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

FORM 10-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

[ ] 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

GAYLORD ENTERTAINMENT COMPANY
(Exact name of Registrant as specified in its charter)

DELAWARE	73-0664379
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
ONE GAYLORD DRIVE, NASHVILLE, TENNESSEE	37214
(Address of Principal Executive Offices)	(Zip Code)

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE) (615) 316-6000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

COMMON STOCK - $.01 PAR VALUE	NEW YORK STOCK EXCHANGE
(Title of Class)	(Name of exchange on which registered)

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

NONE
(Title of Class)

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. [X] Yes [ ] No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). [X] Yes [ ] No

As of March 17, 2003, there were 33,789,575 shares of Common Stock outstanding. 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 30, 2002 was approximately $503,662,550. For purposes of the foregoing calculation only, shares of Common Stock held by non-affiliates exclude only those shares beneficially owned by officers and directors.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held May 8, 2003 are incorporated by reference into Part III of this Form 10-K.

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GAYLORD ENTERTAINMENT COMPANY

2002 FORM 10-K ANNUAL REPORT

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PART IV

PART I

Throughout this report, we refer to Gaylord Entertainment Company, together with its subsidiaries, as "we," "us," "Gaylord Entertainment," "Gaylord," or the "Company."

ITEM 1. BUSINESS

We are a diversified hospitality company operating principally in four groups: (i) Hospitality, (ii) Attractions, (iii) Media, and (iv) Corporate and Other. The Hospitality segment comprises the operations of the Gaylord Hotel properties and the Radisson Hotel at Opryland. The Attractions segment represents all of the Nashville-area attractions, including the Grand Ole Opry, General Jackson Showboat, Ryman Auditorium, Springhouse Golf Club and the Wildhorse Saloon. It also includes the results of Corporate Magic, the Company's corporate event production business. The Media segment includes the Company's three radio stations. The Corporate and Other segment includes corporate expenses and results from investments in sports franchises and minority investments. These four business segments - Hospitality, Attractions, Media, Corporate and Other - represented 81.9%, 15.3%, 2.7%, and 0.1%, respectively of total revenues in the calendar year ended December 31, 2002. Financial information by industry segment and geographic area for each of the three years in the period ended as of December 31, 2002, appears in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the caption "Results of Operations" and in the Financial Reporting by Business Segments note to our Consolidated Financial Statements included in this annual report on Form 10-K.

HOSPITALITY

Gaylord Hotels - Strategic Plan. Gaylord Entertainment's goal is to become the nation's premier brand in the meetings and convention sector. To accomplish this, our business strategy is to develop resorts and convention centers in desirable event destinations that are created based in large part on the needs of meeting planners and attendees. Using the slogan "All in One Place," Gaylord Hotels 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 made our Gaylord Opryland Resort and Convention Center ("Gaylord Opryland") in Nashville one of the leading convention hotels in the country. In addition to operating Gaylord Opryland in Nashville, we opened our Gaylord Palms Resort and Convention Center ("Gaylord Palms") in Kissimmee, Florida in January 2002, are scheduled to open our new Gaylord hotel in Grapevine, Texas in April of 2004, and have the option to purchase land for the development of a hotel in the Washington, D.C. area. The Company believes that its new convention hotels will enable the Company to capture additional convention business from groups that currently utilize Gaylord Opryland but must rotate their meetings to other locations due to their attendees' desires to visit different areas. The Company also anticipates that its new hotels will capture new group business that currently does not come to the Nashville market and will seek to gain additional business at Gaylord Opryland in Nashville once these groups have experienced a Gaylord hotel in other markets.

Plans for the properties to be developed include the following components, which the Company believes are the foundation of its success with Gaylord Opryland: (i) state-of-the-art meeting facilities, including a high ratio of square footage of meeting and exhibit space per guest room; (ii) expansive atriums themed to capture geographical and cultural aspects of the region in which the property is located; and (iii) entertainment components and innovative venues creating a superior guest experience not typically found in convention hotels.

In October 2001, the Company announced a re-branding of the Opryland Hotels under the new brand of "Gaylord Hotels." Opryland Hotel Nashville was renamed Gaylord Opryland and the Opryland Hotel Florida was renamed the Gaylord Palms.

Gaylord Opryland Resort and Convention Center - Nashville, Tennessee. Our flagship, Gaylord Opryland in Nashville, is one of the leading convention destinations in the United States. Designed with the lavish gardens and magnificent charm of a glorious Southern mansion, the resort is situated on approximately 172 acres in the Opryland

complex. Gaylord Opryland is one of the largest hotels in the United States in terms of number of guest rooms. Gaylord Opryland attracts convention business from trade associations and corporations, which accounted for approximately 80% of the hotel's revenues in each of 2002, 2001, and 2000. It also serves as a destination resort for vacationers due to its proximity to the Grand Ole Opry, the General Jackson showboat, the Springhouse Golf Club (the Company's 18-hole championship golf course), and other attractions in the Nashville area. The Company believes that the ambiance created at Gaylord Opryland and the combination of the quality of its convention facilities and availability of live musical entertainment are factors that differentiate it from other convention hotels. In late 1999, the Company began a three-year, $54 million renovation and capital improvement program to refurbish the hotel, and as of December 31, 2002 this renovation program was substantially complete.

The following table sets forth information concerning Gaylord Opryland in Nashville for each of the five years in the period ended December 31, 2002.

	YEARS ENDED DECEMBER 31,				
	2002	2001	2000	1999	1998
Average number of guest rooms..............	2,881	2,883	2,883	2,884	2,884
Occupancy rate.............................	68.6%	70.3%	75.9%	78.0%	79.1%
Average daily rate ("ADR").................	$ 142.58	$ 140.33	$ 140.03	$ 135.48	$ 137.02
Revenue per available room ("RevPAR").......	$ 97.80	$ 98.65	$ 106.22	$ 105.66	$ 108.33
Food and beverage revenues (in thousands)...	$ 66,312	$ 72,800	$ 81,093	$ 85,686	$ 81,518
Total revenues (in thousands)..............	$ 206,132	$ 221,953	$ 229,859	$ 234,435	$ 233,645

Gaylord Opryland has 2,881 guest rooms, four ballrooms with approximately 124,000 square feet, 85 banquet/meeting rooms, and total dedicated exhibition space of approximately 289,000 square feet. Total meeting, exhibit and pre-function space in the hotel is approximately 600,000 square feet.

Gaylord Palms Resort and Convention Center - Kissimmee, Florida. We opened our Gaylord Palms Resort and Convention Center in Kissimmee, Florida in January 2002. Gaylord Palms has 1,406 signature guest rooms and approximately 400,000 square feet of total meeting and exhibit space. The hotel is situated on a 65-acre site in Osceola County, Florida and is approximately 5 minutes from the main gate of the Walt Disney World(R) Resort complex. Gaylord Palms is designed similarly to Gaylord Opryland, with rooms overlooking large glass-covered atriums. The three atriums at Gaylord Palms are modeled after notable areas from the State of Florida: the Everglades, Key West and St. Augustine. Gaylord Palms also has a full-service spa, which with 20,000-square feet of dedicated space (over 25 treatment rooms) is one of the largest spas in Central Florida. The spa, known as the Canyon Ranch Spa Club, is managed by the Canyon Ranch Spa Company from Arizona, a leader in spa management. Hotel guests also have golf privileges at the world class Falcon's Fire Golf Club, located a half-mile from the property.

The following table sets forth information concerning Gaylord Palms in Kissimmee for the period subsequent to its January 2002 opening.

	2002
Average number of guest rooms..............	1,406
Occupancy rate.............................	64.9%
Average daily rate ("ADR").................	$ 168.65
Revenue per available room ("RevPAR").......	$ 109.37
Food and beverage revenues (in thousands)...	$ 54,411
Total revenues (in thousands)..............	$ 126,473

Gaylord Opryland Texas. We began construction on our new Gaylord hotel in Grapevine, Texas in June of 2000, and the hotel is scheduled to open in April of 2004. The 1,508 room hotel and convention center is located eight minutes from the Dallas/Fort Worth Airport. Like its sister property in Kissimmee, Florida, our Texas hotel will feature a grand atrium enclosing several acres as well as over 400,000 square feet of pre-function, meeting and exhibition space all

under one roof. The property will also include a number of themed restaurants with an additional restaurant located on the point overlooking Lake Grapevine.

Total net real estate, construction, and furnishings, fixtures and equipment and capitalized interest costs for the new Texas hotel are currently anticipated to be in the range of $515 million. As of December 31, 2002, the Company has incurred approximately $213 million of these costs.

Gaylord Hotels Development Plan. In January 2000, the Company announced plans to develop a Gaylord hotel on property to be acquired from The Peterson Companies on the Potomac River in Prince George's County, Maryland (in the Washington, D.C. market). This project is subject to the availability of financing and final approval of the Company's Board of Directors. Management would also consider other sites in Phoenix, San Diego or Chicago as possible locations for a future Gaylord hotel.

Radisson Hotel at Opryland. We also own and operate the Radisson Hotel at Opryland, a Radisson franchise hotel which is located across the street from Gaylord Opryland. The hotel has 303 rooms and approximately 14,000 square feet of meeting space. The Company purchased the hotel in April 1998 for approximately $16 million. A major renovation of the guest rooms and meeting space was completed in 1999 at a cost of approximately $7 million. In March 2000, the Company entered into a 20-year franchise agreement with Radisson in connection with the operation of this hotel. The franchise agreement contains customary terms and conditions.

ATTRACTIONS

The Grand Ole Opry. The Grand Ole Opry, which celebrated its 75th anniversary in 2000, 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 Tuesday Night Opry's on a seasonal basis. The Opry House, home of the Grand Ole Opry, is located in the Opryland complex. The Grand Ole Opry moved to the Opry House in 1974 from its most famous home in the Ryman Auditorium in downtown Nashville.

The Grand Ole Opry is broadcast live on the Company's WSM-AM radio station every Friday and Saturday night, and the broadcast of the Opry is also streamed on the Internet via www.opry.com and www.wsmonline.com. The show has been broadcast since 1925 on WSM-AM, making it the longest running live radio program in the world. In 2001, the Company entered into an agreement (the "CMT Opry Live Agreement") with Viacom, Inc. pursuant to which Viacom agreed to move the exhibition of the Opry Live from its TNN channel to CMT. Under the CMT Opry Live Agreement, Viacom will air the Opry Live on CMT each week through September 30, 2003 and will re-air the Opry Live show twice each week for a total of three airings per week.

The Grand Ole Opry currently has approximately 70 performing members who are stars or other notables in the country music field. There are no financial inducements attached to membership in the Grand Ole Opry other than the prestige associated with membership. In addition to performances by members, the Grand Ole Opry presents performances by many other country music artists. Members include traditional favorites, such as Loretta Lynn and George Jones, as well as contemporary artists, like Alan Jackson, Vince Gill, and Martina McBride.

The Opry House contains a 45,000 square foot auditorium with 4,424 seats, a television production center that includes a 300-seat studio and lighting, audio, and video control rooms, and set design and scenery shops. The Opry House is used by the Company for the production of television and other programming and by third parties such as national television networks and the Public Broadcasting System. The Opry House is also rented for concerts, theatrical productions, and special events and is used by Gaylord Opryland for convention entertainment and other events such as the Radio City Christmas Spectacular featuring the world famous Rockettes(TM).

Ryman Auditorium. The Ryman Auditorium, which was built in 1892 and seats approximately 2,300, was recently 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. Recent concert performers have included Ricky Skaggs, Bruce Springsteen, Coldplay, The Pretenders, Dixie Chicks, Willie Nelson, Alison Krauss and Elvis

Costello. The Ryman Auditorium consistently has received local awards as a venue for live music performances, and in January 2001, CitySearch editors listed the Ryman Auditorium among the top five concert venues in the United States for the second year in a row.

Since its reopening, the Ryman Auditorium has featured musicals produced by the Company such as Always . . . Patsy Cline, Lost Highway - The Music & Legend of Hank Williams, Bye Bye Love - The Everly Brothers Musical, and Stand By Your Man: The Tammy Wynette Story. The Grand Ole Opry returns to the Ryman Auditorium periodically, most recently from November 2002 to February 2003. The Ryman Auditorium is also host to a number of special events.

The General Jackson Showboat. The Company operates the General Jackson, a 300-foot, four-deck paddle wheel showboat, on the Cumberland River, which flows past the Opryland complex. Its Victorian Theatre can seat 620 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 the Company makes available to conventions held at Gaylord Opryland. It contributes to the Company's revenues from convention participants as well as local business. During the day it operates cruises, primarily serving tourists visiting the Opryland complex and the Nashville area.

The Springhouse Golf Club. Home to a Senior PGA Tour event since 1994 and minutes from Gaylord Opryland, the Springhouse Golf Club was designed by former U.S. Open and PGA Champion Larry Nelson. The 43,000 square-foot antebellum-style clubhouse offers meeting space for up to 450 guests.

The Wildhorse Saloon. Since 1994, the Company has owned and operated the Wildhorse Saloon, a country music performance venue on historic Second Avenue in downtown Nashville. The three story, 66,000 square-foot facility includes a dance floor of approximately 2,500 square feet, a restaurant and banquet facility which can accommodate up to 2,000 guests, and a 15' x 22' television screen which features country music videos and sporting events. The Wildhorse Saloon has featured performers such as Tim McGraw and the Dixie Chicks. The club has a broadcast-ready stage and facilities to house mobile production units from which broadcasts of live concerts may be distributed nationwide.

Corporate Magic. In March 2000, the Company acquired Corporate Magic, Inc., a company specializing in the production of creative and entertainment events in support of the corporate and meeting marketplace, for $9.0 million. We believe the event and corporate entertainment planning function of Corporate Magic complements the meeting and convention aspects of our Gaylord Hotels business.

MEDIA

WSM-AM and WSM-FM. WSM-AM and WSM-FM commenced broadcasting in 1925 and

1967, respectively. The involvement of the Company's predecessors with country music dates back to the creation of the Grand Ole Opry, which has been broadcast live on WSM-AM since 1925.

WSM-AM and WSM-FM are each broadcast from the Opryland complex and have country music formats. WSM-AM went on the air in 1925 and is one of the nation's 25 "clear channel" stations, meaning that no other station in a 750-mile radius uses the same frequency for nighttime 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. The Company also has radio broadcast studios in Gaylord Opryland, the Wildhorse Saloon, the Ryman Auditorium, and the Opry Mills retail complex in Nashville.

WWTN-FM. In 1995, the Company acquired the assets of radio station WWTN-FM, which operates out of Nashville, Tennessee. WWTN-FM has a news/talk/sports format and is the flagship station of the Nashville Predators, a National Hockey League club of which the Company owns a minority interest.

On March 25, 2003, the Company, through its wholly-owned subsidiary Gaylord Investments, Inc., entered into an agreement to sell the assets primarily used in the operations of WSM-FM and WWTN(FM) to Cumulus Broadcasting, Inc. ("Cumulus"), and the Company entered into a joint sales agreement with Cumulus for WSM-AM

in exchange for approximately $65 million in cash. Consummation of the sale of assets is subject to customary closing conditions, including regulatory approvals, and is expected to take place in the third quarter of 2003. In connection with this agreement, we also entered into a local marketing agreement with Cumulus pursuant to which, from the second business day after the expiration or termination of the waiting period under the Hart-Scott-Rodino Improvements Act of 1976 until the closing of the sale of the assets, we will, for a fee, make available to Cumulus substantially all of the broadcast time on WSM-FM and WWTN(FM). In turn, Cumulus will provide programming to be broadcast during such broadcast time and will collect revenues from the advertising that it sells for broadcast during this programming time. The Company will continue to own and operate WSM-AM and under the joint sales agreement with Cumulus, Cumulus will sell all of the commercial advertising on WSM-AM and provide certain sales promotion and billing and collection services relating to WSM-AM, all for a specified fee. The joint sales agreement has a term of five years.

CORPORATE AND OTHER

Bass Pro Shops. From 1993 to December 1999, the Company owned a minority interest in Bass Pro, L.P. As part of a reorganization of Bass Pro in December 1999, the Company contributed its limited partnership interest to a newly formed Delaware corporation, Bass Pro, Inc. for a 19% interest in the new entity. Bass Pro, Inc. owns and operates Bass Pro Shops, a retailer of premium outdoor sporting goods and fishing tackle. Bass Pro Shops serves its customers through an extensive mail order catalog operation, a retail center in Springfield, Missouri, and additional retail stores at Opry Mills in Nashville and in various other U.S. locations.

Nashville Predators. The Company owns a 12.84% interest in the Nashville Hockey Club Limited Partnership, a limited partnership that owns the Nashville Predators, a National Hockey League franchise which began its fifth season in the fall of 2002. In July of 2002, we exercised the first of our three put options, each of which gives us the right to require that the Predators repurchase one-third (1/3) of our interest in the partnership. To date, the Predators have not completed this repurchase. We are engaged in continuing discussions with the Predators' partnership regarding our right to have our interest repurchased. In our accompanying financial statements, the value of our investment in the Predators' partnership has been reduced to zero. In August 1999, the Company entered into a Naming Rights Agreement with the limited partnership whereby the Company purchased the right to name the Nashville Arena the "Gaylord Entertainment Center" and to place certain advertising within the arena. Under the agreement, which has a 20-year term, the Company is required to make annual payments, beginning at $2,050,000 in the first year and with a 5% escalation each year thereafter, and to purchase a minimum number of tickets to Predators games each year.

RECENT DEVELOPMENTS AND STRATEGIC DIRECTION

During the second quarter of 2001, the Company hired a new Chairman of the Board and a new Chief Executive Officer. Once the new senior management team was in place, they devoted a significant portion of 2001 to reviewing the many different businesses they inherited when they joined the Company. After significant review, it was determined that, while the Company had four business segments for financial reporting purposes (Hospitality, Attractions, Media and Corporate and Other - all described above), the future direction of the Company would be based on two core asset groups, which were aligned as follows:

Hospitality Core Asset Group: consisting of the Gaylord Hotels, the Corporate Magic meeting and event planning business and the various attractions that provide entertainment to guests of the hotels.

Opry Core Asset Group: consisting of the Grand Ole Opry, WSM-AM radio, and the Ryman Auditorium.

It was thus determined that Acuff-Rose Music Publishing, Word Entertainment, Music Country/CMT International, Opry Mills and GET Management were not core assets of the Company, and as a result each has either been sold or otherwise disposed of by the Company. Gaylord Digital, Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television, Gaylord Production Company, Z Music and the Opryland River Taxis, also not core assets of the Company, had previously been sold or otherwise disposed of by the Company. Remaining businesses to be sold include the Company's interests in the Nashville Predators and the Oklahoma Redhawks, and certain

miscellaneous real estate holdings. Management has yet to make a final decision as to whether to sell its minority interest in Bass Pro Shops, which it has determined to be a non-core asset. Following the decision to divest certain businesses, we restructured the corporate organization to streamline operations and remove duplicative costs. The Opryland Hospitality management group was combined with the Corporate management group and all Nashville management employees were consolidated into the Company's Wendell Office Building. Highlights of some of the key developments resulting from this corporate redirection are set forth below.

Sale of Acuff-Rose Music Publishing to Sony/ATV Music Publishing. On August 27, 2002, the Company completed the sale of its Acuff-Rose Music Publishing operations through the sale of substantially all of the assets (with certain exceptions) and the assumption of certain liabilities and obligations of Acuff-Rose Music Publishing, LLC, Acuff-Rose Music, LLC, Milene Music, LLC, Springhouse Music, LLC and Hickory Records, LLC (collectively, the "Sellers"), to Sony/ATV Music Publishing LLC. The Sellers engaged in the business of acquiring, publishing and exploiting musical compositions and producing, distributing and exploiting sound recordings. The proceeds from the sale totaled approximately $157 million in cash, before royalties payable to Sony for the period beginning July 1, 2002. The net proceeds were used to pay down amounts outstanding under the Company's credit facility with Deutsche Bank, Citibank and CIBC and to continue to build its core hospitality brand, Gaylord Hotels.

Sale of Opry Mills Partnership Interest to The Mills Corporation. During 1998, the Company entered into a partnership with The Mills Corporation to develop the Opry Mills Shopping Center in Nashville, Tennessee. The Company held a one-third interest in the partnership as well as the title to the land on which the shopping center was constructed, which was being leased to the partnership. During the second quarter of 2002, the Company sold its partnership share to The Mills Corporation for approximately $30.8 million in cash.

Sale of Word Entertainment to Warner Music Group. On January 4, 2002, the Company completed the sale of its Word Entertainment operations through the contribution of substantially all of the assets and liabilities of Gaylord Creative Group, Inc. ("GCG"), a wholly-owned subsidiary of the Company, to Idea Entertainment LLC ("Idea"), a wholly-owned subsidiary of GCG, and the sale of all of the outstanding membership interests of Idea to WMGA LLC, an affiliate of Warner Music Group Inc. GCG and its subsidiaries, operating under the trade name "Word Entertainment," engaged in the business of producing, distributing and marketing recorded music and related products, music publishing and creating audio-visual work. The proceeds to the Company from the sale totaled approximately $84 million in cash.

Closing of International Cable Operations. On February 25, 2002, the Company closed its cable network operations in Brazil, Asia and Australia by selling its assets associated with MusicCountry Asia and MusicCountry Brazil to the Sound Track Channel ("STC"), a privately owned California limited liability company. In exchange for the assets, STC delivered to the Company promissory notes totaling approximately $3 million and a 5% equity interest in STC. In addition, as a part of the transaction with STC, STC assumed a portion of the Company's obligations under the Transponder Agreement with PanAmSat Corporation. The Company also closed its international cable operations in Argentina under an agreement with its joint venture partners pursuant to which the Company transferred its equity in Solo Tango, S.A. and Latin America MusicCountry, S.A. in exchange for cancellation of future obligations the Company had to its minority partners. In January of 2003, the Company completed its exit from the international cable business by selling its minority investment in Video Rola in Mexico for $650,000.

Sale of Five Businesses to OPUBCO. On March 9, 2001, the Company sold its stock and equity interests in five of its businesses to The Oklahoma Publishing Company ("OPUBCO") for a purchase price of $22 million in cash and the assumption of approximately $20 million in debt. The businesses sold were Gaylord Production Company, Gaylord Films, Pandora Films, Gaylord Sports Management Group, and Gaylord Event Television. OPUBCO beneficially owns 6.2% of the Company's common stock. Three of the Company's directors, who are the beneficial owners of an additional 13.6% of the Company's common stock, are also directors of OPUBCO and voting trustees of a voting trust that controls OPUBCO. The transaction was reviewed and approved by a special committee of the independent directors of the Company. The Company received an appraisal from a firm that specializes in valuations related to films, entertainment and service businesses as well as a fairness opinion from an investment bank in connection with this transaction.

Shortly after the closing, the Company received notification from OPUBCO asserting that the Company breached certain representations and warranties in the purchase agreement and OPUBCO demanded indemnification from the Company in the amount of $3.1 million. The Company's board of directors referred this matter to a special committee of independent directors for its consideration, and the special committee retained independent counsel to advise it on the merits of OPUBCO's indemnification request. After (i) reviewing the matters related to the indemnification request with counsel, (ii) considering the costs and uncertainties associated with litigation and (iii) considering the results of settlement negotiations with OPUBCO, the special committee authorized the Company to enter into a settlement pursuant to which the Company paid OPUBCO an aggregate of $825,000 and OPUBCO released the Company from any claims associated with the Company's indemnification obligations.

Financing Activities. In February 2003, the Company received a commitment for a $225 million credit facility from Deutsche Bank, Bank of America and CIBC. The facility will consist of a $200 million term loan and a $25 million revolving credit facility. The Company expects definitive agreements with respect to this credit facility will be executed in the second quarter of 2003. Funding of the credit facility is subject to customary closing conditions and the lenders have the right to revise the credit facility structure and/or decline to perform under the commitment if the lenders determine that certain conditions exist within the Company's operations or if certain changes occur within the financial markets. Proceeds of the new credit facility will be used to pay off the Company's existing $60 million Term Loan, described below, and to complete the construction of Gaylord Opryland Texas.

On October 9, 2001, the Company entered into a three-year $210 million delayed-draw senior term loan (the "Term Loan") with Deutsche Banc Alex. Brown Inc., Salomon Smith Barney, Inc. and CIBC World Markets Corp. Proceeds of the Term Loan were used to finance the completion of Gaylord Palms and for general operating needs of the Company. The Term Loan is primarily secured by the Company's ground lease interest in Gaylord Palms. The amounts outstanding under the term loan at March 21, 2003 were $60 million.

On March 27, 2001, the Company entered into two new loan agreements, a $275 million senior loan (the "Senior Loan") and a $100 million mezzanine loan (the "Mezzanine Loan") (collectively, the "Nashville Hotel Loans"). The Senior Loan is secured by a first mortgage lien on the Gaylord Opryland hotel. The Mezzanine Loan is secured by the equity interest in the wholly-owned subsidiary that owns Gaylord Opryland.

During May 2000, the Company entered into a seven-year secured forward exchange contract with an affiliate of Credit Suisse First Boston with respect to approximately 10.9 million shares of the Company's Viacom, Inc. Class B non-voting common stock ("Viacom Stock"). The contract has a notional amount of $613.1 million and required contract payments based upon a stated 5% rate. The secured forward exchange contract protects the Company against decreases in the fair market value of the Viacom Stock while providing for participation in increases in the fair market value. By entering into the secured forward exchange contract, the Company realized cash proceeds of $506.3 million, net of discounted prepaid contract payments related to the first 3.25 years of the contract and transaction costs totaling $106.7 million. During October 2000, the Company prepaid the remaining contract payments related to the final 3.75 years of the contract for $83.2 million. As a result of the prepayment of the remaining contract payments, the Company was released from the covenants in the secured forward exchange contract which limited the Company's right to sales of assets, to incur additional indebtedness and to grant liens. The Company utilized $394.1 million of the net proceeds from the secured forward exchange contract to repay all outstanding indebtedness under its revolving credit facility.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations," for a more complete description of the Company's financing activities.

EMPLOYEES

As of December 31, 2002, the Company had approximately 4,215 full-time and 513 part-time and temporary employees. Of these, approximately 3,535 full-time and 176 part-time employees were employed in Hospitality; approximately 360 full-time and 305 part-time employees were employed in Attractions; approximately 83 full-time and 23 part-time employees were employed in Media; and approximately 237 full-time and 9 part-time employees were employed in Corporate and Other. The Company believes its relations with its employees are good.

COMPETITION

Hospitality. The Gaylord Hotel properties compete with numerous other hotels throughout the United States and abroad, particularly the approximately 84 convention hotels located outside of Las Vegas, Nevada that have more than 800 rooms each, as well as the Las Vegas hotel/casinos. Many of these hotels are operated by companies with greater financial, marketing, and human resources than the Company. The Company believes that competition among convention hotels is based on, among other things, factors which include: (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, and (viii) price. The Company's hotels also compete against civic convention centers. These include the largest convention centers (e.g., Orlando, Chicago and Atlanta) as well as, for Gaylord Opryland, mid-size convention centers (between 100,000 and 500,000 square feet of meeting space located in second-tier cities).

The hotel business is management and marketing intensive. The Gaylord Hotels compete with other hotels throughout the United States for high quality management and marketing personnel. There can be no assurance that the Company's hotels will be able to attract and retain employees with the requisite managerial and marketing skills.

Attractions. The Grand Ole Opry and other attractions businesses of the Company compete with all other forms of entertainment and recreational activities. The success of the Attractions group is dependent upon certain factors beyond the Company's control including economic conditions, the amount of available leisure time, transportation cost, public taste, and weather conditions.

Media. The Company's radio stations compete with numerous other types of entertainment businesses, and success is often dependent on taste and fashion, which may fluctuate from time to time. WSM-AM, WSM-FM, and WWTN-FM compete for advertising revenues with other radio stations in the Nashville market on the basis of formats, ratings, market share, and the demographic makeup of their audiences. Advertising rates of the radio stations are based principally on the size, market share, and demographic profile of their listening audiences. The Company's radio stations primarily compete for both audience share and advertising revenues. They also compete with the Internet, newspapers, billboards, cable networks, local cable channels, and magazines for advertising revenues. Management competence and experience, station frequency signal coverage, network affiliation, effectiveness of programming format, sales effort, and level of customer service are all important factors in determining competitive position.

REGULATION AND LEGISLATION

The Gaylord Hotels are subject to certain federal, state, and local governmental regulations including, without limitation, health, safety, and environmental regulations applicable to hotel and restaurant operations. The Company believes that it is 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 the Company's Hospitality and Attractions segments.

The Company's radio stations are subject to regulation under the Communications Act of 1934, as amended (the "Communications Act"). Under the Communications Act, the 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 the FCC regulations or other violations which constitute a pattern of abuse. The Company is not aware of any reason why its radio station licenses should not be renewed.

The foregoing is only a brief summary of certain provisions of the Communications Act and FCC regulations. The Communications Act and FCC regulations may be amended from time to time, and the Company cannot predict whether any such legislation will be enacted or whether new or amended FCC regulations will be adopted, or the effect on the Company of any such changes.

ADDITIONAL INFORMATION

Our web site address is www.gaylordentertainment.com. Please note that our web site address is provided as an inactive textual reference only. We make available free of charge through our web site, the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to 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.

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 this "Business" section and elsewhere in this annual report on Form 10-K are "forward-looking statements."

WE MAY NOT BE ABLE TO IMPLEMENT SUCCESSFULLY OUR BUSINESS STRATEGY.

We have refocused our business strategy on the development of additional resort and convention center hotels in selected locations in the United States and our attractions and media properties which are engaged primarily in the country music genres. The success of our future operating results depends on our ability to implement our business strategy by completing and successfully operating the recently-opened Gaylord Palms, our new Gaylord hotel in Grapevine, Texas, which is under construction, and further exploiting our attractions and media assets. Our ability to do this depends upon many factors, some of which are beyond our control. These include:

- Our ability to finance and complete the construction of our new Gaylord hotel in Grapevine, Texas on schedule and to achieve positive cash flow from operations within the anticipated ramp-up period.

- Our ability to generate cash flows from existing operations.

- Our ability to hire and retain hotel management, catering and convention-related staff for our hotels.

- Our ability to capitalize on the strong brand recognition of certain of our media assets.

OUR HOTEL AND CONVENTION BUSINESS IS SUBJECT TO SIGNIFICANT MARKET RISKS.

Our ability to continue successfully to operate Gaylord Opryland, Gaylord Palms, and our new Gaylord hotel in Grapevine, Texas upon its completion is subject to factors beyond our control which could adversely impact these properties. These factors include:

- The desirability and perceived attractiveness of Nashville, Tennessee, Kissimmee, Florida and Grapevine, Texas as tourist and convention destinations.

- Adverse changes in the national economy and in the levels of tourism and convention business that would affect our hotels.

- Increased competition for convention and tourism business in Nashville, Tennessee and Kissimmee, Florida.

- Gaylord Palms is operating and our new Texas hotel will operate in highly competitive markets for convention and tourism business.

- Our group convention business is subject to reduced levels of demand during the year-end holiday periods, and we may not be able to attract sufficient general tourism guests to offset this seasonality.

WE REQUIRE ADDITIONAL FINANCING TO COMPLETE OUR NEW HOTEL PROJECTS.

We require additional financing to complete the construction for our new Gaylord hotel in Grapevine, Texas. Our ability to obtain additional debt financing for this capital project has been limited by our existing level of indebtedness and limitations on our ability to grant liens on unencumbered assets. Although we have received a commitment for a new credit facility which we expect will be sufficient to fund completion of the construction of Gaylord Opryland Texas, the closing of the new credit facility is subject to the fulfillment of certain conditions, which we believe are customary; but there can be no assurance that the facility, which is expected to close in the second quarter of 2003, will ultimately close and be funded. These financing efforts will be subject to market conditions prevailing from time to time as well as our financial condition and prospects. We may also need to divest certain non-core businesses in order to finance additional hotel development, and there can be no guarantee that such divestitures, if required, can be successfully completed. If we are unable to obtain additional financing or divest non-core assets on terms acceptable to us to complete the construction of our hotel projects as currently scheduled, our future prospects could be adversely affected in a material way.

OUR MEDIA ASSETS DEPEND UPON POPULAR TASTES.

The success of our operations in our media division depends to a large degree on popular tastes. There has been a reduction in the popularity and demand for country music over recent years. A continued decline in the popularity of this genre could adversely affect our revenues and operations.

OUR BUSINESS PROSPECTS DEPEND ON OUR ABILITY TO ATTRACT AND RETAIN SENIOR LEVEL EXECUTIVES.

During 2001, the Company named a new chairman and a new chief executive officer and had numerous changes in senior management. Our future performance depends upon our ability to attract qualified senior executives and to retain their services. Our future financial results also will depend upon our ability to attract and retain highly skilled managerial and marketing personnel in our different areas of operation. Competition for qualified personnel is intense and is likely to increase in the future. We compete for qualified personnel against companies with significantly greater financial resources than ours.

OUR BUSINESS MAY BE ADVERSELY AFFECTED BY OUR LEVERAGE.

As of February 28, 2003, the total amount of our long-term debt, including the current portion, was approximately $339.3 million. We intend to continue to make additional borrowings under our credit facilities in connection with the development of new hotel properties and for other general corporate purposes, and the aggregate amount of our indebtedness will likely increase, perhaps substantially. The amount of our indebtedness could have important consequences to investors, including the following:

- Our ability to obtain additional financing in the future may be impaired;

- A substantial portion of our cash flow from operations must be applied to pay principal and interest on our indebtedness, thus reducing funds available for other purposes;

- Some of our borrowings, including borrowings under our credit facilities are and will continue to be at variable rates based upon prevailing interest rates, which will expose us to the risk of increased interest rates;

- We may be further constrained by financial covenants and other restrictive provisions contained in credit agreements and other financing documents;

- We may be substantially more leveraged than some of our competitors, which may place us at a competitive disadvantage; and

- Our leverage may limit our flexibility to adjust to changing market conditions, reduce our ability to withstand competitive pressures and make us more vulnerable to a downturn in general economic conditions or our business.

UNANTICIPATED EXPENSES COULD AFFECT THE RESULTS OF HOTELS WE OPEN IN NEW MARKETS.

As part of our growth plans, we may open new hotels in geographic areas in which we have little or no operating experience and in which potential customers may not be familiar with our business. As a result, we may have to incur costs relating to the opening, operation and promotion of those new hotel properties that are substantially greater than those incurred in other areas. Even though we may incur substantial additional costs with these new hotel properties, they may attract fewer customers than our existing hotels. As a result, the results of operations at new hotel properties may be inferior to those of our existing hotels. The new hotels may even operate at a loss. Even if we are able to attract enough customers to our new hotel properties to operate them at a profit, it is possible that those customers could simply be moving future meetings or conventions from our existing hotel properties to our new hotel properties. Thus, the opening of a new hotel property could reduce the revenue of our existing hotel properties.

FLUCTUATIONS IN OUR OPERATING RESULTS AND OTHER FACTORS MAY RESULT IN DECREASES IN OUR STOCK PRICE.

In recent periods, the market price for our common stock has fluctuated substantially. From time to time, there may be significant volatility in the market price of our common stock. We believe that the current market price of our common stock reflects expectations that we will be able to continue to operate our existing hotels profitably and to develop new hotel properties profitably. If we are unable to accomplish this, investors could sell shares of our common stock at or after the time that it becomes apparent that the expectations of the market may not be realized, resulting in a decrease in the market price of our common stock. In addition to our operating results, the operating results of other hospitality companies, changes in financial estimates or recommendations by analysts, adverse weather conditions, increased construction costs, changes in general conditions in the economy or the financial markets or other developments affecting us or our industry, such as the recent terrorist attacks, could cause the market price of our common stock to fluctuate substantially. In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market prices of securities issued by many companies for reasons unrelated to their operating performance.

OUR HOTEL PROPERTIES ARE CONCENTRATED GEOGRAPHICALLY.

Our existing hotel properties are located predominately in the southeastern United States. As a result, our business and our financial operating results may be materially affected by adverse economic, weather or business conditions in the Southeast.

HOSPITALITY COMPANIES HAVE BEEN THE TARGET OF CLASS ACTIONS AND OTHER LAWSUITS ALLEGING VIOLATIONS OF FEDERAL AND STATE LAW.

We are subject to the risk that our results of operations may be adversely affected by legal or governmental proceedings brought by or on behalf of our employees or customers. 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 and similar matters. 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 we cannot assure you that we will not incur substantial damages and expenses resulting from lawsuits of this type, which could have a material adverse effect on our business.

THE VALUE OF THE VIACOM STOCK WE OWN IS SUBJECT TO MARKET RISKS.

The shares of Viacom Stock we own represent a significant asset of the Company. However, we have no right to vote on matters affecting Viacom or to otherwise participate in the direction of the affairs of that corporation. Our investment in Viacom is subject to the risks of declines in the market value of Viacom equity securities. While we have mitigated our exposure to declines in the stock market valuation below $56.04 per share by entering into the secured forward exchange contract described under the subheading "Financing Activities" under the heading "Corporate and Other" in this Item 1 and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," the value of this asset ultimately is subject to the success of Viacom and its value in the securities markets. Further, accounting principles generally accepted in the United States applicable to the treatment of this contract will require us to record, and to reflect in our Company's financial statements, gains or losses based upon changes in the fair value of the derivatives associated with the secured forward exchange contract and the changes in the fair value of our Viacom Stock. The effect of this accounting treatment could be material to our results reflected in our consolidated financial statements for relevant periods.

WE HAVE CERTAIN OTHER MINORITY EQUITY INTERESTS OVER WHICH WE HAVE NO SIGNIFICANT CONTROL.

We have certain minority investments which are not liquid and over which we have no rights, or ability, to exercise the direction or control of the respective enterprises. These include our equity interests in Bass Pro and the Nashville Predators. The ultimate value of each of these 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 market for those interests restricts our ability to dispose of them.

RISKS RELATING TO ACTS OF GOD, TERRORIST ACTIVITY AND WAR.

Our financial and operating performance may be adversely affected by acts of God, such as natural disasters, in locations where we own and/or operate significant properties and areas of the world from which we draw a large number of customers. Some types of losses, such as from earthquake, hurricane, terrorism and environmental hazards may be either uninsurable 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, 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 have caused in the past, and may cause in the future, our results to differ materially from anticipated results.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information regarding the executive officers of the Company as of December 31, 2002. All officers serve at the discretion of the Board of Directors.

NAME	AGE	POSITION
Michael D. Rose............	61	Chairman of the Board
Colin V. Reed..............	55	President and Chief Executive Officer
David C. Kloeppel..........	33	Executive Vice President and Chief Financial Officer
Jay D. Sevigny.............	43	President, Gaylord Opryland Resort and Convention Center
Karen L. Spacek............	43	Senior Vice President, Communications and Human Resources
John P. Caparella..........	45	Senior Vice President; General Manager, Gaylord Palms Resort and Convention Center
Carter R. Todd.............	45	Senior Vice President, General Counsel and Secretary

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

Mr. Rose has served as Chairman of the Board of the Company since April 2001. Prior to that time he was a private investor and prior to December 1997, he was Chairman of the Board of Promus Hotel Corporation, Memphis, Tennessee, a franchiser and operator of hotel brands. Prior to January 1997, Mr. Rose was also Chairman of the Board of Harrah's Entertainment, Inc., an owner and manager of casinos in the United States. Mr. Rose is a director of four other public companies, Darden Restaurants, Inc., FelCor Lodging Trust, Inc., First Tennessee National Corporation, and Stein Mart, Inc.

Mr. Reed was elected President and Chief Executive Officer and a director of the Company in April 2001. Prior to that time, he was a member of the three-executive Office of the President of Harrah's Entertainment, Inc., an owner and manager of casinos in the United States, since May 1999 and the Chief Financial Officer of Harrah's since April 1997. Mr. Reed was a director of Harrah's Entertainment from 1998 to May 2001. He was Executive Vice President of Harrah's Entertainment from September 1995 to May 1999 and has served in several other management positions with Harrah's and its predecessor, Holiday Corp., since 1977. As part of his duties at Harrah's, Mr. Reed served as a director and Chairman of the Board of JCC Holding Company, an entity in which Harrah's held a minority interest. On January 4, 2001, JCC Holding Company filed a petition for reorganization relief under Chapter 11 of the United States Bankruptcy Code. Mr. Reed is a director of Rite Aid Corporation.

Mr. Kloeppel is the Company's Chief Financial Officer and Executive Vice President. Prior to joining the Company in September of 2001, Mr. Kloeppel worked in the Mergers and Acquisitions Department at Deutsche Bank in New York, where he was responsible for that department's activities in the lodging, leisure and real estate sectors. Mr. Kloeppel earned an MBA from Vanderbilt University's Owen Graduate School of Management, graduating with highest honors. He received his bachelor of science degree from Vanderbilt University, majoring in economics.

Mr. Sevigny was hired in October 2001 as the Senior Vice President in charge of the Company's Marketing and Attractions. In February of 2002, Mr. Sevigny was named President of the Company's Gaylord Opryland Resort

and Convention Center in Nashville. Prior to joining the Company, Mr. Sevigny worked in different capacities for Harrah's Entertainment, most recently as Division President Hotel/Casino in Las Vegas during 2000 and 2001, and as President and Chief Operating Officer of Harrah's New Orleans casino operations from 1998 to 2000. From 1997 to 1998, Mr. Sevigny was President of Midwest Operations for Station Casino in Kansas City, Missouri. Mr. Sevigny has a finance degree from the University of Nevada.

Ms. Spacek is the Company's Senior Vice President for Communications and Human Resources. Prior to joining Gaylord in August of 2001, Ms. Spacek worked for more than five years in different positions with Harrah's Entertainment, most recently as Vice President of Strategic Sourcing. Ms. Spacek earned both her MBA degree (with honors) and her undergraduate degree from the University of Texas.

Mr. Caparella is a Senior Vice President of the Company and the General Manager of Gaylord Palms. Prior to joining the Company in November 2000, Mr. Caparella served as Executive Vice President, Planning, Development and Administration and President of PlanetHollywood.com for Planet Hollywood International, Inc., a creator and developer of consumer brands relating to movies, sports and other entertainment-based themes, in Orlando, Florida since September 1997. Before joining Planet Hollywood, Mr. Caparella was with ITT Sheraton, an owner and operator of hotel brands, for 17 years in convention, resort, business and 4-star luxury properties, as well as ITT Sheraton's corporate headquarters. Mr. Caparella is a graduate of the State University of New York at Dehli.

Mr. Todd joined Gaylord Entertainment Company in July 2001 as the Company's Senior Vice President, General Counsel and Secretary. Prior to that time, he was a Corporate and Securities partner in the Nashville office of the regional law firm Baker, Donelson, Bearman & Caldwell. Mr. Todd has practiced law in Nashville since 1982 and is a graduate of Vanderbilt University School of Law and Davidson College.

