of Director and Executive Officer Compensation

- I. **Director Compensation.** Directors who are employees of the Company do not receive additional compensation for serving as directors of the Company. The following table sets forth current rates of cash compensation for the Company’s non-employee directors.

Retainer	2020
Board retainer	\$ 65,000
Lead Non-Management Director retainer	\$ 30,000
Audit chair retainer	\$ 25,000
Human Resources chair retainer	\$ 20,000
Nominating and Corporate Governance chair retainer	\$ 15,000
Audit member retainer	\$ 10,000
Human Resources member retainer	\$ 10,000
Nominating member retainer	\$ 7,500

Non-employee directors may elect payment in cash or may defer this portion of their compensation and receive restricted stock units pursuant to the Company’s 2016 Omnibus Incentive Plan with a value equal to the fees, based on the fair market value of the Company’s common stock on the date of issuance. Such restricted stock units will be deferred until a specified date or the end of the director’s service on the Board of Directors. All directors are reimbursed for expenses incurred in attending meetings.

In addition, as of the date of our board meeting following our annual meeting of stockholders, each non-employee director will receive an annual grant of restricted stock units having a dollar value of \$95,000, based on the fair market value of the Company’s common stock on the date of grant. The restricted stock units vest fully on the first anniversary of the date of grant, pursuant to the Company’s 2016 Omnibus Incentive Plan, unless deferred by the director until either a specified date or the end of the director’s service on the Board of Directors. Directors will not receive fees for attending meetings.

The following table sets forth the 2020 annual base salaries and the fiscal 2019 short-term cash incentive compensation provided to the Company’s Chief Executive Officer, the Company’s Chief Financial Officer and the three other most highly compensated executive officers to be named in the Company’s proxy statement to be filed in connection with the 2020 annual meeting of stockholders (the “Named Executive Officers”).

	<u>2020 Salary</u>	<u>Fiscal 2019 Bonus Amount</u>
Colin Reed	\$ 1,100,000	\$ 2,300,000
Mark Fioravanti	\$ 600,000	\$ 1,100,000
Bennett Westbrook	\$ 440,000	\$ 625,000
Patrick Chaffin	\$ 475,000	\$ 625,000
Scott Lynn	\$ 400,000	\$ 550,000

Bonus Amounts were paid pursuant to the Company’s short-term cash incentive compensation program under the Company’s Amended and Restated 2006 Omnibus Incentive Plan. In addition, certain performance-based restricted stock unit awards under the Company’s Amended and Restated 2006 Omnibus Incentive Plan with

respect to performance periods ended December 31, 2019 will vest on March 15, 2020, as will be reflected in Form 4 filings to be made with the SEC.

The following table sets forth the fiscal 2020 bonus targets as a percentage of 2020 base salary set for the Named Executive Officers:

	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>
Colin V. Reed	75%	150%	300%
Mark Fioravanti	62.5%	125%	250%
Bennett Westbrook	50%	100%	200%
Patrick Chaffin	50%	100%	200%
Scott Lynn	50%	100%	200%

The fiscal 2020 bonuses will be determined based upon the achievement of certain goals and Company performance criteria, and if earned, will be paid pursuant to the Company's cash bonus program under the Company's 2016 Omnibus Incentive Plan.

The Named Executive Officers also receive long-term incentive awards, as discussed below, pursuant to the Company's stockholder-approved equity incentive plans.

On February 20, 2020, the Named Executive Officers were granted the following awards of time-based vesting restricted stock units (vesting ratably over four years beginning on March 15, 2021) and the following awards of performance-vesting restricted stock units for the 2020-2022 performance period (of which up to 150% will vest on March 15, 2023 based on the achievement of designated financial goals), pursuant to the Company's 2016 Omnibus Incentive Plan.

	<u>Time- Based RSUs</u>	<u>Performance- Based RSUs</u>
Colin V. Reed	18,571	16,811
Mark Fioravanti	8,000	8,000
Bennett Westbrook	3,500	3,500
Patrick Chaffin	3,500	3,500
Scott Lynn	3,500	3,500

III. **Additional Information.** The foregoing information is summary in nature. Additional information regarding the compensation of directors and named executive officers may be provided in the Company's filings with the SEC, including the proxy statement to be filed in connection with the 2020 annual meeting of stockholders.