ITEM 2. PROPERTIES

The Company owns its executive offices and headquarters located at One Gaylord Drive, Nashville, Tennessee, which consists of a four-story office building comprising approximately 80,000 square feet. The Company owns the land and improvements that comprise the Opryland complex in Nashville, Tennessee which are composed of the following properties and the properties listed below. The Company also owns the former offices and three television studios of TNN and CMT, all of which are located within the Opryland complex and contain approximately 87,000 square feet of space. These facilities were previously leased to CBS through September 30, 2002. The Company believes that its present facilities for each of its business segments are generally well maintained.

Hospitality. The Opryland complex includes the site of Gaylord Opryland (approximately 172 acres). In connection with the Nashville Hotel Loans, a first mortgage lien was granted on Gaylord Opryland, including the site on which it stands. The Company has executed a 75-year lease with a 24-year renewal option on a 65-acre tract in Osceola County, Florida, on which Gaylord Palms is located. The Company has acquired approximately 100 acres in Grapevine, Texas, through ownership (approximately 75 acres) or ground lease (approximately 25 acres), on which our new Gaylord hotel in Grapevine, Texas is being constructed.

Attractions. The Company owns the General Jackson showboat's docking facility and the Opry House, both are located within the Opryland complex. The Company also owns the Springhouse Golf Club, an 18-hole golf course situated on approximately 240 acres, and the 6.7-acre site of the Radisson Hotel at Opryland, both located near the Opryland complex. In downtown Nashville, the Company owns the Ryman Auditorium and the Wildhorse Saloon dance hall and production facility.

Media. The Company owns WSM Radio's offices and studios, which are also located within the Opryland complex.

ITEM 3. LEGAL PROCEEDINGS

The Company maintains various insurance policies, including general liability and property damage insurance, as well as product liability, workers' compensation, business interruption, and other policies, which it believes provide adequate coverage for the risks associated with its range of operations. Various subsidiaries of the Company are involved in lawsuits incidental to the ordinary course of their businesses, such as personal injury actions by guests and employees and complaints alleging employee discrimination. The Company believes that it is adequately insured against these claims by its existing insurance policies and that the outcome of any pending claims or proceedings will not have a material adverse effect upon its financial position or results of operations.

The Company may have potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA" or "Superfund"), for response costs at two Superfund sites. The liability relates to properties formerly owned by Gaylord's predecessor. In 1991, OPUBCO assumed these liabilities and agreed to indemnify the Company for any losses, damages, or other liabilities incurred by it in connection with these matters. The Company believes that OPUBCO's indemnification will fully cover the Company's Superfund liabilities, if any, and that, based on the Company's current estimates of these liabilities, OPUBCO has sufficient financial resources to fulfill its indemnification obligations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of the Company's security holders during the fourth quarter of 2002.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) MARKET INFORMATION

The Company's common stock is listed on the New York Stock Exchange under the symbol GET. The following table sets forth the high and low sales prices for the Company's common stock as reported by the NYSE for the last two years:

	HIGH	LOW

2001		
First Quarter	$ 26.60	$ 20.00
Second Quarter	29.15	24.95
Third Quarter	29.05	19.60
Fourth Quarter	25.50	18.49

	HIGH	LOW
2002		
First Quarter	$ 26.98	$ 22.10
Second Quarter	29.26	21.76
Third Quarter	23.05	17.90
Fourth Quarter	21.35	16.16

(b) HOLDERS

The approximate number of record holders of the Company's common stock on March 17, 2003 was 2,430.

(c) CASH DIVIDENDS

No cash dividends were paid during 2001 or 2002 and we do not presently intend to declare any cash dividends. Our Board of Directors may reevaluate this dividend policy in the future in light of our results of operations, financial condition, cash requirements, future prospects, loan agreements and other factors deemed relevant by our Board. Currently, we are prohibited from paying dividends by the terms of our Term Loan.

ITEM 6. SELECTED FINANCIAL DATA.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
SELECTED FINANCIAL DATA

The following selected historical financial data for the three years ended December 31, 2002 is derived from the Company's audited consolidated financial statements. The selected financial data for the two years ended December 31, 1999 is derived from previously issued financial statements adjusted for unaudited revisions for discontinued operations and restatements of income tax, partnership investments and other less significant items. The information in the following table should be read in conjunction with the Company's audited consolidated financial statements and related notes included herein.

The Company has restated its results for the four year period from 1998-2001. This restatement resulted from items noted during a required re-audit based on applicable auditing standards which require a re-audit of prior year financial statements if a company's prior auditors have ceased operations and the historical financial statements include reclassifications to separately reflect the impact of discontinued operations. During 2002, the Company committed to plans of disposal for Acuff-Rose Music Publishing and the Oklahoma City Redhawks resulting in the reclassification of balances and operating results of those two businesses as discontinued operations in the Company's historical financial statements. Based on the requirements of applicable auditing standards, the Company engaged Ernst & Young LLP ("Ernst & Young"), the Company's current auditors, to perform the required re-audits of the Company's 2001 and 2000 consolidated financial statements since the Company's prior auditors, Arthur Andersen LLP, had ceased operations. The specific principles and accounts affected are discussed in more detail in Note 3 in the Company's consolidated financial statements.

INCOME STATEMENT DATA:

(in thousands, except per share data)	2002	(Restated) 2001	(Restated) 2000	(Restated) 1999	(Restated) 1998
	YEARS ENDED DECEMBER 31,				
Revenues:					
Hospitality	$ 339,380	$228,712	$ 237,260	$ 239,248	$ 237,076
Attractions	63,512	65,878	63,235	57,760	56,602
Media	11,194	9,393	14,913	48,814	61,480
Corporate and other	272	290	64	5,318	5,797
Total revenues	414,358	304,273	315,472	351,140	360,955
Operating expenses:					
Operating costs	260,357	205,421	213,725	223,627	219,547
Selling, general and administrative	110,619	68,913	90,806	76,977	69,560
Preopening costs (1)	8,913	15,927	5,278	1,892	--
Gain on sale of assets (2)	(30,529)	--	--	--	--
Impairment and other charges	--	14,262(6)	75,712(6)	--	--
Restructuring charges	3(4)	2,182(4)	12,952(4)	2,786(4)	--
Merger costs	--	--	--	(1,741)(9)	--
Depreciation and amortization:					
Hospitality	44,924	25,593	24,447	22,828	21,390
Attractions	5,295	5,810	6,443	6,396	5,525
Media	623	660	7,716	4,945	2,675
Corporate and other	5,778	6,542	6,257	6,870	5,262
Total depreciation and amortization	56,620	38,605	44,863	41,039	34,852
Total operating expenses	405,983	345,310	443,336	344,580	323,959
Operating income (loss):					
Hospitality	25,972	34,270	45,478	43,859	47,031
Attractions	3,094	(2,372)	(8,025)	(6,063)	(3,059)
Media	(193)	(454)	(33,188)(8)	(79)	16,480
Corporate and other	(42,111)	(40,110)	(38,187)	(30,112)	(23,456)
Preopening costs (1)	(8,913)	(15,927)	(5,278)	--	--
Gain on sale of assets (2)	30,529	--	--	--	--
Impairment and other charges	--	(14,262)(6)	(75,712)(6)	--	--
Restructuring charges	(3)(4)	(2,182)(4)	(12,952)(4)	(2,786)(4)	--
Merger costs	--	--	--	1,741(9)	--
Total operating income (loss)	8,375	(41,037)	(127,864)	6,560	36,996
Interest expense, net of amounts capitalized	(46,960)	(39,365)	(30,319)	(15,047)	(28,742)
Interest income	2,808	5,554	4,046	5,922	25,067
Unrealized gain (loss) on Viacom stock, net	(37,300)	782	--	--	--
Unrealized gain on derivatives	86,476	54,282	--	--	--
Other gains and losses	1,163	2,661	(3,514)	586,371(10)(11)	19,351(11)(12)
Income (loss) from continuing operations before income taxes	14,562	(17,123)	(157,651)	583,806	52,672
Provision (benefit) for income taxes	1,806	(8,313)	(51,140)	173,437	20,580
Income (loss) from continuing operations	12,756	(8,810)	(106,511)	410,369	32,092
Gain (loss) from discontinued operations, net of taxes (3)	84,960	(50,188)	(49,545)	(16,715)	(2,471)
Cumulative effect of accounting change, net of taxes	(2,572)(5)	11,202(7)	--	--	--
Net income (loss)	$ 95,144	$(47,796)	$(156,056)	$ 393,654	$ 29,621

	2002	(Restated) 2001	(Restated) 2000	(Restated) 1999	(Restated) 1998
	YEARS ENDED DECEMBER 31,				
Income (loss) per share:					
Income (loss) from continuing operations	$ 0.38	$ (0.26)	$ (3.19)	$ 12.47	$ 0.98
Income (loss) from discontinued operations	2.52	(1.49)	(1.48)	(0.51)	(0.08)
Cumulative effect of accounting change	(0.08)	0.33	--	--	--
Net income (loss)	$ 2.82	$ (1.42)	$ (4.67)	$ 11.96	$ 0.90
Income (loss) per share - assuming dilution:					
Income (loss) from continuing operations	$ 0.38	$ (0.26)	$ (3.19)	$ 12.35	$ 0.96
Income (loss) from discontinued operations	2.52	(1.49)	(1.48)	(0.50)	(0.07)
Cumulative effect of accounting change	(0.08)	0.33	--	--	--
Net income (loss)	$ 2.82	$ (1.42)	$ (4.67)	$ 11.85	$ 0.89
Dividends per share	$ --	$ --	$ --	$ 0.80	$ 0.65

BALANCE SHEET DATA:

(IN THOUSANDS)

	AS OF DECEMBER 31,				
	2002	(Restated) 2001	(Restated) 2000	(Restated) 1999	(Restated) 1998
Total assets	$2,192,196(10)	$2,177,644(10)	$1,930,805(10)	$1,741,215	$1,012,624
Total debt	340,638(13)	468,997(13)	175,500	297,500(8)	261,328
Secured forward exchange contract	613,034(10)	613,054(10)	613,054(10)	--	--
Total stockholders' equity	787,579	696,988	765,937(7)	1,007,149(7)	523,587

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(1) Preopening costs are related to the Company's Gaylord Palms Resort and Convention Center hotel in Kissimmee, Florida and its new Gaylord hotel under construction in Grapevine, Texas. Gaylord Palms opened in January 2002 and the Texas hotel is anticipated to open in April 2004.

(2) During 2002, the Company sold its one-third interest in the Opry Mills Shopping Center in Nashville, Tennessee and the related land lease interest between the Company and the Mills Corporation.

(3) In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". In accordance with the provisions of SFAS No. 144, the Company has presented the operating results and financial position of the following businesses as discontinued operations: Acuff-Rose Music; OKC Redhawks; Word Entertainment; GET Management, the Company's artist management business; the Company's international cable networks; the businesses sold to affiliates of The Oklahoma Publishing Company ("OPUBCO") in 2001 consisting of Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television and Gaylord Production Company; and the Company's water taxis.

(4) Related primarily to employee severance and contract termination costs.

(5) Reflects the cumulative effect of the change in accounting method related to adopting the provisions of SFAS No. 142. The Company recorded an impairment loss related to impairment of the goodwill of the Radisson Hotel at Opryland. The impairment loss was $4.2 million, less taxes of $1.6 million.

(6) Reflects the divestiture of certain businesses and reduction in the carrying values of certain assets.

(7) Reflects the cumulative effect of the change in accounting method related to recording the derivatives associated with the secured forward exchange contract at fair value as of January 1, 2001, of $18.3 million less a related tax provision of $7.1 million.

(8) Includes operating losses of $27.5 million related to Gaylord Digital, the Company's internet initiative, and operating losses of $6.1 million related to country record label development, both of which were closed during 2000.

(9) The merger costs relate to the reversal of merger costs associated with the October 1, 1997 merger when TNN and CMT were acquired by CBS.

(10) Includes a pretax gain of $459.3 million on the divestiture of television station KTVT in Dallas-Ft. Worth in exchange for CBS Series B preferred stock (which was later converted into 11,003,000 shares of Viacom, Inc. Class B common stock), $4.2 million of cash, and other consideration. The CBS Series B preferred stock was included in total assets at its market value of $648.4 million at December 31, 1999. The Viacom, Inc. Class B common stock was included in total assets at its market values of $448.5 million, $485.8 million and $514.4 million at December 31, 2002, 2001 and 2000, respectively. During 2000, the Company entered into a seven-year forward exchange contract for a notional amount of $613.1 million with respect to 10,937,900 shares of the Viacom, Inc. Class B common stock. Prepaid interest related to the secured forward exchange contract of $118.1 million, $145.0 million and $171.9 million was included in total assets at December 31, 2002, 2001

and 2000, respectively.

(11) In 1995, the Company sold its cable television systems. Net proceeds were $198.8 million in cash and a note receivable with a face amount of $165.7 million, which was recorded at $150.7 million, net of a $15.0 million discount. As part of the sale transaction, the Company also received contractual equity participation rights (the "Rights") equal to 15% of the net distributable proceeds from future asset sales. During 1998, the Company collected the full amount of the note receivable and recorded a pretax gain of $15.0 million related to the note receivable discount. During 1999, the Company received cash and recognized a pretax gain of $129.9 million representing the value of the Rights. The proceeds from the note receivable prepayment and the Rights were used to reduce outstanding bank indebtedness.

(12) Includes a pretax gain of $16.1 million on the sale of the Company's investment in the Texas Rangers Baseball Club, Ltd. and a pretax gain totaling $8.5 million primarily related to the settlement of contingencies from the sales of television stations KHTV in Houston and KSTW in Seattle.

(13) Related primarily to the construction of the Company's Gaylord Palms Resort and Convention Center hotel in Kissimmee, Florida and its new Gaylord hotel development in Grapevine, Texas.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

OVERVIEW

Gaylord Entertainment Company (the "Company") is a diversified hospitality and entertainment company operating, through its subsidiaries, principally in four business segments: hospitality; attractions; media; and corporate and other. During 2001, the Company restated its reportable segments for all periods presented based upon new management and an internal realignment of operational responsibilities. The Company is managed using the four business segments described above. Due to management's decision during 2002 to pursue plans to dispose of certain businesses, those businesses have been presented as discontinued operations as described in more detail below.

CONSTRUCTION COMMITMENTS

Additional long-term financing is required to fund the Company's construction commitments related to its hotel development projects and to fund its overall anticipated operating losses in 2003. As of December 31, 2002, the Company had $98.6 million in unrestricted cash in addition to the net cash flows from certain operations to fund its cash requirements including the Company's 2003 construction commitments related to its hotel construction projects. These resources are not adequate to fund all of the Company's 2003 construction commitments. As a result of these required future financing requirements, the Company is currently negotiating with its lenders and others regarding the Company's future financing arrangements.

In February 2003, the Company received a commitment for a $225 million credit facility arranged by Deutsche Bank Trust Company Americas, Bank of America, N.A., and CIBC Inc. (collectively, the "Lenders"). However, the commitment is subject to the completion of certain remaining due diligence by the Lenders and the Lenders have the right to revise the credit facility structure and/or decline to perform under the commitment if certain conditions are not fulfilled or if certain changes occur within the financial markets. The proceeds of this financing will be used to repay the Company's existing $60 million Term Loan, to complete the construction of the Texas hotel and fund any operating losses in 2003.

Management currently anticipates securing the long-term financing under the existing commitment from the Lenders and expects to close the financing in the second quarter of 2003. If the Company is unable to secure a portion of the additional financing it is seeking, or if the timing of such financing is significantly delayed, the Company will be required to curtail certain of its development expenditures on current and future construction projects to ensure adequate liquidity to fund the Company's operations.

RE-AUDIT AND RESTATEMENT OF FINANCIAL STATEMENTS

During 2002, the Company committed to plans of disposal for Acuff-Rose Music Publishing and the Oklahoma City Redhawks resulting in the reclassification of balances and operating results of those two businesses as discontinued operations in the Company's historical financial statements. Based on the requirements of applicable auditing standards, the Company engaged Ernst & Young LLP ("Ernst & Young"), the Company's current auditors, to perform the required re-audits of the Company's 2001 and 2000 consolidated financial statements since the Company's prior auditors, Arthur Andersen LLP, had ceased operations.

As a part of the re-audit process, Ernst & Young raised certain issues for the Company's consideration and after review of the relevant information, the Company determined that certain changes were necessary to the Company's historical consolidated financial statements. The revisions, which result primarily from a change to the Company's income tax accrual and to accounting for its investment in the Nashville Predators limited partnership ("Predators"), as well as certain other less significant items, increased retained earnings at January 1, 2000 by approximately $40.5 million, increased net loss for the year ended December 31, 2000 by approximately $2.6 million, increased the net loss for the year ended December 31, 2001 by approximately $53,000, and decreased unaudited net income for the first six months of 2002 by approximately $13.0 million. Information related to the Company's unaudited quarterly financial information for the years 2002 and 2001 is contained in Note 23 in the Company's consolidated financial

statements. These restatements did not impact cash flows from operating, investing or financing activities.

The first principal issue relates to income tax reserves maintained for certain tax related items as a result of a corporate reorganization in 1999. Upon further consideration of the facts and circumstances existing at the time of the reorganization, the Company has determined that the income tax reserves should not have been maintained. As a result of these changes, retained earnings at January 1, 2000 has increased by approximately $47.0 million. In addition, because $14.0 million of the income tax reserve was reversed during 2002 due to the expiration of the applicable statute of limitations, as a result of the restatement management was required to decrease previously reported unaudited net income for the first six months of 2002 by approximately $14.0 million to reflect the elimination of the income tax reserve.

The second principal issue relates to the Company's accounting for its investment in the Predators. The Company purchased a limited partnership interest in the Predators during 1997. The Company's limited partnership interest includes an 8% preferred return and the right to put the investment back to the Predators over three annual installments beginning in 2002, but does not provide the Company with any right to receive any distributions in excess of its stated return and does not require the Company to fund any capital or operating shortfalls in the partnership. The Company had not previously recorded its pro-rata share of losses of the Predators in its historical statement of operations. However, after consultation with Ernst & Young concerning the accounting for the Company's investment in the Predators, the Company determined that it would be appropriate to recognize its pro-rata share of the Predators' operating results, which have been primarily losses. The revisions associated with the Company's investment in the Predators decreased retained earnings at January 1, 2000 by approximately $4.0 million, increased net loss by approximately $1.0 million and $2.0 million for the years ended December 31, 2000 and 2001, respectively, and decreased unaudited net income for the first six months of 2002 by approximately $1.0 million. During 2002, the investment in the Predators reached zero. The Company has not reduced the investment below zero as the Company is under no obligation to fund additional amounts to the Predators.

The Company also revised its historical financial statements for other, less significant items by decreasing retained earnings by approximately $2.0 million at January 1, 2000, by increasing the net loss for the year ended December 31, 2000 by approximately $2.0 million, by reducing the net loss for the year ended December 31, 2001 by approximately $2.0 million, and by increasing unaudited net income for the first six months of 2002 as previously reported by approximately $3.0 million.

The restated consolidated financial statements include both the impact of reclassifying discontinued operations as required by SFAS No. 144 (as discussed in Note 6 to the consolidated financial statements) and the restatement changes discussed above. Please refer to Note 3 to the consolidated financial statements for schedules reconciling the restatement related changes and the reclassification of discontinued operations with previously released financial data for 2001 and 2000.

CRITICAL ACCOUNTING POLICIES

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. 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 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. Certain accounting estimates are particularly sensitive because of their complexity and the possibility that future events affecting them may differ materially from the Company's current judgments and estimates.

This listing of critical accounting policies is not intended to be a comprehensive list of all of the Company's 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. The Company believes that of its significant accounting policies, as discussed in Note 1 to the consolidated financial statements, the following may involve a higher degree of judgment and complexity.

REVENUE RECOGNITION

The Company recognizes revenue from its rooms as earned on the close of business each day. Revenues from concessions and food and beverage sales are recognized at the time of the sale. The Company recognizes revenues from the attractions and media segment when services are provided or goods are shipped, as applicable. Provision for returns and other adjustments are provided for in the same period the revenues are recognized. The Company defers revenues related to deposits on advance room bookings and advance ticket sales at the Company's tourism properties until such amounts are earned.

IMPAIRMENT OF LONG-LIVED ASSETS AND GOODWILL

In accounting for the Company's long-lived assets other than goodwill, the Company applies the provisions of Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". The Company adopted the provisions of SFAS No. 144 during 2001 with an effective date of January 1, 2001. The Company previously accounted for goodwill using SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". In June 2001, SFAS No. 142, "Goodwill and Other Intangible Assets" was issued. SFAS No. 142 is effective January 1, 2002. Under SFAS No. 142, goodwill and other intangible assets with indefinite useful lives will not be amortized but will be tested for impairment at least annually and whenever events or circumstances occur indicating that these intangibles may be impaired. The determination and measurement of an impairment loss under these accounting standards require the significant use of judgment and estimates. The determination of fair value of these assets and the timing of an impairment charge are two critical components of recognizing an asset impairment charge that are subject to the significant use of judgment and estimation. Future events may indicate differences from these judgments and estimates.

RESTRUCTURING CHARGES

The Company has recognized restructuring charges in accordance with Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain

Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" in its consolidated financial statements. Restructuring charges are based upon certain estimates of liabilities related to costs to exit an activity. Liability estimates may change as a result of future events, including negotiation of reductions in contract termination liabilities and expiration of outplacement agreements.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company utilizes derivative financial instruments to reduce interest rate risks and to manage risk exposure to changes in the value of certain owned marketable securities. The Company records derivatives in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which was subsequently amended by SFAS No. 138. SFAS No. 133, as amended, established accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires all derivatives to be recognized in the statement of financial position and to be measured at fair value. Changes in the fair value of those instruments will be reported in earnings or other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting. The measurement of the derivative's fair value requires the use of estimates and assumptions. Changes in these estimates or assumptions could materially impact the determination of the fair value of the derivatives.

ASSESSMENT OF STRATEGIC ALTERNATIVES

As part of the Company's ongoing assessment and streamlining of operations, the Company identified certain duplication of duties during 2002 within divisions and realized the need to streamline those tasks and duties. Related to this assessment, the Company adopted a plan of restructuring during 2002 as discussed in Results of Operations.

In 2001, the Company named a new chairman and a new chief executive officer, and had numerous changes in senior

management, primarily because of certain 2000 events discussed below. During 2001, the new management team instituted a corporate reorganization, re-evaluated the Company's businesses and other investments and employed certain cost savings initiatives (the "2001 Strategic Assessment"). As a result of the 2001 Strategic Assessment, the Company recorded impairment and other charges and restructuring charges as discussed in Results of Operations.

During 2000, the Company experienced a significant number of departures from its senior management, including the Company's president and chief executive officer. In addition, the Company continued to produce weaker than anticipated operating results during 2000 while attempting to fund its capital requirements related to its hotel construction project in Florida and hotel development activities in Texas. As a result of these factors, during 2000, the Company assessed its strategic alternatives related to its operations and capital requirements and developed a strategic plan designed to refocus the Company's operations, reduce its operating losses and reduce its negative cash flows (the "2000 Strategic Assessment"). As a result of the 2000 Strategic Assessment, the Company sold or ceased operations of several businesses and recorded impairment and other charges and restructuring charges as discussed in Results of Operations.

TERRORIST ATTACKS

As a result of the September 11, 2001 terrorist attacks and a slowdown in the U.S. economy, the hospitality industry has experienced occupancy rates that were significantly lower than those experienced in the first eight months of 2001 and during 2000 due to decreased tourism and travel activity. Although the Company experienced a slight increase of occupancy, average daily rate and revenue per available room in the fourth quarter of 2002 over fourth quarter of 2001, there is no guarantee that this increase will continue. The September 11 terrorist attacks were dramatic in scope and in their impact on the hospitality industry and it is currently not possible to accurately predict if and when travel patterns will be restored to pre-September 11 levels.

DISCONTINUED OPERATIONS

In August 2001, the FASB issued SFAS No. 144, which superseded SFAS No. 121 and the accounting and reporting provisions for the disposal of a segment of a business of APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions". SFAS No. 144 retains the requirements of SFAS No. 121 for the recognition and measurement of an impairment loss and broadens the presentation of discontinued operations to include a component of an entity (rather than a segment of a business).

In accordance with the provisions of SFAS No. 144, the Company has presented the operating results, financial position and cash flows of the following businesses as discontinued operations in the accompanying financial statements as of December 31, 2002 and 2001 and for each of the three years ended December 31, 2002: Word Entertainment ("Word"), the Company's contemporary Christian music business; the Acuff-Rose Music Publishing catalog entity; GET Management, the Company's artist management business which was sold during 2001; the Company's ownership interest in the Redhawks, a minor league baseball team based in Oklahoma City, Oklahoma; the Company's international cable networks; the businesses sold to affiliates of The Oklahoma Publishing Company ("OPUBCO") in 2001 consisting of Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television and Gaylord Production Company; and the Company's water taxis sold in 2001.

DERIVATIVES

The Company utilizes derivative financial instruments to reduce interest rate risks and to manage risk exposure to changes in the value of certain owned marketable securities. Effective January 1, 2001, the Company records derivatives in accordance with SFAS No. 133, as amended. SFAS No. 133, as amended, established accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires all derivatives to be recognized in the statement of financial position and to be measured at fair value. Changes in the fair value of those instruments will be reported in earnings or other comprehensive income depending on the use of the derivative and whether it qualifies for treatment as cash flow hedges in accordance with the provisions of SFAS No. 133. During

2000, the Company entered into a seven-year secured forward exchange contract with respect to 10,937,900 shares of its Viacom, Inc. ("Viacom") stock investment acquired, indirectly, as a result of the divestiture of television station KTVT in Dallas-Fort Worth as discussed below. Under SFAS No. 133, components of the secured forward exchange contract are considered derivatives. The adoption of SFAS No. 133 has had a material impact on the Company's results of operations and financial position.

During 2001, the Company entered into three contracts to cap its interest rate risk exposure on its long-term debt. Two of the contracts cap the Company's exposure to one-month LIBOR rates on up to $375.0 million of outstanding indebtedness at 7.5%. Another interest rate cap, which caps the Company's exposure on one-month Eurodollar rates on up to $100.0 million of outstanding indebtedness at 6.625%, expired in October 2002. These interest rate caps qualify for hedge accounting and changes in the values of these caps are recorded as other comprehensive income and losses in the consolidated statements of stockholders' equity.

GAYLORD PALMS

The Company's Gaylord Palms Resort and Convention Center ("Gaylord Palms") in Kissimmee, Florida commenced operations in January 2002. The Company recorded $4.5 million and $12.2 million of preopening expenses during 2002 and 2001, respectively.

GAYLORD OPRYLAND TEXAS

The Company's hotel in Texas, which is currently under construction and is expected to open in April of 2004, recorded $4.0 million and $3.1 million of preopening expenses during 2002 and 2001, respectively. The Company expects increases in preopening costs related to the Texas hotel until its completion.

DIVESTITURE OF KTVT

In October 1999, CBS Corporation ("CBS") acquired KTVT from the Company in exchange for $485.0 million of CBS Series B convertible preferred stock, $4.2 million of cash and other consideration. The Company recorded a pretax gain of $459.3 million, which is included in other gains and losses in the consolidated statements of operations, based upon the disposal of the net assets of KTVT of $29.9 million, including related selling costs. CBS merged with Viacom in May 2000, resulting in the conversion of CBS convertible preferred stock into Viacom stock.

SUBSEQUENT EVENT

On March 25, 2003, the Company, through its wholly-owned subsidiary Gaylord Investments, Inc., entered into an agreement to sell the assets primarily used in the operations of WSM-FM and WWTN(FM) to Cumulus Broadcasting, Inc. ("Cumulus") and the Company entered into a joint sales agreement with Cumulus for WSM-AM in exchange for approximately $65 million in cash. Consummation of the sale of assets is subject to customary closing conditions, including regulatory approvals, and is expected to take place in the third quarter of 2003. In connection with this agreement, the Company also entered into a local marketing agreement with Cumulus pursuant to which, from the second business day after the expiration or termination of the waiting period under the Hart-Scott-Rodino Improvements Act of 1976 until the closing of the sale of the stations, the Company will, for a fee, make available to Cumulus substantially all of the broadcast time on WSM-FM and WWTN(FM). In turn, Cumulus will provide programming to be broadcast during such broadcast time and will collect revenues from the advertising that it sells for broadcast during this programming time. The Company will continue to own and operate WSM-AM, and under the terms of the joint sales agreement with Cumulus, Cumulus will sell all of the commercial advertising on WSM-AM and provide certain sales promotion and billing and collection services relating to WSM-AM, all for a specified fee. The joint sales agreement has a term of five years.

RESULTS OF OPERATIONS

The following table contains selected results of operations data for each of the three years ended December 31, 2002, 2001 and 2000. The table also shows the percentage relationships to total revenues and, in the case of segment operating income, its relationship to segment revenues.

(in thousands)	2002	%	(Restated) 2001	%	(Restated) 2000	%
REVENUES:						
Hospitality	$ 339,380	81.9	$ 228,712	75.2	$ 237,260	75.2
Attractions	63,512	15.3	65,878	21.6	63,235	20.1
Media	11,194	2.7	9,393	3.1	14,913	4.7
Corporate and other	272	0.1	290	0.1	64	-
Total revenues	414,358	100.0	304,273	100.0	315,472	100.0
OPERATING EXPENSES:						
Operating costs	260,357	62.8	205,421	67.5	213,725	67.7
Selling, general and administrative	110,619	26.7	68,913	22.7	90,806	28.8
Preopening costs	8,913	2.2	15,927	5.2	5,278	1.7
Gain on sale of assets	(30,529)	(7.4)	-	-	-	-
Impairment and other charges	-	-	14,262	4.7	75,712	24.0
Restructuring charges	3	-	2,182	0.7	12,952	4.1
Depreciation and amortization:						
Hospitality	44,924		25,593		24,447	
Attractions	5,295		5,810		6,443	
Media	623		660		7,716	
Corporate and other	5,778		6,542		6,257	
Total depreciation and amortization	56,620	13.7	38,605	12.7	44,863	14.2
Total operating expenses	405,983	98.0	345,310	113.5	443,336	140.5
OPERATING INCOME (LOSS):						
Hospitality	25,972	7.7	34,270	15.0	45,478	19.2
Attractions	3,094	4.9	(2,372)	(3.6)	(8,025)	(12.7)
Media	(193)	(1.7)	(454)	(4.8)	(33,188)	-
Corporate and other	(42,111)	-	(40,110)	-	(38,187)	-
Preopening costs	(8,913)	-	(15,927)	-	(5,278)	-
Gain on sale of assets	30,529	-	-	-	-	-
Impairment and other charges	-	-	(14,262)	-	(75,712)	-
Restructuring charges	(3)	-	(2,182)	-	(12,952)	-

Total operating income (loss)	8,375	2.0	(41,037)	(13.5)	(127,864)	(40.5)
Interest expense, net of amounts capitalized	(46,960)	-	(39,365)	-	(30,319)	-
Interest income	2,808	-	5,554	-	4,046	-
Gain on Viacom stock and derivatives	49,176	-	55,064	-	-	-
Other gains and losses	1,163	-	2,661	-	(3,514)	-
(Provision) benefit for income taxes	(1,806)	-	8,313	-	51,140	-
Gain (loss) on discontinued operations, net	84,960	-	(50,188)	-	(49,545)	-
Cumulative effect of accounting change, net	(2,572)	-	11,202	-	-	-
Net income (loss)	$ 95,144	-	$ (47,796)	-	$(156,056)	-

The Company considers Revenue per Available Room (RevPAR) to be a meaningful indicator of our hospitality segment performance because it measures the period over period change in room revenues. The Company calculates RevPAR by dividing room sales for comparable properties by room nights available to guests for the period. RevPAR is not comparable to similarly titled measures such as revenues. Occupancy, average daily rate and RevPAR for the Gaylord Opryland Resort and Convention Center ("Gaylord Opryland") and the Gaylord Palms Resort and Convention Center ("Gaylord Palms"), subsequent to its January 2002 opening, are shown in the following table.

	2002	2001	2000
Gaylord Opryland Resort			
Occupancy	68.59%	70.30%	75.85%
Average Daily Rate	$ 142.58	$ 140.33	$ 140.03
RevPAR	$ 97.80	$ 98.65	$ 106.22
Gaylord Palms			
Occupancy	64.85%	-	-
Average Daily Rate	$ 168.65	-	-
RevPAR	$ 109.37	-	-

YEAR ENDED DECEMBER 31, 2002 COMPARED TO YEAR ENDED DECEMBER 31, 2001

REVENUES

Total revenues increased $110.1 million, or 36.2%, to $414.4 million in 2002. As discussed below, the increase is primarily due to the opening of Gaylord Palms in January 2002.

Revenues in the hospitality segment increased $110.7 million, or 48.4%, to $339.4 million in 2002. Revenues of the Gaylord Palms, subsequent to the January 2002 opening, were $126.5 million. The increase in revenues of the Gaylord Palms was partially offset by a decrease in revenues of Gaylord Opryland of $15.8 million, to $206.1 million, in 2002. This decrease was primarily attributable to the impact of a softer economy and decreased occupancy levels in the weeks following the September 11, 2001 terrorist attacks. The decrease in revenue of the Gaylord Opryland was also partially attributable to the annual rotation of convention business among different markets that is common in the meeting and convention industry.

Revenues in the attractions segment decreased $2.4 million, or 3.6%, to $63.5 million in 2002. Revenues from Corporate Magic, a company specializing in the production of creative events in the corporate entertainment marketplace, decreased $5.1 million, to $18.7 million, primarily due to reduced spending by corporate customers as a result of the downturn in the economy. The decrease in revenue of Corporate Magic was partially offset by an increase in revenues of the Grand Ole Opry of $2.5 million, to $15.9 million in 2002. The Grand Ole Opry revenue increase is due to an increase in popular performers appearing on the Grand Ole Opry.

Revenues in the media segment, which consists of the Company's three radio stations, increased $1.8 million, or 19.2%, to $11.2 million in 2002. Revenues of the Company's radio stations increased due to more effective selling of the Company's radio inventory.

Revenues in the corporate and other segment remained constant at $0.3 million.

OPERATING EXPENSES

Total operating expenses increased $60.7 million, or 17.6%, to $406.0 million in 2002. Operating costs, as a percentage of revenues, decreased to 62.8% during 2002 as compared to 67.5% during 2001. Selling, general and administrative expenses, as a percentage of revenues, increased to 26.7% during 2002 as compared to 22.7% in 2001. Excluding the gain on sale of assets, the impairment and other charges and restructuring charges from both periods, total operating expenses increased $107.6 million, or 32.7%, to $436.5 million in 2002.

Total operating costs consist of direct costs associated with the daily operations of the Company's core assets, primarily the room, food and beverage and convention costs in the hospitality segment. Operating costs also include the direct costs associated with the operations of all of the Company's business units. Total operating costs increased $54.9 million, or 26.7%, to $260.4 million in 2002.

Operating costs in the hospitality segment increased $68.6 million, or 49.0%, to $208.5 million in 2002 primarily as a result of the opening of the Gaylord Palms. Operating costs of the Gaylord Palms, subsequent to the January 2002 opening, was $79.0 million. The increase of operating costs generated by the opening of the Gaylord Palms was partially offset by a decrease in operating costs of the Gaylord Opryland of $7.3 million, to $135.7 million, in 2002. The decrease in operating costs at Gaylord Opryland is associated with lower revenues and reduced occupancy.

Operating costs in the attractions segment decreased $10.1 million, or 20.3%, to $39.7 million in 2002. The operating costs of Corporate Magic decreased $7.6 million, to $13.2 million in 2002 as compared to 2001 primarily due to the lower revenue and certain cost saving measures taken by the Company during 2002. The operating costs of the Grand Ole Opry and the General Jackson, the Company's entertainment showboat, decreased $1.0 million in 2002 due to cost saving measures.

Operating costs in the media segment increased slightly by $0.6 million, or 11.4%, to $5.6 million in 2002. The increase in operating costs is attributable to the increased revenue in the media segment for 2002 compared to 2001.

The operating costs in the corporate and other segment decreased $4.1 million, or 38.4%, to $6.6 million in 2002 as compared to 2001 due to the elimination of unnecessary management levels and overhead at the hotels identified in the 2001 reorganization.

Selling, general and administrative expenses consist of administrative and overhead costs. Selling, general and administrative expenses increased $41.7 million, or 60.5%, to $110.6 million in 2002.

Selling, general and administrative expenses in the hospitality segment increased $31.1 million, or 107.2%, to $60.0 million in 2002. The increase is primarily attributable to the opening of Gaylord Palms in January 2002. Selling, general and administrative expenses for Gaylord Palms subsequent to its January 2002 opening was $29.3 million. Selling, general and administrative expenses at Gaylord Opryland increased $2.3 million, to $29.9 million in 2002 primarily due to an increase in advertising to promote the special events held at the resort.

Selling, general and administrative expenses in the attractions segment increased $2.8 million, or 21.8%, to $15.4 million in 2002. Selling, general and administrative expenses increased $1.4 million, to $1.9 million, at the General Jackson due to increased labor costs associated with additional revenue and increased management support during 2002. Also, selling, general and administrative expenses increased $1.3 million, to $5.5 million, at the Grand Ole Opry associated with the increase in revenue.

Selling, general and administrative expenses in the media segment increased $1.0 million, or 24.2%, to $5.2 million in 2002. Selling, general and administrative expenses in the media segment increased primarily due to increased costs associated with higher revenues.

Corporate selling, general and administrative expenses, consisting primarily of the naming rights agreement, senior management salaries and benefits, legal, human resources, accounting, pension and other administrative costs increased $6.9 million, or 29.8%, to $30.0 million during 2002. Effective December 31, 2001, the Company amended its retirement plans and its retirement savings plan. As a result of these amendments, the retirement cash balance benefit was frozen and the policy related to future Company contributions to the retirement savings plan was changed. The Company recorded a pretax charge of $5.7 million in 2002 related to the write-off of unamortized prior service cost in accordance with SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits", and related interpretations, which is included in selling, general and administrative expenses. In addition, the Company amended the eligibility requirements of its postretirement benefit plans effective December 31, 2001. In connection with the amendment and curtailment of the plans and in accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and related interpretations, the Company recorded a gain of $2.1 million which is reflected as a reduction in corporate and other selling, general and administrative expenses in 2002. These nonrecurring gains and losses were recorded in the corporate and other segment and were not allocated to the Company's other operating segments. Other increases in corporate, selling, general and administrative expenses can be attributed to increased personnel costs related to new corporate departments that did not exist last year, new management personnel in other corporate departments, and increased corporate marketing expenses as compared to the same period in 2001.

Preopening costs decreased $7.0 million, or 44.0%, to $8.9 million in 2002 related to the Company's hotel development activities. The decrease in preopening costs is due to the opening of the Gaylord Palms in January of 2002. Gaylord Palms preopening costs decreased $8.4 million, to $4.5 million in 2002 as compared to 2001. This decrease was partially offset by an increase in preopening costs related to the hotel development in Texas. Preopening costs related to the Texas hotel was $4.0 million in 2002, as compared to $3.1 million in 2001. The Texas hotel is scheduled to open in April, 2004. In accordance with AICPA SOP 98-5, "Reporting on the Costs of Start-Up Activities", the Company expenses the costs associated with start-up activities and organization costs as incurred.

GAIN ON SALE OF ASSETS

During 1998, the Company entered into a partnership with The Mills Corporation to develop the Opry Mills Shopping Center in Nashville, Tennessee. The Company held a one-third interest in the partnership as well as the title to the land on which the shopping center was constructed, which was being leased to the partnership. During the second quarter of 2002, the Company sold its partnership share to certain affiliates of The Mills Corporation for approximately $30.8 million in cash proceeds. In accordance with the provisions of SFAS No. 66, "Accounting for Sales of Real Estate", and other applicable pronouncements, the Company deferred approximately $20.0 million of the gain representing the estimated fair value of the continuing land lease interest between the Company and the Opry Mills partnership at June 30, 2002. The Company recognized the remainder of the proceeds, net of certain transaction costs, as a gain of approximately $10.6 million during the second quarter of 2002. During the third quarter of 2002, the Company sold its interest in the land lease to an affiliate of the Mills Corporation and recognized the remaining $20.0 million deferred gain, less certain transaction costs.

IMPAIRMENT AND OTHER CHARGES

The Company recognized pretax impairment and other charges as a result of the 2001 Strategic Assessment. The components of these charges for the year ended December 31 are as follows:

(in thousands)	2001
Programming, film and other content	$ 6,858
Technology investments	4,576

Property and equipment	2,828
Total impairment and other charges	$ 14,262

The Company began production of an IMAX movie during 2000 to portray the history of country music. As a result of the 2001 Strategic Assessment, the carrying value of the IMAX film asset was reevaluated on the basis of its estimated future cash flows resulting in an impairment charge of $6.9 million. At December 31, 2000, the Company held a minority investment in a technology start-up business. During 2001, the unfavorable environment for technology businesses created difficulty for this business to obtain adequate capital to execute its business plan and, subsequently, the Company was notified that this technology business had been unsuccessful in arranging financing, resulting in an impairment charge of $4.6 million. The Company also recorded an impairment charge related to idle real estate of $2.0 million during 2001 based upon an assessment of the value of the property. The Company sold this idle real estate during the second quarter of 2002. Proceeds from the sale approximated the carrying value of the property. In addition, the Company recorded an impairment charge for other idle property and equipment totaling $0.8 million during 2001 primarily due to the consolidation of offices resulting from personnel reductions.

RESTRUCTURING CHARGES

2002 Restructuring Charge

As part of the Company's ongoing assessment of operations, the Company identified certain duplication of duties within divisions and realized the need to streamline those tasks and duties. Related to this assessment, during the second quarter of 2002, the Company adopted a plan of restructuring resulting in a pretax restructuring charge of $1.1 million related to employee severance costs and other employee benefits unrelated to discontinued operations. Also during 2002, the Company reversed approximately $1.1 million of the 2001 restructuring charge. The 2002 restructuring charges were recorded in accordance with EITF No. 94-3. As of December 31, 2002, the Company has recorded cash payments of $1.08 million against the 2002 restructuring accrual. During the fourth quarter of 2002, the outplacement agreements expired related to the 2002 restructuring charge. Therefore, the Company reversed the remaining $67,000. There was no remaining balance of the 2002 restructuring accrual at December 31, 2002.

2001 Restructuring Charge

During 2001, the Company recognized pretax restructuring charges from continuing operations of $5.8 million related to streamlining operations and reducing layers of management. The Company recognized additional pretax restructuring charges from discontinued operations of $3.0 million in 2001. These restructuring charges were recorded in accordance with EITF No. 94-3. The restructuring costs from continuing operations consist of $4.7 million related to severance and other employee benefits and $1.1 million related to contract termination costs, offset by the reversal of restructuring charges recorded in 2000 of $3.7 million primarily related to negotiated reductions in certain contract termination costs. The restructuring costs from discontinued operations consist of $1.6 million related to severance and other employee benefits and $1.8 million related to contract termination costs offset by the reversal of restructuring charges recorded in 2000 of $0.4 million. The 2001 restructuring charges primarily resulted from the Company's strategic decisions to exit certain businesses and reduce corporate overhead and administrative costs. The 2001 restructuring plan resulted in the termination or notification of pending termination of approximately 150 employees. As of December 31, 2002, the Company has recorded cash payments of $4.4 million against the 2001 restructuring accrual, all of which related to continuing operations. The remaining balance of the 2001 restructuring accrual related to continuing operations at December 31, 2002 of $0.4 million is included in accounts payable and accrued liabilities in the consolidated balance sheets. The Company expects the remaining balances of the restructuring accruals for both continuing and discontinued operations to be paid in 2003.

DEPRECIATION EXPENSE

Depreciation expense increased $18.0 million, or 51.5%, to $52.8 million in 2002. The increase during 2002 is primarily attributable to the opening of Gaylord Palms in January 2002. Depreciation expense of Gaylord Palms was $18.6 million subsequent to the January 2002 opening.

AMORTIZATION EXPENSE

Amortization expense increased slightly, by $0.1 million in 2002. Amortization of software increased $0.9 million during 2002 primarily at Gaylord Opryland, Gaylord Palms and the corporate and other segment. This increase was

partially offset by the adoption of SFAS No. 142 on January 1, 2002, under the provisions of which the Company no longer amortizes goodwill. Amortization of goodwill for continuing operations for 2002 was $0.8 million.

OPERATING INCOME (LOSS)

Total operating loss decreased $49.4 million to an operating income of $8.4 million during 2002. Hospitality segment operating income decreased $8.3 million to $26.0 million in 2002 primarily as a result of decreased operating income of Gaylord Opryland. The operating loss of the attractions segment decreased $5.5 million to an operating income of $3.1 million in 2002 primarily as a result of increased operating income of Corporate Magic and the Grand Ole Opry. Media segment operating loss decreased $0.3 million to an operating loss of $0.2 million in 2002 as a result of increased operating income related to the radio stations. The operating loss of the corporate and other segment increased $2.0 million to an operating loss of $42.1 million in 2002 primarily because of the net change in the Company's pension plans.

INTEREST EXPENSE

Interest expense increased $7.6 million, or 19.3%, to $47.0 million in 2002, net of capitalized interest of $6.8 million. The increase in interest expense is primarily due to ceasing of interest capitalization in January 2002 because of the opening of the Gaylord Palms. Capitalized interest related to the Gaylord Palms hotel was $0.4 million during 2002 before its opening and was $16.4 million during 2001. The absence of capitalized interest related to Gaylord Palms was partially offset by an increase of $4.0 million of capitalized interest related to the Texas hotel. Interest expense related to the amortization of prepaid costs and interest of the secured forward exchange contract was $26.9 million during 2002 and 2001.

Excluding capitalized interest from each period, interest expense decreased $4.4 million in 2002 due to the lower average borrowing levels and lower weighted average interest rates during 2002. The Company's weighted average interest rate on its borrowings, including the interest expense associated with the secured forward exchange contract, was 5.3% in 2002 as compared to 6.3% in 2001 as compared to 6.6% in 2000.

As discussed previously, the Company is negotiating with potential additional financing sources regarding the Company's future financing arrangements. The Company's future borrowing levels are expected to be higher than the Company's historical borrowing levels which would increase the Company's interest expense. In addition, the interest rates on any additional borrowings may be higher than the current interest rates, which would also increase interest expense.

INTEREST INCOME

Interest income decreased $2.7 million, or 49.4%, to $2.8 million in 2002. The decrease in 2002 primarily relates to a decrease in average invested cash balances in 2002 as compared to 2001.

GAIN (LOSS) ON VIACOM STOCK AND DERIVATIVES

During 2000, the Company entered into a seven-year secured forward exchange contract with respect to 10.9 million shares of its Viacom stock investment. Effective January 1, 2001, the Company adopted the provisions of SFAS No. 133, as amended. Components of the secured forward exchange contract are considered derivatives as defined by SFAS No. 133.

In connection with the adoption of SFAS No. 133, the Company recorded a cumulative effect of an accounting change to record the derivatives associated with the secured forward exchange contract at fair value as of January 1, 2001, as discussed below. For the year ended December 31, 2002, the Company recorded net pretax gains of $86.5 million related to the increase in fair value of the derivatives associated with the secured forward exchange contract. For the

year ended December 31, 2002, the Company recorded net pretax losses of $37.3 million related to the decrease in fair value of the Viacom Stock. For the year ended December 31, 2001, the Company recorded net pretax gains of $54.3 million related to the increase in fair value of the derivatives associated with the secured forward exchange contract. Additionally, the Company recorded a nonrecurring pretax gain of $29.4 million on January 1, 2001, related to reclassifying its investment in Viacom stock from available-for-sale to trading as permitted by SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities". For the year ended December 31, 2001, the Company recorded net pretax losses of $28.6 million related to the decrease in fair value of the Viacom stock subsequent to January 1, 2001.

OTHER GAINS AND LOSSES

Other gains and losses decreased $1.5 million, or 56.3%, to $1.2 million in 2002. During 2001, the indemnification period ended related to the sale of KTVT and the Company recognized a $4.1 million gain.

INCOME TAXES

The Company's provision for income taxes was $1.8 million in 2002 compared to an income tax benefit of $8.3 million in 2001.

DISCONTINUED OPERATIONS

The Company has reflected the following businesses as discontinued operations, consistent with the provisions of SFAS No. 144. The results of operations, net of taxes (prior to their disposal where applicable) and the estimated fair value of the assets and liabilities of these businesses have been reflected in the Company's consolidated financial statements as discontinued operations in accordance with SFAS No. 144 for all periods presented.

Acuff-Rose Music Publishing

During the second quarter of 2002, the Company committed to a plan of disposal of its Acuff-Rose Music Publishing entity. During the third quarter of 2002, the Company finalized the sale of the Acuff-Rose Music Publishing entity to Sony/ATV Music Publishing for approximately $157.0 million in cash. The Company recognized a pretax gain of $130.6 million during the third quarter of 2002 related to the sale in discontinued operations. The gain on the sale of Acuff-Rose Music Publishing is recorded in income from discontinued operations in the consolidated statement of operations. Proceeds of $25.0 million were used to reduce the Company's outstanding indebtedness.

OKC Redhawks

During 2002, the Company committed to a plan of disposal of its ownership interests in the Redhawks, a minor league baseball team based in Oklahoma City, Oklahoma.

Word Entertainment

During 2001, the Company committed to a plan to sell Word Entertainment. As a result of the decision to sell Word Entertainment, the Company reduced the carrying value of Word Entertainment to its estimated fair value by recognizing a pretax charge of $30.4 million in discontinued operations during 2001. The estimated fair value of Word Entertainment's net assets was determined based upon ongoing negotiations with potential buyers. Related to the decision to sell Word Entertainment, a pretax restructuring charge of $1.5 million was recorded in discontinued operations in 2001. The restructuring charge consisted of $0.9 million related to lease termination costs and $0.6 million related to severance costs. In addition, the Company recorded a reversal of $0.1 million of restructuring charges originally recorded during 2000. During the first quarter of 2002, the Company sold Word Entertainment's domestic operations to an affiliate of Warner Music Group for $84.1 million in cash, subject to future purchase price adjustments. The Company recognized a pretax gain of $0.5 million in discontinued operations during the first quarter of 2002 related to the sale of Word Entertainment. Proceeds from the sale of $80.0 million were used to reduce the Company's outstanding indebtedness.

International Cable Networks

During the second quarter of 2001, the Company adopted a formal plan to dispose of its international cable networks. As part of this plan, the Company hired investment bankers to facilitate the disposition process, and formal communications with potentially interested parties began in July 2001. In an attempt to simplify the disposition process, in July 2001, the Company acquired an additional 25% ownership interest in its music networks in Argentina, increasing its ownership interest from 50% to 75%. In August 2001, the partnerships in Argentina finalized a pending transaction in which a third party acquired a 10% ownership interest in the companies in exchange for satellite, distribution and sales services, bringing the Company's interest to 67.5%.

In December 2001, the Company made the decision to cease funding of its cable networks in Asia and Brazil as well as its partnerships in Argentina if a sale had not been completed by February 28, 2002. At that time the Company recorded pretax restructuring charges of $1.9 million consisting of $1.0 million of severance and $0.9 million of contract termination costs related to the networks. Also during 2001, the Company negotiated reductions in the contract termination costs with several vendors that resulted in a reversal of $0.3 million of restructuring charges originally recorded during 2000. Based on the status of the Company's efforts to sell its international cable networks at the end of 2001, the Company recorded pretax impairment and other charges of $23.3 million during 2001. Included in this charge are the impairment of an investment in the two Argentina-based music channels totaling $10.9 million, the impairment of fixed assets, including capital leases associated with certain transponders leased by the Company, of $6.9 million, the impairment of a receivable of $3.0 million from the Argentina-based channels, current assets of $1.5 million, and intangible assets of $1.0 million.

During the first quarter of 2002, the Company finalized a transaction to sell certain assets of its Asia and Brazil networks, including the assignment of certain transponder leases. Also during the first quarter of 2002, the Company ceased operations based in Argentina. The transponder lease assignment requires the Company to guarantee lease payments in 2002 from the acquirer of these networks. As such, the Company recorded a lease liability for the amount of the assignee's portion of the transponder lease.

Businesses Sold to OPUBCO

During 2001, the Company sold five businesses (Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television and Gaylord Production Company) to affiliates of OPUBCO for $22.0 million in cash and the assumption of debt of $19.3 million. The Company recognized a pretax loss of $1.7 million related to the sale in discontinued operations in the accompanying consolidated statement of operations. OPUBCO owns a minority interest in the Company. Three of the Company's directors are also directors of OPUBCO and voting trustees of a voting trust that controls OPUBCO. Additionally, those three directors collectively own a significant ownership interest in the Company.

The following table reflects the results of operations of businesses accounted for as discontinued operations for the years ended December 31:

(in thousands)	2002	2001
REVENUES:		
Acuff-Rose Music Publishing	$ 7,654	$ 14,764
Redhawks	6,289	6,122

Word Entertainment	2,594	115,677
International cable networks	744	5,025
Businesses sold to OPUBCO	-	2,195
Other	-	609
Total revenues	$ 17,281	$ 144,392
OPERATING INCOME (LOSS):		
Acuff-Rose Music Publishing	$ 933	$ 2,119
Redhawks	841	363
Word Entertainment	(917)	(5,710)
International cable networks	(1,576)	(6,375)
Businesses sold to OPUBCO	-	(1,816)
Other	-	(383)
Impairment and other charges	-	(53,716)
Restructuring charges	-	(2,959)
Total operating loss	(719)	(68,477)
INTEREST EXPENSE	(81)	(797)
INTEREST INCOME	81	199
OTHER GAINS AND LOSSES	135,442	(4,131)
Income (loss) before provision (benefit) for income taxes	134,723	(73,206)
PROVISION (BENEFIT) FOR INCOME TAXES	49,763	(23,018)
Net income (loss) from discontinued operations	$ 84,960	$ (50,188)

The assets and liabilities of the discontinued operations presented in the accompanying consolidated balance sheets are comprised of:

(in thousands)	2002	2001
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,812	$ 3,889
Trade receivables, less allowance of $2,785 and $5,003, respectively	456	28,999
Inventories	163	6,486
Prepaid expenses	97	10,333
Other current assets	-	823
Total current assets	2,528	50,530
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	3,242	17,342
GOODWILL	1,162	28,688
INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	3,942	6,125
MUSIC AND FILM CATALOGS	-	26,274
OTHER LONG-TERM ASSETS	673	5,587
Total long-term assets	9,019	84,016
Total assets	$ 11,547	$134,546
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 94	$ 5,515
Accounts payable and accrued liabilities	6,284	25,495
Total current liabilities	6,378	31,010
LONG-TERM DEBT, NET OF CURRENT PORTION	-	-
OTHER LONG-TERM LIABILITIES	781	836
Total long-term liabilities	781	836
Total liabilities	7,159	31,846

MINORITY INTEREST OF DISCONTINUED OPERATIONS	1,885	1,679
TOTAL LIABILITIES AND MINORITY INTEREST OF DISCONTINUED OPERATIONS	$ 9,044	$ 33,525

CUMULATIVE EFFECT OF ACCOUNTING CHANGE

During the second quarter of 2002, the Company completed its goodwill impairment test as required by SFAS No. 142. In accordance with the provisions of SFAS No. 142, the Company has reflected the pretax $4.2 million impairment charge as a cumulative effect of a change in accounting principle in the amount of $2.6 million, net of tax benefit of $1.6 million, as of January 1, 2002 in the consolidated statements of operations.

On January 1, 2001, the Company recorded a gain of $11.9 million, net of taxes of $7.1 million, as a cumulative effect of an accounting change to record the derivatives associated with the secured forward exchange contract on its Viacom stock at fair value as of January 1, 2001, in accordance with the provisions of SFAS No. 133.

YEAR ENDED DECEMBER 31, 2001 COMPARED TO YEAR ENDED DECEMBER 31, 2000

REVENUES

Total revenues decreased $11.2 million, or 3.6%, to $304.3 million in 2001. Excluding the revenues of businesses divested in 2000, including the Orlando-area Wildhorse Saloon, KOA Campground, Gaylord Digital and country music record label development (collectively, the "2000 Divested Businesses") from 2000, total revenues decreased $1.9 million, or 0.6% in 2001.

Revenues in the hospitality segment decreased $8.5 million, or 3.6%, to $228.7 million in 2001. Revenues of the Gaylord Opryland decreased $7.9 million to $222.0 million in 2001. Gaylord Opryland's occupancy rate decreased to 70.3% in 2001 compared to 75.9% in 2000. Revenue per available room (RevPAR) for the Gaylord Opryland decreased 7.1% to $98.65 for 2001 compared to $106.22 for 2000. This decrease was primarily attributable to the impact of a softer economy and decreased occupancy levels in the weeks following the September 11 terrorist attacks. The collection of a $2.2 million cancellation fee in 2000 also adversely affects comparisons with the prior year period. Gaylord Opryland's average daily rate increased to $140.33 in 2001 from $140.03 in 2000.

Revenues in the attractions segment increased $2.6 million, or 4.2%, to $65.9 million in 2001. Excluding the revenues of the Orlando-area Wildhorse Saloon and the KOA Campground from 2000, revenues in the attractions segment increased $8.0 million, or 13.8% due to increased revenues of $10.1 million at Corporate Magic, a company specializing in the production of creative events in the corporate entertainment marketplace that was acquired in March 2000. Revenues of the Grand Ole Opry increased $1.4 million, to $13.4 million in 2001. These increases in revenues were partially offset by decreased revenues of the General Jackson, which decreased $1.5 million in 2001 as a result of an attendance decline of 16.3% partially offset by an increase in per capita spending of 16.3%.

Revenues in the media segment decreased $5.5 million, or 37.0%, to $9.4 million in 2001. Excluding the revenues of Gaylord Digital from 2000, revenues in the media segment decreased $1.6 million, or 14.4%. Revenues of the Company's radio stations decreased $1.2 million during 2001 as a result of a weak advertising market and significant competition within the Nashville-area radio broadcasting market.

Revenues in the corporate and other segment increased $0.2 million to $0.3 million in 2001.

OPERATING EXPENSES

Total operating expenses decreased $98.0 million, or 22.1%, to $345.3 million in 2001. Excluding impairment and other charges and restructuring charges, total operating expenses decreased $25.8 million, or 7.3%, to $328.9 million in 2001. Operating costs, as a percentage of revenues, decreased slightly to 67.5% during 2001 as compared to 67.7% during 2000. Selling, general and administrative expenses, as a percentage of revenues, decreased to 22.7% during 2001 as compared to 28.8% in 2000.

Operating costs decreased $8.3 million, or 3.9%, to $205.4 million in 2001. Excluding the operating costs of the 2000 Divested Businesses from 2000, operating costs increased $9.3 million, or 4.7% in 2001.

Operating costs in the hospitality segment increased $1.5 million, or 1.1%, to $139.9 million in 2001 primarily as a result of increased operating costs at Gaylord Opryland of $1.7 million. During 2000, the Company recorded certain unusual operating costs associated primarily with the settlement of tax and utility contingencies related to prior years totaling $5.0 million in the hospitality segment, $4.5 million of which was related to Gaylord Opryland. Excluding these nonrecurring costs, operating costs at Gaylord Opryland increased $6.7 million, or 5.2% due primarily to costs associated with various new shows and exhibits at the hotel in 2001.

Operating costs in the attractions segment increased $1.0 million, or 2.1%, to $49.8 million in 2001. Excluding the operating costs of the Orlando-area Wildhorse Saloon and the KOA Campground from 2000, operating costs in the attractions segment increased $6.7 million, or 15.4%, in 2001. The operating costs of Corporate Magic increased

$9.8 million in 2001 as compared to 2000 subsequent to its acquisition in March 2000 due to the fact that a large share of its annual business occurs in the first quarter of each year. This increase was partially offset by a decrease in operating costs of the Acuff Theater, a venue for concerts and theatrical performances, which had reduced operating costs in 2001 as compared to 2000 of $1.2 million due to decreased utilization of this venue.

Operating costs in the media segment declined $11.8 million, or 70.0%, to $5.0 million in 2001. The decline in costs is almost entirely attributable to operating costs of Gaylord Digital and country music record label development costs in 2000. Excluding these costs, operating costs in the media segment increased slightly by $0.1 million, or 4.1% in 2001.

The operating costs in the corporate and other segment increased $0.9 million in 2001 as compared to 2000 due to increased overhead and administrative costs related to the management of the Company's hotels.

Selling, general and administrative expenses decreased $21.9 million, or 24.1%, to $68.9 million in 2001. Excluding the selling, general and administrative expenses of the 2000 Divested Businesses from 2000, selling, general and administrative expenses decreased $3.0 million, or 4.2%, in 2001.

Selling, general and administrative expenses in the hospitality segment remained constant at $29.0 million for 2001 and 2000. Selling, general and administrative expenses at the Gaylord Opryland increased $0.1 million, to $27.6 million in 2001. Selling and promotion expense at the Gaylord Opryland increased $1.9 million due to increased advertising offset by lower general and administrative costs at the Gaylord Opryland of $1.8 million due to cost controls.

Selling, general and administrative expenses in the attractions segment decreased $3.4 million, or 21.2%, to $12.7 million in 2001. Excluding the selling, general and administrative expenses of the Orlando-area Wildhorse Saloon and the KOA Campground from 2000, selling, general and administrative expenses in the attractions segment decreased $3.0 million, or 19.0%, in 2001. The decrease in 2001 is primarily attributable to nonrecurring bad debt expense recognized in 2000 of $2.4 million related to the Company's live entertainment business. In addition, the selling, general and administrative expenses of the Ryman Auditorium decreased $1.2 million in 2001 as compared to 2000 due to reductions in marketing expenses, fewer shows being produced in 2001 compared to 2000 and a shift to more co-produced shows in 2001 compared to 2000.

Selling, general and administrative expenses in the media segment decreased $19.4 million, or 82.4%, to $4.2 million in 2001. The decline in costs is almost entirely attributable to operating costs of Gaylord Digital and country music record label development costs in 2000. Excluding these costs of Gaylord Digital and country music record label development costs, selling, general and administrative expenses in the media segment decreased by $1.0 million, or 19.6% in 2001. This decrease is attributable to cost saving measures instituted by the

2000 Strategic Assessment.

Corporate selling, general and administrative expenses, consisting primarily of senior management salaries and benefits, legal, human resources, accounting, and other administrative costs increased $0.9 million, or 4.3%, to $23.1 million in 2002. The increase is primarily related to attracting new key management personnel needed as a result of the 2000 Strategic Assessment.

Preopening costs increased $10.6 million to $15.9 million in 2001 related to the Company's hotel development activities in Florida and Texas. In accordance with AICPA SOP 98-5, "Reporting on the Costs of Start-Up Activities", the Company expenses the costs associated with start-up activities and organization costs as incurred.

IMPAIRMENT AND OTHER CHARGES

The Company recognized pretax impairment and other charges as a result of the 2001 and 2000 Strategic Assessments. The components of these charges for the years ended December 31 are as follows:

(in thousands)	2001	2000
Programming, film and other content	$ 6,858	$ 7,410
Gaylord Digital and other technology investments	4,576	48,127
Property and equipment	2,828	3,397
Orlando-area Wildhorse Saloon	-	15,854
Other	-	924
Total impairment and other charges	$ 14,262	$ 75,712

Additional impairment and other charges of $28.9 million during 2000 are included in discontinued operations.

2001 Impairment and Other Charges

The Company began production of an IMAX movie during 2000 to portray the history of country music. As a result of the 2001 Strategic Assessment, the carrying value of the IMAX film asset was reevaluated on the basis of its estimated future cash flows resulting in an impairment charge of $6.9 million. At December 31, 2000, the Company held a minority investment in a technology start-up business. During 2001, the unfavorable environment for technology businesses created difficulty for this business to obtain adequate capital to execute its business plan and, subsequently, the Company was notified that this technology business had been unsuccessful in arranging financing, resulting in an impairment charge of $4.6 million. The Company also recorded an impairment charge related to idle real estate of $2.0 million during 2001 based upon an assessment of the value of the property. The Company sold this idle real estate during the second quarter of 2002. Proceeds from the sale approximated the carrying value of the property. In addition, the Company recorded an impairment charge for other idle property and equipment totaling $0.8 million during 2001 primarily due to the consolidation of offices resulting from personnel reductions.

2000 Impairment and Other Charges

The Company's 2000 Strategic Assessment of its programming, film and other content assets resulted in pretax impairment and other charges of $7.4 million based upon the projected cash flows for these assets. This charge included investments of $5.1 million, other receivables of $2.1 million and music and film catalogs of $0.2 million.

The Company closed Gaylord Digital, its Internet-related business in 2000. During 1999 and 2000, Gaylord Digital was unable to produce the operating results initially anticipated and required an extensive amount of capital to fund its operating losses, investments and technology infrastructure. As a result of the closing, the Company recorded a pretax charge of $48.1 million in

2000 to reduce the carrying value of Gaylord Digital's assets to their fair value based upon estimated selling prices. The Gaylord Digital charge included the write-down of intangible assets of $25.8 million, property and equipment (including software) of $14.8 million, investments of $7.0 million and other assets of $0.6 million. The operating results of Gaylord Digital are included in continuing operations. Excluding the effect of the impairment and other charges, Gaylord Digital had revenues of $3.9 million and operating losses of $27.5 million for the year ended December 31, 2000.

During the course of conducting the 2000 Strategic Assessment, other property and equipment of the Company were reviewed to determine whether the change in the Company's strategic direction resulted in additional impaired assets. This review indicated that certain property and equipment would not be recovered by projected cash flows. The Company recorded pretax impairment and other charges related to its property and equipment of $3.4 million. These charges included property and equipment write-downs in the hospitality segment of $1.4 million, in the attractions segment of $0.3 million, in the media segment of $0.2 million, and in the corporate and other segment of $1.5 million.

During November 2000, the Company ceased the operations of the Orlando-area Wildhorse Saloon. Walt Disney World(R) Resort paid the Company approximately $1.8 million for the net assets of the Orlando-area Wildhorse Saloon and released the Company from its operating lease for the Wildhorse Saloon location. As a result of this divestiture,

the Company recorded pretax charges of $15.9 million to reflect the impairment and other charges related to the divestiture. The Orlando-area Wildhorse Saloon charges included the write-off of equipment of $9.4 million, intangible assets of $8.1 million and other working capital items of $0.1 million offset by the $1.8 million of proceeds received from Disney. The operating results of the Orlando-area Wildhorse Saloon are included in continuing operations. Excluding the effect of the impairment and other charges, the Orlando-area Wildhorse Saloon had revenues of $4.4 million and operating losses of $1.6 million for the year ended December 31, 2000.

RESTRUCTURING CHARGES

During 2001, the Company recognized pretax restructuring charges from continuing operations of $5.8 million related to streamlining operations and reducing layers of management. The Company recognized additional pretax restructuring charges from discontinued operations of $3.0 million in 2001. These restructuring charges were recorded in accordance with EITF No. 94-3. The restructuring costs from continuing operations consisted of $4.7 million related to severance and other employee benefits and $1.1 million related to contract termination costs, offset by the reversal of restructuring charges recorded in 2000 of $3.7 million primarily related to negotiated reductions in certain contract termination costs. The restructuring costs from discontinued operations consist of $1.6 million related to severance and other employee benefits and $1.8 million related to contract termination costs offset by the reversal of restructuring charges recorded in 2000 of $0.4 million. The 2001 restructuring charges primarily resulted from the Company's strategic decisions to exit certain businesses and reduce corporate overhead and administrative costs. The 2001 restructuring plan resulted in the termination or notification of pending termination of approximately 150 employees. As of December 31, 2002, the Company has recorded cash payments of $4.4 million against the 2001 restructuring accrual, all of which relate to continuing operations. The remaining balance of the 2001 restructuring accrual related to continuing operations at December 31, 2002 of $0.5 million is included in accounts payable and accrued liabilities in the consolidated balance sheets. The Company expects the remaining balances of the restructuring accruals for both continuing and discontinued operations to be paid in 2003.

As part of the Company's 2000 strategic assessment, the Company recognized pretax restructuring charges of $13.1 million related to continuing operations during 2000, in accordance with EITF No. 94-3. Additional restructuring charges of $3.2 million during 2000 were included in discontinued operations. Restructuring charges related to continuing operations consist of contract termination costs of $8.0 million to exit specific activities and employee severance and related costs of $5.4 million offset by the reversal of the remaining restructuring accrual from the restructuring charges recorded in 1999 of $0.2 million. The 2000 restructuring charges relate to the Company's strategic decisions to exit certain lines of business, primarily businesses included in the Company's former music, media and entertainment segment, and to implement its 2000 strategic plan. As part of the Company's 2000 restructuring plan, approximately 375 employees were terminated or were informed of their pending termination. During the second quarter of 2002, the Company entered into a sublease that reduced the liability the Company was originally required to pay and the Company reversed $0.1 million of the 2000 restructuring charge related to the reduction in required payments. During 2001, the Company negotiated reductions in certain contract termination costs, which allowed the reversal of $3.7 million of the restructuring charges originally recorded during 2000. As of December 31, 2002, the Company has recorded cash payments of $9.3 million against the 2000 restructuring accrual related to continuing operations. The remaining balance of the 2000 restructuring accrual at December 31, 2002 of $0.3 million, from continuing operations, is included in accounts payable and accrued liabilities in the consolidated balance sheets, which the Company expects to be paid during 2003.

DEPRECIATION EXPENSE

Depreciation expense decreased $0.6 million, or 1.8%, to $34.9 million in 2001. Excluding the depreciation of the 2000 Divested Businesses from 2000, depreciation expense increased $0.8 million, or 2.3%, in 2001. The increase is primarily attributable to increased depreciation expense at Gaylord Opryland of $0.9 million related to capital expenditures.

AMORTIZATION EXPENSE

Amortization expense decreased $5.6 million in 2001 primarily due to the divestiture of Gaylord Digital. Amortization expense of Gaylord Digital was zero and $6.1 million during 2001 and 2000, respectively. Amortization of software increased $0.6 million during 2001 primarily at Gaylord Opryland and the corporate and other segment.

OPERATING INCOME (LOSS)

Total operating loss decreased $86.8 million to an operating loss of $41.0 million during 2001. Excluding the operating losses of the 2000 Divested Businesses from 2000, as well as impairment and other charges and restructuring charges from both periods, total operating loss increased $20.6 million to an operating loss of $24.6 million in 2001.

Hospitality segment operating income decreased $11.2 million to $34.3 million in 2001 as a result of decreased operating income of Gaylord Opryland. Excluding the operating losses of the Orlando-area Wildhorse Saloon and the KOA Campground from 2000, the operating loss of the attractions segment decreased $4.0 million to an operating loss of $2.4 million in 2001 primarily as a result of decreased operating losses of the Acuff Theater, Corporate Magic and the Ryman Auditorium. Media segment operating loss was $0.5 million in 2001 compared to an operating loss of $33.2 million in 2000. Excluding the operating losses of Gaylord Digital and country music record label development costs from 2000, the operating income of the media segment decreased $0.8 million in 2001 primarily as a result of increased operating losses at the Company's radio stations. The operating loss of the corporate and other segment increased $1.9 million to an operating loss of $40.1 million in 2001.

INTEREST EXPENSE

Interest expense increased $9.0 million to $39.4 million in 2001, net of capitalized interest of $18.8 million, including $16.4 million of capitalized interest related to Gaylord Palms. The Company no longer capitalized interest on Gaylord Palms subsequent to its opening date in January 2002. The increase in 2001 interest expense is primarily attributable to higher average borrowing levels including construction-related financing related to Gaylord Palms and the new Gaylord hotel in Grapevine, Texas, the secured forward exchange contract entered into in May 2000 and the amortization of deferred costs related to these financing activities. The Company's weighted average interest rate on its borrowings, including the interest expense associated with the secured forward exchange contract, was 6.3% in 2001 as compared to 6.6% in 2000.

INTEREST INCOME

Interest income increased $1.5 million to $5.6 million in 2001. The increase in 2001 primarily relates to an increase in interest income from invested cash balances.

GAIN (LOSS) ON VIACOM STOCK AND DERIVATIVES

The Company adopted the provisions of SFAS No. 133 on January 1, 2001. In connection with the adoption of SFAS No. 133, as amended, the Company recorded a gain of $11.9 million, net of taxes of $6.4 million, as a cumulative effect of an accounting change to record the derivatives associated with the secured forward exchange contract at fair value effective January 1, 2001. For the year ended December 31, 2001, the Company recorded net pretax gains of $54.3 million related to the increase in fair value of the derivatives associated with the secured forward exchange contract. Additionally, the Company recorded a nonrecurring pretax gain of $29.4 million on January 1, 2001, related to reclassifying its investment in Viacom stock from available-for-sale to trading as defined by SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities". For the year ended December 31, 2001, the Company recorded net pretax losses of $28.6 million related to the decrease in fair value of the Viacom stock subsequent to January 1, 2001.

OTHER GAINS AND LOSSES

During 2001, the indemnification period related to the Company's 1999 disposition of television station KTVT in Dallas-Fort Worth ended, resulting in the recognition of a pretax gain of $4.6 million related to the reversal of previously recorded contingent liabilities.

During 2001 and 2000, the Company recorded its share of equity losses of $3.9 million and $2.0 million, respectively, in the Nashville Predators. During 2000, the Company sold its KOA Campground located near Gaylord Opryland for $2.0 million in cash. The Company recognized a pretax loss on the sale of $3.2 million.

INCOME TAXES

The Company's benefit for income taxes was $8.3 million in 2001 compared to an income tax benefit of $51.1 million in 2000.

DISCONTINUED OPERATIONS

The Company has reflected the following businesses as discontinued operations, consistent with the provisions of SFAS No. 144. The results of operations, net of taxes, (prior to their disposal where applicable) and the estimated fair value of the assets and liabilities of these businesses have been reflected in the Company's consolidated financial statements as discontinued operations in accordance with SFAS No. 144 for all periods presented.

Acuff-Rose Music Publishing

During the second quarter of 2002, the Company committed to a plan of disposal of its Acuff-Rose Music Publishing entity.

OKC Redhawks

During 2002, the Company committed to a plan of disposal of its ownership interests in the Redhawks, a minor league baseball team based in Oklahoma City, Oklahoma.

Word Entertainment

During 2001, the Company committed to a plan to sell Word Entertainment. As a result of the decision to sell Word Entertainment, the Company reduced the carrying value of Word Entertainment to its estimated fair value by recognizing a pretax charge of $30.4 million in discontinued operations during 2001. The estimated fair value of Word Entertainment's net assets was determined based upon ongoing negotiations with potential buyers. Related to the decision to sell Word Entertainment, a pretax restructuring charge of $1.5 million was recorded in discontinued operations in 2001. The restructuring charge consisted of $0.9 million related to lease termination costs and $0.6 million related to severance costs. In addition, the Company recorded a reversal of $0.1 million of restructuring charges originally recorded during 2000. During the first quarter of 2002, the Company sold Word Entertainment's domestic operations to an affiliate of Warner Music Group for $84.1 million in cash, subject to future purchase price adjustments.

International Cable Networks

During the second quarter of 2001, the Company adopted a formal plan to dispose of its international cable networks. As part of this plan, the Company hired investment bankers to facilitate the disposition process, and formal communications with potentially interested parties began in July 2001. In an attempt to simplify the disposition process, in July 2001, the Company acquired an additional 25% ownership interest in its music networks in Argentina, increasing its ownership interest from 50% to 75%. In August 2001, the partnerships in Argentina finalized a pending transaction in which a third party acquired a 10% ownership interest in the companies in exchange for satellite, distribution and sales services, bringing the Company's interest to 67.5%.

In December 2001, the Company made the decision to cease funding of its cable networks in Asia and Brazil as well as its partnerships in Argentina if a sale had not been completed by February 28, 2002. At that time the Company recorded pretax restructuring charges of $1.9 million consisting of $1.0 million of severance and $0.9 million of contract termination costs related to the networks. Also during 2001, the Company negotiated reductions in the

contract termination costs with several vendors that resulted in a reversal of $0.3 million of restructuring charges originally recorded during 2000. Based on the status of the Company's efforts to sell its international cable networks at the end of 2001, the Company recorded pretax impairment and other charges of $23.3 million during 2001. Included in this charge are the impairment of an investment in the two Argentina-based music channels totaling $10.9 million, the impairment of fixed assets, including capital leases associated with certain transponders leased by the Company, of $6.9 million, the impairment of a receivable of $3.0 million from the Argentina-based channels, current assets of $1.5 million, and intangible assets of $1.0 million.

Businesses Sold to OPUBCO

During 2001, the Company sold five businesses (Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television and Gaylord Production Company) to affiliates of OPUBCO for $22.0 million in cash and the assumption of debt of $19.3 million. The Company recognized a pretax loss of $1.7 million related to the sale in discontinued operations in the accompanying consolidated statement of operations. OPUBCO owns a minority interest in the Company. Three of the Company's directors are also directors of OPUBCO and voting trustees of a voting trust that controls OPUBCO. Additionally, those three directors collectively own a significant ownership interest in the Company.

The following table reflects the results of operations of businesses accounted for as discontinued operations for the years ended December 31:

(in thousands)	2001	2000
REVENUES:		
Acuff-Rose Music Publishing	$ 14,764	$ 14,100
Redhawks	6,122	5,890
Word Entertainment	115,677	130,706
International cable networks	5,025	6,606
Businesses sold to OPUBCO	2,195	39,706
Other	609	1,900
Total revenues	$ 144,392	$ 198,908
OPERATING INCOME (LOSS):		
Acuff-Rose Music Publishing	$ 2,119	$ 1,688
Redhawks	363	169

Word Entertainment	(5,710)	(15,241)
International cable networks	(6,375)	(9,655)
Businesses sold to OPUBCO	(1,816)	(8,240)
Other	(383)	(144)
Impairment and other charges	(53,716)	(29,826)
Restructuring charges	(2,959)	(3,241)
Total operating loss	(68,477)	(64,490)
INTEREST EXPENSE	(797)	(1,310)
INTEREST INCOME	199	683
OTHER GAINS AND LOSSES	(4,131)	(4,419)
Income (loss) before benefit for income taxes	(73,206)	(69,536)
PROVISION (BENEFIT) FOR INCOME TAXES	(23,018)	(19,991)
Net income (loss) from discontinued operations	$ (50,188)	$ (49,545)

On January 1, 2001, the Company recorded a gain of $11.9 million, net of taxes of $7.1 million, as a cumulative effect of an accounting change to record the derivatives associated with the secured forward exchange contract on its Viacom stock at fair value as of January 1, 2001, in accordance with the provisions of SFAS No. 133.

LIQUIDITY AND CAPITAL RESOURCES

The Company relies upon several different sources of capital to fund its operations and capital commitments, including the operating cash flow of its hospitality and attractions companies, its unrestricted cash balance of $98.6 million as of December 31, 2002 and the proceeds from the sale of non-core assets.

FUTURE FINANCING

Additional long-term financing is required to fund the Company's construction commitments related to its hotel development projects and to fund its overall anticipated operating losses in 2003. As of December 31, 2002, the Company had $98.6 million in unrestricted cash in addition to the net cash flows from certain operations to fund its cash requirements including the Company's 2003 construction commitments related to its hotel construction projects. These resources are not adequate to fund all of the Company's 2003 construction commitments. As a result of these required future financing requirements, the Company is currently negotiating with its lenders and others regarding the Company's future financing arrangements.

In February 2003, the Company received a commitment for a $225 million credit facility arranged by Deutsche Bank Trust Company Americas, Bank of America, N.A., and CIBC Inc. (collectively, the "Lenders"). However, the commitment is subject to the completion of certain remaining due diligence by the Lenders and the Lenders have the right to revise the credit facility structure and/or decline to perform under the commitment if certain conditions are not fulfilled or if certain changes occur within the financial markets. The proceeds of this financing will be used to repay the Company's existing $60 million Term Loan, to complete the construction of the Texas hotel and fund any operating losses in 2003.

Management currently anticipates securing the long-term financing under the existing commitment from the Lenders and expects to close the financing in the second quarter of 2003. If the Company is unable to secure a portion of the additional financing it is seeking, or if the timing of such financing is significantly delayed, the Company will be required to curtail certain of its development expenditures on current and future construction projects to ensure adequate liquidity to fund the Company's operations.

TERM LOAN

During 2001, the Company entered into a three-year delayed-draw senior term loan (the "Term Loan") of up to $210.0 million with Deutsche Banc Alex. Brown Inc., Salomon Smith Barney, Inc. and CIBC World Markets Corp. (collectively the "Banks"). Proceeds of the Term Loan were used to finance the construction of Gaylord Palms and the initial construction phases of the Gaylord hotel in Texas as well as for general corporate purposes. The Term Loan is primarily secured by the Company's ground lease interest in Gaylord Palms. At the Company's option, amounts outstanding under the Term Loan bear interest at the prime interest rate plus 2.125% or the one-month Eurodollar rate plus 3.375%. The terms of the Term Loan required the purchase of interest rate hedges in notional amounts equal to $100.0 million in order to protect against adverse changes in the one-month Eurodollar rate. Pursuant to these agreements, the Company purchased instruments that cap its exposure to the one-month Eurodollar rate at 6.625. The Term Loan contains provisions that allow the Banks to syndicate the Term Loan, which could result in a change to the terms and structure of the Term Loan, including an increase in interest rates. In addition, the Company is required to pay a commitment fee equal to 0.375% per year of the average unused portion of the Term Loan.

During the first three months of 2002, the Company sold Word's domestic operations, which required the prepayment of the Term Loan in the amount of $80.0 million and, accordingly, this amount was classified as due within one year at December 31, 2001. As required by the Term Loan, the Company used $15.9 million of the net cash proceeds, as defined under the Term Loan agreement, received from the sale of the Opry Mills investment to reduce the outstanding balance of the Term Loan. In addition, the Company used $25.0 million of the net cash proceeds, as defined under the Term Loan agreement, received from the sale of Acuff-Rose Music Publishing to reduce the outstanding balance of the Term Loan. Also during 2002, the Company made a principal payment of approximately $4.1 million under the Term Loan. Net borrowings under the Term Loan for 2002 and 2001 were $85.0 million and $100.0 million, respectively. As of December 31, 2002 and 2001, the Company had outstanding borrowings of $60.0 million and $100.0 million, respectively, under the Term Loan and was required to escrow certain amounts in a

completion reserve account for Gaylord Palms. The Company's ability to borrow additional funds under the Term Loan expired during 2002. However, the lenders could reinstate the Company's ability to borrow additional funds at a future date.

The terms of the Term Loan required the Company to purchase an interest rate instrument which caps the interest rate paid by the Company. This instrument expired in the fourth quarter of 2002. Due to the expiration of the interest rate instrument, the Company was out of compliance with the terms of the Term Loan. Subsequent to December 31, 2002, the Company obtained a waiver from the lenders whereby they waived this event of non-compliance as of December 31, 2002 and also removed the requirement to maintain such instruments for the remainder of the term of the loan. The maximum amount available under the Term Loan reduces to $50.0 million in April 2004, with full repayment due in October 2004. Debt repayments under the Term Loan reduce its borrowing capacity and are not eligible to be re-borrowed. The Term Loan requires the Company to maintain certain escrowed cash balances, comply with certain financial covenants, and imposes limitations related to the payment of dividends, the incurrence of debt, the guaranty of liens, and the sale of assets, as well as other customary covenants and restrictions. At December 31, 2002 and 2001, the unamortized balance of the deferred financing costs related to the Term Loan was $2.4 million and $5.6 million, respectively. The weighted average interest rate, including amortization of deferred financing costs, under the Term Loan for 2002 and 2001 was 9.6% and 8.3%, respectively. The weighted average interest rate of 9.6% for 2002 includes 4.5% related to commitment fees and the amortization of deferred financing costs.

SENIOR AND MEZZANINE LOANS

In 2001, the Company, through wholly owned subsidiaries, entered into two loan agreements, a $275.0 million senior loan (the "Senior Loan") and a $100.0 million mezzanine loan (the "Mezzanine Loan") (collectively, the "Nashville Hotel Loans") with affiliates of Merrill Lynch & Company acting as principal. The Senior Loan is secured by a first mortgage lien on the assets of Gaylord

Opryland and is due in 2004. Amounts outstanding under the Senior Loan bear interest at one-month LIBOR plus approximately 1.02%. The Mezzanine Loan, secured by the equity interest in the wholly-owned subsidiary that owns Gaylord Opryland, is due in 2004 and bears interest at one-month LIBOR plus 6.0%. At the Company's option, the Nashville Hotel Loans may be extended for two additional one-year terms beyond their scheduled maturities, subject to Gaylord Opryland meeting certain financial ratios and other criteria. The Nashville Hotel Loans require monthly principal payments of $667,000 during their three-year terms in addition to monthly interest payments. The terms of the Senior Loan and the Mezzanine Loan required the purchase of interest rate hedges in notional amounts equal to the outstanding balances of the Senior Loan and the Mezzanine Loan in order to protect against adverse changes in one-month LIBOR. Pursuant to these agreements, the Company has purchased instruments that cap its exposure to one-month LIBOR at 7.50%. The Company used $235.0 million of the proceeds from the Nashville Hotel Loans to refinance a $250.0 million interim loan that was scheduled to mature in April 2001. At closing, the Company was required to escrow certain amounts, including $20.0 million related to future renovations and related capital expenditures at Gaylord Opryland. The net proceeds from the Nashville Hotel Loans after refinancing of the interim loan and paying required escrows and fees were approximately $97.6 million. At December 31, 2002 and 2001, the unamortized balance of the deferred financing costs related to the Nashville Hotel Loans was $7.3 million and $13.8 million, respectively. The weighted average interest rates for the Senior Loan for 2002 and 2001, including amortization of deferred financing costs, were 4.5% and 6.2%, respectively. The weighted average interest rates for the Mezzanine Loan for 2002 and 2001, including amortization of deferred financing costs, were 10.5% and 12.0%, respectively.