Subsidiary Name	Jurisdiction of Organization
300 Broadway, LLC	Delaware
300 Broadway Holdings, LLC	Delaware
300 Broadway MidCo, LLC	Delaware
300 Broadway Operations, Inc.	Delaware
Attractions IP, LLC	Delaware
Country Music Television International, LLC	Delaware
GN Bond Holdings, LLC	Delaware
GOO Broadway, LLC	Delaware
GOOSPK 1604 Broadway, LLC	New York
GPSI, Inc.	Delaware
Grand Ole Opry, LLC	Delaware
Grand Ole Opry IP, LLC	Delaware
RHP Corporate Properties, LLC	Delaware
RHP Creative Group, LLC	Delaware
RHP Finance Corporation	Delaware
RHP Hotel Operations HoldCo, LLC	Delaware
RHP Hotel Properties, LP	Delaware
RHP Hotels, LLC	Delaware
RHP Operations and Attractions Holdings, LLC	Delaware
RHP Operations DC, LLC	Delaware
RHP Operations GP, LLC	Delaware
RHP Operations GT, LLC	Delaware
RHP Operations Inn at Opryland, LLC	Delaware
RHP Operations NH, LLC	Delaware
RHP Operations OH, LLC	Delaware
RHP Partner, LLC	Delaware
RHP Property DC, LLC	Delaware
RHP Property GP, LP	Florida
RHP Property GT, LP	Delaware
RHP Property GT, LLC	Delaware
RHP Property NH, LLC	Maryland
RHP Sub Holdings, LLC	Delaware
RHPA Management, LLC	Delaware
RHPAHP, LLC	Delaware
RHPAHO, LLC	Delaware
Ole Red Gatlinburg, LLC	Tennessee
Ole Red Holdings, Inc.	Delaware
Ole Red Orlando, LLC	Delaware
OLH,GP	Tennessee
OLH Holdings, LLC	Delaware
Opry Attractions HoldCo, LLC	Delaware
Opry Entertainment Group Holdings, LLC	Delaware
Opryland Attractions, LLC	Delaware
Opryland Hospitality, LLC	Tennessee
Park Holdings, LLC	Delaware
Springhouse Golf, LLC	Delaware
Wildhorse Saloon Entertainment Ventures, LLC	Tennessee
NCV Holdings, LLC	Delaware

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-235419) pertaining to the Shelf Registration for common stock of Ryman Hospitality Properties, Inc.;
- (2) Registration Statement (Form S-8 No. 333-211214) pertaining to the Ryman Hospitality Properties, Inc. 2016 Omnibus Incentive Plan;
- (3) Registration Statement (Form S-3 No. 333-183105) of Ryman Hospitality Properties, Inc.;
- (4) Registration Statement (Form S-8 No. 333-136494) pertaining to the Gaylord Entertainment Company 2006 Omnibus Incentive Plan;
- (5) Registration Statement (Form S-8 No. 333-174070) pertaining to the Gaylord Entertainment Company Amended and Restated 2006 Omnibus Incentive Plan;
- (6) Registration Statement (Form S-8 No. 333-37051) pertaining to the Amended and Restated Gaylord Entertainment Company 401(K) Savings Plan;

of our reports dated February 25, 2020 with respect to the consolidated financial statements and schedule of Ryman Hospitality Properties, Inc. and subsidiaries and the effectiveness of internal control over financial reporting of Ryman Hospitality Properties, Inc. and subsidiaries, included in this Annual Report (Form 10-K) of Ryman Hospitality Properties, Inc. for the year ended December 31, 2019.

/s/ Ernst & Young LLP

Nashville, Tennessee
February 25, 2020

CERTIFICATION

I, Colin V. Reed, certify that:

1. I have reviewed this annual report on Form 10-K of Ryman Hospitality Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2020

By: /s/ Colin V. Reed

Colin V. Reed
Chairman of the Board of Directors and
Chief Executive Officer

CERTIFICATION

I, Mark Fioravanti, certify that:

1. I have reviewed this annual report on Form 10-K of Ryman Hospitality Properties, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2020

By: /s/ Mark Fioravanti

Mark Fioravanti

President and Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Ryman Hospitality Properties, Inc. (the "Company") on Form 10-K for the period ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Colin V. Reed, Chairman of the Board of Directors and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, 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.

/s/ Colin V. Reed

Colin V. Reed
Chairman of the Board of Directors and Chief Executive Officer
February 25, 2020

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Ryman Hospitality Properties, Inc. (the "Company") on Form 10-K for the period ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Fioravanti, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, 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.

/s/ Mark Fioravanti

Mark Fioravanti
President and Chief Financial Officer
February 25, 2020

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