The terms of the Nashville Hotel Loans require that the Company maintain certain escrowed cash balances and comply with certain financial covenants, and impose limits on transactions with affiliates and indebtedness. The financial covenants under the Nashville Hotel Loans are structured such that noncompliance at one level triggers certain cash management restrictions and noncompliance at a second level results in an event of default. Based upon the financial covenant calculations at December 31, 2002, the cash management restrictions are in effect which require that all excess cash flows, as defined, be escrowed and may be used to repay principal amounts owed on the Senior Loan. During 2002, $47.8 million of restricted cash was utilized to repay principal amounts outstanding under the Senior Loan.

The Company negotiated certain revisions to the financial covenants under the Nashville Hotel Loans and the Term Loan during the first and second quarters of 2002. After these revisions, the Company was in compliance with the covenants under the Nashville Hotel Loans and the covenants under the Term Loan with which the failure to comply would result in an event of default. There can be no assurance that the Company will remain in compliance with the covenants that would result in an event of default under the Nashville Hotel Loans or the Term Loan. The Company believes it has certain other possible alternatives to reduce borrowings outstanding under the Nashville Hotel Loans, including application of unrestricted cash on hand, which would allow the Company to remedy any event of default. Any event of noncompliance that results in an event of default under the Nashville Hotel Loans or the Term Loan would enable the lenders to demand payment of all outstanding amounts, which would have a material adverse effect on the Company's financial position, results of operations and cash flows.

During the second quarter of 2002, like other companies in the hospitality industry, the Company was notified by the insurers providing its property and casualty insurance that policies issued upon renewal would no longer include coverage for terrorist acts. As a result, the servicer for the Senior Loan notified the Company in May of 2002 that it believed the lack of insurance covering terrorist acts and certain related matters did constitute a default under that credit facility. Although coverage for terrorist acts was never specifically required as part of the required property and casualty coverage, the Company determined to resolve this issue by obtaining coverage for terrorist acts. The Company has obtained coverage in an amount equal to the outstanding balance of the Senior Loan. During the third quarter of 2002, the Company received notice from the servicer that any previous existing defaults were cured and coverage in an amount equal to the outstanding balance of the loan satisfied the requirements of the Senior Loan. The servicer has reserved the right to impose additional insurance requirements if there is a change in, among other things, the availability or cost of terrorism insurance coverage, the risk of terrorist activity, or legislation affecting the rights of lenders to require borrowers to maintain terrorism insurance.

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities is the principal source of cash used to fund the Company's operating expenses, interest payments on debt, and maintenance capital expenditures. During 2002, the Company's net cash flows provided by operating activities were $88.9 million, reflecting primarily the Company's income from continuing operations; depreciation and amortization; and the provision for deferred income taxes.

CASH FLOW FROM INVESTING ACTIVITIES

During 2002, the Company's primary uses of funds and investing activities included the purchases of property and equipment for the Gaylord Palms and Gaylord Opryland Texas which totaled $175.6 million. The Company received proceeds from the sale of assets and the sale of discontinued operations totaling approximately $263.4 million.

CASH FLOW FROM FINANCING ACTIVITIES

The Company's cash flows from financing activities reflect primarily the issuance of debt and the repayment of long-term debt. During 2002, the Company's net cash flows used in financing activities were approximately $83.6 million, reflecting the issuance of $85.0 million in debt and the repayment of $214.8 million in debt. The Company also experienced a decrease in restricted cash and cash equivalents of $45.7 million which was used to repay debt.

CAPITAL REQUIREMENTS

The Company currently projects capital expenditures for 2003 of approximately $230.0 million, which includes continuing construction at the new Gaylord hotel in Grapevine, Texas of $204.0 million and approximately $12.0 million related to improvements to Gaylord Opryland. The Company has obtained a commitment for a new credit facility to fund these expenditures. If the Company does not obtain this financing, or a suitable alternative, capital expenditures will need to be reduced to continue to fund ongoing operations.

COMMITMENTS

Future minimum cash lease commitments under all noncancelable operating leases in effect for continuing operations

at December 31, 2002 are as follows: 2003 - $6.2 million, 2004 - $5.7 million, 2005 - $4.7 million, 2006 - $3.4 million, 2007 - $3.5 million, and 2008 and thereafter - $683.2 million.

The Company entered into a 75-year operating lease agreement during 1999 for 65.3 acres of land located in Osceola County, Florida for the development of Gaylord Palms. The lease required annual lease payments of approximately $0.9 million until the completion of construction in 2002, at which point the annual lease payments increased to approximately $3.2 million. The lease agreement provides for a 3% escalation of base rent each year beginning five years after the opening of Gaylord Palms.

During 2001 and 2002, the Company entered into certain agreements related to the construction of the new Gaylord hotel in Grapevine, Texas. At December 31, 2002, the Company has paid approximately $201.1 million related to these agreements, which is included as construction in progress in property and equipment in the Company's consolidated balance sheets.

During 1999, the Company entered into a 20-year naming rights agreement related to the Nashville Arena with the Nashville Predators. The Nashville Arena has been renamed the Gaylord Entertainment Center as a result of the agreement. The contractual commitment required the Company to pay $2.1 million during the first year of the contract, with a 5% escalation each year for the remaining term of the agreement, and to purchase a minimum number of tickets to Predators games each year.

The following table summarizes our significant contractual obligations as of

December 31, 2002, including long-term debt and operating and capital lease commitments:

(in thousands)

Contractual obligations	Total amounts committed	Less than 1 year	1-2 years	3-4 years	After 4 years
Long-term debt	$ 339,185	$ 8,004	$ 331,181	$ -	$ -
Capital leases	1,453	522	844	87	-
Construction commitments	275,000	204,000	71,000	-	-
Arena naming rights	61,323	2,373	5,108	5,632	48,210
Operating leases	706,794	6,242	10,410	6,940	683,202
Other	5,525	325	650	650	3,900
Total contractual obligations	$1,389,280	$ 221,466	$ 419,193	$ 13,309	$ 735,312

The total operating lease amount of $706.8 million above includes the 75-year operating lease agreement the Company entered into during 1999 for 65.3 acres of land located in Osceola County, Florida where Gaylord Palms is located.

NEWLY ISSUED ACCOUNTING STANDARDS

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 replaces EITF No. 94-3. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred, whereas EITF No. 94-3 had recognized the liability at the commitment date to an exit plan. The Company is required to adopt the provisions of SFAS No. 146 effective for exit or disposal activities initiated after December 31, 2002. The adoption of SFAS No. 146 is not expected to have any significant impact on previously reported costs.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of FASB Statement No. 123". SFAS No. 148 amends SFAS No. 123 to provide two

additional methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. This statement also amends the disclosure requirements of SFAS No. 123 to require certain disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company adopted the amended provisions of SFAS No. 148 on December 31, 2002 and the information contained in this report reflects the disclosure requirements of the new pronouncement. The Company will continue to account for employee stock-based compensation in accordance with APB Opinion No. 25.

FORWARD-LOOKING STATEMENTS

This report contains statements with respect to the Company's beliefs and expectations of the outcomes of future events that are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties, including, without limitation, the factors set forth under the caption "Risk Factors." Forward-looking statements include discussions regarding the Company's operating strategy, strategic plan, hotel development strategy, industry and economic conditions, financial condition, liquidity and capital resources, and results of operations. You can identify these statements by forward-looking words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," and similar expressions. Although we believe that the plans, objectives, expectations and prospects reflected in or suggested by our forward-looking statements are reasonable, those statements involve uncertainties and risks, and we cannot assure you that our plans, objectives, expectations and prospects will be achieved. 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 contained in Management's Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere in this report. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements. The Company does not undertake any obligation to update or to release publicly any revisions to forward-looking statements contained in this report to reflect events or circumstances occurring after the date of this report or to reflect the occurrence of unanticipated events.

MARKET RISK

The following discusses the Company's exposure to market risk related to changes in stock prices, interest rates and foreign currency exchange rates.

Investments - At December 31, 2002, the Company held an investment of 11.0 million shares of Viacom Class B common stock, which was received as the result of the sale of television station KTVT to CBS in 1999 and the subsequent acquisition of CBS by Viacom in 2000. The Company entered into a secured forward exchange contract related to 10.9 million shares of the Viacom stock in 2000. The secured forward exchange contract protects the Company against decreases in the fair market value of the Viacom stock, while providing for participation in increases in the fair market value. At December 31, 2002, the fair market value of the Company's investment in the 11.0 million shares of Viacom stock was $448.5 million, or $40.76 per share. The secured forward exchange contract protects the Company from market decreases below $56.04 per share, thereby limiting the Company's market risk exposure related to the Viacom stock. At per share prices greater than $56.04, the Company retains 100% of the per-share appreciation to a maximum per-share price of $75.66. For per-share appreciation above $75.66, the Company participates in 25.9% of the appreciation.

Interest Rate Swaps - The Company enters into interest rate swap agreements to manage its exposure to interest rate changes. The swaps involve the exchange of fixed and variable interest rate payments without changing the principal payments. The fair market value of these interest rate swap agreements represents the estimated receipts or payments that would be made to terminate the agreements. The fair market value of the interest rate swap agreements is determined by the lender. Changes in certain market conditions could materially affect the Company's consolidated financial position.

Outstanding Debt - The Company has exposure to interest rate changes primarily relating to outstanding indebtedness under the Term Loan, the Nashville Hotel Loans and potentially, with future financing arrangements. The Term Loan bears interest, at the Company's option, at the prime interest rate plus 2.125% or the Eurodollar rate plus 3.375%. The terms of the Term Loan required the purchase of interest rate hedges in notional amounts equal to $100 million in order to protect against adverse changes in the one-month Eurodollar rate. Pursuant to these agreements, the Company purchased instruments that cap its exposure to the one-month Eurodollar rate at 6.625%. During the third quarter of 2002, the instruments expired and the Company was not required to purchase any additional coverage. The terms of the Nashville Hotel Loans require the purchase of interest rate hedges in notional amounts equal to the outstanding balances of the Nashville Hotel Loans in order to protect against adverse changes in one-month LIBOR. Pursuant to these agreements, the Company has purchased instruments that cap its exposure to one-month LIBOR at 7.50%. The Company is currently negotiating with its lenders and others regarding the Company's future financing arrangements. If LIBOR and Eurodollar rates were to increase by 100 basis points each, the estimated impact on the Company's consolidated financial statements would be to reduce net income by approximately $2.4 million after taxes based on debt amounts outstanding at December 31, 2002.

Cash Balances - Certain of the Company's outstanding cash balances are occasionally invested overnight with high credit quality financial institutions. The Company does not have significant exposure to changing interest rates on invested cash at December 31, 2002. As a result, the interest rate market risk implicit in these investments at December 31, 2002, if any, is low.

Foreign Currency Exchange Rates - Substantially all of the Company's revenues are realized in U.S. dollars and are from customers in the United States. Although the Company owns certain subsidiaries who conduct business in foreign markets and whose transactions are settled in foreign currencies, these operations are not material to the overall operations of the Company. Therefore, the Company does not believe it has any significant foreign currency exchange rate risk. The Company does not hedge against foreign currency exchange rate changes and does not speculate on the future direction of foreign currencies.

Summary - Based upon the Company's overall market risk exposures at December 31, 2002, the Company believes that the effects of changes in the stock price of its Viacom stock or interest rates could be material to the Company's

consolidated financial position, results of operations or cash flows. However, the Company believes that the effects of fluctuations in foreign currency exchange rates on the Company's consolidated financial position, results of operations or cash flows would not be material.

ITEM 7a. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information called for by this Item is provided under the caption "Market Risk" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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 on page F-1 of this annual report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Effective June 14, 2002, the Company dismissed Arthur Andersen LLP ("Arthur Andersen") as the Company's independent public accountants. On that date, the Company appointed Ernst & Young LLP ("Ernst & Young") as its independent auditors for the fiscal year ending December 31, 2002. These actions were recommended by the Company's Audit Committee and approved by the Board of Directors of the Company.

Arthur Andersen's reports on the Company's consolidated financial statements for the Company's fiscal years ended 2001 and 2000 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

During the Company's two most recent fiscal years and any interim periods preceding the dismissal of Arthur Andersen, there were no disagreements between the Company and Arthur Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of Arthur Andersen, would have caused it to make a reference to the subject matter of the disagreement(s) in connection with its report.

During the Company's two most recent fiscal years and any interim periods preceding the dismissal of Arthur Andersen, there have been no reportable events of the type required to be disclosed by Item 304(a)(1)(v) of Regulation S-K.

The Company provided Arthur Andersen with a copy of the foregoing disclosure and Arthur Andersen stated its agreement with such statements.

During the fiscal years ended December 31, 2001 and 2000 and the subsequent interim period through June 14, 2002, the Company did not consult with Ernst & Young regarding any of the matters or events set fourth in Item 304(a)(2)(i) and (ii) of Regulation S-K. Notwithstanding the forgoing, during the fiscal year ended December 31, 2001 and during the first and second quarters of 2002, Ernst & Young and/or an affiliate thereof provided the Company with certain management and tax consulting services.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information about our Directors is incorporated herein by reference to the discussion under the heading "Item 1 - Election of Directors" in our Proxy

Statement for the 2003 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

Information required by Item 405 of Regulation S-K is incorporated herein by reference to the discussion under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement for the 2003 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

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

Our Board of Directors has determined that Robert P. Bowen is an "audit committee financial expert" as defined by the SEC and is independent, as that term is defined by the listing requirements of the New York Stock Exchange.

The Company has adopted a Code of Business Conduct and Ethics that applies to all of our directors and employees, including our President and Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, a copy of which has been posted on the Company's website at www.gaylordentertainment.com. The Company will make any legally required disclosures regarding amendments to, or waivers of, provisions of the Code of Business Conduct and Ethics on its website.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this Item is incorporated herein by reference to the discussion under the heading "Executive Compensation" in our Proxy Statement for the 2003 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

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 "Beneficial Ownership" and "Equity Compensation Plan Information" in our Proxy Statement for the 2003 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information required by this Item is incorporated herein by reference to the discussion under the heading "Certain Relationships and Related Transactions" in our Proxy Statement for the 2003 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

ITEM 14. CONTROLS AND PROCEDURES.

The Company maintains controls and procedures designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed within 90 days of the filing date of this report, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the Company's disclosure controls and procedures are effective. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

15(A)(1) FINANCIAL STATEMENTS

The accompanying index to financial statements on page F-1 of this annual report on Form 10-K is provided in response to this Item.

15(A)(2) FINANCIAL STATEMENT SCHEDULES

The following financial statement schedules are filed as a part of this report, with reference to the applicable pages of this annual report on Form 10-K:

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

15(A)(3) EXHIBITS

See Index to Exhibits, pages 55 through 59.

15(B) REPORTS ON FORM 8-K

No Current Reports on Form 8-K were filed with the Securities and Exchange Commission during the fourth quarter of 2002.

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.

GAYLORD ENTERTAINMENT COMPANY

By: /s/ COLIN V. REED

Colin V. Reed
President and Chief Executive Officer

March 28, 2003

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

SIGNATURE	TITLE	DATE
/s/ MICHAEL D. ROSE Michael D. Rose	Chairman of the Board	March 28, 2003
/s/ MARTIN C. DICKINSON Martin C. Dickinson	Director	March 28, 2003
/s/ CHRISTINE GAYLORD EVEREST Christine Gaylord Everest	Director	March 28, 2003
/s/ E. K. GAYLORD II E. K. Gaylord II	Director	March 28, 2003

/s/ ROBERT P. BOWEN ------------------------------ Robert P. Bowen	Director	March 28, 2003
/s/ LAURENCE S. GELLER ------------------------------ Laurence S. Geller	Director	March 28, 2003
/s/ E. GORDON GEE ------------------------------ E. Gordon Gee	Director	March 28, 2003
/s/ RALPH HORN ------------------------------ Ralph Horn	Director	March 28, 2003
/s/ COLIN V. REED ------------------------------ Colin V. Reed	Director, President and Chief Executive Officer (Principal Executive Officer)	March 28 2003
/s/ DAVID C. KLOEPPEL ------------------------------ David C. Kloeppel	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 28, 2003
/s/ KENNETH A. CONWAY ------------------------------ Kenneth A. Conway	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 28, 2003

CERTIFICATION

I, Colin V. Reed, certify that:

1. I have reviewed this annual report on Form 10-K of Gaylord Entertainment Company;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) Designed such disclosure controls and procedures 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 annual report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

By: /s/ COLIN V. REED

Colin V. Reed
President and Chief Executive Officer

CERTIFICATION

I, David C. Kloeppel, certify that:

1. I have reviewed this annual report of Form 10-K of Gaylord Entertainment Company;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) Designed such disclosure controls and procedures 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 annual report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

By: /s/ DAVID C. KLOEPPEL

David C. Kloeppel
Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
2.1+	Agreement and Plan of Merger dated February 9, 1997 by and among Westinghouse Electric Corporation ("Westinghouse"), G Acquisition Corp. and Old Gaylord (incorporated by reference to Exhibit 2.1 to Old Gaylord's Current Report on Form 8-K dated February 9, 1997 (File No. 1-10881)).
2.2+	Agreement and Plan of Merger, dated as of April 9, 1999, by and among the Registrant, Gaylord Television Company, Gaylord Communications, Inc., CBS Corporation, CBS Dallas Ventures, Inc. and CBS Dallas Media, Inc. (incorporated by reference to Exhibit 2 to the Registrant's Current Report on Form 8-K dated April 19, 1999 (File No. 1-13079)).
2.3+	First Amendment to the Agreement and Plan of Merger, dated as of October 8, 1999, by and among the Registrant, Gaylord Television Company, Gaylord Communications, Inc., CBS Corporation, CBS Dallas Ventures, Inc. and CBS Dallas Media, Inc. (incorporated by reference to Exhibit 2.3 to the Registration Statement on Form S-3 of CBS Corporation, as filed with the Securities and Exchange Commission on October 12, 1999 (File No. 333-88775)).
2.4+	Securities Purchase Agreement, dated as of March 9, 2001, by and among the Registrant, Gaylord Creative Group, Inc., PaperBoy Productions, Inc., and Gaylord Sports, Inc. (incorporated by reference to Exhibit 2.8 to Gaylord's Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 1-13079)).
2.5+	Purchase Agreement among WMGA, LLC and Registrant, and Registrant's subsidiary, Gaylord Creative Group, Inc. (incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K dated January 16, 2002).
2.6+	Asset Purchase Agreement, dated as of July 1, 2002, by and between Acuff-Rose Music Publishing, Inc., Acuff-Rose Music, Inc., Milene Music, Inc., Springhouse Music, Inc., and Hickory Records, Inc. and Sony/ATV Music Publishing LLC (incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).
2.7+	Purchase and Sale Agreement, dated as of June 28, 2002, by and between The Mills Limited Partnership (as Purchaser) and Opryland Attractions, Inc. (as Seller) (incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).
3.1	Restated Certificate of Incorporation of the Registrant

(incorporated by reference to Exhibit 3 to the Registrant's Current Report on Form 8-K dated October 7, 1997 (File No. 1-13079)).

3.2	Amendment to Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001).
3.3	Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form 10, as amended (File No. 1-13079)).
4.1	Specimen of Common Stock certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form 10, as amended (File No. 1-13079)).
10.1	Tax Disaffiliation Agreement by and among Old Gaylord, the Registrant and Westinghouse, dated September 30, 1997 (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, dated October 7, 1997 (File No. 1-13079)).

EXHIBIT NUMBER	DESCRIPTION
10.2	Agreement and Plan of Distribution, dated September 30, 1997, between Old Gaylord and the Registrant (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated October 7, 1997 (File No. 1-13079)).
10.3	Tax Matters Agreement, dated as of April 9, 1999, by and among the Registrant, Gaylord Television Company, Gaylord Communications, Inc. and CBS Corporation (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated April 19, 1999).
10.4	Amended and Restated Tax Matters Agreement, dated as of October 8, 1999, by and among the Registrant, Gaylord Television Company, Gaylord Communications, Inc. and CBS Corporation (incorporated by reference to Exhibit 2.4 to the Registration Statement on Form S-3 of CBS Corporation, as filed with the Securities and Exchange Commission on October 12, 1999).
10.5	First Amendment to Post-Closing Covenants Agreement and Non-Competition Agreements, dated as of April 9, 1999, by and among the Registrant, CBS Corporation, Edward L. Gaylord and E. K. Gaylord, II (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated April 19, 1999).
10.6	Opryland Hotel - Florida Ground Lease, dated as of March 3, 1999, by and between Xentury City Development Company, L.C., and Opryland Hotel - Florida Limited Partnership (incorporated by reference to Exhibit 10.11 to Gaylord's Annual Report on Form 10-K for the year ended December 31, 1999).
10.7	Guaranteed Maximum Price (GMP) Construction Agreement dated as of November 8, 1999, by and among Opryland Hotel - Florida, L.P. Opryland Hospitality Group, and Perini/Suitt (incorporated by reference to Exhibit 10.8 to Gaylord's Annual Report on Form 10-K for the year ended December 31, 2000).
10.8	First Amendment to Guaranteed Maximum Price (GMP) Construction Agreement dated as of September 5, 2000 by and among Opryland Hotel - Florida, L.P., Opryland Hospitality Group d/b/a OLH, G.P., and Perini/Suitt (incorporated by reference to Exhibit 10.9 to Gaylord's Annual Report on Form 10-K for the year ended December 31, 2000).
10.9	Naming Rights Agreement dated as of November 24, 1999, by and between Registrant and Nashville Hockey Club Limited Partnership (incorporated by reference to Exhibit 10.24 to Gaylord's Annual

Report on Form 10-K for the year ended December 31, 1999).

10.10	SAILS Mandatorily Exchangeable Securities Contract dated as of May 22, 2000, among the Registrant, OLH G.P., Credit Suisse First Boston International, and Credit Suisse First Boston Corporation, as agent (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K dated May 23, 2000).
10.11	SAILS Pledge Agreement dated as of May 22, 2000, among the Registrant, Credit Suisse First Boston International, and Credit Suisse First Boston Corporation, as agent (incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K dated May 23, 2000).
10.12	Amended and Restated Loan and Security Agreement dated as of March 27, 2001, by and between Opryland Hotel Nashville, LLC, and Merrill Lynch Mortgage Lending, Inc. (incorporated by reference to Exhibit 10.13 to Gaylord's Annual Report on Form 10-K for the year ended December 31, 2000).
10.13	Mezzanine Loan Agreement dated as of March 27, 2001, by and between Merrill Lynch Mortgage Capital Inc. and OHN Holdings, LLC (incorporated by reference to Exhibit 10.14 to Gaylord's Annual Report on Form 10-K for the year ended December 31, 2000).

EXHIBIT NUMBER	DESCRIPTION
10.14	First Amendment dated January 18, 2002 to Mezzanine Loan Agreement, dated as of March 27, 2001 by and between Opryland Mezzanine Trust 2001-1, a Delaware business trust, and OHN Holdings, LLC (incorporated by reference to Exhibit 10.5 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002).
10.15+	Credit Agreement, dated as of October 9, 2001 by and among Registrant, Opryland Hotel-Florida, L.P., Banker's Trust Company, Deutsche Banc, Alex. Brown, Inc. and Salomon Smith Barney, Inc. (incorporated by reference to Exhibit 10.15 to Registrants's Annual Report on Form 10-K for the year ended December 31, 2001).
10.16	First Amendment dated November 30, 2001 to Credit Agreement, dated as of October 9, 2001 by and among Registrant, Opryland Hotel-Florida, L.P., Bankers Trust Company, Citicorp Real Estate, Inc. and CIBC Inc. (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002).
10.17	Second Amendment dated December 31, 2001 to Credit Agreement, dated as of October 9, 2001 by and among Registrant, Opryland Hotel-Florida, L.P., Bankers Trust Company, Citicorp Real Estate, Inc. and CIBC Inc. (incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002).
10.18	Third Amendment dated February 28, 2002 to Credit Agreement, dated as of October 9, 2001 by and among Registrant, Opryland Hotel-Florida, L.P., Bankers Trust Company, Citicorp Real Estate, Inc. and CIBC Inc. (incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002).
10.19	Fourth Amendment dated May 1, 2002 to Credit Agreement, dated as of October 9, 2001 by and among Registrant, Opryland Hotel-Florida, L.P., Bankers Trust Company, Citicorp Real Estate, Inc. and CIBC Inc. (incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002).

10.20 Fifth Amendment dated June 28, 2002 to Credit Agreement, dated as of October 9, 2001 by and among Registrant, Opryland Hotel-Florida, L.P., Bankers Trust Company, Citicorp Real Estate, Inc. and CIBC Inc. (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).

10.21* 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.

10.22* Sublease Addendum Number 1, dated July 28, 2000, by and between the City of Grapevine, Texas and Opryland Hotel - Texas Limited Partnership.

10.23*+ Guaranteed Maximum Price Construction Agreement, dated November 15, 2002, by and between Gaylord Entertainment Company and Centex Construction Company, Inc.

EXECUTIVE COMPENSATION PLANS AND
MANAGEMENT CONTRACTS

10.24 Gaylord Entertainment Company 1997 Omnibus Stock Option and Incentive Plan (as amended at May 2002 Stockholders Meeting) (incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).

10.25 The Opryland USA Inc. Supplemental Deferred Compensation Plan (incorporated by reference to Exhibit 10.11 to Old Gaylord's Registration Statement on Form S-1 (Registration No. 33-42329)).

10.26 Gaylord Entertainment Company Retirement Benefit Restoration Plan (incorporated by reference to Exhibit 10.19 to Gaylord's Annual Report on Form 10-K for the year ended December 31, 2000).

10.27 Form of Severance Agreement between the Registrant and certain of its executive officers (incorporated by reference to Exhibit 10.23 to Old Gaylord's Annual Report on Form 10-K for the year ended December 31, 1996 (File No. 1-10881)).

10.28 Consulting Agreement, dated October 31, 2001, between the Registrant and Dave Jones (incorporated by reference to Exhibit 10.22 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).

10.29 Letter Agreement dated February 14, 2001 between the Registrant and Carl W. Kornmeyer (incorporated by reference to Exhibit 10.26 to Gaylord's Annual Report on Form 10-K for the year ended December 31, 2000).

10.30 Executive Employment Agreement of David C. Kloeppel, dated September 4, 2001, with Registrant (incorporated by reference to Exhibit 10.1 to Gaylord's Quarterly Report on Form 10-Q for quarter ended September 30, 2001).

10.31 Executive Employment Agreement of Colin V. Reed, dated April 23, 2001, with Registrant (incorporated by reference to Exhibit 10.1 to Gaylord's Quarterly Report on Form 10-Q for quarter ended June 30, 2001).

10.32 Executive Employment Agreement of Michael D. Rose, dated April 23, 2001, with Registrant (incorporated by reference to Exhibit 10.2 to Gaylord's Quarterly Report on Form 10-Q for quarter ended June 30, 2001).

10.33*	Letter Agreement, dated October 17, 2001, between the Registrant and Jay Sevigny.
10.34	Indemnification Agreement, dated as of April 23, 2001, by and between the Registrant and Colin V. Reed (incorporated by reference to Exhibit 10.30 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).
10.35	Indemnification Agreement, dated as of April 23, 2001, by and between the Registrant and Michael D. Rose (incorporated by reference to Exhibit 10.31 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).
10.36*	Form of Indemnification Agreement between the Registrant and each of its non-employee directors.
10.37*	Gaylord Entertainment Company Director Compensation Policy.
14*	Gaylord Entertainment Company Code of Business Conduct and Ethics.
16	Letter from Arthur Andersen LLP regarding change in independent auditor (incorporated by reference to Exhibit 16.1 to Registrant's Current Report on Form 8-K dated June 19, 2002).
21*	Subsidiaries of Gaylord Entertainment Company.
23*	Consent of Independent Public Accountants.
99.1*	Gaylord Entertainment Company Audit Committee Charter.

EXHIBIT NUMBER	DESCRIPTION
99.2*	Gaylord Entertainment Company Corporate Governance Guidelines.
99.3*	Gaylord Entertainment Company Nominating Committee Charter.
99.4*	Certification of Colin V. Reed pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.5*	Certification of David C. Kloeppel pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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

* Filed herewith.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Page

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of
Gaylord Entertainment Company

We have audited the accompanying consolidated balance sheets of Gaylord Entertainment Company and subsidiaries as of December 31, 2002 and 2001, and the related consolidated statements of operations, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gaylord Entertainment Company and subsidiaries as of December 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 3 to the consolidated financial statements, the accompanying consolidated balance sheet as of December 31, 2001 and the related consolidated statements of operations, cash flows and stockholders' equity for the years ended December 31, 2001 and 2000 have been restated.

As discussed in Note 1 and elsewhere in the consolidated financial statements, the Company changed its method of accounting for goodwill and intangible assets in 2002, derivative financial instruments and the disposition of long-lived assets in 2001.

Ernst & Young LLP

Nashville, Tennessee
February 5, 2003 (except for Notes 2 and 22, as to which the date is March 25, 2003)

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

(in thousands, except per share data)

	2002	(Restated) 2001	(Restated) 2000
REVENUES	$ 414,358	$ 304,273	$ 315,472
OPERATING EXPENSES:			
Operating costs	260,357	205,421	213,725
Selling, general and administrative	110,619	68,913	90,806
Preopening costs	8,913	15,927	5,278
Gain on sale of assets	(30,529)	-	-
Impairment and other charges	-	14,262	75,712
Restructuring charges	3	2,182	12,952
Depreciation	52,834	34,867	35,511
Amortization	3,786	3,738	9,352
Operating income (loss)	8,375	(41,037)	(127,864)
INTEREST EXPENSE, NET OF AMOUNTS CAPITALIZED	(46,960)	(39,365)	(30,319)
INTEREST INCOME	2,808	5,554	4,046
UNREALIZED GAIN (LOSS) ON VIACOM STOCK	(37,300)	782	-
UNREALIZED GAIN ON DERIVATIVES	86,476	54,282	-
OTHER GAINS AND LOSSES	1,163	2,661	(3,514)
Income (loss) before provision (benefit) for income taxes, discontinued operations and cumulative effect of accounting change	14,562	(17,123)	(157,651)
PROVISION (BENEFIT) FOR INCOME TAXES	1,806	(8,313)	(51,140)
Income (loss) from continuing operations before cumulative effect of accounting change	12,756	(8,810)	(106,511)
GAIN (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAXES	84,960	(50,188)	(49,545)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE, NET OF TAXES	(2,572)	11,202	-
Net income (loss)	$ 95,144	$ (47,796)	$(156,056)
INCOME (LOSS) PER SHARE:			
Income (loss) from continuing operations	$ 0.38	$ (0.26)	$ (3.19)
Gain (loss) from discontinued operations, net of taxes	2.52	(1.49)	(1.48)
Cumulative effect of accounting change, net of taxes	(0.08)	0.33	-
Net income (loss)	$ 2.82	$ (1.42)	$ (4.67)
INCOME (LOSS) PER SHARE - ASSUMING DILUTION:			
Income (loss) from continuing operations	$ 0.38	$ (0.26)	$ (3.19)
Gain (loss) from discontinued operations, net of taxes	2.52	(1.49)	(1.48)
Cumulative effect of accounting change, net of taxes	(0.08)	0.33	-
Net income (loss)	$ 2.82	$ (1.42)	$ (4.67)

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2002 AND 2001
(in thousands, except per share data)

	2002	(Restated) 2001
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	$ 98,632	$ 9,194
Cash and cash equivalents - restricted	19,323	64,993
Trade receivables, less allowance of $620 and $3,185, respectively	23,872	14,441
Deferred financing costs	26,865	26,865
Deferred income taxes	20,553	23,438

Other current assets	25,958	15,209
Current assets of discontinued operations	2,528	50,530
Total current assets	217,731	204,670
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	1,112,078	993,347
GOODWILL	9,280	13,501
INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	1,996	6,299
INVESTMENTS	509,080	550,172
ESTIMATED FAIR VALUE OF DERIVATIVE ASSETS	207,727	158,028
LONG-TERM DEFERRED FINANCING COSTS	100,933	137,513
OTHER ASSETS	24,352	30,098
LONG-TERM ASSETS OF DISCONTINUED OPERATIONS	9,019	84,016
Total assets	$ 2,192,196	$ 2,177,644
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 8,526	$ 88,004
Accounts payable and accrued liabilities	80,959	88,261
Current liabilities of discontinued operations	6,378	31,010
Total current liabilities	95,863	207,275
SECURED FORWARD EXCHANGE CONTRACT	613,054	613,054
NON-CURRENT LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, NET OF CURRENT PORTION	332,112	380,993
DEFERRED INCOME TAXES	244,372	138,599
ESTIMATED FAIR VALUE OF DERIVATIVE LIABILITIES	48,647	85,424
OTHER LIABILITIES	67,903	52,796
LONG-TERM LIABILITIES OF DISCONTINUED OPERATIONS	781	836
MINORITY INTEREST OF DISCONTINUED OPERATIONS	1,885	1,679
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value, 100,000 shares authorized, no shares issued or outstanding	-	-
Common stock, $.01 par value, 150,000 shares authorized, 33,780 and 33,736 shares issued and outstanding, respectively	338	337
Additional paid-in capital	520,796	519,695
Retained earnings	282,798	187,654
Unearned compensation	(1,018)	(2,021)
Accumulated other comprehensive loss	(15,335)	(8,677)
Total stockholders' equity	787,579	696,988
Total liabilities and stockholders' equity	$ 2,192,196	$ 2,177,644

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

(in thousands)

	2002	(Restated) 2001	(Restated) 2000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 95,144	$ (47,796)	$(156,056)
Amounts to reconcile net income (loss) to net cash flows provided by operating activities:			
(Gain) loss on discontinued operations, net of taxes	(84,960)	50,188	49,545
Impairment and other charges	-	14,262	75,712
Cumulative effect of accounting change, net of taxes	2,572	(11,202)	-
Unrealized gain on Viacom stock and related derivatives	(49,176)	(55,064)	-

Depreciation and amortization	56,620	38,605	44,863
Gain on sale of assets	(30,529)	-	-
Provision (benefit) for deferred income taxes	65,070	(10,599)	(51,118)
Amortization of deferred financing costs	36,164	35,987	20,780
Changes in (net of acquisitions and divestitures):			
Trade receivables	(9,431)	5,893	7,987
Accounts payable and accrued liabilities	(280)	(16,650)	40,083
Other assets and liabilities	3,628	14,630	5,555
Net cash flows provided operating activities - continuing operations	84,822	18,254	37,351
Net cash flows provided by (used in) operating activities - discontinued operations	2,458	(2,764)	(26,117)
Net cash flows provided by operating activities	87,280	15,490	11,234
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(185,649)	(281,080)	(223,037)
Proceeds from sale of assets	30,875	-	-
Other investing activities	9,406	3,033	(27,226)
Net cash flows used in investing activities - continuing operations	(145,368)	(278,047)	(250,263)
Net cash flows provided by (used in) investing activities - discontinued operations	232,454	17,953	(38,677)
Net cash flows provided by (used in) investing activities	87,086	(260,094)	(288,940)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of debt	85,000	535,000	175,500
Repayment of long-term debt	(214,846)	(241,503)	(3,500)
Cash proceeds from secured forward exchange contract	-	-	613,054
Deferred financing costs paid	-	(19,582)	(195,452)
Net payments under revolving credit agreements	-	-	(294,000)
Decrease (increase) in cash and cash equivalents - restricted	45,670	(52,326)	(12,667)
Proceeds from exercise of stock options and stock purchase plans	919	2,548	2,136
Net cash flows provided by (used in) financing activities - continuing operations	(83,257)	224,137	285,071
Net cash flows provided by (used in) financing activities - discontinued operations	(1,671)	2,904	9,306
Net cash flows provided by (used in) financing activities	(84,928)	227,041	294,377
NET CHANGE IN CASH AND CASH EQUIVALENTS - UNRESTRICTED	89,438	(17,563)	16,671
CASH AND CASH EQUIVALENTS - UNRESTRICTED, BEGINNING OF YEAR	9,194	26,757	10,086
CASH AND CASH EQUIVALENTS - UNRESTRICTED, END OF YEAR	$ 98,632	$ 9,194	$ 26,757

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2002, 2001 AND 2000

(in thousands)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	UNEARNED COMPENSATION	OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL STOCKHOLDERS' EQUITY
BALANCE, DECEMBER 31, 1999 (AS PREVIOUSLY REPORTED)	$ 333	$ 512,308	$ 351,028	$ (1,570)	$ 99,060	$ 961,159
RESTATEMENT ADJUSTMENTS	-	93	40,478	-	-	40,571
BALANCE, DECEMBER 31, 1999 (RESTATED)	333	512,401	391,506	(1,570)	99,060	1,001,730
COMPREHENSIVE LOSS:						
Net loss	-	-	(156,056)	-	-	(156,056)
Unrealized loss on investments, net	-	-	-	-	(81,901)	(81,901)
Foreign currency translation	-	-	-	-	(705)	(705)
Comprehensive loss						(238,662)
Exercise of stock options	2	1,845	-	-	-	1,847
Tax benefit on stock options	-	1,000	-	-	-	1,000
Employee stock plan purchases	-	289	-	-	-	289
Issuance of restricted stock	1	2,776	-	(2,777)	-	-
Cancellation of restricted stock	(2)	(4,705)	-	4,707	-	-
Compensation expense	-	173	-	(440)	-	(267)
BALANCE, DECEMBER 31, 2000 (Restated)	334	513,779	235,450	(80)	16,454	765,937
COMPREHENSIVE LOSS:						
Net loss	-	-	(47,796)	-	-	(47,796)
Reclassification of gain on						

marketable securities	-	-	-	-	(17,957)	(17,957)
Unrealized loss on interest rate caps	-	-	-	-	(213)	(213)
Minimum pension liability, net of deferred income taxes	-	-	-	-	(7,672)	(7,672)
Foreign currency translation	-	-	-	-	711	711
Comprehensive loss						(72,927)
Exercise of stock options	2	2,327	-	-	-	2,329
Tax benefit on stock options	-	720	-	-	-	720
Employee stock plan purchases	-	219	-	-	-	219
Issuance of restricted stock	1	3,664	-	(3,665)	-	-
Cancellation of restricted stock	-	(928)	-	928	-	-
Compensation expense	-	(86)	-	796	-	710
BALANCE, DECEMBER 31, 2001 (RESTATED)	337	519,695	187,654	(2,021)	(8,677)	696,988
COMPREHENSIVE INCOME:						
NET INCOME	-	-	95,144	-	-	95,144
UNREALIZED LOSS ON INTEREST RATE CAPS	-	-	-	-	(161)	(161)
MINIMUM PENSION LIABILITY, NET OF DEFERRED INCOME TAXES	-	-	-	-	(7,252)	(7,252)
FOREIGN CURRENCY TRANSLATION	-	-	-	-	755	755
COMPREHENSIVE INCOME						88,486
EXERCISE OF STOCK OPTIONS	1	660	-	-	-	661
TAX BENEFIT ON STOCK OPTIONS	-	28	-	-	-	28
EMPLOYEE STOCK PLAN PURCHASES	-	206	-	-	-	206
MODIFICATION OF STOCK PLAN	-	52	-	-	-	52
ISSUANCE OF RESTRICTED STOCK	-	115	-	(115)	-	-
ISSUANCE OF STOCK WARRANTS	-	40	-	-	-	40
CANCELLATION OF RESTRICTED STOCK	-	(32)	-	32	-	-
COMPENSATION EXPENSE	-	32	-	1,086	-	1,118
BALANCE, DECEMBER 31, 2002	$ 338	$ 520,796	$ 282,798	$ (1,018)	$ (15,335)	$ 787,579

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gaylord Entertainment Company (the "Company") is a diversified hospitality and entertainment company operating, through its subsidiaries, principally in four business segments: hospitality; attractions; media and corporate and other. Due to management's decision during 2002 to pursue plans to dispose of certain businesses, those businesses have been presented as discontinued operations as described in more detail below and in Note 6.

BUSINESS SEGMENTS

HOSPITALITY

The hospitality segment includes the operations of Gaylord Hotels(TM) branded hotels and the Radisson Hotel at Opryland. At December 31, 2002, the Company owns and operates the Gaylord Opryland Resort Hotel and Convention Center ("Gaylord Opryland") (formerly known as the Opryland Hotel Nashville), the Gaylord Palms Resort Hotel and Convention Center ("Gaylord Palms") (formerly known as the Opryland Hotel Florida) and the Radisson Hotel at Opryland. Gaylord Opryland and the Radisson Hotel at Opryland are both located in Nashville, Tennessee. Gaylord Opryland is owned and operated by Opryland Hotel Nashville, LLC, a consolidated wholly-owned separate legal entity incorporated in Delaware. The Gaylord Palms in Kissimmee, Florida opened in January 2002. The Company is developing a Gaylord hotel in Grapevine, Texas, which is expected to open in 2004. The Company has the option to purchase land for the development of a hotel in the Washington, D.C. area. This project is subject to the availability of financing and final approval of the Company's Board of Directors.

ATTRACTIONS

The attractions segment includes all of the Company's Nashville-based tourist attractions. At December 31, 2002, these include the Grand Ole Opry, the General Jackson Showboat, the Wildhorse Saloon, the Ryman Auditorium and the Springhouse Golf Club, among others. The attractions segment also includes Corporate Magic, which specializes in the production of creative events in the corporate entertainment marketplace.

MEDIA

At December 31, 2002, the Company's media segment includes the operations of three radio stations in Nashville, Tennessee. During 1999, the Company created a new division, Gaylord Digital, formed to initiate a focused Internet strategy as further discussed in Note 7. During 2000, the Company closed Gaylord Digital, as further discussed in Note 4.

CORPORATE AND OTHER

Corporate includes salaries and benefits of the Company's executive and administrative personnel and various other overhead costs. This segment also includes the expenses associated with the Company's ownership of various investments, including Bass Pro, the Nashville Predators, the naming rights agreement and Opry Mills. The Company owns minority interests in Bass Pro, Inc. ("Bass Pro"), a leading retailer of premium outdoor sporting goods and fishing products, and the Nashville Predators, a National Hockey League professional team. Until the second quarter of 2002, the Company owned a minority interest in a partnership with The Mills Corporation that developed Opry Mills, a Nashville

entertainment and retail complex, which opened in May 2000. The Company sold its interest in Opry Mills during 2002 to certain affiliates of The Mills Corporation as further discussed in Note 8. During the first quarter of 2002, the Company disclosed that it intended to dispose of its investment in the Nashville Predators.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company and all of its majority-owned subsidiaries. Investments in less than 50% owned limited partnerships are accounted for utilizing the equity method. All significant intercompany accounts and transactions have been eliminated in consolidation.

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 represent cash held in escrow for required capital expenditures, property taxes, insurance payments and other reserves required pursuant to the terms of the Company's debt agreements, as further described in Note 13. The Company also has restricted cash balances of $0.6 million which collateralize certain outstanding letters of credit.

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest for the years ended December 31 was comprised of:

(in thousands)	2002	2001	2000
Debt interest paid	$ 17,749	$ 23,405	$ 13,043
Deferred financing costs paid	-	19,582	195,452
Capitalized interest	(6,825)	(18,781)	(6,775)
Cash interest paid, net of capitalized interest	$ 10,924	$ 24,206	$ 201,720

Income taxes refunds received were $64.6 million, $23.9 million and $18.5 million for the years ended December 31, 2002, 2001 and 2000, respectively.

ACCOUNTS RECEIVABLE

The Company's accounts receivable are primarily generated by meetings and convention attendees room nights. Receivables arising from these sales are not collateralized. Credit risk associated with the accounts receivables is minimized due to the large and diverse nature of the customer base. No customer accounted for more than 10% of the Company's trade receivables at December 31, 2002.

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. At December 31, 2001, the Company had fully reserved a $2.4 million trade receivable from a customer. During 2002, the

Company learned the customer would not be able to pay the Company for the receivable and therefore, wrote the trade receivable off against the related reserve.

DEFERRED FINANCING COSTS

Deferred financing costs consist of prepaid interest, loan fees and other costs of financing that are amortized over the term of the related financing agreements, using the effective interest method. For the years ended December 31, 2002, 2001 and 2000, deferred financing costs of $36.2 million, $36.0 million and $20.8 million, respectively, were amortized and recorded as interest expense in the accompanying consolidated statements of operations. The current portion of deferred financing costs at December 31, 2002 represents the amount of prepaid contract payments related to the secured forward exchange contract discussed in Note 11 that will be amortized in the coming year.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. 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 is included in the cost of the applicable capital addition. Maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated using straight-line method over the following estimated useful lives:

Buildings	40 years
Land improvements	20 years
Attractions-related equipment	16 years

Furniture, fixtures and equipment	3-8 years
Leasehold improvements	The shorter of the lease term or useful life

IMPAIRMENT OF LONG-LIVED ASSETS

In accounting for the Company's long-lived assets other than goodwill, the Company applies the provisions of Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". The Company adopted the provisions of SFAS No. 144 during 2001 with an effective date of January 1, 2001.

GOODWILL AND INTANGIBLES

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 supersedes Accounting Principles Board ("APB") Opinion No. 16, "Business Combinations" and requires the use of the purchase method of accounting for all business combinations prospectively. SFAS No. 141 also provides guidance on recognition of intangible assets apart from goodwill. The Company adopted the provisions of SFAS No. 141 in June of 2001. SFAS No. 142 supercedes APB Opinion No. 17, "Intangible Assets", and changes the accounting for goodwill and intangible assets. Under SFAS No. 142, goodwill and intangible assets with indefinite useful lives are no longer amortized but are tested for impairment at least annually and whenever events or circumstances occur indicating that these intangible assets may be impaired. The Company adopted the provisions of SFAS No. 142 effective January 1, 2002, and as a result, the Company ceased the amortization of goodwill on that date. In accordance with the provisions of SFAS 142, the Company performs its annual review of impairment of goodwill by comparing the carrying value of the applicable reporting unit to the fair value of the reporting unit. If the fair value is less than the carrying value, then the Company measures potential impairment by assigning the assets and liabilities of the Company to the reporting unit in a manner similar to a purchase transaction, in accordance with the provisions of SFAS 141, and comparing the implied value of goodwill to its carrying value. The Company's goodwill and intangibles are discussed further in Note 20.

LEASES

The Company is leasing a 65.3 acre site in Osceola County, Florida on which the Gaylord Palms is located and has various other leasing arrangements, including leases for office space and office equipment. The Company accounts for lease obligations in accordance with SFAS No. 13, "Accounting for Leases", and related interpretations. The Company's leases are discussed further in Note 17.

INVESTMENTS

The Company owns investments in marketable securities and has minority interest investments in certain businesses. Marketable securities are accounted for in accordance with the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities". Generally, non-marketable investments 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 are accounted for using the equity method of accounting.

OTHER ASSETS

Other current and long-term assets of continuing operations at December 31 consist of:

(in thousands)	2002	2001

Other current assets:		
Other current receivables	$ 5,916	$ 5,097
Note receivable - current portion	10,000	-
Inventories	3,900	3,450
Prepaid expenses	3,880	5,971
Current income tax receivable	1,478	-
Other current assets	784	691
Total other current assets	$25,958	$15,209
Other long-term assets:		
Note receivable	$ 7,500	$17,791
Deferred software costs, net	11,130	8,025
Other long-term assets	5,722	4,282
Total other long-term assets	$24,352	$30,098

Other current assets

Other current receivables result primarily from non-operating income and are due within one year. The current note receivable at December 31, 2002, is an unsecured note receivable from Bass Pro, which bears interest at a fixed annual rate of 8% which is payable annually. This note matures in October 2003. Inventories consist primarily of merchandise for resale and are carried at the lower of cost or market. Cost is computed on an average cost basis. Prepaid expenses consist of prepaid insurance and contracts that will be expensed during the subsequent year.

Other long-term assets

Long-term note receivable relates to an separate unsecured note receivable from Bass Pro. This long-term note receivable bears interest at a variable rate which is payable quarterly and matures in 2009.

The Company capitalizes the costs of computer software for internal use in accordance with the American Institute of Certified Public Accountants ("AICPA") Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". Accordingly, the Company capitalized the external costs to acquire and develop computer software and certain internal payroll costs during 2002 and 2001. Deferred software costs are amortized on a straight-line basis over their estimated useful lives of 3 to 5 years.

PREOPENING COSTS

In accordance with AICPA SOP 98-5, "Reporting on the Costs of Start-Up Activities", the Company expenses the costs associated with preopening expenses related to the construction of new hotels, start-up activities and organization costs as incurred.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of continuing operations at December 31 consist of:

(in thousands)	2002	2001
Trade accounts payable	$ 7,547	$ 6,797
Accrued construction in progress	17,484	27,011
Property and other taxes payable	15,884	15,352
Deferred revenues	11,910	7,357

Accrued salaries and benefits	7,787	7,049
Restructuring accruals	701	5,737
Accrued self-insurance reserves	3,755	4,848
Accrued interest payable	554	1,099
Accrued advertising and promotion	4,206	1,728
Other accrued liabilities	11,131	11,283
Total accounts payable and accrued liabilities	$80,959	$88,261

Deferred revenues consist primarily of deposits on advance room bookings and advance ticket sales at the Company's tourism properties. The Company is self-insured up to a stop loss for certain losses relating to workers' compensation claims, employee medical benefits and general liability claims. The Company recognizes self-insured losses based upon estimates of the aggregate liability for uninsured claims incurred using certain actuarial assumptions followed in the insurance industry or the Company's historical experience.

INCOME TAXES

In accordance with SFAS No. 109, "Accounting for 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. See Note 14 for more detail on the Company's income taxes.

MINORITY INTERESTS OF DISCONTINUED OPERATIONS

Minority interests relate to the interests in consolidated companies that the Company does not wholly own. The Company allocates income to the minority interests based on the percentage ownership throughout the year.

REVENUE RECOGNITION

Revenues are recognized when services are provided or goods are shipped, as applicable. Provision for returns and other adjustments are provided for in the same period the revenues are recognized.

ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising costs were $23.9 million, $26.6 million and $41.6 million for the years ended December 31, 2002, 2001 and 2000, respectively. The decrease in advertising expense during 2002 and 2001 compared to 2000 was the closing of Gaylord Digital as discussed in Note 4.

STOCK-BASED COMPENSATION

SFAS No. 123, "Accounting for Stock-Based Compensation", encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for employee stock-based compensation using the intrinsic value method as prescribed in APB Opinion No. 25, "Accounting for Stock Issued to Employees", and related Interpretations, under which no compensation cost related to employee stock options has been recognized. In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of SFAS No. 123". SFAS No. 148 amends SFAS No. 123 to provide two additional methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. This statement also amends the disclosure requirements of SFAS No. 123 to require certain disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company adopted the amended disclosure provisions of SFAS No. 148 on December 31, 2002 and the information contained in this report reflect the disclosure requirements of the new pronouncement. The Company will continue to account for employee stock-based compensation in accordance with APB Opinion No. 25.

If compensation cost for these plans had been determined consistent with the provisions of SFAS No. 123, the Company's net income (loss) and income (loss) per share for the years ended December 31 would have been reduced (increased) to the following pro forma amounts:

(net income (loss) in thousands) (per share data in dollars)	2002	2001	2000
NET INCOME (LOSS):			
As reported	$ 95,144	$ (47,796)	$ (156,056)
Stock-based employee compensation, net of tax effect	$ 3,190	$ 2,412	$ 1,233
Pro forma	$ 91,954	$ (50,208)	$ (157,289)
INCOME (LOSS) PER SHARE:			
As reported	$ 2.82	$ (1.42)	$ (4.67)
Pro forma	$ 2.72	$ (1.50)	$ (4.71)
INCOME (LOSS) PER SHARE - ASSUMING DILUTION:			
As reported	$ 2.82	$ (1.42)	$ (4.67)
Pro forma	$ 2.72	$ (1.50)	$ (4.71)

The Company's stock-based compensation is further described in Note 16.

DISCONTINUED OPERATIONS

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS No. 144 superseded SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and the accounting and reporting provisions for the disposal of a segment of a business of APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions". SFAS No. 144 retained the requirements of SFAS No. 121 for the recognition and measurement of an impairment loss and broadened the presentation of discontinued operations to include a component of an entity (rather than a segment of a business). The Company adopted the provisions of SFAS No. 144 during 2001 with an effective date of January 1, 2001. All dispositions or commitments to dispose of assets or businesses occuring prior to January 1, 2001 have been accounted for and presented in accordance with the provisions of APB Opinion No. 30.

In accordance with the provisions of SFAS No. 144 and APB Opinion No. 30, the Company has presented the operating results, financial position and cash flows of the following businesses as discontinued operations in the accompanying financial statements as of December 31, 2002 and 2001 and for each of the three years ended December 31, 2002: Word Entertainment ("Word"), the Company's contemporary Christian music business; the Acuff-Rose Music Publishing entity; GET Management, the Company's artist management business which was sold during 2001; the Company's ownership interest in the Redhawks, a minor league baseball team based in Oklahoma City, Oklahoma; the Company's international cable networks; the businesses sold to affiliates of The Oklahoma Publishing Company ("OPUBCO") in 2001 consisting of Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television and Gaylord Production Company; and the Company's water taxis that were sold in 2001. The results of operations of these businesses, including impairment and other charges, restructuring charges and any gain or loss on disposal, have been reflected as discontinued operations, net of taxes, in the accompanying consolidated statements of operations and the assets and liabilities of these businesses are reflected as discontinued operations in the accompanying consolidated balance sheets, as further described in Note 6.

INCOME (LOSS) PER SHARE

SFAS No. 128, "Earnings Per Share", established standards for computing and presenting earnings per share. Under the standards established by SFAS No. 128, earnings per share is measured at two levels: 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. Income per share amounts are calculated as follows for the years ended December 31:

	2002		
(income and share amounts in thousands)	INCOME	SHARES	PER SHARE
Net income	$ 95,144	33,763	$ 2.82
Effect of dilutive stock options	-	31	-
Net income - assuming dilution	$ 95,144	33,794	$ 2.82

	2001		
	Loss	Shares	Per Share
Net loss	$ (47,796)	33,562	$ (1.42)
Effect of dilutive stock options	-	-	-
Net loss - assuming dilution	$ (47,796)	33,562	$ (1.42)

	2000		
	Loss	Shares	Per Share
Net loss	$ (156,056)	33,389	$ (4.67)
Effect of dilutive stock options	-	-	-
Net loss - assuming dilution	$ (156,056)	33,389	$ (4.67)

For the years ended December 31, 2001 and 2000, the effect of dilutive stock options was the equivalent of 99,000 shares and 120,000 shares, respectively, of common stock outstanding. Because the Company had a net loss in each of the years ended December 31, 2001 and 2000, these incremental shares were excluded from the computation of diluted earnings per share for those years as the effect of their inclusion would be anti-dilutive.

COMPREHENSIVE INCOME

SFAS No. 130, "Reporting Comprehensive Income" requires that changes in the amounts of certain items, including gains and losses on certain securities, be shown in the financial statements as a component of comprehensive income. The Company's comprehensive income (loss) is presented in the accompanying consolidated statements of stockholders' equity.

FINANCIAL INSTRUMENTS

The Company's carrying value of its debt and long-term notes receivable approximates fair value based upon the variable nature of these financial instruments' interest rates. Certain of the Company's investments are carried at fair value determined using quoted market prices as discussed further in Note 10. The carrying amount of short-term financial instruments (cash, trade receivables, accounts payable and accrued liabilities) approximates fair value due to the short

maturity of those instruments. The concentration of credit risk on trade receivables is minimized by the large and diverse nature of the Company's customer base.

DERIVATIVES AND HEDGING ACTIVITIES

The Company utilizes derivative financial instruments to reduce interest rate risks and to manage risk exposure to changes in the value of certain owned marketable securities as discussed in Note 12. Effective January 1, 2001, the Company records derivatives in accordance with the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which was subsequently amended by SFAS No. 138. SFAS No. 133, as amended, established accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires all derivatives to be recognized in the statement of financial position and to be measured at fair value. Changes in the fair value of those instruments are reported in earnings or other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting.

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 July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 replaces Emerging Issues Task Force ("EITF") No. 94-3. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred, whereas EITF No. 94-3 had recognized the liability at the commitment date to an exit plan. The Company is required to adopt the provisions of SFAS No. 146 effective for exit or disposal activities initiated after December 31, 2002. The adoption of SFAS No. 146 is not expected to have any significant impact on previously reported costs.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of SFAS No. 123". SFAS No. 148 amends SFAS No. 123 to provide two additional methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. This statement also amends the disclosure requirements of SFAS No. 123 to require certain disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company adopted the amended disclosure provisions of SFAS No. 148 on December 31, 2002 and the information contained in this report reflect the disclosure requirements of the new pronouncement. The Company will continue to account for employee stock-based compensation in accordance with APB Opinion No. 25.

2. CONSTRUCTION FUNDING REQUIREMENTS

Additional long-term financing is required to fund the Company's construction commitments related to its hotel development projects and to fund its overall anticipated operating losses in 2003. As of December 31, 2002, the Company had $98.6 million in unrestricted cash in addition to the net cash flows from certain operations to fund its cash requirements including the Company's 2003 construction commitments related to its hotel construction projects. These resources are not adequate to fund all of the Company's 2003 construction commitments. As a result of these required future financing requirements, the Company is currently negotiating with its lenders and others regarding the Company's future financing arrangements.

In February 2003, the Company received a commitment for a $225 million credit facility arranged by Deutsche Bank Trust Company Americas, Bank of America, N.A., and CIBC Inc. (collectively, the "Lenders"). However, the commitment is subject to the completion of certain remaining due diligence by the Lenders and the Lenders have the right to revise the credit facility structure and/or decline to perform under the commitment if certain conditions are not fulfilled or if certain changes occur within the financial markets. The proceeds of this financing will be used to repay the Company's existing $60 million Term Loan, to compete the construction of the Texas hotel and fund any operating losses of the Company in 2003.

Management currently anticipates securing the long-term financing under the existing commitment from the Lenders and expects to close the financing in the second quarter of 2003. If the Company is unable to secure a portion of the additional financing it is seeking, or if the timing of such financing is significantly delayed, the Company will be required to curtail certain of its development expenditures on current and future construction projects to ensure adequate liquidity to fund the Company's operations.

3. RE-AUDIT AND RESTATEMENT OF FINANCIAL STATEMENTS

During 2002, the Company committed to plans of disposal for Acuff-Rose Music Publishing and the Oklahoma City Redhawks resulting in the reclassification of balances and operating results of those two businesses as discontinued operations in the Company's historical financial statements. Based on the requirements of applicable auditing standards, the Company engaged Ernst & Young LLP ("Ernst & Young"), the Company's current auditors, to perform the required re-audits of the Company's 2001 and 2000 consolidated financial statements since the Company's prior auditors, Arthur Andersen LLP, had ceased operations.

As a part of the re-audit process, Ernst & Young raised certain issues for the Company's consideration and after review of the relevant information, the Company determined that certain revisions were necessary to the Company's historical consolidated financial statements. The revisions, which result primarily from a change to the Company's income tax accrual and to accounting for its investment in the Nashville Predators limited partnership ("Predators"), as well as certain other items, increased retained earnings at January 1, 2000 by approximately $40.5 million, increased net loss for the year ended December 31, 2000 by approximately $2.6 million, increased the net loss for the year ended December 31, 2001 by approximately $53,000, and decreased unaudited net income for the first six months of 2002 by approximately $13.0 million. Restated information related to the Company's unaudited quarterly financial information for the years 2002 and 2001 is contained in Note 23. These restatements did not impact cash flows from operating, investing or financing activities.

The first principal issue identified relates to income tax reserves maintained for certain tax related items as a result of a corporate reorganization in 1999. Upon further consideration of the facts and circumstances existing at the time of the reorganization, the Company has determined that the income tax reserves should not have been established. As a result of these changes, retained earnings at January 1, 2000 has increased by approximately $47 million. In addition, because some other elements of the restated income tax reserve were reversed during 2002 due to the expiration of the applicable statute of limitations, previously reported unaudited net income for the first six months of 2002 decreased by approximately $14.0 million to reflect the elimination of the income tax reserve should not have been established in 1999.

The second principal issue relates to the Company's accounting for its investment in the Predators. The Company purchased a limited partnership interest in the Predators during 1997. The Company's limited partnership interest includes an 8% preferred return and the right to put the investment back to the Predators over three annual installments beginning in 2002. Moreover, it does not provide the Company with any right to receive any distributions in excess of its stated return and does not require the Company to fund any capital or operating shortfalls in the partnership. The Company had not previously recorded its pro-rata share of losses of the Predators in its historical statements of operations. However, after consultation with Ernst & Young concerning the accounting for the Company's investment in the Predators, the Company determined that it would be appropriate to recognize its pro-rata share of the Predators' operating results, which have been primarily losses. The revisions associated with the Company's investment, net of taxes, in the Predators decreased retained earnings at January 1, 2000 by approximately $4.0 million, increased net loss by approximately $1.0 million and $2.0 million for the years ended December 31, 2001 and 2000, respectively, and decreased unaudited net income for the first six months of 2002 by approximately $1.0 million. During 2002, the investment in the Predators reached zero. The Company has not reduced the investment below zero as the Company is under no obligation to fund additional amounts to the Predators.

The Company also revised its historical financial statements for other, less significant items by decreasing retained earnings by approximately $2.0 million at January 1, 2000, by increasing the net loss for the year ended December 31, 2000 by approximately $2.0 million, by reducing the net loss for the year ended December 31, 2001 by approximately $2.0 million, and by increasing

unaudited net income for the first nine months of 2002 as previously reported by approximately $3.0 million.

The restated consolidated financial statements include both the impact of reclassifying discontinued operations as required by SFAS No. 144 (as discussed in Note 6) and the restatement changes discussed above.

The following consolidated statements of operations and balance sheets reconcile previously reported and restated financial information.

(in thousands)	Year ended December 31, 2001 As reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	Year ended December 31, 2001 Restated
REVENUES	$ 325,159	$ (20,886)	$ 304,273	$ -	$ 304,273
OPERATING EXPENSES:					
Operating costs	218,357	(12,936)	205,421	-	205,421
Selling, general and administrative	71,718	(2,798)	68,920	(7)	68,913
Preopening costs	15,141	-	15,141	786	15,927
Impairment and other charges	14,262	-	14,262	-	14,262
Restructuring charges	2,182	-	2,182	-	2,182
Depreciation	35,579	(712)	34,867	-	34,867
Amortization	5,696	(1,958)	3,738	-	3,738
Operating income (loss)	(37,776)	(2,482)	(40,258)	779	(41,037)
INTEREST EXPENSE, NET OF AMOUNTS CAPITALIZED	(39,365)	-	(39,365)	-	(39,365)
INTEREST INCOME	5,625	(71)	5,554	-	5,554
UNREALIZED GAIN (LOSS) ON VIACOM STOCK	782	-	782	-	782
UNREALIZED GAIN ON DERIVATIVES	54,282	-	54,282	-	54,282
OTHER GAINS AND LOSSES	5,976	145	6,121	(3,460)	2,661
Income (loss) before cumulative effect of accounting change	(10,476)	(2,408)	(12,884)	(4,239)	(17,123)
PROVISION (BENEFIT) FOR INCOME TAXES	(3,188)	(324)	(3,512)	(4,801)	(8,313)
Income (loss) from continuing operations before cumulative effect of accounting change	(7,288)	(2,084)	(9,372)	562	(8,810)
GAIN (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAXES	(52,364)	2,084	(50,280)	92	(50,188)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE, NETOF TAXES	11,909	-	11,909	(707)	11,202
Net income (loss)	$ (47,743)	$ -	$ (47,743)	$ (53)	$ (47,796)

(Per share data in dollars)	Year ended December 31, 2001 As reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	Year ended December 31, 2001 Restated
INCOME (LOSS) PER SHARE:					
Income (loss) from continuing operations	$ (0.22)	$ (0.05)	$ (0.27)	$ 0.01	$ (0.26)
Gain (loss) from discontinued operations, net of taxes	(1.55)	0.05	(1.50)	0.01	(1.49)
Cumulative effect of accounting change, net of taxes	0.35	-	0.35	(0.02)	0.33
Net income (loss)	$ (1.42)	$ -	$ (1.42)	$ (0.00)	$ (1.42)
INCOME (LOSS) PER SHARE - ASSUMING DILUTION:					
Income (loss) from continuing operations	$ (0.22)	$ (0.05)	$ (0.27)	$ 0.01	$ (0.26)
Gain (loss) from discontinued operations, net of taxes	(1.55)	0.05	(1.50)	0.01	(1.49)
Cumulative effect of accounting change, net of taxes	0.35	-	0.35	(0.02)	0.33
Net income (loss)	$ (1.42)	$ -	$ (1.42)	$ (0.00)	$ (1.42)

(in thousands)	December 31, 2001 As reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	December 31, 2001 Restated
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents - unrestricted	$ 10,846	$ (1,652)	$ 9,194	$ -	$ 9,194
Cash and cash equivalents - restricted	64,993	-	64,993	-	64,993
Trade receivables, less allowance	19,264	(4,185)	15,079	(638)	14,441
Deferred financing costs	26,865	-	26,865	-	26,865
Deferred income taxes	-	-	-	23,438	23,438
Other current assets	18,462	(1,813)	16,649	(1,440)	15,209
Current assets of discontinued operations	42,880	7,650	50,530	-	50,530
Total current assets	183,310	-	183,310	21,360	204,670
Property and equipment, net of accumulated depreciation	1,000,332	(6,985)	993,347	-	993,347
GOODWILL	15,013	(1,162)	13,851	(350)	13,501
INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	10,322	(4,023)	6,299	-	6,299
INVESTMENTS	561,409	(49)	561,360	(11,188)	550,172
ESTIMATED FAIR VALUE OF DERIVATIVE ASSETS	158,028	-	158,028	-	158,028
LONG-TERM DEFERRED FINANCING COSTS	137,513	-	137,513	-	137,513
OTHER ASSETS	47,702	(17,604)	30,098	-	30,098
LONG-TERM ASSETS OF DISCONTINUED OPERATIONS	54,193	29,823	84,016	-	84,016
Total assets	$ 2,167,822	$ -	$ 2,167,822	$ 9,822	$ 2,177,644

(in thousands)	December 31, 2001 As reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	December 31, 2001 Restated
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Current portion of long-term debt	$ 88,004	$ -	$ 88,004	$ -	$ 88,004
Accounts payable and accrued liabilities	98,419	(7,375)	91,044	(2,783)	88,261
Current liabilities of discontinued operations	23,635	7,375	31,010	-	31,010
Total current liabilities	210,058	-	210,058	(2,783)	207,275
Secured forward exchange contract	613,054	-	613,054	-	613,054
LONG-TERM DEBT, NET OF CURRENT PORTION	380,993	-	380,993	-	380,993
DEFERRED INCOME TAXES, NET	165,824	-	165,824	(27,225)	138,599
ESTIMATED FAIR VALUE OF DERIVATIVE LIABILITIES	85,424	-	85,424	-	85,424
OTHER LIABILITIES	52,304	-	52,304	492	52,796
LONG-TERM LIABILITIES OF DISCONTINUED OPERATIONS	7	-	7	829	836
MINORITY INTEREST	1,679	(1,679)	-	-	-
MINORITY INTEREST OF DISCONTINUED OPERATIONS	-	1,679	1,679	-	1,679
Commitments and contingencies					
STOCKHOLDERS' EQUITY:					
Preferred stock	-	-	-	-	-
Common stock	337	-	337	-	337
Additional paid-in capital	519,515	-	519,515	180	519,695
Retained earnings	149,815	-	149,815	37,839	187,654
Unearned compensation	(2,021)	-	(2,021)	-	(2,021)
Other comprehensive loss	(9,167)	-	(9,167)	490	(8,677)
Total stockholders' equity	658,479	-	658,479	38,509	696,988
Total liabilities and stockholders' equity	$ 2,167,822	$ -	$ 2,167,822	$ 9,822	$ 2,177,644

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands)	Year ended December 31, 2000 As reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	Year ended December 31, 2000 Restated
REVENUES	$ 335,462	$ (19,990)	$ 315,472	$ -	$ 315,472
OPERATING EXPENSES:					
Operating costs	226,126	(12,401)	213,725	-	213,725
Selling, general and administrative	93,958	(3,015)	90,943	(137)	90,806
Preopening costs	5,278	-	5,278	-	5,278
Impairment and other charges	76,597	(885)	75,712	-	75,712
Restructuring charges	13,098	(146)	12,952	-	12,952
Depreciation	36,030	(519)	35,511	-	35,511
Amortization	11,550	(2,198)	9,352	-	9,352
Operating income (loss)	(127,175)	(826)	(128,001)	(137)	(127,864)
INTEREST EXPENSE, NET OF AMOUNTS CAPITALIZED	(30,319)	-	(30,319)	-	(30,319)
INTEREST INCOME	4,173	(127)	4,046	-	4,046
UNREALIZED GAIN (LOSS) ON VIACOM STOCK	-	-	-	-	-
UNREALIZED GAIN ON DERIVATIVES	-	-	-	-	-
OTHER GAINS AND LOSSES	(1,277)	174	(1,103)	(2,411)	(3,514)
Income (loss) before cumulative effect of accounting change	(154,598)	(779)	(155,377)	(2,274)	(157,651)
PROVISION (BENEFIT) FOR INCOME TAXES	(49,867)	151	(49,716)	(1,424)	(51,140)
Income (loss) from continuing operations before cumulative effect of accounting change	(104,731)	(930)	(105,661)	(850)	(106,511)
GAIN (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAXES	(48,739)	930	(47,809)	(1,736)	(49,545)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE, NET OF TAXES	-	-	-	-	-
Net income (loss)	$ (153,470)	$ -	$ (153,470)	$ (2,586)	$ (156,056)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Per share data in dollars)	Year ended December 31, 2000 As reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	Year ended December 31, 2000 Restated
INCOME (LOSS) PER SHARE:					
Income (loss) from continuing operations	$ (3.14)	$ (0.03)	$ (3.17)	$ (0.02)	$ (3.19)
Gain (loss) from discontinued operations, net of taxes	(1.46)	0.03	(1.43)	(0.05)	(1.48)
Cumulative effect of accounting change, net of taxes	-	-	-	-	-
Net income (loss)	$ (4.60)	$ -	$ (4.60)	$ (0.07)	$ (4.67)
INCOME (LOSS) PER SHARE - ASSUMING DILUTION:					
Income (loss) from continuing operations	$ (3.14)	$ (0.03)	$ (3.17)	$ (0.02)	$ (3.19)
Gain (loss) from discontinued operations, net of taxes	(1.46)	0.03	(1.43)	(0.05)	(1.48)
Cumulative effect of accounting change, net of taxes	-	-	-	-	-
Net income (loss)	$ (4.60)	$ -	$ (4.60)	$ (0.07)	$ (4.67)

4. IMPAIRMENT AND OTHER CHARGES

During 2000, the Company experienced a significant number of departures from its senior management, including the Company's president and chief executive officer. In addition, the Company continued to produce weaker than anticipated operating results during 2000 while attempting to fund its capital requirements related to its hotel construction project in Florida and hotel development activities in Texas. As a result of these factors, during 2000, the Company completed an assessment of its strategic alternatives related to its operations and capital requirements and developed a strategic plan designed to refocus the Company's operations, reduce its operating losses and reduce its negative cash flows (the "2000 Strategic Assessment").

As a result of the 2000 Strategic Assessment, the Company adopted a plan to divest a number of its under-performing businesses through sale or closure and to curtail certain projects and business lines that were no longer projected to produce a positive return. As a result of the completion of the 2000 Strategic Assessment, the Company recognized pretax impairment and other charges in accordance with the provisions of SFAS No. 121 and other relevant authoritative literature.

During 2001, the Company named a new chairman and a new chief executive officer, and had numerous changes in senior management, primarily because of certain 2000 events discussed below. The new management team instituted a corporate reorganization and the reevaluation of the Company's businesses and other investments (the "2001 Strategic Assessment"). As a result of the 2001 Strategic Assessment, the Company determined that the carrying value of certain long-lived assets were not fully recoverable and recorded further pretax impairment and other charges to continuing operations in accordance with the provisions of SFAS No. 144.

The components of the impairment and other charges related to continuing operations for the years ended December 31 are as follows:

(in thousands)	2001	2000
Programming, film and other content	$ 6,858	$ 7,410
Gaylord Digital and other technology investments	4,576	48,127
Property and equipment	2,828	3,397
Orlando-area Wildhorse Saloon	-	15,854
Other	-	924
Total impairment and other charges	$ 14,262	$ 75,712

Additional impairment and other charges of $53.7 million and $29.8 million during 2001 and 2000, respectively, are included in discontinued operations.

2001 Impairment and Other Charges

The Company began production of an IMAX movie during 2000 to portray the history of country music. As a result of the 2001 Strategic Assessment, the carrying value of the IMAX film asset was reevaluated on the basis of its estimated future cash flows resulting in an impairment charge of $6.9 million. At December 31, 2000, the Company held a minority investment in a technology start-up business. During 2001, the unfavorable environment for technology businesses created difficulty for this business to obtain adequate capital to execute its business plan and, subsequently, the Company was notified that this technology business had been unsuccessful in arranging financing, resulting in an impairment charge of $4.6 million. The Company also recorded an impairment charge related to idle real estate of $2.0 million during 2001 based upon an assessment of the value of the property. The Company sold this idle real estate during the second quarter of 2002. Proceeds from the sale approximated the carrying value of the property. In addition, the Company recorded an impairment charge for other idle property and equipment

totaling $0.8 million during 2001 primarily due to the consolidation of offices resulting from personnel reductions as discussed in Note 4.

2000 Impairment and Other Charges

The Company's 2000 Strategic Assessment of its programming, film and other content assets resulted in pretax impairment and other charges of $7.4 million based upon the projected cash flows for these assets. This charge included investments of $5.1 million, other receivables of $2.1 million and music and film catalogs of $0.2 million.

The Company closed Gaylord Digital, its Internet-related business in 2000. During 1999 and 2000, Gaylord Digital was unable to produce the operating results initially anticipated and required an extensive amount of capital to fund its operating losses, investments and technology infrastructure. As a result of the closing, the Company recorded a pretax charge of $48.1 million in 2000 to reduce the carrying value of Gaylord Digital's assets to their fair value based upon estimated selling prices. The Gaylord Digital charge included the write-down of intangible assets of $25.8 million, property and equipment (including software) of $14.8 million, investments of $7.0 million and other assets of $0.6 million. The operating results of Gaylord Digital are included in continuing operations. Excluding the effect of the impairment and other charges, Gaylord Digital had revenues of $3.9 million and operating losses of $27.5 million for the year ended December 31, 2000.

During the course of conducting the 2000 Strategic Assessment, other property and equipment of the Company were reviewed to determine whether the change in the Company's strategic direction resulted in additional impaired assets. This review indicated that certain property and equipment would not be recovered by projected cash flows. The Company recorded pretax impairment and other charges related to its property and equipment of $3.4 million. These charges included property and equipment write-downs in the hospitality segment of $1.4 million, in the attractions segment of $0.3 million, in the media segment of $0.2 million, and in the corporate and other segment of $1.5 million.

During November 2000, the Company ceased the operations of the Orlando-area Wildhorse Saloon. Walt Disney World(R) Resort paid the Company approximately $1.8 million for the net assets of the Orlando-area Wildhorse Saloon and released the Company from its operating lease for the Wildhorse Saloon location. As a result of this divestiture, the Company recorded pretax charges of $15.9 million to reflect the impairment and other charges related to the divestiture. The Orlando-area Wildhorse Saloon charges included the write-off of equipment of $9.4 million, intangible assets of $8.1 million and other working capital items of $0.1 million offset by the $1.8 million of proceeds received from Disney. The operating results of the Orlando-area Wildhorse Saloon are included in continuing operations. Excluding the effect of the impairment and other charges, the Orlando-area Wildhorse Saloon had revenues of $4.4 million and operating losses of $1.6 million for the year ended December 31, 2000.

5. RESTRUCTURING CHARGES

The following table summarizes the activities of the restructuring charges included in continuing operations for the years ended December 31, 2002, 2001 and 2000:

(in thousands)	BALANCE AT DECEMBER 31, 2001	RESTRUCTURING CHARGES AND ADJUSTMENTS	PAYMENTS	BALANCE AT DECEMBER 31, 2002
2002 restructuring charge	$ -	$ 1,082	$ 1,082	$ -
2001 restructuring charges	4,168	(1,079)	2,658	431
2000 restructuring charge	1,569	-	1,299	270
	$ 5,737	$ 3	$ 5,039	$ 701

	BALANCE AT DECEMBER 31, 2000	RESTRUCTURING CHARGES AND ADJUSTMENTS	PAYMENTS	BALANCE AT DECEMBER 31, 2001
2001 restructuring charges	$ -	$ 5,848	$ 1,680	$ 4,168
2000 restructuring charge	10,825	(3,666)	5,590	1,569
	$ 10,825	$ 2,182	$ 7,270	$ 5,737

	BALANCE AT DECEMBER 31, 1999	RESTRUCTURING CHARGES AND ADJUSTMENTS	PAYMENTS	BALANCE AT DECEMBER 31, 2000
2000 restructuring charge	$ -	$ 13,186	$ 2,361	$ 10,825
1999 restructuring charge	469	(234)	235	-
	$ 469	$ 12,952	$ 2,596	$ 10,825

2002 Restructuring Charge

As part of the Company's ongoing assessment of operations, the Company identified certain duplication of duties within divisions and realized the need to streamline those tasks and duties. Related to this assessment, during the second quarter of 2002 the Company adopted a plan of restructuring resulting in a pretax restructuring charge of $1.1 million related to employee severance costs and other employee benefits unrelated to the discontinued operations. These restructuring charges were recorded in accordance with EITF No. 94-3. As of December 31, 2002, the Company has recorded cash payments of $1.08 million against the 2002 restructuring accrual. During the fourth quarter of 2002, the outplacement agreements expired related to the 2002 restructuring charge. Therefore, the Company reversed the remaining $67,000. There was no remaining balance of the 2002 restructuring accrual at December 31, 2002.

2001 Restructuring Charges

During 2001, the Company recognized net pretax restructuring charges from continuing operations of $5.8 million related to streamlining operations and reducing layers of management. These restructuring charges were recorded in accordance with EITF No. 94-3. During the second quarter of 2002, the Company entered into two subleases to lease certain office space the Company previously had recorded in the 2001 restructuring charges. As a result, the Company reversed $0.9 million of the 2001 restructuring charges during 2002 related to continuing operations based upon the occurrence of certain triggering events. Also during the second

quarter of 2002, the Company evaluated the 2001 restructuring accrual and determined certain severance benefits and outplacement agreements had expired and adjusted the previously recorded amounts by $0.2 million. As of December 31, 2002, the Company has recorded cash payments of $4.4 million against the 2001 restructuring accrual. The remaining balance of the 2001 restructuring accrual at December 31, 2002 of $0.4 million is included in accounts payable and accrued liabilities in the consolidated balance sheets. The Company expects the remaining balances of the 2001 restructuring accrual to be paid during

2003.

2000 Restructuring Charge

As part of the Company's 2000 strategic assessment, the Company recognized pretax restructuring charges of $13.1 million related to continuing operations during 2000, in accordance with EITF Issue No. 94-3. Additional restructuring charges of $3.2 million during 2000 were included in discontinued operations. During the second quarter of 2002, the Company entered into a sublease that reduced the liability the Company was originally required to pay and the Company reversed $0.1 million of the 2000 restructuring charge related to the reduction in required payments. During 2001, the Company negotiated reductions in certain contract termination costs, which allowed the reversal of $3.7 million of the restructuring charges originally recorded during 2000. As of December 31, 2002, the Company has recorded cash payments of $9.3 million against the 2000 restructuring accrual related to continuing operations. The remaining balance of the 2000 restructuring accrual at December 31, 2002 of $0.3 million, from continuing operations, is included in accounts payable and accrued liabilities in the consolidated balance sheets, which the Company expects to be paid during 2003.

6. DISCONTINUED OPERATIONS

As discussed in Note 1, the Company has reflected the following businesses as discontinued operations, consistent with the provisions of SFAS No. 144 and APB No. 30. The results of operations, net of taxes, (prior to their disposal where applicable) and the carrying value of the assets and liabilities of these businesses have been reflected in the accompanying consolidated financial statements as discontinued operations in accordance with SFAS No. 144 for all periods presented. These restatements did not impact cash flows from operating, investing or financing activities.

Acuff-Rose Music Publishing

During the second quarter of 2002, the Company committed to a plan of disposal of its Acuff-Rose Music Publishing catalog entity. During the third quarter of 2002, the Company finalized the sale of the Acuff-Rose Music Publishing entity to Sony/ATV Music Publishing for approximately $157.0 million in cash. The Company recognized a pretax gain of $130.6 million during the third quarter of 2002 related to the sale in discontinued operations. The gain on the sale of Acuff-Rose Music Publishing is recorded in income from discontinued operations in the consolidated statement of operations. Proceeds of $25.0 million were used to reduce the Company's outstanding indebtedness as further discussed in Note 13.

OKC Redhawks

During 2002, the Company committed to a plan of disposal of its ownership interests in the Redhawks, a minor league baseball team based in Oklahoma City, Oklahoma.

Word Entertainment

During 2001, the Company committed to a plan to sell Word Entertainment. As a result of the decision to sell Word Entertainment, the Company reduced the carrying value of Word Entertainment to its estimated fair value by recognizing a pretax charge of $30.4 million in discontinued operations during 2001. The estimated fair value of Word Entertainment's net assets was determined based upon ongoing negotiations with potential buyers. Related to the decision to sell Word Entertainment, a pretax restructuring charge of $1.5 million was recorded in discontinued operations in 2001. The restructuring charge consisted of $0.9 million related to lease termination costs and $0.6 million related to severance costs. In addition, the Company recorded a reversal of $0.1 million of restructuring charges originally recorded during 2000. During the first quarter of 2002, the Company sold Word Entertainment's domestic operations to an affiliate of Warner Music Group for $84.1 million in cash, subject to future purchase price adjustments. The Company recognized a pretax gain of $0.5 million in discontinued operations during the first quarter of 2002 related to the sale of Word Entertainment. Proceeds from the sale of $80.0 million were used to reduce the Company's outstanding indebtedness as further discussed in Note 13.

International Cable Networks

During the second quarter of 2001, the Company adopted a formal plan to dispose of its international cable networks. As part of this plan, the Company hired investment bankers to facilitate the disposition process, and formal communications with potentially interested parties began in July 2001. In an attempt to simplify the disposition process, in July 2001, the Company acquired an additional 25% ownership interest in its music networks in Argentina, increasing its ownership interest from 50% to 75%. In August 2001, the partnerships in Argentina finalized a pending transaction in which a third party acquired a 10% ownership interest in the companies in exchange for satellite, distribution and sales services, bringing the Company's interest to 67.5%.

In December 2001, the Company made the decision to cease funding of its cable networks in Asia and Brazil as well as its partnerships in Argentina if a sale had not been completed by February 28, 2002. At that time the Company recorded pretax restructuring charges of $1.9 million consisting of $1.0 million of severance and $0.9 million of contract termination costs related to the networks. Also during 2001, the Company negotiated reductions in the contract termination costs with several vendors that resulted in a reversal of $0.3 million of restructuring charges originally recorded during 2000. Based on the status of the Company's efforts to sell its international cable networks at the end of 2001, the Company recorded pretax impairment and other charges of $23.3 million during 2001. Included in this charge are the impairment of an investment in the two Argentina-based music channels totaling $10.9 million, the impairment of fixed assets, including capital leases associated with certain transponders leased by the Company, of $6.9 million, the impairment of a receivable of $3.0 million from the Argentina-based channels, current assets of $1.5 million, and intangible assets of $1.0 million.

During the first quarter of 2002, the Company finalized a transaction to sell certain assets of its Asia and Brazil networks, including the assignment of certain transponder leases. Also during the first quarter of 2002, the Company ceased operations based in Argentina. The transponder lease assignment requires the Company to guarantee lease payments in 2002 from the acquirer of these networks. As such, the Company recorded a lease liability for the amount of the assignee's portion of the transponder lease.

Businesses Sold to OPUBCO

During 2001, the Company sold five businesses (Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television and Gaylord Production Company) to affiliates of OPUBCO for $22.0 million in cash and the assumption of debt of $19.3 million. The Company recognized a pretax loss of $1.7 million related to the sale in discontinued operations in the accompanying consolidated statements of operations. OPUBCO owns a minority interest in the Company. During 2002, three of the Company's directors are also directors of OPUBCO and voting trustees of a voting trust that controls OPUBCO. Additionally, these three directors collectively own a significant ownership interest in the Company.

The following table reflects the results of operations of businesses accounted for as discontinued operations for the years ended December 31 (in thousands):

	2002	2001	2000
REVENUES:			
Acuff-Rose Music Publishing	$ 7,654	$ 14,764	$ 14,100
Redhawks	6,289	6,122	5,890
Word Entertainment	2,594	115,677	130,706
International cable networks	744	5,025	6,606
Businesses sold to OPUBCO	-	2,195	39,706
Other	-	609	1,900
Total revenues	$ 17,281	$ 144,392	$ 198,908
OPERATING INCOME (LOSS):			
Acuff-Rose Music Publishing	$ 933	$ 2,119	$ 1,688
Redhawks	841	363	169
Word Entertainment	(917)	(5,710)	(15,241)
International cable networks	(1,576)	(6,375)	(9,655)
Businesses sold to OPUBCO	-	(1,816)	(8,240)
Other	-	(383)	(144)
Impairment and other charges	-	(53,716)	(29,826)
Restructuring charges	-	(2,959)	(3,241)
Total operating loss	(719)	(68,477)	(64,490)
INTEREST EXPENSE	(81)	(797)	(1,310)
INTEREST INCOME	81	199	683
OTHER GAINS AND LOSSES	135,442	(4,131)	(4,419)
Income (loss) before benefit for income taxes	134,723	(73,206)	(69,536)
PROVISION (BENEFIT) FOR INCOME TAXES	49,763	(23,018)	(19,991)
Net income (loss) from discontinued operations	$ 84,960	$ (50,188)	$ (49,545)

The assets and liabilities of the discontinued operations presented in the accompanying consolidated balance sheets are comprised of:

	2002	2001
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,812	$ 3,889
Trade receivables, less allowance of $2,785 and $5,003, respectively	456	28,999
Inventories	163	6,486
Prepaid expenses	97	10,333
Other current assets	-	823
Total current assets	2,528	50,530
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	3,242	17,342
GOODWILL	1,162	28,688
INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	3,942	6,125
MUSIC AND FILM CATALOGS	-	26,274
OTHER LONG-TERM ASSETS	673	5,587
Total long-term assets	9,019	84,016
Total assets	$ 11,547	$ 134,546
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 94	$ 5,515
Accounts payable and accrued liabilities	6,284	25,495
Total current liabilities	6,378	31,010
LONG-TERM DEBT, NET OF CURRENT PORTION	-	-
OTHER LONG-TERM LIABILITIES	781	836
Total long-term liabilities	781	836

Total liabilities	7,159	31,846
MINORITY INTEREST OF DISCONTINUED OPERATIONS	1,885	1,679
TOTAL LIABILITIES AND MINORITY INTEREST OF DISCONTINUED OPERATIONS	$ 9,044	$ 33,525

7. ACQUISITIONS

During 2000, the Company acquired Corporate Magic, a company specializing in the production of creative events in the corporate entertainment marketplace, for $7.5 million in cash and a $1.5 million note payable. The acquisition was financed through borrowings under the Company's revolving credit agreement and was accounted for using the purchase method of accounting. The operating results of Corporate Magic have been included in the accompanying consolidated financial statements from the date of the acquisition.

During 1999, the Company formed Gaylord Digital, its Internet initiative, and acquired 84% of two online operations, Musicforce.com and Lightsource.com, for approximately $23.4 million in cash. During 2000, the Company acquired the remaining 16% of Musicforce.com and Lightsource.com for approximately $6.5 million in cash. The acquisition was financed through borrowings under the Company's revolving credit agreement and has been accounted for using the purchase method of accounting. The operating results of the online operations have been included in the

accompanying consolidated financial statements from the date of acquisition of a controlling interest. During 2000, the Company announced the closing of Gaylord Digital, as further discussed in Note 4.

8. DIVESTITURES

During 1998, the Company entered into a partnership with The Mills Corporation to develop the Opry Mills Shopping Center in Nashville, Tennessee. The Company held a one-third interest in the partnership as well as the title to the land on which the shopping center was constructed, which was being leased to the partnership. During the second quarter of 2002, the Company sold its partnership share to certain affiliates of The Mills Corporation for approximately $30.8 million in cash proceeds. In accordance with the provisions of SFAS No. 66, "Accounting for Sales of Real Estate", and other applicable pronouncements, the Company recognized a gain of $10.6 million during the second quarter of 2002 and deferred approximately $20.0 million of the gain representing the estimated fair value of the continuing land lease interest between the Company and the Opry Mills partnership at June 30, 2002. During the third quarter of 2002, the Company sold its interest in the land lease to an affiliate of the Mills Corporation and recognized the remaining $20.0 million deferred gain, less certain transaction costs.

During 2001, the indemnification period related to the Company's 1999 disposition of television station KTVT in Dallas-Fort Worth ended, resulting in the recognition of a pretax gain of $4.6 million related to the reversal of previously recorded indemnification liabilities. The gain is included in other gains and losses in the accompanying consolidated statements of operations.

During 2000, the Company sold its KOA Campground located near Gaylord Opryland for $2.0 million in cash. The Company recognized a pretax loss on the sale of $3.2 million, which is included in other gains and losses in the accompanying consolidated statements of operations. Also during 2000, the Company divested its Orlando-area Wildhorse Saloon and Gaylord Digital, as further discussed in Note 4.

9. PROPERTY AND EQUIPMENT

Property and equipment of continuing operations at December 31 is recorded at cost and summarized as follows:

(in thousands)	2002	2001
Land and land improvements	$ 129,355	$ 95,496
Buildings	820,038	498,478
Furniture, fixtures and equipment	316,914	235,160
Construction in progress	207,223	474,697
	1,473,530	1,303,831
Accumulated depreciation	(361,452)	(310,484)
Property and equipment, net	$ 1,112,078	$ 993,347

Concurrent with the sale of the Opry Mills partnership, the Company purchased $5.0 million of land from The Mills Corporation.

The decrease in construction in progress during 2002 primarily relates to the opening of the Gaylord Palms which resulted in the transfer of assets previously recorded in construction in progress into the appropriate property and equipment categories as the assets were placed into service. The decrease in construction in progress was partially offset by an increase in the costs of the Texas hotel construction project. Buildings and furniture, fixtures and equipment also increased due to renovations at Gaylord Opryland. Depreciation expense of continuing operations for the years ended December 31, 2002, 2001 and 2000 was $52.8 million, $34.9 million and $35.5 million, respectively. Capitalized interest for the years ended December 31, 2002, 2001 and 2000 was $6.8 million, $18.8 million and $6.8 million, respectively.

10. INVESTMENTS

Investments related to continuing operations at December 31 are summarized as follows:

(in thousands)	2002	2001
Viacom Class B non-voting common stock	$448,482	$485,782
Bass Pro	60,598	60,598
Other investments	-	3,792
Total investments	$509,080	$550,172

The Company acquired CBS Series B convertible preferred stock ("CBS Stock") during 1999 as consideration in the divestiture of television station KTVT. CBS merged with Viacom in May 2000. As a result of the merger of CBS and Viacom, the Company received 11,003,000 shares of Viacom Class B non-voting common stock ("Viacom Stock"). The original carrying value of the CBS Stock was $485.0 million.

At December 31, 2000, the Viacom Stock was classified as available-for-sale as defined by SFAS No. 115, and accordingly, the Viacom Stock was recorded at market value, based upon the quoted market price, with the difference between cost and market value recorded as a component of other comprehensive income, net of deferred income taxes. In connection with the Company's adoption of SFAS No. 133, effective January 1, 2001, the Company recorded a nonrecurring pretax gain of

$29.4 million, related to reclassifying its investment in the Viacom Stock from available-for-sale to trading as defined by SFAS No. 115. This gain, net of taxes of $11.4 million, had been previously recorded as a component of stockholders' equity. As trading securities, the Viacom Stock continues to be recorded at market value, but changes in market value are included as gains and losses in the consolidated statements of operations. For the year ended December 31, 2002, the Company recorded net pretax losses of $37.3 million related to the decrease in fair value of the Viacom Stock. For the year ended December 31, 2001, the Company recorded net pretax losses of $28.6 million related to the decrease in fair value of the Viacom Stock subsequent to January 1, 2001.

Bass Pro completed a restructuring at the end of 1999 whereby certain assets, including a resort hotel in Southern Missouri and an interest in a manufacturer of fishing boats, are no longer owned by Bass Pro. Subsequent to the Bass Pro restructuring, the Company's ownership interest in Bass Pro equaled 19% and, accordingly, the Company accounts for the investment using the cost method of accounting. Prior to the restructuring, the Company accounted for the Bass Pro investment using the equity method of accounting through December 31, 1999.

During 1997, the Company purchased a 19.9% limited partnership interest in the Nashville Predators for $12.0 million. The Company accounts for its investment using the equity method as required by EITF No. 02-14 "Whether the Equity Method of Accounting Applies When an Investor Does Not Have an Investment in Voting Stock of an Investee but Exercises Significant Influence through Other Means". The Company recorded its share of losses of $1.4 million, $3.9 million and $2.0 million during 2002, 2001 and 2000, respectively, resulting from the Nashville Predators' net losses. The carrying value of the investment in the Predators was zero at December 31, 2002 and $1.4 million at December 31, 2001. The Company has not reduced its investment below zero as the Company is not obligated to make future contributions to the Nashville Predators.

11. SECURED FORWARD EXCHANGE CONTRACT

During May 2000, the Company entered into a seven-year secured forward exchange contract ("SFEC") with an affiliate of Credit Suisse First Boston with respect to 10,937,900 shares of Viacom Stock. The seven-year SFEC has a notional amount of $613.1 million and required contract payments based upon a stated 5% rate. The SFEC protects the Company against decreases in the fair market value of the Viacom Stock while providing for participation in increases in the fair market value, as discussed below. The Company realized cash proceeds from the SFEC of $506.5 million, net of discounted prepaid contract payments and prepaid interest related to the first 3.25 years of the contract and transaction costs totaling $106.6 million. In October 2000, the Company prepaid the remaining 3.75 years of contract interest payments required by the SFEC of $83.2 million. As a result of the prepayment, the Company will not be required to make any further contract payments during the seven-year term of the SFEC. Additionally, as a result of the prepayment, the Company was released from certain covenants of the SFEC, which related to sales of assets, additional indebtedness and liens. The unamortized balances of the prepaid contract interest are classified as current assets of $26.9 million as of December 31, 2002 and 2001 and long-term assets of $91.2 million and $118.1 million in the accompanying consolidated balance sheets as of December 31, 2002 and 2001, respectively. The Company is recognizing the prepaid contract payments and deferred financing charges associated with the SFEC as interest expense over the seven-year contract period using the effective interest method. The Company utilized $394.1 million of the net proceeds from the SFEC to repay all outstanding indebtedness under its 1997 revolving credit facility. As a result of the SFEC, the 1997 revolving credit facility was terminated.

The Company's obligation under the SFEC is collateralized by a security interest in the Company's Viacom Stock. At the end of the seven-year contract term, the Company may, at its option, elect to pay in cash rather than by delivery of all or a portion of the Viacom Stock. The SFEC eliminates the Company's exposure to any decline in Viacom's share price below $56.05. During the seven-year term of the SFEC, if the Viacom Stock appreciates by 35% or less, the Company will retain the increase in value of the Viacom Stock. If the Viacom Stock appreciates by more than 35%, the Company will retain the first 35% increase in value of the Viacom Stock and approximately 25.9% of any appreciation in excess of 35%.

In accordance with the provisions of SFAS No. 133, as amended, certain components of the secured forward exchange contract are considered derivatives, as discussed in Note 12.

12. DERIVATIVE FINANCIAL INSTRUMENTS

The Company utilizes derivative financial instruments to reduce interest rate risks and to manage risk exposure to changes in the value of its Viacom Stock. In accordance with the provisions of SFAS No. 133, the Company recorded a gain of $11.2 million, net of taxes of $7.1 million, as a cumulative effect of an accounting change effective January 1, 2001 to record the derivatives

associated with the SFEC at fair value. For the year ended December 31, 2002, the Company recorded net pretax gains in the Company's consolidated statement of operations of $86.5 million related to the increase in the fair value of the derivatives associated with the SFEC. For the year ended December 31, 2001, the Company recorded net pretax gains in the Company's consolidated statement of operations of $54.3 million related to the increase in fair value of the derivatives associated with the SFEC subsequent to January 1, 2001.

During 2001, the Company entered into three contracts to cap its interest rate risk exposure on its long-term debt. Two of the contracts cap the Company's exposure to one-month LIBOR rates on up to $375.0 million of outstanding indebtedness at 7.5%. Another interest rate cap, which caps the Company's exposure on one-month Eurodollar rates on up to $100.0 million of outstanding indebtedness at 6.625%, expired in October 2002. These interest rate caps qualify for treatment as cash flow hedges in accordance with the provisions of SFAS No. 133, as amended. As such, the effective portion of the gain or loss on the derivative instrument is initially recorded in accumulated other comprehensive income as a separate component of stockholder's equity and subsequently reclassified into earnings in the period during which the hedged transaction is recognized in earnings. The ineffective portion of the gain or loss, if any, is reported in income (expense) immediately.

13. DEBT

The Company's debt and capital lease obligations related to continuing operations at December 31 consists of:

(in thousands)	2002	2001
Senior Loan	$ 213,185	$ 268,997
Mezzanine Loan	66,000	100,000
Term Loan	60,000	100,000
Capital lease obligations	1,453	-
Total debt	340,638	468,997
Less amounts due within one year	(8,526)	(88,004)
Total long-term debt	$ 332,112	$ 380,993

Annual maturities of long-term debt, excluding capital lease obligations, are as follows. Note 17 discusses the capital lease obligations in more detail, including annual maturities.

(in thousands)	Debt
2003	$ 8,004
2004	331,181
2005	-
2006	-
2007	-
Years thereafter	-
Total	$339,185

Term Loan

During 2001, the Company entered into a three-year delayed-draw senior term loan (the "Term Loan") of up to $210.0 million with Deutsche Banc Alex. Brown Inc., Salomon Smith Barney, Inc. and CIBC World Markets Corp. (collectively the "Banks"). Proceeds of the Term Loan were used to finance the construction of Gaylord Palms and the initial construction phases of the Gaylord hotel in Texas as well as for general operating purposes. The Term Loan is primarily secured by the Company's ground lease interest in Gaylord Palms. At the Company's option, amounts outstanding under the Term Loan bear interest at the prime interest rate plus 2.125% or the one-month Eurodollar rate plus 3.375%. The terms of the Term Loan required the purchase of interest rate hedges in notional amounts equal to $100.0 million in order to protect against adverse changes in the one-month Eurodollar rate. Pursuant to these agreements, the Company purchased instruments that cap its exposure to the one-month Eurodollar rate at 6.625% as discussed in Note 12. The Term Loan contains provisions that allow the Banks to syndicate the Term Loan, which could result in a change to the terms and structure of the Term Loan, including an increase in interest rates. In addition, the Company is required to pay a commitment fee equal to 0.375% per year of the average unused portion of the Term Loan.

During the first three months of 2002, the Company sold Word's domestic operations as described in Note 6, which required the prepayment of the Term Loan in the amount of $80.0 million and, accordingly, this amount was classified as due within one year at December 31, 2001. As required by the Term Loan, the Company used $15.9 million of the net cash proceeds, as defined under the Term Loan agreement, received from the sale of the Opry Mills investment described in Note 8 to reduce the outstanding balance of the Term Loan. In addition, the Company used $25.0 million of the net cash proceeds, as defined under the Term Loan agreement, received from the sale of Acuff-Rose Music Publishing to reduce the outstanding balance of the Term Loan. Also during 2002, the Company made a principal payment of approximately $4.1 million under the Term Loan. Net borrowings under the Term Loan for 2002 and 2001 were $85.0 million and $100.0 million, respectively. As of December 31, 2002 and 2001, the Company had outstanding borrowings of $60.0 million and $100.0 million, respectively, under the Term Loan and was required to escrow certain amounts in a completion reserve account for Gaylord Palms. The Company's ability to borrow additional funds under the Term Loan expired during 2002. However, the lenders could reinstate the Company's ability to borrow additional funds at a future date.

The terms of the Term Loan required the Company to purchase an interest rate instrument which caps the interest rate paid by the Company. This instrument expired in the fourth quarter of 2002. Due to the expiration of the interest rate instrument, the Company was out of compliance with the terms of the Term Loan. Subsequent to December 31, 2002, the Company obtained a waiver from the lenders whereby they waived this event of non-compliance as of December 31, 2002 and also removed the requirement to maintain such instruments for the remaining term of the loan. The maximum amount available under the Term Loan is reduced to $50.0 million in April 2004, with full repayment due in October 2004. Debt repayments under the Term Loan reduce the borrowing capacity and are not eligible to be re-borrowed. The Term Loan requires the Company to maintain certain escrowed cash balances, comply with certain financial covenants, and imposes limitations related to the payment of dividends, the incurrence of debt, the guaranty of liens, and the sale of assets, as well as other customary covenants and restrictions. At December 31, 2002 and 2001, the unamortized balance of the deferred financing costs related to the Term Loan was $2.4 million and $5.6 million, respectively. The weighted average interest rate, including amortization of deferred financing costs, under the Term Loan for 2002 and 2001 was 9.6% and 8.3%, respectively. The weighted average interest rate of 9.6% for 2002 includes 4.5% related to commitment fees and the amortization of deferred financing costs.

Senior Loan and Mezzanine Loan

In 2001, the Company, through wholly owned subsidiaries, entered into two loan agreements, a $275.0 million senior loan (the "Senior Loan") and a $100.0 million mezzanine loan (the "Mezzanine Loan") (collectively, the "Nashville Hotel Loans") with affiliates of Merrill Lynch &

Company acting as principal. The Senior Loan is secured by a first mortgage lien on the assets of Gaylord Opryland and is due in 2004. Amounts outstanding under the Senior Loan bear interest at one-month LIBOR plus approximately 1.02%. The Mezzanine Loan, secured by the equity interest in the wholly-owned subsidiary that owns Gaylord Opryland, is due in 2004 and bears interest at one-month LIBOR plus 6.0%. At the Company's option, the Nashville Hotel Loans may be extended for two additional one-year terms beyond their scheduled maturities, subject to Gaylord Opryland meeting certain financial ratios and other criteria. The Nashville Hotel Loans require monthly principal payments of $0.7 million during their three-year terms in addition to monthly interest payments. The terms of the Senior Loan and the Mezzanine Loan required the purchase of interest rate hedges in notional amounts equal to the outstanding balances of the Senior Loan and the Mezzanine Loan in order to protect against adverse changes in one-month LIBOR. Pursuant to these agreements, the Company has purchased instruments that cap its exposure to one-month LIBOR at 7.5% as discussed in Note 12. The Company used $235.0 million of the proceeds from the Nashville Hotel Loans to refinance the Interim Loan discussed below. At closing, the Company was required to escrow certain amounts, including $20.0 million related to future renovations and related capital expenditures at Gaylord Opryland. The net proceeds from the Nashville Hotel Loans after refinancing of the Interim Loan and paying required escrows and fees were approximately $97.6 million. At December 31, 2002 and 2001, the unamortized balance of the deferred financing costs related to the Nashville Hotel Loans was $7.3 million and $13.8 million, respectively. The weighted average interest rates for the Senior Loan for 2002 and 2001, including amortization of deferred financing costs, were 4.5% and 6.2%, respectively. The weighted average interest rates for the Mezzanine Loan for 2002 and 2001, including amortization of deferred financing costs, were 10.5% and 12.0%, respectively.

The terms of the Nashville Hotel Loans require that the Company maintain certain escrowed cash balances and comply with certain financial covenants, and impose limits on transactions with affiliates and indebtedness. The financial covenants under the Nashville Hotel Loans are structured such that noncompliance at one level triggers certain cash management restrictions and noncompliance at a second level results in an event of default. Based upon the financial covenant calculations at December 31, 2002 and 2001, the cash management restrictions were in effect which requires that all excess cash flows, as defined, be escrowed and may be used to repay principal amounts owed on the Senior Loan. At December 31, 2002 and December 31, 2001, $0 and $13.9 million, respectively, related to the cash management restrictions is included in restricted cash in the accompanying consolidated balance sheets. During 2002, the Company negotiated certain revisions to the financial covenants under the Nashville Hotel Loans and the Term Loan. After these revisions, the Company was in compliance with the covenants under the Nashville Hotel Loans and the covenants under the Term Loan in which the failure to comply would result in an event of default at December 31, 2002 and 2001. There can be no assurance that the Company will remain in compliance with the covenants that would result in an event of default under the Nashville Hotel Loans or the Term Loan. The Company believes it has certain other possible alternatives to reduce borrowings outstanding under the Nashville Hotel Loans which would allow the Company to remedy any event of default. Any event of noncompliance that results in an event of default under the Nashville Hotel Loans or the Term Loan would enable the lenders to demand payment of all outstanding amounts, which would have a material adverse effect on the Company's financial position, results of operations and cash flows.

During the second quarter of 2002, like other companies in the hospitality industry, the Company was notified by the insurers providing its property and casualty insurance that policies issued upon renewal would no longer include coverage for terrorist acts. As a result, the servicer for the Senior Loan notified the Company in May of 2002 that it believed the lack of insurance covering terrorist acts and certain related matters did constitute an event of default under the terms of that credit facility. Although coverage for terrorist acts was never specifically required as part of the required property and casualty coverage, the Company determined to resolve this issue by obtaining coverage for terrorist acts. The Company has obtained coverage in an amount equal to the outstanding balance of the Senior Loan. During the third quarter of 2002, the Company received notice from the servicer that any previous existing defaults were cured and coverage in

an amount equal to the outstanding balance of the loan satisfied the requirements of the Senior Loan. The servicer has reserved the right to impose additional insurance requirements if there is a change in, among other things, the availability or cost of terrorism insurance coverage, the risk of terrorist activity, or legislation affecting the rights of lenders to require borrowers to maintain terrorism insurance. Based upon the Company's curing any default which may have existed, this debt continues to be classified as long-term in the accompanying consolidated balance sheets.

Interim Loan

During 2000, the Company entered into a six-month $200.0 million interim loan agreement (the "Interim Loan") with Merrill Lynch Mortgage Capital, Inc. During 2000, the Company utilized $83.2 million of the proceeds from the Interim Loan to prepay the remaining contract payments required by the SFEC discussed in Note 10. During 2001, the Company increased the borrowing capacity under the Interim Loan to $250.0 million. The Company used $235.0 million of the proceeds from the Nashville Hotel Loans discussed previously to refinance the Interim Loan during March 2001. The Interim Loan required a commitment fee of 0.375% per year on the average unused portion of the Interim Loan and a contingent exit fee of up to $4.0 million, depending upon Merrill Lynch's involvement in the refinancing of the Interim Loan. The Company recognized a portion of the exit fee as interest expense in the accompanying 2000 consolidated statement of operations. Pursuant to the terms of the Nashville Hotel Loans discussed previously, the contingencies related to the exit fee were removed and no payment of these fees was required.

1997 Credit Facility

In August 1997, the Company entered into a revolving credit facility (the "1997 Credit Facility") and utilized the proceeds to retire outstanding indebtedness. The Company utilized $394.1 million of the net proceeds from the SFEC in 2000 to repay all outstanding indebtedness under the 1997 Credit Facility as discussed in Note 10. As a result of the SFEC, the 1997 Credit Facility was terminated.

Accrued interest payable at December 31, 2002 and 2001 was $0.6 million and $1.1 million, respectively, and is included in accounts payble and accrued liabilities in the accompanying consolidated balance sheets.

14. INCOME TAXES

The provision (benefit) for income taxes from continuing operations consists of the following:

(in thousands)	2002	2001	2000
CURRENT:			
Federal	$ -	$ -	$ (326)
State	1,336	(32)	304
Total current provision (benefit)	$ 1,336	$ (32)	$ (22)
DEFERRED:			
Federal	461	(7,928)	(50,748)
State	(1,334)	(353)	(370)
Total deferred provision (benefit)	(873)	(8,281)	(51,118)
Effect of tax law change	1,343	-	-
Total provision (benefit) for income taxes	$ 1,806	$ (8,313)	$(51,140)

The tax benefits associated with the exercise of stock options during the years ended 2002, 2001, and 2000 were $27,000, $0.7 million and $1.0 million respectively, and are reflected as an increase in additional paid-in capital in the accompanying consolidated statements of stockholders' equity.

During 2002, the Tennessee legislature increased the corporate income tax rate from 6% to 6.5%. As a result, the Company increased the deferred tax liability by $1.3 million and increased 2002 tax expense by $1.3 million.

The effective tax rate as applied to pretax income (loss) from continuing operations differed from the statutory federal rate due to the following:

	2002	2001	2000
U.S. federal statutory rate	35%	35%	35%
State taxes, (net of federal tax benefit and change in valuation allowance)	-	1	-
Effective tax law change	6	-	-
Previously accrued income taxes	(34)	19	(1)
Other	5	(6)	(2)
	12%	49%	32%

	===	===	===

Provision is made for deferred federal and state income taxes in recognition of certain temporary differences in reporting items of income and expense for financial statement purposes and income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

(in thousands)	2002	2001
DEFERRED TAX ASSETS:		
Accounting reserves and accruals	$ 20,553	$ 23,438
Defined benefit plan	8,360	2,704
Goodwill and other intangibles	5,149	4,082
Investments in stock & partnerships	4,681	11,944
Forward exchange contract	28,111	17,524
Net operating loss carryforwards	15,296	107,236
Tax credits & other carryforwards	7,085	6,417
Other assets	540	2,415
Total deferred tax assets	89,775	175,760
Valuation allowance	(11,403)	(10,703)
Total deferred tax assets, net of allowance	78,372	165,057
DEFERRED TAX LIABILITIES:		
Property, plant, & equipment, net	72,085	65,425
Investments in stock & derivatives	227,379	207,156
Other liabilities	2,727	7,637
Total deferred tax liabilities	302,191	280,218
Net deferred tax liabilities	$ 223,819	$ 115,161

At December 31, 2002, the Company had federal net operating loss carryforwards of $4.8 million which will begin to expire in 2020. In addition, the Company had federal minimum tax credits of $5.4 million that will not expire and other federal tax credits of $0.3 million that will begin to expire in 2018. State net operating loss carryforwards at December 31, 2002 totaled $306.8 million and will expire between 2003 and 2017. Foreign net operating loss carryforwards at December 31, 2002 totaled $2.5 million and will expire between 2010 and 2012. The use of certain state and foreign net operating losses and other state and foreign 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 and foreign deferred tax assets, including loss carryforwards. The change in the valuation allowance was $(0.7) million, $(0.7) million and $(5.7) million in 2002, 2001 and 2000 respectively. Based on the expectation of future taxable income, 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.

Deferred income taxes resulting from the unrealized gain on the investment in the Viacom Stock were $11.4 million at December 31, 2000 and were reflected as a reduction in stockholders' equity. Effective January 1, 2001, the Company reclassified its investment in the Viacom Stock from available-for-sale to trading as defined by SFAS No. 115, which required the recognition of a deferred tax provision of $11.4 million for the year ended December 31, 2001. These amounts are reflected in the accompanying consolidated statement of operations for the year ended December 31, 2002.

During the years ended 2002, 2001 and 2000 the Company recognized provision (benefits) of $(4.9) million, $(3.2) million and $1.1 million related to the settlement of certain federal income tax issues with the Internal Revenue Service as well as the closing of open tax years for federal and state tax purposes. The Company reached a $2.0 million partial settlement of Internal Revenue

Service audits of the Company's 1996-1997 tax returns during 2001. The Company reached a final settlement for the 1996 through 1998 years in 2002 with a net cash payment of $0.1 million. During the second quarter of 2002, the Company received an income tax refund of $64.6 million in cash from the U.S. Department of Treasury as a result of the net operating losses carry-back provisions of the Job Creation and Worker Assistance Act of 2002. Net cash refunds for income taxes were approximately $63.2 million, $21.7 million and $18.5 million in 2002, 2001 and 2000, respectively.

15. STOCKHOLDERS' EQUITY

Holders of common stock are entitled to one vote per share. During 2000, the Company's Board of Directors voted to discontinue the payment of dividends on its common stock.

16. STOCK PLANS

At December 31, 2002 and 2001, 3,241,037 and 3,053,737 shares, respectively, of the Company's common stock were reserved for future issuance pursuant to the exercise of stock options under the stock option and incentive plan. Under the terms of this plan, stock options are granted with an exercise price equal to the fair market value at the date of grant and generally expire ten years after the date of grant. Generally, stock options granted to non-employee directors are exercisable immediately, while options granted to employees are exercisable two to five years from the date of grant. The Company accounts for this plan under APB Opinion No. 25 and related interpretations, under which no compensation expense for employee and non-employee director stock options has been recognized.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 2002, 2001 and 2000, respectively: risk-free interest rates of 4.1%, 4.7% and 6.4%; expected volatility of 33.1%, 34.2% and 30.2%; expected lives of 4.3, 5.4 and 7.3 years; expected dividend rates of 0% for all years. The weighted average fair value of options granted was $8.16, $10.10 and $12.83 in 2002, 2001 and 2000, respectively.

The plan also provides for the award of restricted stock. At December 31, 2002 and 2001, awards of restricted stock of 86,025 and 109,867 shares, respectively, of common stock were outstanding. The market value at the date of grant of these restricted shares was recorded as unearned compensation as a component of stockholders' equity. Unearned compensation is amortized and expensed over the vesting period of the restricted stock.

Stock option awards available for future grant under the stock plan at December 31, 2002 and 2001 were 956,181 and 1,177,345 shares of common stock, respectively. Stock option transactions under the plans are summarized as follows:

2002		2001		2000	
NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price

Outstanding at beginning of year	3,053,737	26.60	2,352,712	$ 26.38	2,604,213	$ 25.74
Granted	635,475	24.26	1,544,600	25.35	749,700	26.65
Exercised	(29,198)	22.63	(203,543)	11.44	(178,335)	10.36
Canceled	(418,977)	26.33	(640,032)	27.59	(822,866)	28.10

Outstanding at end of year	3,241,037	$ 26.21	3,053,737	$ 26.60	2,352,712	$ 26.38
Exercisable at end of year	1,569,697	$ 27.27	1,235,324	$ 27.39	1,138,681	$ 24.18

A summary of stock options outstanding at December 31, 2002 is as follows:

OPTION EXERCISE PRICE RANGE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF SHARES	NUMBER OF SHARES EXERCISABLE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE
$18.55 - 22.00	$20.64	258,545	110,420	6.4 YEARS
22.01 - 26.00	24.39	1,271,230	392,330	7.6 YEARS
26.01 - 30.00	27.67	1,456,096	854,446	6.8 YEARS
30.01 - 34.00	32.51	255,166	212,501	5.4 YEARS
$18.55 - 34.00	$27.27	3,241,037	1,569,697	7.0 YEARS

The Company has an employee stock purchase plan whereby substantially all employees are eligible to participate in the purchase of designated shares of the Company's common stock at a price equal to the lower of 85% of the closing price at the beginning or end of each quarterly stock purchase period. The Company issued 14,753, 11,965 and 13,666 shares of common stock at an average price of $17.47, $18.27 and $21.19 pursuant to this plan during 2002, 2001 and 2000, respectively.

17. COMMITMENTS AND CONTINGENCIES

Capital leases

During 2002, the Company entered into three capital leases. There were no capital leases in effect at December 31, 2001. In the accompanying consolidated balance sheet, the following amounts of assets under capitalized lease agreements are included in property and equipment and other long-term assets and the related obligations are included in debt:

(in thousands)	2002
Property and equipment	$ 1,965
Other long-term assets	412
Accumulated depreciation	(144)
Net assets under capital leases in property and equipment	$ 2,233
Current lease obligations	$ 522

Long-term lease obligations	931
Capital lease obligations	$ 1,453

Operating leases

Rental expense related to continuing operations for operating leases was $13.2 million, $2.8 million and $2.7 million for 2002, 2001 and 2000, respectively. The increase in 2002 is related to

the operating land lease for Gaylord Palms as discussed below. Of the $13.2 million of rental expense for 2002, $6.5 million relates to non-cash lease expense as discussed below.

Future minimum cash lease commitments under all noncancelable leases in effect for continuing operations at December 31, 2002 are as follows:

(in thousands)	Capital Leases	Operating Leases
2003	$ 560	$ 6,242
2004	741	5,697
2005	178	4,713
2006	89	3,422
2007	-	3,518
Years thereafter	-	683,202
Total minimum lease payments	$1,568	$ 706,794
Less amount representing interest	(115)	
Total present value of minimum payments	1,453	
Less current portion of obligations	522	
Long-term obligations	$ 931	

The Company entered into a 75-year operating lease agreement during 1999 for 65.3 acres of land located in Osceola County, Florida for the development of Gaylord Palms. The lease requires annual lease payments of approximately $0.9 million until the completion of construction in 2002, at which point the annual lease payments increased to approximately $3.2 million. The lease agreement provides for a 3% escalation of base rent each year beginning five years after the opening of Gaylord Palms. As required by SFAS No. 13, and related interpretations, the terms of this lease require that the Company recognize lease expense on a straight-line basis, which resulted in an annual lease expense of approximately $9.8 million for 2002, including approximately $6.5 million of non-cash expenses during 2002. The Company is currently attempting to renegotiate certain terms of the lease in an attempt to more closely align the cash requirements under the lease with the impact on the Company's results of operations. At the end of the 75-year lease term, the Company may extend the operating lease to January 31, 2101, at which point the buildings and fixtures will be transferred to the lessor. The Company also records contingent rentals based upon net revenues associated with the Gaylord Palms operations. The Company recorded $0.6 million of contingent rentals related to the Gaylord Palms subsequent to its January 2002 opening.

Other commitments

The Company was notified during 1997 by Nashville governmental authorities of an increase in the appraised value and property tax rates related to Gaylord Opryland resulting in an increased tax assessment. The Company contested the increases and was awarded a partial reduction in the assessed values. During the year ended December 31, 2000, the Company recognized a pretax charge to operations of $1.1 million for the resolution of the property tax dispute.

During 1999, the Company entered into a 20-year naming rights agreement related to the Nashville Arena with the Nashville Predators. The Nashville Arena has been renamed the Gaylord Entertainment Center as a result of the agreement. The contractual commitment required the Company to pay $2.1 million during the first year of the contract, with a 5% escalation each year for the remaining term of the agreement. The Company is accounting for the naming rights agreement expense on a straight-line basis over the 20-year contract period. The Company recognized naming rights expense of $3.4 million for the years ended December 31, 2002, 2001 and 2000, which is included in selling, general and administrative expenses in the accompanying consolidated statements of operations.

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 provides for severance payments upon certain events, including a change in 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 results of operations, financial condition or liquidity of the Company.

18. RETIREMENT 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 January 1, 2001 the Company amended its defined benefit pension plan to determine future benefits using a cash balance formula. On December 31, 2000, benefits credited under the plan's previous formula were frozen. 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 the participant 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 vested participant upon retirement at age 65, or age 55 with 15 years of service, is equal to the participant's account balance, which increases based upon length of service and compensation levels. 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.

The following table sets forth the funded status at December 31:

(in thousands)	2002	2001
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	$ 58,712	$ 57,608
Service cost	-	2,592
Interest cost	3,964	4,288
Amendments	-	1,867

Actuarial loss (gain)	5,359	(2,763)
Benefits paid	(5,021)	(4,880)
Curtailment	(3,800)	-
Benefit obligation at end of year	59,214	58,712
CHANGE IN PLAN ASSETS:		
Fair value of plan assets at beginning of year	44,202	52,538
Actual loss on plan assets	(3,870)	(6,030)
Employer contributions	1,794	2,574
Benefits paid	(5,021)	(4,880)
Fair value of plan assets at end of year	37,105	44,202
Funded status	(22,109)	(14,510)
Unrecognized net actuarial loss	22,944	14,829
Unrecognized prior service cost	-	3,750
Adjustment for minimum liability	(22,944)	(14,779)
Accrued pension cost	$(22,109)	$(10,710)

Net periodic pension expense reflected in the accompanying consolidated statements of operations included the following components for the years ended December 31:

(in thousands)	2002	2001	2000
Service cost	$ -	$ 2,592	$ 2,564
Interest cost	3,964	4,288	3,911
Expected return on plan assets	(3,395)	(4,131)	(3,963)
Recognized net actuarial loss	710	169	107
Amortization of prior service cost	-	402	211
Curtailment loss	3,750	-	-
Total net periodic pension expense	$ 5,029	$ 3,320	$ 2,830

The weighted-average discount rate used in determining the actuarial present value of the projected benefit obligation was 7.0% for 2002, and 7.5% for 2001. The rate of increase in future compensation levels used was 4% and the assumed expected long-term rate of return on plan assets was 8%. Plan assets are invested in a diverse portfolio that primarily consists of equity and debt securities.

The Company also maintains non-qualified retirement 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, 2002, the Non-Qualified Plans' projected benefit obligations and accumulated benefit obligations were $10.3 million.

The Company's accrued cost related to its qualified and non-qualified retirement plans of $32.4 million and $20.8 million at December 31, 2002 and 2001, respectively, is included in other long-term liabilities in the accompanying consolidated balance sheets. The 2002 increase in the minimum liability related to the Company's retirement plans resulted in a charge to equity of $7.2 million, net of taxes of $4.7 million. The 2001 increase in the minimum liability related to the Company's retirement plans resulted in a charge to equity of $7.7 million, net of taxes of $4.9 million. The 2002 and 2001 charges to equity due to the increase in the minimum liability is included in other comprehensive loss in the accompanying consolidated statement of stockholders' equity.

The Company also has contributory retirement savings plans in which substantially all employees are eligible to participate. The Company contributes an amount equal to the lesser of one-half of the amount of the employee's contribution or 3% of the employee's salary. In addition, effective January 1, 2002, the Company contributes 2% to 4% of the employee's salary, based upon the Company's financial performance. Company contributions under the retirement savings plans were $3.8 million, $1.5 million and $1.6 million for 2002, 2001 and 2000, respectively.

Effective December 31, 2001, the Company amended its retirement plans and its retirement savings plan whereby the retirement cash balance benefit was frozen and whereby future Company contributions to the retirement savings plan will include 2% to 4% of the employee's salary, based upon the Company's financial performance, in addition to the one-half match of the employee's salary up to a maximum of 3% as described above. As a result of these changes to the retirement plans, the Company recorded a pretax charge to operations of $5.7 million in the first quarter of 2002 related to the write-off of unamortized prior service cost in accordance with SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits", and related interpretations.

19. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The Company sponsors unfunded defined benefit postretirement health care and life insurance plans for certain employees. The Company contributes toward the cost of health insurance benefits and contributes the full cost of providing life 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 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:

(in thousands)	2002	2001
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	$ 13,665	$ 12,918
Service cost	306	688
Interest cost	1,353	946
Actuarial loss	862	-
Contributions by plan participants	142	101
Benefits paid	(987)	(988)
Remeasurements	9,054	-
Amendments	(4,673)	-
Benefit obligation at end of year	19,722	13,665
Unrecognized net actuarial gain	4,406	13,038
Accrued postretirement liability	$ 24,128	$ 26,703

Net postretirement benefit expense reflected in the accompanying consolidated statements of operations included the following components for the years ended December 31:

(in thousands)	2002	2001	2000
Service cost	$ 306	$ 688	$ 736
Interest cost	1,353	946	923
Curtailment gain	(2,105)	-	-
Recognized net actuarial gain	(1,284)	(826)	(811)
Net postretirement benefit expense	$(1,730)	$ 808	$ 848

The health care cost trend is projected to be 10.75% in 2003, declining each year thereafter to an ultimate level trend rate of 5.5% per year for 2009 and beyond. The health care cost trend rates are not applicable to the life insurance benefit plan. The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a 1% increase in the assumed health care cost trend rate each year would increase the accumulated postretirement benefit obligation as of December 31, 2002 by approximately 9% and the aggregate of the service and interest cost components of net postretirement benefit expense would increase approximately 10%. Conversely, a 1% decrease in the assumed health care cost trend rate each year would decrease the accumulated postretirement benefit obligation as of December 31, 2002 by approximately 8% and the aggregate of the service and interest cost components of net postretirement benefit expense would decrease approximately 10%. The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.0% for 2002 and 7.5% for 2001.

The Company amended the plans effective December 31, 2001 such that only active employees whose age plus years of service total at least 60 and who have at least 10 years of service as of December 31, 2001 remain eligible. The amendment and curtailment of the plans were recorded in accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and related interpretations.

20. GOODWILL AND INTANGIBLES

The transitional provisions of SFAS No. 142 require the Company to perform an assessment of whether goodwill is impaired as of the beginning of the fiscal year in which the statement is adopted. Under the transitional provisions of SFAS No. 142, the first step is for the Company to evaluate whether the reporting unit's carrying amount exceeds its fair value. If the reporting unit's carrying amount exceeds it fair value, the second step of the impairment test must be completed. During the second step, the Company must compare the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of its assets and liabilities in a manner similar to a purchase price allocation in accordance with SFAS No. 141, to its carrying amount.

The Company completed the transitional goodwill impairment reviews required by SFAS No. 142 during the second quarter of 2002. In performing the impairment reviews, the Company estimated the fair values of the reporting units using a present value method that discounted estimated future cash flows. Such valuations are sensitive to assumptions associated with cash flow growth, discount rates and capital rates. In performing the impairment reviews, the Company determined one reporting unit's goodwill to be impaired. Based on the estimated fair value of the reporting unit, the Company impaired the recorded goodwill amount of $4.2 million associated with the Radisson Hotel at Opryland in the hospitality segment. The circumstances leading to the goodwill impairment assessment for the Radisson Hotel at Opryland primarily relate to the effect of the September 11, 2001 terrorist attacks on the hospitality and tourism industries. In accordance with

the provisions of SFAS No. 142, the Company has reflected the impairment charge as a cumulative effect of a change in accounting principle in the amount of $2.6 million, net of tax benefit of $1.6 million, as of January 1, 2002 in the accompanying condensed consolidated statements of operations.

The Company performed the annual impairment review on all goodwill at December 31, 2002 and determined that no further impairment, other than the goodwill impairment of the Radisson Hotel at Opryland as discussed above, would be required during 2002.

The changes in the carrying amounts of goodwill by business segment for the twelve months ended December 31, 2002 are as follows:

(in thousands)	Balance as of December 31, 2001	Transitional Impairment Losses	Balance as of December 31, 2002
Hospitality	$ 4,221	$ (4,221)	$ -
Attractions	6,915	-	6,915
Media	2,365	-	2,365
Corporate	-	-	-
Total	$13,501	$ (4,221)	$ 9,280

The following table presents a reconciliation of net income and income per share assuming the nonamortization provisions of SFAS No. 142 were applied during 2001:

(in thousands)	2002	2001	2000
Reported net income (loss)	$ 95,144	$ (47,796)	$ (156,056)
Add back: Goodwill amortization, net of tax	-	1,360	4,556
Adjusted net income (loss)	$ 95,144	$ (46,436)	$ (151,500)
Basic earnings (loss) per share			
Reported net income (loss)	$ 2.82	$ (1.42)	$ (4.67)
Add back: Goodwill amortization, net of tax	-	0.04	0.14
Adjusted net income (loss)	$ 2.82	$ (1.38)	$ (4.53)
Diluted earnings (loss) per share			
Reported net income (loss)	$ 2.82	$ (1.42)	$ (4.67)
Add back: Goodwill amortization, net of tax	-	0.04	0.14
Adjusted net income (loss)	$ 2.82	$ (1.38)	$ (4.53)

The above goodwill amortization during 2000 includes $4.1 million of amortization related to the acquisitions for Gaylord Digital as discussed in Note 7.

The Company also reassessed the useful lives and classification of identifiable finite-lived intangible assets and determined the lives of these intangible assets to be appropriate. The carrying amount of amortized intangible assets in continuing operations, including the intangible assets related to benefit plans, was $2.4 million and $6.7 million at December 31, 2002 and 2001, respectively. The decrease in intangible assets during 2002 is primarily related to the reclassification of the intangible asset related to the benefit plan as discussed in Note 17. The related accumulated amortization of intangible assets in continuing operations was $445,000 and $387,000 at December 31, 2002 and 2001, respectively. The amortization expense related to intangibles from continuing operations during the twelve months ended December 31, 2002 and 2001 was $58,000 and $59,000, respectively. The estimated amounts of amortization expense for the next five years are equivalent to $58,000 per year.

21. FINANCIAL REPORTING BY BUSINESS SEGMENTS

The following information from continuing operations is derived directly from the segments' internal financial reports used for corporate management purposes. The 2001 and 2000 amounts represent the Company's reported amounts in the Company's 2001 Form 10-K as filed with the Securities and Exchange Commission. The 2001 and 2000 amount also present a reconciliation to adjust for Acuff-Rose and the OKC Redhawks reclassified from continuing operations to discontinued operations, the restatement amounts as a result of the re-audit and the restated amounts. Acuff-Rose was previously recorded in the media segment and OKC Redhawks was recorded in the corporate and other segment.

(in thousands)	YEAR ENDED DECEMBER 31, 2002	(Restated) Year ended December 31, 2001	(Restated) Year ended December 31, 2000
REVENUES:			
Hospitality	$ 339,380	$ 228,712	$ 237,260
Attractions	63,512	65,878	63,235
Media	11,194	9,393	14,913
Corporate and other	272	290	64
Total	$ 414,358	$ 304,273	$ 315,472
DEPRECIATION AND AMORTIZATION:			
Hospitality	$ 44,924	$ 25,593	$ 24,447
Attractions	5,295	5,810	6,443
Media	623	660	7,716
Corporate and other	5,778	6,542	6,257
Total	$ 56,620	$ 38,605	$ 44,863
OPERATING INCOME (LOSS):			
Hospitality	$ 25,972	$ 34,270	$ 45,478
Attractions	3,094	(2,372)	(8,025)
Media	(193)	(454)	(33,188)
Corporate and other	(42,111)	(40,110)	(38,187)
Preopening costs	(8,913)	(15,927)	(5,278)
Gain on sale of assets	30,529	-	-
Impairment and other charges	-	(14,262)	(75,712)
Restructuring charges	(3)	(2,182))	(12,952)

Total	$ 8,375	$ (41,037)	$ (127,864)
IDENTIFIABLE ASSETS:			
Hospitality	$ 1,056,434	$ 947,646	$ 660,289
Attractions	82,600	88,270	88,715
Media	8,806	8,266	18,669
Corporate and other	1,032,809	998,916	899,949
Discontinued operations	11,547	134,546	263,183
Total	$ 2,192,196	$ 2,177,644	$ 1,930,805

The restated 2001 and 2000 segment information presented below includes both the impact of reclassifying discontinued operations as required by SFAS No. 144 (as discussed in Note 6) and the restatement changes (as discussed in Note 3). The following segment information reconcile previously reported and restated financial information.

(in thousands)	Fiscal year ended Dec. 31, 2001 As reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	Fiscal year ended Dec. 31, 2001 Restated
REVENUES:					
Hospitality	$ 228,712	$ -	$ 228,712	$ -	$ 228,712
Attractions	65,878	-	65,878	-	65,878
Media	24,157	14,764	9,393	-	9,393
Corporate and other	6,412	6,122	290	-	290
Total	$ 325,159	$ 20,886	$ 304,273	$ -	$ 304,273
DEPRECIATION AND AMORTIZATION:					
Hospitality	$ 25,593	$ -	$ 25,593	$ -	$ 25,593
Attractions	5,810	-	5,810	-	5,810
Media	2,578	1,918	660	-	660
Corporate and other	7,294	752	6,542	-	6,542
Total	$ 41,275	$ 2,670	$ 38,605	$ -	$ 38,605
OPERATING INCOME (LOSS):					
Hospitality	$ 33,915	$ -	$ 33,915	$ 355	$ 34,270
Attractions	(2,372)	-	(2,372)	-	(2,372)
Media	1,665	2,119	(454)	-	(454)
Corporate and other	(39,399)	363	(39,762)	(348)	(40,110)
Preopening costs	(15,141)	-	(15,141)	(786)	(15,927)
Impairment and other charges	(14,262)	-	(14,262)	-	(14,262)
Restructuring charges	(2,182)	-	(2,182)	-	(2,182)
Total	$ (37,776)	$ 2,482	$ (40,258)	$ (779)	$ (41,037)
IDENTIFIABLE ASSETS:					
Hospitality	$ 948,284	$ -	$ 948,284	$ (638)	$ 947,646
Attractions	88,620	-	88,620	(350)	88,270
Media	35,342	27,076	8,266	-	8,266
Corporate and other	998,503	10,397	988,106	(12,628)	975,478
Total	$ 2,070,749	$ 37,473	$ 2,033,276	$ (13,616)	$ 2,019,660

(in thousands)	Fiscal year ended Dec. 31, 2000 As reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	Fiscal year ended Dec. 31, 2000 Restated

REVENUES:					
Hospitality	$ 237,260	$ -	$ 237,260	$ -	$ 237,260
Attractions	63,235	-	63,235	-	63,235
Media	29,013	14,100	14,913	-	14,913
Corporate and other	5,954	5,890	64	-	64
Total	$ 335,462	$ 19,990	$ 315,472	$ -	$ 315,472
DEPRECIATION AND AMORTIZATION:					
Hospitality	$ 24,447	$ -	$ 24,447	$ -	$ 24,447
Attractions	6,443	-	6,443	-	6,443
Media	9,650	1,934	7,716	-	7,716
Corporate and other	7,040	783	6,257	-	6,257
Total	$ 47,580	$ 2,717	$ 44,863	$ -	$ 44,863
OPERATING INCOME (LOSS):					
Hospitality	$ 45,949	$ -	$ 45,949	$ (471)	$ 45,478
Attractions	(8,025)	-	(8,025)	-	(8,025)
Media	(31,500)	1,688	(33,188)	-	(33,188)
Corporate and other	(38,626)	169	(38,795)	608	(38,187)
Preopening costs	(5,278)	-	(5,278)	-	(5,278)
Impairment and other charges	(76,597)	(885)	(75,712)	-	(75,712)
Restructuring charges	(13,098)	(146)	(12,952)	-	(12,952)
Total	$ (127,175)	$ 826	$ (128,001)	$ 137	$ (127,864)
IDENTIFIABLE ASSETS:					
Hospitality	$ 660,604	$ -	$ 660,604	$ (315)	$ 660,289
Attractions	89,065	-	89,065	(350)	88,715
Media	46,805	28,136	18,669	-	18,669
Corporate and other	918,963	10,574	908,389	(8,440)	899,949
Total	$ 1,715,437	$ 38,710	$ 1,676,727	$ (9,105)	$ 1,667,622

The following table represents the capital expenditures for continuing operations by segment for the years ended December 31.

(in thousands)	2002	2001	2000
CAPITAL EXPENDITURES:			
Hospitality	$170,522	$277,643	$201,720
Attractions	2,625	2,471	392
Media	660	159	8,065
Corporate and other	11,842	807	8,168
Total	$185,649	$281,080	$218,345

22. SUBSEQUENT EVENT

On March 25, 2003, the Company, through its wholly-owned subsidiary Gaylord Investments, Inc., entered into an agreement to sell the assets primarily used in the operations of WSM-FM and WWTN(FM) to Cumulus Broadcasting, Inc. ("Cumulus"), and the Company entered into a joint sales agreement with Cumulus for WSM-AM in exchange for approximately $65 million in cash. Consummation of the sale of assets is subject to customary closing conditions, including regulatory approvals, and is expected to take place in the third quarter of 2003. In connection with this agreement, the Company also entered into a local marketing agreement with Cumulus pursuant to which, from the second business day after the expiration or termination of the waiting period under the Hart-Scott-Rodino Improvements Act of 1976 until the closing of the sale of the assets, the Company will, for a fee, make available to Cumulus substantially all of the broadcast time on WSM-FM and WWTN(FM). In turn, Cumulus will provide programming to be broadcast during such broadcast time and will collect revenues from the advertising that it sells for broadcast during this programming time. The Company will continue to own and operate WSM-AM, and under the terms of the joint sales agreement with Cumulus, Cumulus will sell all of the commercial advertising on WSM-AM and provide certain sales promotion and billing and collection services relating to WSM-AM, all for a specified fee. The joint sales agreement has a term of five years.

23. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following is selected unaudited quarterly financial data, as previously reported and as restated, for the fiscal years ended December 31, 2002 and 2001. As discussed in Note 3, the Company restated historical consolidated financial statements as part of the re-audit. The "As previously reported" column represents the amounts the Company reported on the respective Form 10-Q as filed with the Securities and Exchange Commission during the year of 2002. During the first quarter of 2002, Acuff-Rose Music was not reported as a discontinued operation because management had not adopted a formal plan to dispose of Acuff-Rose. During the second quarter of 2002, the Company adopted a plan to dispose of Acuff-Rose and classified it as discontinued operations.

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

First quarter ended March 31, 2002

(in thousands, except per share data)	As previously reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	As restated
Revenues	$ 104,505	$ (3,250)	$ 101,255	$ -	$ 101,255
Depreciation and amortization	15,741	(478)	15,263	-	15,263
Operating income (loss)	(16,402)	(337)	(16,739)	932	(15,807)
Income (loss) of continuing operations before income taxes, discontinued operations and accounting change	(10,530)	(345)	(10,875)	112	(10,763)
Provision (benefit) for income taxes	(4,054)	(93)	(4,147)	113	(4,034)
Income (loss) of continuing operations before discontinued operations	(6,476)	(252)	(6,728)	(1)	(6,729)
Gain (loss) from discontinued operations, net of taxes	789	252	1,041	113	1,154
Cumulative effect of accounting change	(2,595)	-	(2,595)	23	(2,572)
Net income (loss)	(8,282)	-	(8,282)	135	(8,147)
Net income (loss) per share	(0.25)	(0.00)	(0.25)	0.01	(0.24)
Net income (loss) per share - assuming dilution	(0.25)	(0.00)	(0.25)	0.01	(0.24)

Second quarter ended June 30, 2002

(in thousands, except per share data)	As previously reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	As restated
Revenues	$ 98,289	$ -	$ 98,289	$ -	$ 98,289
Depreciation and amortization	12,798	-	12,798	-	12,798
Operating income (loss)	7,595	-	7,595	1,190	8,785
Income (loss) of continuing operations before income taxes	1,479	-	1,479	1,426	2,905
Provision (benefit) for income taxes	(15,227)	-	(15,227)	13,365	(1,862)
Income (loss) of continuing operations before discontinued operations	16,706	-	16,706	(11,939)	4,767
Gain (loss) from discontinued operations, net of taxes	1,403	-	1,403	(292)	1,111
Cumulative effect of accounting change	-	-	-	-	-
Net income (loss)	18,109	-	18,109	(12,231)	5,878
Net income (loss) per share	0.54	0.00	0.54	(0.37)	0.17
Net income (loss) per share - assuming dilution	0.54	0.00	0.54	(0.37)	0.17

During the second quarter of 2002, the Company sold its partnership share of the Opry Mills partnership to certain affiliates of The Mills Corporation for approximately $30.8 million in cash proceeds upon the disposition. The Company deferred approximately $20.0 million of the gain representing the estimated present value of the continuing land lease interest between the Company and the Opry Mills partnership at June 30, 2002. The Company recognized the remainder of the proceeds, net of certain transaction costs, as a gain of approximately $10.6 million during the second quarter of 2002.

Also during the second quarter of 2002, the Company adopted a plan of restructuring to streamline certain operations and duties. Accordingly, the Company recorded a pretax restructuring charge of $1.1 million related to employee severance costs and other employee benefits. The second quarter 2002 restructuring charge was offset by a reversal of $1.1 million of the fourth quarter 2001 restructuring charge.

Third quarter ended September 30, 2002

(in thousands, except per share data)	As previously reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	As restated
Revenues	$ 102,954	$ -	$102,954	-	$ 102,954
Depreciation and amortization	13,969	-	13,969	-	13,969
Operating income (loss)	19,045	-	19,045	(10)	19,035
Income (loss) of continuing operations before income taxes	27,367	-	27,367	(9)	27,358
Provision (benefit) for income taxes	11,682	-	11,682	(4,118)	7,564
Income (loss) of continuing operations before discontinued operations	15,685	-	15,685	4,109	19,794
Gain (loss) from discontinued operations, net of taxes	83,599	-	83,599	(3,349)	80,250
Cumulative effect of accounting change	-	-	-	-	-
Net income (loss)	99,284	-	99,284	760	100,044
Net income (loss) per share	2.94	0.00	2.94	0.02	2.96
Net income (loss) per share - assuming dilution	2.94	0.00	2.94	0.02	2.96

During the third quarter of 2002, the Company sold its interest in the land lease discussed above in relation to the sale of the Opry Mills partnership and recognized the remaining $20.0 million deferred gain, less certain transaction costs.

During the third quarter of 2002, the Company finalized the sale of Acuff-Rose Music Publishing to Sony/ATV Music Publishing for approximately $157.0 million in cash. The Company recognized a pretax gain of $130.6 million during the third quarter of 2002 related to the sale in discontinued operations. The gain on the sale of Acuff-Rose Music Publishing is recorded in the income from discontinued operations in the consolidated statement of operations.

Fourth quarter ended December 31, 2002

(in thousands, except per share data)	As previously reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	As restated
Revenues	$ 111,860	$ -	$ 111,860	$ -	$ 111,860
Depreciation and amortization	14,590	-	14,590	-	14,590
Operating income (loss)	(3,638)	-	(3,638)	-	(3,638)
Income (loss) of continuing operations before income taxes	(4,938)	-	(4,938)	-	(4,938)
Provision (benefit) for income taxes	(3,651)	-	(3,651)	3,789	138
Income (loss) of continuing operations before discontinued operations	(1,287)	-	(1,287)	(3,789)	(5,076)
Gain (loss) from discontinued operations, net of taxes	(1,344)	-	(1,344)	3,789	2,445
Cumulative effect of accounting change	-	-	-	-	-
Net income (loss)	(2,631)	-	(2,631)	-	(2,631)
Net income (loss) per share	(0.08)	0.00	(0.08)	0.00	(0.08)
Net income (loss) per share - assuming dilution	(0.08)	0.00	(0.08)	0.00	(0.08)

First quarter ended March 31, 2001

(in thousands, except per share data)	As previously reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	As restated
Revenues	$ 83,357	$ (3,124)	$ 80,233	$ -	$ 80,233
Depreciation and amortization	10,057	(481)	9,576	-	9,576
Operating income (loss)	(1,674)	(504)	(2,178)	(580)	(2,758)
Income (loss) of continuing operations before income taxes	29,188	(505)	28,683	(1,190)	27,493
Provision (benefit) for income taxes	9,411	(113)	9,298	(560)	8,738
Income (loss) of continuing operations before discontinued operations	19,777	(392)	19,385	(630)	18,755
Gain (loss) from discontinued operations, net of taxes	(7,562)	392	(7,170)	(386)	(7,556)
Cumulative effect of accounting					

change	11,909	-	11,909	(707)	11,202
Net income (loss)	24,124	-	24,124	(1,723)	22,401
Net income (loss) per share	0.72	(0.00)	0.72	(0.05)	0.67
Net income (loss) per share assuming dilution	0.72	(0.00)	0.72	(0.05)	0.67

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Second quarter ended June 30, 2001

(in thousands, except per share data)	As previously reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	As restated
Revenues	$ 70,105	$ -	$ 70,105	$ -	$ 70,105
Depreciation and amortization	9,753	-	9,753	-	9,753
Operating income (loss)	(16,859)	-	(16,859)	129	(16,730)
Income (loss) of continuing operations before income taxes	(1,650)	-	(1,650)	(853)	(2,503)
Provision (benefit) for income taxes	(195)	-	(195)	(885)	(1,080)
Income (loss) of continuing operations before discontinued operations	(1,455)	-	(1,455)	32	(1,423)
Gain (loss) from discontinued operations, net of taxes	(2,103)	-	(2,103)	(402)	(2,505)
Cumulative effect of accounting change	-	-	-	-	-
Net income (loss)	(3,558)	-	(3,558)	(370)	(3,928)
Net income (loss) per share	(0.11)	0.00	(0.11)	(0.01)	(0.12)
Net income (loss) per share - assuming dilution	(0.11)	0.00	(0.11)	(0.01)	(0.12)

During the second quarter of 2001, the Company recognized pretax impairment and other charges of $11.4 million. Also during the second quarter of 2001, the Company recorded a reversal of $2.3 million of the restructuring charges originally recorded during the fourth quarter of 2000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Third quarter ended September 30, 2001

(in thousands, except per share data)	As previously reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	As restated
Revenues	$ 69,164	$ -	$ 69,164	$ -	$ 69,164
Depreciation and amortization	9,644	-	9,644	-	9,644
Operating income (loss)	(8,004)	-	(8,004)	(74)	(8,078)
Income (loss) of continuing operations before income taxes	(37,412)	-	(37,412)	(1,056)	(38,468)
Provision (benefit) for income taxes	(12,318)	-	(12,318)	(2,486)	(14,804)
Income (loss) of continuing operations before discontinued operations	(25,094)	-	(25,094)	1,430	(23,664)
Gain (loss) from discontinued operations, net of taxes	(20,067)	-	(20,067)	132	(19,935)
Cumulative effect of accounting change	-	-	-	-	-

Net income (loss)	(45,161)	-	(45,161)	1,562	(43,599)
Net income (loss) per share	(1.35)	0.00	(1.35)	0.05	(1.30)
Net income (loss) per share - assuming dilution	(1.35)	0.00	(1.35)	0.05	(1.30)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fourth quarter ended December 31, 2001

(in thousands, except per share data)	As previously reported	Discontinued operations	As reported with discontinued operations	Restatement related adjustments	As restated
Revenues	$ 84,771	$ -	$ 84,771	$ -	$ 84,771
Depreciation and amortization	9,632	-	9,632	-	9,632
Operating income (loss)	(13,217)	-	(13,217)	(254)	(13,471)
Income (loss) of continuing operations before income taxes	(2,505)	-	(2,505)	(1,140)	(3,645)
Provision (benefit) for income taxes	(572)	-	(572)	(596)	(1,168)
Income (loss) of continuing operations before discontinued operations	(1,933)	-	(1,933)	(544)	(2,477)
Gain (loss) from discontinued operations, net of taxes	(21,215)	-	(21,215)	1,022	(20,193)
Cumulative effect of accounting change	-	-	-	-	-
Net income (loss)	(23,148)	-	(23,148)	478	(22,670)
Net income (loss) per share	(0.69)	0.00	(0.69)	0.02	(0.67)
Net income (loss) per share - assuming dilution	(0.69)	0.00	(0.69)	0.02	(0.67)

During the fourth quarter of 2001, the Company recognized a pretax loss of $2.9 million from continuing operations representing impairment and other charges and pretax restructuring charges from continuing operations of $5.8 million offset by a pretax reversal of restructuring charges of $1.4 million originally recorded during the fourth quarter of 2000.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Gaylord Entertainment Company:

We have audited the consolidated financial statements of Gaylord Entertainment Company as of December 31, 2002 and 2001 and for each of the three years in the period ended December 31, 2002, and have issued our report thereon dated February 5, 2003 (except for Notes 2 and 22 as to which the date is March 25, 2003) (included elsewhere in this Annual Report on Form 10-K.) Our audits also included the financial statement schedules listed in Item 15(A)(2) of this Annual Report on Form 10-K. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

Nashville, Tennessee
February 5, 2003

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2002
(IN THOUSANDS)

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ADDITIONS CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
2000 restructuring charges - continuing operations	$ 1,569	$ -	$ -	$ 1,299	$ 270
2001 restructuring charges - continuing operations	4,168	(1,079)	-	2,658	431
2002 restructuring charges - continuing operations	-	1,082	-	1,082	-
Total continuing operations	5,737	3	-	5,039	701
2000 restructuring charges - discontinued operations	-	-	-	-	-
2001 restructuring charges - discontinued operations	3,383	-	-	3,005	378
2002 restructuring charges - discontinued operations	-	-	-	-	-
Total discontinued operations	3,383	-	-	3,005	378
Total	$ 9,120	$ 3	$ -	$ 8,004	$ 1,079

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2001
(IN THOUSANDS)

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ADDITIONS CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
2000 restructuring charges - continuing operations	$10,825	$(3,666)	$ -	$ 5,590	$ 1,569
2001 restructuring charges - continuing operations	-	5,848	-	1,680	4,168
Total continuing operations	10,825	2,182	-	7,270	5,737
2000 restructuring charges - discontinued operations	2,285	(424)	-	1,861	-
2001 restructuring charges - discontinued operations	-	3,383	-	-	3,383
Total discontinued operations	2,285	2,959	-	1,861	3,383
Total	$13,110	$ 5,141	$ -	$ 9,131	$ 9,120

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2000
(AMOUNTS IN THOUSANDS)

	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	ADDITIONS CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
1999 restructuring charges - continuing operations	$ 469	$ (234)	$ -	$ 235	$ -

2000 restructuring charges - continuing operations	-	13,186	-	2,361	10,825
Total continuing operations	469	12,952	-	2,596	10,825
1999 restructuring charges - discontinuing operations	30	-	-	30	-
2000 restructuring charges - discontinuing operations	-	3,241	-	956	2,285
Total discontinuing operations	30	3,241	-	986	2,285
Total	$ 499	$ 16,193	$ -	$ 3,582	$ 13,110

EXHIBIT 10.21

HOTEL/CONVENTION CENTER
SUBLEASE AGREEMENT

STATE OF TEXAS) KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TARRANT)

THIS SUBLEASE AGREEMENT (this "Sublease") is made at Tarrant County, Texas, between the CITY OF GRAPEVINE, TEXAS, a Texas home-rule municipal corporation ("Sublessor"), and Opryland Hotel-Texas Limited Partnership ("Sublessee").

WHEREAS, Sublessee and the Sublessor desire to enter into this Sublease Agreement.

WHEREAS, Sublessee has the legal authority to consent to and execute this Sublease Agreement.

NOW THEREFORE, THIS SUBLEASE AGREEMENT (the "Sublease") is hereby made and entered into by the Sublessor and Sublessee for the mutual consideration stated herein:

ARTICLE I

DEMISE AND DESCRIPTION OF PROPERTY

Section 1.0. Sublessor subleases to Sublessee and Sublessee subleases from Sublessor that certain property located in Tarrant County, Texas, and described in Exhibit "A" attached hereto and incorporated herein by reference (the "Subleased Premises"). The Subleased Premises will be the area allowed to be built on or improved by Sublessee, pursuant to Sublessor's review and approval of any and all construction plans as required by Article IX of this Sublease. Sublessee agrees to provide, at its sole cost and expense, a survey of the Subleased Premises by a surveyor or engineer acceptable to Sublessor, which acceptance shall not be unreasonably withheld or delayed, and which survey shall subsequently be attached hereto and incorporated herein by reference as Exhibit "B".

ARTICLE I

TERM

Section 2.0. The term of this Sublease shall be for a period of forty-nine (49) years, beginning on the date hereof (the "Lease Term"), coterminous with Sublessor and Secretary of the Army 's ("Master Lessor"), Lease, Contract No. DACW 63-l-94-0552 (the "Master Lease"), executed to be effective March 18, 1994. The term of this Sublease shall be renewed automatically upon the renewal of the Master Lease for a term equal to that for which the Master Lease is renewed, and such renewal will be pursuant to the same terms and conditions of this Sublease. Sublessor agrees to utilize reasonable good faith efforts to obtain the renewal of the Master Lease, provided the Sublessee is not in default of the Sublease. Sublessor shall initiate the renewal of the Master Lease at least eighteen (18) months prior to the expiration of the initial term and Sublessor shall keep Sublessee informed of the progress of such renewal. The Master Lease is incorporated herein by reference. Notwithstanding the foregoing, this Sublease may be terminated by Sublessor upon the occurrence of any one, or more, of the following events:

a. the occurrence of any one, or more, events of default as provided for in Article XI which is not cured within any applicable cure period; or

b. subject to the terms of Article XII, the relinquishment, revocation or other earlier termination of the Master Lease.

Section 2.1. On or before the date of expiration of this Sublease or its relinquishment by Sublessee, Sublessee shall vacate the Subleased Premises, remove its personal property, other than buildings and other similar structures (the "Property"), therefrom, and deliver and restore the Subleased Premises to Sublessor in a state of good repair and condition reasonably satisfactory to Master Lessor. If this Sublease is terminated by Sublessor prior to its expiration due to an event of default by Sublessee, Sublessee shall immediately vacate the Subleased Premises, remove its personal Property therefrom, and deliver and restore the Subleased Premises as aforesaid within such time as Sublessor reasonably may designate but, in no event less than forty-five (45) days from notice of default. In either event, if Sublessee shall fail or neglect to remove its Property within the required time period, then Sublessee's Property which has not been removed shall become the property of Sublessor or Sublessor's agents without compensation therefor, and no claim for damages against Sublessor or its officers, employees, or agents shall be created by or made on account thereof. Further, in either event, if Sublessee shall fail or neglect to deliver and restore the Subleased Premises as aforesaid within the required time period, Sublessor may restore the Subleased Premises and demand reimbursement from Sublessee for the reasonable costs and expenses incurred by Sublessor in restoring the Subleased Premises. Sublessee shall reimburse Sublessor within thirty (30) days after completion of such restoration and receipt of such demand.

ARTICLE III

RENT

Section 3.0. For the term of this Sublease, Sublessee shall pay Sublessor as rent for the Subleased Premises one dollar ($1.00) annually in addition to the other valuable consideration provided for herein.

Section 3.1. Rental payments shall be paid in advance on or before the anniversary date of this Sublease. Sublessor acknowledges that Sublessee has prepaid rent for the initial term of this Sublease.

ARTICLE IV

USE OF PREMISES

Section 4.0. The Subleased Premises may be used by Sublessee for the operation of a destination convention center, hotel, conference facilities, and related uses, including maintenance facilities, food and beverage services (including alcoholic beverages, provided Sublessor, on behalf of Sublessee, or Sublessee is able to obtain all necessary licenses or permits), and for no other purpose. Sublessee may specify a separate entity to apply for and hold all liquor licenses.

SECTION 4.1. UNLESS CAUSED BY THE NEGLIGENT OR INTENTIONAL ACTS

OR OMISSIONS OF SUBLESSOR, ITS OFFICERS, EMPLOYEES, AGENTS OR CONTRACTORS, SUBLESSEE SHALL INDEMNIFY, RELEASE, AND HOLD HARMLESS SUBLESSOR FROM ANY AND ALL CLAIMS FOR DAMAGES TO PROPERTY, OR INJURIES TO ANY SUBLESSEE INVITEE, GUEST OR LICENSEE, INCLUDING DEATH, ARISING FROM OR INCIDENT TO ANY FLOOD CONTROL WORK OR ACTIVITIES OR THE FLOODING OF THE SUBLEASED PREMISES BY A FEDERAL, STATE OR LOCAL GOVERNMENT OR FLOODING FROM ANY OTHER CAUSE.

Section 4.2. At all times, Sublessee's use of the Leased Premises and performance under this Agreement shall be undertaken consistent with all local, State, and Federal laws. Any and all construction and improvement activities undertaken by Sublessee, shall be done consistent with the requirements of the Architectural Barriers Act, as amended (Article 9102 Tex. Rev. Civ. Stat.).

ARTICLE V

ASSUMPTION AGREEMENT AND COVENANTS

Section 5.0. Except as specifically provided for by the terms of this

Sublease, during the Lease Term of this Sublease (as it may be extended pursuant to the terms of Section 2.0 hereto), Sublessee shall comply with all the provisions of the Master Lease, as the same relate to the Subleased Premises, that are to be complied with or performed by Sublessor, as lessee, under the Master Lease.

Section 5.1. To the extent that the provisions of the Master Lease do not conflict with specific provisions contained in this Sublease, all terms of the Master Lease are fully incorporated into this Sublease. Sublessee agrees to be bound to the Sublessor by all the terms and conditions of the Master Lease and to perform all the obligations and responsibilities that Sublessor under the Master Lease assumes toward Master Lessor (excluding Sublessor's obligation to pay rent under the Master Lease) and to indemnify and hold harmless Sublessor, its officers, employees and agents, from any claims or liability arising out of or caused by Sublessee's noncompliance with or nonperformance of obligations or responsibilities required under the Master Lease.

Section 5.2. Sublessor shall comply in all respects with the requirements of the Master Lease (other than those obligations which are expressly assumed by Sublessee hereunder, which shall be satisfied by Sublessee as provided herein) and not take any action or enter into any agreements which shall be in conflict with Sublessor's obligations under the Sublease or under the Master Lease or Sublessee's rights, privileges, benefits or options hereunder.

Section 5.3. Sublessor shall provide Sublessee with a copy of all default notices given to Sublessor by Master Lessor under the Master Lease via facsimile and regular mail. Said notice shall be sent no later than the next business day after Sublessor's receipt of same. If Sublessor shall fail to make any payment or perform any act required to be made or performed by Sublessor under the Master Lease, and Sublessee has not received reasonable evidence from Sublessor that Sublessor has commenced curing such default within five (5) days (excluding Saturdays, Sundays and holidays) after Sublessor's receipt of the default notice from Master Lessor, Sublessee, if not in default hereunder, may cure such default and, provided (and to the extent) that such default was not caused by any action or inaction on the part of Sublessee, demand reimbursement from Sublessor for the reasonable costs and expenses incurred by Sublessee in curing such default with interest thereon at the maximum rate allowed by law per annum from the date of payment. Sublessor shall reimburse Sublessee within thirty (30) days thereafter. Further, at Sublessee's

option (and in addition to any other rights or remedies Sublessee may have), Sublessee may deduct any amounts advanced by Sublessee as provided above from all subsequent amounts payable by Sublessee to Sublessor, including payment of rent as hereinbefore provided, in lieu of seeking reimbursement from Sublessor. Sublessee shall have the same time period to cure a default by Sublessor under the Master Lease as Sublessor has.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

Section 6.0. Sublessee, its contractors and subcontractors will be required at their own expense to maintain in effect at all times during the Lease Term and performance of the work, insurance coverages with limits not less than those set forth below, with insurers licensed to do business in the State of Texas, and under forms of policies reasonably satisfactory to Sublessor. It shall be the responsibility of Sublessee, its contractors and subcontractors to maintain adequate insurance coverages and to assure that all contractors and subcontractors are adequately insured at all times during the Lease Term. Failure of Sublessee, its contractors and subcontractors to maintain adequate coverage shall not relieve Sublessee of any contractual responsibility or obligation.

a. Comprehensive General Liability: This insurance shall be an occurrence type policy written in comprehensive form and shall protect Sublessee and its contractors and the additional insureds against all claims arising from bodily injury, sickness, disease or death of any person other than Sublessee's employees or damage to property of Sublessor or others arising out of the act or omission of Sublessee or its contractors or their agents, employees or subcontractors. This policy shall also include protection against claims insured by usual personal injury liability coverage, products liability, contractual liability, broad form property coverage, premises/operations and independent contractors.

Bodily Injury and Property Damage - $1,000,000 Combined Single Limit or the limits of the Texas Tort Claims Act, whichever is greater.

b. Legal Liquor Liability: Legal Liquor Liability shall be in the amount of $1,000,000 or the limits of the Texas Tort Claims Act, whichever is greater.

c. Comprehensive Automobile Liability: This insurance shall be written in the comprehensive form and shall protect Sublessee and its contractors and the additional insureds against all claims for injuries to members of the public and damage to property of others arising from the use of motor vehicles, and shall cover operation on and off the site of all motor vehicles licensed for highway use, whether they are owned, non-owned or hired. The liability shall not be less than:

Bodily Injury and Property Damage - $1,000,000 Combined Single Limit or the limits of the Texas Tort Claims Act, whichever is greater.

d. Workers' Compensation and Employers' Liability:

This insurance shall protect Sublessee and its contractors and the additional insureds against all claims under applicable state workers' compensation laws. The insured shall also be protected against claims for injury, disease, or death of employees which, for any reason, may not fall within the provision of a workers'

compensation law. This policy shall include an all-states endorsement.

Section 6.1. Upon commencement of this Sublease, and on each anniversary date thereafter, Sublessee shall provide Sublessor with certificates of insurance as evidence that the policies providing the required coverages and limits of insurance are in full force and effect. The certificates of insurance shall state Sublessor as an additional insured where applicable. The certificates shall provide that any company issuing an insurance policy for the work under this Sublease shall provide not less than thirty (30) days' advance notice in writing of cancellation, non-renewal or material change in the policy of insurance. In addition, Sublessee shall immediately provide written notice to Sublessor and the Risk Management Department (at the address listed below) upon receipt of notice of cancellation of an insurance policy or a decision to terminate or alter any insurance policy. All certificates of insurance shall clearly state that all applicable requirements have been satisfied including certification that the policies are of the "occurrence" type. Certificates of insurance for Sublessee and contractors-furnished insurance and notices of any cancellations, terminations or alterations of such policies shall be mailed to Risk Management, City of Grapevine, P.O. Box 95104, Grapevine, Texas 76051. Sublessor acknowledges that Sublessee may cover certain insurance requirements though an owner controlled insurance program (or similar program), subject to the review and written approval of Sublessor.

Section 6.2. Unless caused solely by the negligent or intentional acts or omissions of Sublessor, its officers, employees, agents or independent contractors, as and to the extent provided under the Texas Tort Claims Act, Sublessee shall defend, indemnify and hold harmless Sublessor, its officers, employees and agents from any and all claims, obligations, damages, suits, liability, losses, judgments, costs and expenses (including reasonable attorneys' fees), of whatever kind or nature, whether for bodily injury, including death, or property damage, arising out of or incident to Sublessee's possession of and operations and activities on the Subleased Premises.

ARTICLE VII

OPERATIONS OF SUBLESSEE

Section 7.0. The facilities constructed by Sublessee on the Subleased Premises shall be open to the public, subject only to reasonable rules and regulations for operation of similar types of facilities.

Section 7.1. Sublessee shall promptly pay all utilities, including, but not limited to, water, sewer, gas, electric, telephone and cable television, and all ad valorem, sales, and other federal, state and local taxes assessed against the Subleased Premises and assessed in connection with the operations and activities of Sublessee thereon. However, if Sublessee deems any tax imposed against or in connection with the Subleased Premises excessive or illegal, Sublessee may, if allowed by and in accordance with federal, state or local law, defer payment of such tax as long as the validity or the amount thereof is contested by Sublessee in good faith.

Section 7.2. The facilities operated under this Sublease shall not be operated in any manner that would create or maintain a nuisance on the Subleased Premises or to surrounding areas.

Section 7.3. In addition to the requirements set forth in the Master Lease, Sublessee agrees that in the event archeological material is encountered during construction, work in such area shall be temporarily suspended to allow experts to evaluate the discovery, and shall not be

recommenced prior to the receipt of written approval by Sublessor. Work on other areas of the Subleased Premises will not need to be suspended.

Section 7.4. In addition to the requirements set forth in the Master Lease, Sublessee shall keep the Subleased Premises and facilities thereon maintained, including mowing, garbage removal, and repairs, in a first class condition in all respects.

Section 7.5. Sublessor hereby represents that it has complied with all federal, state and local pollution control regulations in the use and operation of the Subleased Premises and facilities thereon, including the disposal of pesticides, oil, and hazardous or toxic substances. Sublessor shall cure, and hold harmless Sublessee, to the extent allowed by law, from any conditions on the Subleased Premises which shall be deemed in violation of any federal, state or local environmental law or regulation that were caused by Sublessor. Sublessee shall comply with all federal, state and local pollution control regulations in the operation of the Subleased Premises and facilities thereon, including the use or disposal of pesticides, oil, and hazardous or toxic substances. Sublessee agrees to indemnify Sublessor and hold it harmless from any claim, obligation, liability, loss, damage or expense, of whatever kind or nature, known or unknown, incurred or imposed or based on any provision of federal, state or local law or regulations or common law, pertaining to health, safety or environmental protection and arising after the commencement of the Lease Term out of the use, control or operation by Sublessee of the Subleased Premises.

Section 7.6. In the event alcoholic beverages are to be possessed, served, sold or stored on the Subleased Premises, Sublessee shall obtain or have obtained on its behalf, at Sublessee's sole cost and expense, all necessary federal, state or local permits.

Section 7.7. Sublessee shall have the right to erect such signs as it deems proper and necessary; provided, however, all signs must (i) comply with the ordinances, rules and regulations of the City of Grapevine, Texas, (ii) be approved by the appropriate authorities of the City of Grapevine, Texas and (iii) comply with the Army Corps of Engineer's Sign Standards Manual. A copy of the relevant portions of said Manual shall be provided to Sublessee upon execution of this Sublease.

Section 7.8. All equipment, tools and other materials used in connection with the operation of the Subleased Premises and facilities thereon shall be owned or leased by Sublessee unless otherwise specifically approved in writing by Sublessor, except for equipment of vendors or contractors engaged by Sublessee in the ordinary course of business.

Section 7.9. Sublessee shall provide Sublessor with vehicular access to the Subleased Premises at all times in accordance with the plans for the Project, as approved by Sublessor.

Section 7.10. Sublessee shall have the right to obtain such financing or refinancing as may be necessary during the Lease Term (as it may be extended pursuant to the terms of Section 2.0 hereof) so long as the terms of this Sublease will not be violated in any respect and provided that Sublessee shall not cause or allow any liens to be affixed to the Subleased Premises with the exception of a Deed of Trust, financing statements, or other similar and related instruments which are filed pursuant to Sublessee's funding arrangements. Sublessor shall timely execute, upon request, an Estoppel Certificate and a Subordination Agreement as may be required by any of Sublessee's lenders (individually, a "Lender" and collectively, the "Lenders"), in order to obtain such financing or refinancing, so long as the terms expressed therein are consistent with the goals and terms of this Sublease and the Master Lease, and provided that Sublessor has had a

reasonable period of time to review the terms of such financing or refinancing. Sublessor shall also use reasonable good faith efforts to obtain a similar agreement from the Lessor under the Master Lease. Sublessor shall provide one (1) Estoppel Certificate pursuant to this subsection free of charge, and any other requested Estoppel Certificates will provided for a fee of not more than one hundred fifty dollars ($150.00). In the event Sublessee shall default on any loan obtained from a Lender, Sublessee's Lender shall have the right, but not the obligation, to assume Sublessee's rights and obligations under this Sublease and/or assign such rights and obligations to a third party, and thereafter Sublessee's Lender shall have the right to assume operation of the facilities contained on the Subleased Premises (the "Loan Default Option"). In the event Sublessee's Lender chooses not to exercise the Loan Default Option, then the Sublessor shall have the right to assume the obligations of Sublessee under said loan.

Section 7.11. The Sublessee shall not discriminate against any person or persons or exclude from participation in the Sublessee's operations, programs or activities conducted on the Subleased Premises, because of race, color, religion, sex, age, handicap, national origin or place of residency. The Sublessee, by acceptance of this Sublease, hereby gives assurance that it will comply with the provisions of Title VI of the Civil Rights Act of 1964 as amended (42 U.S.C. 2000d); the Age Discrimination Act of 1975 (42 U.S.C. 6102); the Rehabilitation Act of 1973, as amended (29 U.S.C. 794); and all requirements imposed by or pursuant to the Directive of the Department of Defense (32 CFR Part 300) issued as Department of Defense Directive 5500.11, May 21, 1971. This assurance shall be binding on the Sublessee, its agents, successors, transferees, sublessees and assignees.

Section 7.12. Sublessee shall promptly repair or replace to the satisfaction of Sublessor any property of Sublessor damaged or destroyed by Sublessee incident to operations or activities under this Sublease.

ARTICLE VIII

JOINT USE

Section 8.0. Sublessee and Sublessor agree to exercise joint use of the Subleased Premises in accordance with a separately executed and independent agreement between the parties.

ARTICLE IX

DESIGN AND CONSTRUCTION

Section 9.0. Sublessee shall submit to Sublessor for approval, which approval shall not be unreasonably withheld or delayed, a description and design plan all facilities to be constructed or erected on the Subleased Premises. The final description and design plans, as described herein, shall be made a part of this Agreement.

Section 9.1. Construction plans for all facilities to be constructed or erected on the Subleased Premises shall be submitted to Sublessor and the United States Department of the Army Corps of Engineers Fort Worth District Engineer for approval, which approval shall not be unreasonably withheld or delayed by Sublessor, prior to construction. No approval of plans and specifications by the Sublessor shall be construed as representing or implying that improvements built in accordance therewith shall be free of defects. Any such approvals shall in no event be construed as representing or guaranteeing that any improvements built in accordance therewith

will be designed or built in a good and workmanlike manner. Neither the Sublessor nor its elected officials, officers, employees, contractors, and/or agents shall be responsible or liable in damages or otherwise to anyone submitting plans and specifications for approval by the Sublessor for any defects in any plans or specifications submitted, revised, or approved, any loss or damages to any person arising out of approval or disapproval or failure to approve or disapprove any plans or specifications, any loss or damage arising from the noncompliance of such plans or specifications with any governmental ordinance or regulation, nor any defects in construction undertaken pursuant to such plans and specifications. Sublessee agrees that all work and improvements conducted by Sublessee on the Subleased Premises will be done in a good and workmanlike manner and maintained in good condition. Sublessee shall install and maintain the improvements provided for in the design plans and shall maintain any and all improvements that it erects on the Subleased Premises for the term of this Sublease, pursuant to the terms of the Specifications.

Section 9.2. Sublessee agrees that representatives of Sublessor and the United States Department of the Army Corps of Engineers shall be included in all planning discussions throughout the process of designing all facilities to be constructed or erected on the Subleased Premises.

Section 9.3. Subject to any existing agreements between Sublessor and Sublessee as to costs of permits, Sublessee shall obtain, at Sublessee's sole cost and expense, all construction and operating permits and licenses.

Section 9.4. All construction undertaken pursuant to this agreement shall be undertaken in accordance with any and all restrictions or requirements contained in the United States Army Corps of Engineers Permit Number 199800911, and any subsequent amendments, which permit and amendments are incorporated herein by reference. Sublessee shall assume full responsibility for complying with any requirements of the Mitigation Plan approved by the United States Army Corps of Engineers under Permit Number 199800911. Sublessor shall only be responsible for any mitigation requirements in the Mitigation Plan which specifically mandate Sublessor's participation.

Section 9.5. Sublessee shall, as a condition of this Sublease and as required by Permit Number 199800911, provide Sublessee and the United States Army Corps of Engineers a complete set of as-built drawings for all of the work conducted under this Sublease and said Permit within one (1) year after the work is completed.

Section 9.6. Sublessee shall, as a condition of this Sublease and as required by Permit Number 199800911, commence construction on the Subleased Premises as required by Permit Number 199800911. In the event Sublessee fails to commence construction in a timely manner as required by Permit Number 199800911, Sublessor shall have the right and option to terminate and cancel this Sublease, unless any delay in the commencement of construction is caused by Sublessor's or Master Lessor's failure to timely approve items submitted for approval by Sublessee, at which time the deadline to complete construction shall be extended to account for such delay.

Section 9.7. Sublessee shall obtain or require from each contractor or subcontractor performance, payment, and maintenance bonds, or similar coverage through other insurance programs, in a form acceptable to Sublessor, on any and all work to be conducted on the Subleased Premises as part of this Agreement.

ARTICLE X

SUBLEASE AND ASSIGNMENT

Section 10.0. Subject to the approval of the Lessor under the Master Lease, Sublessee shall have the right to assign or sublet the Subleased Premises,, Sublessee shall provide notice to Sublessor in writing of its intention to do so.

Notwithstanding the provisions above, this Sublease shall not be assigned in a manner which purports to release Sublessee of any of its obligations hereunder without the prior approval of Sublessor and the Fort Worth District Engineer, which approval (in the case of an attempted assignment) shall not be unreasonably withheld or delayed. Sublessee shall provide Sublessor with all legal and financial information reasonably deemed necessary by Sublessor concerning the assignee or new sublessee. Before any assignment or further subletting can be effective, the assignee or new sublessee shall agree in writing to all of the terms and conditions of this Sublease. Use by the Sublessee of a separate entity or entities to hold liquor licenses and any corresponding concession or service agreements will not constitute an assignment requiring Sublessor's consent. Notwithstanding the foregoing, so long as Sublessee or any affiliate continues to manage the facilities located on the Leased Premises, no approval of the assignment of the Sublessee's interests in the Sublease shall be required.

Section 10.1. Sublessee may, from time to time, in its sole discretion and without the consent of Sublessor, sell or assign its interest in this Agreement to the following: any affiliate of Sublessee or to any entity which acquires by merger or otherwise all or substantially all of the assets of Sublessee or its parent company Gaylord Entertainment Company.

As used herein, the term "Entity" means any person, corporation, partnership (general or limited), joint venture, limited liability company, association, joint stock company, trust or other business entity or organization. The term "Affiliate" means with respect to any Entity, an Entity that directly or indirectly controls, is controlled by, or is under common control with such Entity, whether by contract or otherwise, including, without limitation, any Entity that directly or indirectly owns, controls or holds with power to vote ten percent (10%) or more of the outstanding voting securities or other voting ownership interests of such Entity, or any Entity ten percent (10%) or more of whose outstanding voting securities or other voting ownership interests are directly or indirectly owned, controlled, or held with power to vote by such Entity.

Upon any sale or assignment of Sublessee's interest in this Agreement, Sublessee will provide written notification of said sale or assignment to Sublessor within five (5) days of the execution of the sale or assignment.

Section 10.2. This Sublease shall be binding on and inure to the benefit of the parties and their respective successors and assigns except as otherwise expressly provided in this Sublease.

Before any sale or assignment can be effective, the assignee or purchaser shall agree in writing to

all of the terms and conditions of this Agreement.

ARTICLE XI

DEFAULT

Section 11.0. Sublessor may terminate this Sublease upon the occurrence of any one, or more, of the following events:

a. the failure of Sublessee to pay any installment of rent, or other charge or money obligation required by this Sublease, within ten (10) business days after written notice is received by Sublessee;

b. the failure of Sublessee to cure any other default under this Sublease within thirty (30) days, or such longer period of time as is reasonably necessary, after written notice of such default is received by Sublessee;

c. the making by Sublessee of an assignment for the benefit of its creditors;

d. the levying on or against the property of Sublessee used in connection with the operations on the Subleased Premises of a writ of execution or attachment that is not released or discharged within ninety (90) days, or such longer period of time as is reasonably necessary;

e. the institution in a court of competent jurisdiction of proceedings for the reorganization, liquidation, or involuntary dissolution of Sublessee, or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of Sublessee used in connection with the operations on the Subleased Premises, provided that the proceedings are not dismissed, and any receiver, trustee, or liquidator appointed therein is not discharged within ninety (90) days after the institution of said proceedings or such period of time as is reasonably necessary; or

f. the doing or permitting to be done by Sublessee of any act which creates a mechanics' lien or claim against the land or any structure or building of which the Subleased Premised are a part which is not released or otherwise provided for by indemnification reasonably satisfactory to Sublessor within thirty (30) days after written notice from Sublessor to Sublessee.

Section 11.1. Upon any default by Sublessee under the terms and provisions of this Sublease, Sublessor shall provide written notice (in addition to any notice required under a-f above) notifying Sublessee of the intent of Sublessor to terminate this Sublease, and an additional 45 days to cure such default, after which, if no cure is effectuated or commenced by Sublessee, Sublessor may, without prejudice to any other remedy which it may have for possession or arrearages, and subject to the rights of the lender under Section 7.11, enter upon and take possession of the Subleased Premises by any legal and reasonable means necessary, without

being liable for any claim for damages. Notwithstanding any termination by Sublessor, the liability of Sublessee for the rents and charges due under this Sublease or the indemnification by Sublessee as contained in Sections 4.1 and 6.2, shall not be relinquished, diminished, or extinguished. Any property belonging to Sublessee or to any persons holding by, through, or under Sublessee, may be removed and stored in any public warehouse at the cost of and for the account of Sublessee. If Sublessee should abandon, vacate, or surrender the Subleased Premises or be dispossessed by process of law, any personal property left on the Subleased Premises may be deemed abandoned after a reasonable period of time not to exceed 30 days, at the option of Sublessor.

Section 11.2. Subject to the terms of Section 11.4, in the event of any default by Sublessee which has not been cured by Sublessee within the applicable cure period, Sublessor may immediately or at any time thereafter, without notice to Sublessee, cure the default for the account and at the expense of Sublessee. If Sublessor at any time, by reason of the default, is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense, including reasonable attorney's fees, in instituting or prosecuting any action or proceeding to enforce Sublessor's rights under this Sublease, the sums so paid by Sublessor, with interest thereon at the maximum rate allowed by law per annum from the date of payment, shall be deemed to be additional rent and shall be due from Sublessee to Sublessor on the first day of the month following the payment of the respective sums or expense.

Section 11.3. Should Sublessor be in default under the terms of this Sublease, Sublessor shall have thirty (30) days after Sublessor receives written notice of such default, or such longer period of time as is reasonably necessary, to cure the same. If Sublessor does not cure its default within the applicable cure period stated herein, Sublessee may cure such default and, provided (and to the extent) that such default was not caused by any action or inaction on the part of Sublessee, Sublessee may demand reimbursement from Sublessor for the reasonable costs and expenses incurred by Sublessee in curing such default. Sublessor shall reimburse Sublessee within ten (10) days thereafter or such other period of time as is reasonably necessary. Further, at Sublessee's option (and in addition to any other rights or remedies Sublessee may have) Sublessee may deduct any amounts advanced by Sublessee as provided above from all subsequent amounts payable by Sublessee to Sublessor, including payment of rent as hereinbefore provided, in lieu of seeking reimbursement from Sublessor.

Section 11.4. If a Lender shall have given prior notice to Sublessor that it has entered into a loan with Sublessee pursuant to Section 7.11 hereof, and such notice includes the address of that Lender, then Sublessor shall give to said Lender notice simultaneously with any notice given to Sublessee to correct any default of Sublessee hereunder. The Lender shall have the right, but not the obligation, within thirty (30) days after receipt of said notice, to correct or remedy such default before Sublessor may take any action under this Sublease by reason of such default. Any notice of default given Sublessee shall be null and void unless simultaneous notice has been given to said Lender.

Section 11.5. All rights and remedies of the parties enumerated in this Sublease shall be cumulative and shall not exclude any other right or remedy allowed by law. These rights and remedies may be exercised and enforced concurrently, whenever and as often as necessary.

ARTICLE XII

RELINQUISHMENT

Section 12.0. Sublessor shall not relinquish the Master Lease, as it relates to the Subleased Premises, without the prior written approval of Sublessee.

ARTICLE XIII

NOTICES

Section 13.0. Unless otherwise provided in this Sublease, any notice, tender or delivery to be given by either party to the other may be effected by personal delivery in writing or by mail. If notice is to be delivered by mail, such notice shall be deemed received when the same is deposited in an official United States Post Office box, postage prepaid, return receipt requested, registered or certified mail. Notices shall be delivered to the following addresses unless ten (10) days prior written notice of a change of address is given:

TO SUBLESSOR:

City Manager
City of Grapevine
P.O. Box 95104
Grapevine, Texas 76099

WITH A COPY TO:

John F. Boyle, Jr., Esq.
Boyle & Lowry, L.L.P.
4201 Wingren, Suite 108
Irving, Texas 75062-2763

and

The United States Department of the Army

Corps of Engineers
P.O. Box 17300
Fort Worth, Texas 76102
Attention: CESWF-RE-MM

TO SUBLESSEE:

Opryland Hotel-Texas Limited Partnership
c/o Gaylord Entertainment Company
One Gaylord Drive
Nashville, TN 37214
Attn: Hospitality Grou - President
Fax No.: (615) 316-6801

WITH A COPY TO:

Kim A. Brown
Sherrard & Roe, PLC
424 Church Street, Suite 2000
Nashville, TN 37219
Fax No.: (615) 742-4539

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.0. In case any one or more of the provisions contained in this Sublease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision and this Sublease shall be construed as if such invalid, illegal or unenforceable provision had never been included.

Section 14.1. This Sublease shall be enforceable in Tarrant County, Texas, and if legal action is necessary by either party with respect to the enforcement of any or all terms or conditions of this Sublease, venue for the same shall lie exclusively in Tarrant County, Texas.

Section 14.2. This Sublease constitutes the sole agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting this subject matter.

Section 14.3. This Sublease and all other copies of this Sublease, insofar as they relate to the rights, duties, and remedies of the parties, shall be deemed to be one agreement. This Sublease may be executed concurrently in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 14.4. Upon execution hereof, Sublessor shall request an Estoppel Certificate, in form and substance reasonably satisfactory to Sublessee, from the Master Lessor, certifying: (i) that the Master Lease is unmodified and in full force and effect (or, if there have been modifications, that the Master Lease is in full force and effect,- as modified, and setting forth the modifications), (ii) the date up to which rent and all other charges, if any, have been paid by Sublessor, (iii) that Sublessor will not violate any provision of the Master Lease by entering into this Sublease with Sublessee, (iv) whether or not there is any existing default by Sublessor under the Master Lease and specifying any such breach or default known to Master Lessor, and (v) the agreement of the Master Lessor to accept cure of a default under the Master Lease from Sublessee, its lender, and their respective successors and assigns. In addition to all other representations and warranties herein contained, Sublessor hereby represents and warrants to Sublessee that as of the date hereof (i) the Master Lease is in full force and effect, has not been amended or modified in any respect except as stated in the estoppel certificate, and shall not be amended or modified in the future without the consent of Sublessee, which consent shall not be unreasonably withheld or delayed, (ii) all rents and other amounts (including additional rents and other charges), if any, reserved and required under the Master Lease have been paid to the extent they were payable prior to the date hereof, (iii) Sublessor is not in default under the Master Lease and there is no existing default by Master Lessor under the Master Lease, (iv) Sublessor has not received written notice and has no actual knowledge of any written notice having been given that the Subleased Premises or any portion thereof are in violation of any applicable laws, rules or ordinances, (v) Sublessor has not received any notice of any condemnation or similar proceedings affecting the Subleased Premises and (vi) Sublessor has no actual knowledge of any substances that might be deemed environmentally hazardous, being located in or on the Subleased Premises, (vii) the assignment of the Sublease to SUBLESSEE does not and would not constitute a default under its Master Lease; (viii) no facilities constructed in the Subleased premises violate the building set-back requirements set forth in paragraph 24 of the Master Lease, Sublessor and Master Lessor acknowledge and agree that, as of the date hereof, no improvements have been constructed on the Subleased Premises, and that this does not constitute a default or a pending default under either this Sublease or the Master Lease

Section 14.5. Sublessor shall immediately upon execution hereof deliver to Sublessee a Non-Disturbance Agreement executed by Master Lessor in a form as set forth in the attached Exhibit E.

Section 14.6. Each party represents and warrants to the other party that the representing party has full power and authority to enter into this Sublease, and that upon execution hereof by the person signing this Sublease on behalf of such representing party, this Sublease shall be binding on and fully enforceable against such representing party and each party's respective successors or assigns.

Section 14.7. This Sublessee shall comply with all Occupational Safety and Health Act (OSHA) Standards and any other federal, state or local rules and regulations applicable to construction and/or maintenance activities in the State of Texas.

Sublessor's safety personnel or any supervisor may, but are not required to, order that the work be stopped if a condition of immediate danger is found to exist. Nothing contained herein shall be construed to shift responsibility or risk of loss for injuries or damage sustained as a result of a violation of this Section from the Sublessee to the Sublessor. The Sublessee shall remain solely and exclusively responsible for compliance with all safety requirements and for the safety of all persons and property at the project site.

The parties hereto expressly agree that the obligation to comply with applicable safety provisions is a material provision of this Sublease and a duty of Sublessee. Sublessor reserves the right to require demonstration of compliance with the safety provisions of this Sublease upon reasonable request. In the event Sublessee is unable to demonstrate compliance with the safety provisions of this Sublease, the parties agree that such failure is deemed to be a material breach of this Sublease and the Sublessee agrees that upon such breach, all work pursuant to this Sublease shall terminate until demonstration to Sublessor that the safety provisions of this Sublease have been complied with. In no event shall action or failure to act on the part of the Sublessor be construed as a duty to enforce the safety provisions of this Sublease nor shall it be construed to create liability for Sublessor for any act or failure to act in respect to the safety provisions of this Sublease.

Section 14.8. Sublessee shall be responsible for the safety equipment to be used by its employees and/or all of its subcontractors working on Subleased Premises. This equipment will

include, but may not be limited to, hard hats, safety belts or harnesses, eye, face, hand, ear or hearing protection. Sport or athletic type shoes are not considered suitable work shoes on any construction site.

Section 14.9. Sublessor and Sublessee agree that this Sublease is subject to the review and approval of the United States Army Corps of Engineers. As such, Sublessor and Sublessee, as part of the execution of this Sublease, agree that this Sublease shall be amended to reflect any reasonable change or amendment which is mandated by the United States Army Corps of Engineers. Provided, however, that in the event of a material change to this Sublease mandated by the United States Army Corps of Engineers, as determined by either Sublessor or Sublessee, either Sublessor or Sublessee shall have the right to terminate this Sublease upon written notice to the other party, and the parties shall have no further rights or obligations with respect to the Sublease. The parties acknowledge and agree that this Sublease shall not be deemed effective until approved in writing by the Fort Worth District Engineer, which approval shall not be unreasonably withheld.

Section 14.10. The parties acknowledge and agree that in the event Sublessee is unable to obtain the financing described in Article VII, Section 7.11 hereof, Sublessee shall have the right to terminate this Sublease, without penalty, by written notice to Sublessor, whereupon this Sublease shall be deemed null and void.

Section 14.11. This Sublease shall be governed by and construed in accordance with the laws of the State of Texas and applicable federal law.

Executed this 16th day of May, 2000.

SUBLESSOR:

ATTEST: CITY OF GRAPEVINE, TEXAS,

By: /s/ Linda Huff
Linda Huff
City Secretary

By: /s/ William D. Tate
William D. Tate
Mayor

APPROVED AS TO FORM:

By: /s/ [City Attorney]
City Attorney

SUBLESSEE:

Opryland Hotel-Texas
Limited Partnership

By: Opryland Hospitality, Inc.
General Partner

By: /s/ David B. Jones
David B. Jones
President

EXHIBIT 10.22

STATE OF TEXAS)
COUNTY OF TARRANT)
CITY OF GRAPEVINE)

SUBLEASE ADDENDUM NUMBER 1

WHEREAS, the City of Grapevine ("Sublessor") and Opryland Hotel - Texas Limited Partnership ("Sublessee") previously executed a Hotel/Convention Center Sublease Agreement dated May 16, 2000 (the "Sublease"); and

WHEREAS, the parties to the Sublease mutually desire to amend the Sublease pursuant to a request for the United States Army Corps of Engineers, as is authorized by Section 14.9 of the Sublease; and

WHEREAS, the proposed amendment to the Sublease is reasonable.

NOW, THEREFORE, the City of Grapevine and the Opryland Hotel - Texas Limited Partnership, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, do hereby covenant and agree as follows:

I. All matters stated in the preamble are found to be true and correct, and all are incorporated into the body of this Addendum as if copied in their entirety.

II. Section 14.5 of the Sublease is hereby amended and replaced in its entirety as follows:

Upon written request of the Sublessee, Sublessor will use good faith, reasonable efforts to obtain a Non-Disturbance Agreement executed by Master Lessor in a form mutually acceptable to Sublessee, Sublessor and Master Lessor.

III. Article VIII. of the Sublease is hereby deleted in its entirety.

IV. This Addendum shall be attached as an exhibit to the Sublease and incorporated therein.

V. The Sublease and its terms remain unchanged, except as otherwise provided herein.

Executed this 28th day of July, 2000.

SUBLESSOR:

CITY OF GRAPEVINE, TEXAS,

ATTEST:

By: /s/ Linda Huff
Linda Huff
City Secretary

By: /s/ William D. Tate
William D. Tate
Mayor

APPROVED AS TO FORM:

By: /s/ [City Attorney]
City Attorney

SUBLESSEE:

OPRYLAND HOTEL-TEXAS LIMITED PARTNERSHIP

By: Opryland Hospitality, Inc.,

its managing general partner

By: /s/ David Jones

David Jones, President

CORPORATE ACKNOWLEDGMENT:
THE STATE OF TENNESSEE
COUNTY OF DAVIDSON

Before me, the undersigned, on this day personally appeared David Jones, President of Opryland Hospitality, Inc., known to me or proved to me through the presentation of a valid Driver's License to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Mr. Jones furthermore attested that he is signing this document in his capacity as President of Opryland Hospitality, Inc., the managing partner of Opryland Hotel - Texas Limited Partnership, and that such capacity makes his signature valid to bind the companies, Opryland Hospitality, Inc. and Opryland Hotel - Texas Limited Partnership.

Seal:

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 25th day of July, 2000.

My Commission Expires: 3/29/03

/s/ Darnelle B. Smith

Notary Public in and for the State of TN

GUARANTEED MAXIMUM PRICE CONSTRUCTION AGREEMENT

This GUARANTEED MAXIMUM PRICE (GMP) CONSTRUCTION AGREEMENT is dated this 18th day of November, 2002, between Gaylord Entertainment Company, One Gaylord Drive, Nashville, TN 37214, ("Owner"), and Centex Construction Company, Inc., 3100 McKinnon, 7th Floor, Dallas, TX 75201 ("Contractor"), a General Contractor. Together, the Owner and Contractor are referred to herein as the "Parties".

RECITALS

The Parties have entered into a Pre-Construction Agreement, dated October 30, 2000, providing for design and program development for the organization and management of the construction of the Gaylord Opryland Resort and Conference Center located in Grapevine, Texas (the "Pre-Construction Work"). All Pre-Construction Work and Additional Services contemplated by the Pre-Construction Agreement have been performed.

The Pre-Construction Agreement anticipated that the Parties would negotiate and execute a Guaranteed Maximum Price Agreement to provide for the construction phase of the Project. The Parties have begun the construction phase of the Project under the Pre-Construction Agreement prior to their execution of this Guaranteed Maximum Price Construction Agreement (referred to herein as the "Agreement"). This Agreement governs the construction phase of the Project performed after the Date of Commencement as set forth in this Agreement pursuant to Change Order Nos. 1, 2 and 3 of the Pre-Construction Agreement and contract documentation issued in connection therewith.

The Parties have also executed, and are performing, a separate lump sum contract, dated February 22, 2002, for the construction of certain infrastructure related to the Project. That separate contract is referred to herein as the "ECONOMIC IMPROVEMENT PROGRAM AGREEMENT" or "EIP AGREEMENT".

The Parties acknowledge that the originally contemplated pace and schedule for the Project have been delayed and disrupted by the actual and threatened impact on the hospitality industry caused by the events of September 11, 2001. As a consequence of those calamities, occurring after the commencement of the Work, the Owner directed a slow-down of performance and imposed a nine-month limitation on the scope of Work to permit its careful evaluation of the impact of those events and their aftermath on the desirability of proceeding with the completion of the Project. The Contractor and its subcontractors have cooperated with the Owner by curtailing and delaying their performance of Work. The Owner, having determined to complete the Project, and the Contractor, intending to do so, now enter into this Agreement cognizant of these circumstances after the Work has been commenced, slowed and now resumed for completion.

In consideration of the foregoing Recitals and the mutual obligations undertaken herein, the Parties agree to the following terms and conditions:

ARTICLE 1.
DEFINITIONS

1.1 BASIC DEFINITIONS. Certain capitalized terms are defined throughout this Agreement. In addition, when used herein, the following terms shall have the meanings provided below:

1.1.1 "ARCHITECT" means Hnedak Bobo Group, 104 South Front Street, Memphis, TN 38103.

1.1.2 "CONTRACT DOCUMENTS" shall mean this Agreement, the Scope of Work set out on Exhibit A hereto, and the Documents enumerated in Exhibit B hereto, the Drawings, the Specifications, Change Order Nos. 1, 2 and 3 to the Pre-Construction Agreement, other documents listed in this Agreement, and

Modifications executed after the date of this Agreement.

1.1.3 "DRAWINGS" means the graphic and pictorial portions of the Contract Documents, showing the design, location and dimensions of the Project Work, generally including plans, elevations, sections, details, schedules and diagrams, as enumerated in Exhibit B hereto.

1.1.4 "FORCE MAJEURE" means the events described in Paragraph 9.1.3 hereof.

1.1.5 "MODIFICATION" means (i) a written amendment to this Agreement signed by both parties, (ii) a Change Order, including Change Order Nos. 1, 2 and 3 to the Pre-Construction Agreement, (iii) a Construction Change Directive or (iv) a written order for a minor change in the Project Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include bidding requirements (advertisement or invitation to bid, instructions to bidders, sample forms, the Contractor's bid or portions of addenda relating to bidding requirements).

1.1.6 "PROJECT" means the construction of the Hotel, Convention Center, and Service Building, and Parcel "C" and related items producing a complete facility developed as the Gaylord Opryland Resort and Conference Center located in Grapevine, Texas.

1.1.6.1 "Parcel C" shall mean bus shelters, truck marshaling area, approximately 1,300 surface parking spaces, striping, site lighting, site utilities, berming, landscaping, irrigation, signage, and security located on approximately 17 acres within the boundaries of State Highway 26, Boyd Drive, Turner Road and Ruth Wall Street, as fully described by the Contract Documents.

1.1.7 "PROGRAM MANAGER" will mean Foxcor, Inc., as successor to HDC International, acting on and after August 1, 2002, as a direct representative of the Owner in all phases of design and construction.

1.1.8 "FF&E MILESTONE DATES" shall mean the dates on which certain areas of Work or activities are scheduled for completion in accordance with the Contract Documents. The scheduled Milestone Dates for each area of Work or activity are specified by Exhibit G which is attached hereto and incorporated herein.

1.1.9 "SPECIFICATIONS" means that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards and workmanship for the Project Work, and performance of related services as set forth in Exhibit B attached hereto.

1.1.10 "SUBSTANTIAL COMPLETION" shall be as described in Paragraph 2.2.1 hereof.

1.1.11 "WORK OR PROJECT WORK" means the construction and services required to complete the components of the Project, as described in Paragraph 2.1 hereof and delineated by Exhibit A hereto and in accordance with the Documents enumerated in Exhibit B hereto and shall not incorporate the Gaylord Hotel Standards except as expressly referenced in a Contract Document. Any issue regarding whether an item of Work depicted by Exhibits A and B hereto is within the scope of the Project Work shall be resolved on site on a daily basis by representatives of the Contractor and the Program Manager. The resolution of each scope issue shall be logged and indexed in sufficient detail for record purposes and for adjustment, if any, of the Guaranteed Maximum Price and the Contract Time. If representatives of the Contractor and the Program Manager cannot resolve the scope issue on site, the Contractor shall submit a request for information ("RFI") to the Architect for prompt written resolution. The Contractor shall proceed with the execution of the Scope of Work, as further defined by written resolution achieved through consultation with the Program Manager or determination by the Architect.

1.1.12 "EIP PROJECTS", also referred to as Section 380 and formerly referred to as "TIF PROJECTS", means TIF Project 1 - Gaylord Trail and TIF Project 2 Ruth Wall Road infrastructure work to be completed in connection with the Hotel under separate contracts between the City and TIF Contractors, and the other work to be completed by Contractor pursuant to the EIP Agreement dated May 21, 2001, between Contractor and Owner. Such work is being funded by the proceeds made available by the City of Grapevine, Texas, pursuant to agreements between the City and the Owner. EIP Projects will be under construction while the Contractor is performing the Project Work. Contractor shall coordinate all interfaces with adjacent EIP Projects with the Program Manager. Contractor shall maintain separate records and accounts for the Project and the EIP Projects.

1.1.13 "CONTINGENCY" shall mean that Cost of the Work, as defined in Paragraph 2.3.2 hereof, that may be reasonably unforeseen by the Parties. The GMP shall not include a Budget Line Item Value nor a liquidated component for any Contingency. The Contractor may submit any reasonably unforeseeable cost of performing the Work to the Program Manager whose recommendation thereon shall be provided to the Owner. The Cost of the Work shall not be adjusted for the amount of a requested Contingency item, except upon the written approval of the Owner in the form of a Change Order.

1.1.14 "EFFECTIVE DATE" of this Agreement shall mean March 19, 2001.

1.1.15 Subject to the provision for extension of time provided in Subparagraph 9.2.1 hereof, the "CONTRACT TIME" shall mean the period of time from the Date of Commencement to the Date of Final Completion.

1.1.16 "GRAND OPENING" is the stage of completion of all Work required by the Contract Documents so as to enable the Owner to open to the public, and to utilize, the entire Project as an operating, revenue-producing Hotel and Convention Center. The Grand Opening anticipates the Owner's access to, and the use, function and availability of, public areas, guest rooms and suites, atriums, registration, front door and bell service, parking, concierge, elevators, salons, spas and outdoor pools, restaurants, food and beverage service; and that service functions and facilities, including roads, lighting, security, fire protection, life safety, kitchen, loading docks and aprons,

elevators and laundries are open, secure and operating without access to any area being materially impeded.

1.1.17 "GRAND OPENING DATE". The Grand Opening Date of the Project shall occur on April 2, 2004, the date on which the Project is scheduled for its Grand Opening and commencement of revenue-producing activities as a Hotel and Convention Center. Except for delays excused by force majeure, as provided in Paragraph 9.1.3 in this Agreement, Contractor warrants that in no event shall the Grand Opening Date of the Project be later than April 2, 2004. The Parties agree that some of the conditions for Final Completion, as defined in Paragraph 10.10.2, may not be achieved until after the Grand Opening Date.

1.2 OTHER TERMS. Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

ARTICLE 2.
GENERAL TERMS

2.1 THE WORK OF THIS CONTRACT. The Contractor shall fully execute the entire work as described in the Scope of Work for the Project in Exhibits A and B (the "Project Work").

2.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION. The Date of Commencement of the Project Work shall be March 19, 2001, regardless of any delay thereafter by the Contractor in actually commencing the Project Work.

2.2.1 "SUBSTANTIAL COMPLETION" is the stage in the progress of the Work when the entire Work is sufficiently complete in accordance with the provisions of the Contract Documents so that the Owner can occupy or utilize the Project for its Intended Use, subject to the Contractor's completion and correction of minor omissions and deficiencies in the Work that do not interfere with the Owner's access to the entire Project for its installation of FF&E. Substantial Completion of the entire Project Work shall be signified by the Architect's execution and issuance to the Parties of a Certificate of Substantial Completion.

2.2.1.1 "DATE OF SUBSTANTIAL COMPLETION". The Contractor shall achieve Substantial Completion of the entire Project, including without limitation the Convention Center, Support Building, and Hotel, including atrium and each Hotel Wing and related landscaping and hardscape, no later than March 1, 2004.

2.2.1.2 The Contractor shall achieve Partial Use under Paragraph 10.9 of the Convention Center (Exhibition Level only) no later than August 1, 2003 for the stocking of furniture, fixtures and equipment for timely installation in the Hotel prior to life safety systems being operational and tested. The Parties agree that Partial Use of the Convention Center Exhibition Level does not include the life safety systems, which may not be sufficiently operational to occupy the Convention Center without City of Grapevine specified alternative measures.

2.3 GUARANTEED MAXIMUM PRICE ("GMP"). For all work performed and services rendered by Contractor with respect to the Project Work (not including EIP Projects Scope of Work), the Owner agrees to pay Contractor an amount equal to the total of the Cost of the Work plus the Contractor's Fee; but in no event will the compensation paid by the Owner to Contractor for the cost of the Project

Work plus Contractor's Fee be an amount in excess of THREE HUNDRED SEVENTEEN MILLION NINE HUNDRED NINETY-EIGHT THOUSAND FIVE HUNDRED SIXTY-NINE DOLLARS ($317,998,569.00) said amount being the "Guaranteed Maximum Price" ("GMP"), as identified in Exhibits C and E, subject to additions or deductions by Change Order as provided in the Contract Documents. In no event will the Owner be obligated to pay Contractor the full GMP unless the Cost of the Work plus the Contractor's Fee are equal to or in excess of the GMP. The GMP may also be referred to in the Contract Documents as the Hotel Contract Sum. Costs which would cause the GMP to be exceeded will be paid by the Contractor without reimbursement by the Owner.

2.3.1 CONTRACTOR'S FEE. Contractor's Fixed Fee for the Project Work will be TWELVE MILLION DOLLARS ($12,000,000.00) and includes all of Contractor's profit for the Project Work. Contractor's Fee shall not be increased unless or until the actual Cost of the Work exceeds $305,998,569.00 by way of Change Orders. Contractor will include in each monthly progress Application for Payment for Project Work a line item for the Contractor's Fee for that portion of the entire Contractor's Fee that is earned during the period for which Application is made. The Contractor's Fee submitted in each Application shall be calculated as a sum being in the same proportion to the entire Contractor's Fee as the percentage of the Project Work completed during that period for which Application is made, less applicable retainage as defined in Paragraph 10.6.1.2. The periodic percentage of completion of the Project Work is subject to the recommendation of the Program Manager and the certification by the Architect and the approval of the Owner.

2.3.2 COST OF THE WORK. The "Cost of the Work" shall mean the actual cost of labor, material, equipment and services incurred by the Contractor in performing the Project Work, as approved by the Architect in consultation with the Program Manager and as particularly described in Paragraph 2.3.2.1 hereof.

2.3.2.1 "Cost of the Work" shall include those costs as further defined and limited by the following provisions:

A. Wages and salaries for personnel paid for labor in the direct employ of the Contractor in the performance of the Project Work under applicable collective bargaining agreements or under a salary or wage schedule, including such welfare or other benefits, if any, as may be previously agreed upon in writing by the Owner and Contractor. The terms "wages" and "salaries" used herein shall include the straight time and overtime pay and the fixed rate of associated employee benefits. Employee benefits include, but are not limited to, unemployment compensation, social security, compensated absences, and other mandatory and customary contributions and fringe benefits insofar as such costs are based on wages, salaries, or other remuneration paid to employees of the Contractor at a fixed rate of 12.137% of said wages and 48.261% of said salaries. In the event significant overtime becomes necessary, Owner reserves the right to require prior, written Program Manager approval of overtime. Moving expenses and other costs of employee relocation of certain personnel from Contractor's Florida affiliate are Costs of the Work with Program Manager's prior approval, which shall not be unreasonably withheld.

B. The cost of all materials, supplies and equipment incorporated in the Project Work or stored on site, including cost of transportation and storage thereof. At the Owner's sole discretion, the Owner may make payment for materials, supplies and/or equipment stored off-site and insured. In the event of a work stoppage for the Owner's convenience or termination by the Contractor for Owner's default under Article 14, the Owner is obligated to pay Contractor's and sub-tier committed material costs or, if possible, re-stocking charges.

C. Payments made by the Contractor to Trade Contractors for their work performed pursuant to Trade Contracts with the Contractor.

D. Cost of the premiums for only that insurance and those payment and performance bonds which the Contractor is required to procure upon the request of the Owner, as provided in Paragraphs 12.19.1 and 12.12 hereof. Notwithstanding the above, Cost of the Work shall include Contractor's cost of insurance of Contractor-Provided Coverage under Paragraph 12.12 at the fixed rate of .003063 of the Contract Sum.

E. Sales, use, gross receipt, or similar taxes related to the Project Work imposed by any governmental authority and for which the Contractor is liable.

F. Operating permit fees, inspection and filing fees, sewer and water fees, and deposits lost for causes other than the Contractor's own negligence or other wrongful act. If royalties or losses and damages, including cost of defense, are incurred which arise from a particular design, process or the product of a particular manufacturer or manufacturers specified by the Owner or Architect/Engineer, and the Contractor had no reason to believe there would be infringement of patent rights, such royalties, losses and damages shall be "Cost of the Work". If the Contractor knew or, in the exercise of reasonable diligence, should have known that use of the particular design, process or product would infringe a patent(s) and fails to provide written notice to the Owner before using such design, process or product, then no royalties, losses or damages arising from use of such design, process or product shall be a "Cost of the Work".

G. Reasonable cost of removal and disposal of all debris including clean up and trash removal.

H. Cost incurred due to an emergency affecting the safety of persons and/or property, unless a direct result of the negligent acts or omissions of the Contractor.

I. Cost to the Contractor of all temporary electric power, lighting, water and heat required for the performance of the Project Work, or required to protect the Project Work from weather damage.

J. Cost to the Contractor of temporary safety-related protection including barricades and safety equipment, temporary roads and parking, dust control, pest control, installation and operation of temporary hoists, scaffolds, ladders and runways, and temporary project signs and costs of permits and fees pursuant to the Conditions of the Contract.

K. Cost of watchmen or similar security services subject to prior approval by the Owner.

L. Cost of surveys, measurements and layout work reasonably required for the execution of the Project Work or the requirements of this Agreement.

M. Cost of preparation of shop drawings, coordination plans, photographs, and/or as-built documents not included in Trade Contracts.

N. Cost of data processing services required in the performance of the construction phase services shall be Cost of Work at a fixed rate of $3,219.00/wk.

O. All reasonable and customary costs for required reproduction of documents.

P. All costs directly incurred in the performance of the Project Work, except as may be limited by other provisions of this Agreement.

Q. Cost of reasonable and customary deductibles for insurance claims for Contractor-Provided Coverage under Paragraph 12.12 of this Agreement unless such claims were caused by the grossly negligent or intentional act of the Contractor, its Subcontractors, or those for whom they are responsible or the insurance claim is made in response to a valid claim for breach of contract brought by Owner against Contractor.

R. Cost, including transportation and maintenance, of all materials, supplies, equipment, temporary facilities and hand tools not owned by the workmen which are employed or consumed in the performance of the Work.

S. Actual rental charges incurred for all necessary machinery and equipment, including hand tools used in the performance of the Project Work, whether rented from the Contractor or others, including installation, repairs and replacements, dismantling, removal, costs of lubrication, transportation and delivery costs thereof. Rent of Rental Equipment owned by Contractor or Subcontractors or their affiliated companies charged to the Owner on a cost reimbursable basis as the Cost of the Work shall not exceed 70% of the appraised value. Within 90 days after the date of this Agreement, schedules describing equipment, rates and quantity of equipment, including vehicles, owned, rented or leased by the Contractor and its Subcontractors for use on the Project shall be prepared by Contractor and approved by the Program Manager, which approval shall not be unreasonably withheld, before the cost of such equipment may be charged as a Cost of the Work. The Owner reserves the right to purchase the equipment, and the Contractor agrees to properly maintain and operate the equipment.

T. Costs associated with setting up and demobilizing tool sheds, project field offices, temporary fences, temporary roads, and temporary fire protection.

U. Other General Conditions and Project Support Costs elements identified in Exhibit D hereto.

2.3.2.2 It is understood and agreed that the "Cost of the Work" shall be inclusive of all cost associated with the construction of the Project as defined by the Drawings and Specifications as further described by Exhibits A and B hereto, subject to the limitations provided herein. Contingency will be held by the Owner and is not a part of the GMP.

Contractor shall be allowed to utilize any buyout savings within the GMP to be used at its discretion to cover items not clearly defined but implied on drawings issued, missed scope, or discrepancies as noted in Paragraph 4.1.4.1, special conditions not specified, etc. Contractor shall provide a detailed report to Owner on a monthly basis detailing any buyout savings.

2.3.3 Notwithstanding any provision of this Agreement at variance herewith, the Contractor shall not submit for payment as a Cost of the Work and the Owner shall not be obliged to pay, any additional cost for (i) barricades, drapes, safety devices and signage to protect, divert or warn Hotel guests and staff from using or entering incomplete areas of the Hotel and Convention Center incurred by the Contractor or its Subcontractors or vendors on or after the Grand Opening Date; and (ii) premium time for extended or accelerated labor expense incurred after April 2, 2004, if the Grand Opening is not held on the Grand Opening Date as a result of the unexcused delays by the Contractor. The foregoing limitation on the Cost of the Work shall not apply to the extent that the Owner is responsible for such costs incurred on or after April 2, 2004.

2.3.4 [DELETED]

2.3.5 LIQUIDATED DAMAGES. In the event that the Contractor may delay the Grand Opening or the Owner's access to Hotel Wings or public areas of the Project for installation of FF&E, Liquidated Damages shall be assessed in accordance with the provisions of Paragraphs 9.3, 9.5, and 9.7. Liquidated Damages set forth in Paragraphs 9.3, 9.5, and 9.7 are Owner's exclusive monetary remedy for delays to the Project Work.

2.3.6 AFFILIATED ENTITY. The Contractor shall not enter into any subcontract, contract, agreement, purchase order or any other arrangement of any kind ("Arrangement") for the furnishing of any portion of the materials, services, equipment rented for use on the project, equipment, tools, or any portion of the Work with any party or entity if such party or entity is an "Affiliated Entity", as defined below, unless such Arrangement has been approved in writing by the Owner, after full written disclosure by the Contractor to the Owner of such affiliation or relationship and all details relating to the proposed Arrangement. Disclosure by the Contractor to and agreement by the Owner, if agreed by the Owner, shall be in advance of the Contractor entering into any Agreement with any "Affiliated Entity". The term "Affiliated Entity" means any entity related to or affiliated with or having common ownership or management with the Contractor or with respect to which the Contractor has direct or indirect ownership or control, including, without limitation, any entity owned in whole or part by the Contractor; any holder of issued and outstanding shares of, or the holder of any interest in, the Contractor; any entity in which any officer, director, employee, partner or shareholder (or member of the family of any of the foregoing persons) of the Contractor or any entity owned by the contractor has a direct or indirect interest, which interest includes, but is not limited to, that of a partner, employee, or agent or shareholder. At the Owner's sole discretion, the Owner shall not reimburse the Contractor for any cost associated with any Arrangement with any Affiliated Entity, as defined above, unless the Owner has received full disclosure from the Contractor and given written approval of the Arrangement prior to the Contractor entering into any Arrangement.

2.3.7 GIFTS; BENEFITS. Contractor shall comply with the gifts policy developed by Owner with regard to receipt by Contractor or its employees of gifts or other benefits from vendors or subcontractors providing materials or services for the Project.

2.3.8 SEPARATED CONTRACT.

2.3.8.1 The parties intend that this Agreement shall be a "Separated Contract" as defined in Section 151.056 of the Texas Tax Code and the Rules promulgated by the Texas Comptroller of Public Accounts under that Section.

2.3.8.2 The agreed contract price of all materials incorporated into the Project Work shall be the price that the Contractor has paid or shall pay for the materials or the price that the Contractor has paid or shall pay to the Subcontractors for materials (provided such material prices are separately stated by the Subcontractors) plus the cost of transportation of, and insurance on, the materials and any other charges directly attributable to the incorporated materials.

2.3.8.3 The agreed contract price of any taxable labor and services included within the performance of the Project Work shall be the amount paid by the Contractor for the labor or services.

2.3.8.4 The Contractor shall issue to the Subcontractors a resale certificate with respect to the materials incorporated into the Project Work and the taxable services that are included in the Project Work and that the Contractor is deemed to resell to the Owner under the Texas Tax Code.

2.3.8.5 The Contractor shall not collect sales or use taxes from the Owner with respect to consumable items used in connection with, and not incorporated into, the Project Work, such as hand tools, fuel, supplies and other items consumed in the performance of the work and not incorporated into the Work. All sales or use taxes paid with respect to such consumable items shall be included in Cost of the Work.

2.3.8.6 Each Application for Payment shall separately state the agreed contract price for incorporated materials, for all skill and labor, for taxable services and for consumables included in the Project Work that is the subject of the Application for Payment (and any Change Orders or other Modifications), all in accordance with the requirements of the Texas Tax Code.

2.3.8.7 The Contractor represents and warrants that the Contractor holds a Texas sales tax permit. The Contractor shall continue to hold the permit at all relevant times during the performance of this Agreement and shall collect, report and remit applicable sales or use taxes arising from the Project Work as required by the Texas Tax Code. Paragraph 2.3.8 shall survive the duration of the Contract Time. During and after the term of this Agreement, the Contractor shall endeavor to collect applicable sales and use taxes from its Subcontractors. If Contractor's efforts are unsuccessful, Owner shall indemnify and hold the Contractor harmless from sales and use tax liability arising out of a Subcontractor default.

2.3.8.8 Notwithstanding the foregoing provisions of this paragraph 2.3.8, if Cost of the Work plus the Contractor's Fee would exceed the GMP, the Cost of the Work which causes the GMP to be exceeded shall include all sales and use taxes arising from the Project Work that are included in such excess Cost of the Work. The Contractor shall pay any such sales and use taxes as a part of such excess costs without reimbursement by the Owner.

ARTICLE 3.
OWNER

3.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER.

3.1.1 The Owner, upon reasonable written request, shall furnish to the Contractor in writing information which is necessary and relevant for the Contractor to evaluate, give notice of or

enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, and the Owner's interest therein at the time of execution of the Agreement and, within five days after any change, information of such change in title, recorded or unrecorded. Owner shall also provide, upon Contractor's reasonable written request, proof of Owner's financing or other ability to timely pay for the Project Work according to this Agreement, and shall notify Contractor immediately upon any foreseeable change in the status of Owner's funding that may materially affect Contractor's (or its Subcontractors' or Suppliers') rights to claims for payment; Contractor may stop the Project Work seven (7) days after written notice of Contractor's reasonable belief that Owner is or will be unable to pay pending or future Applications for Payment on a timely basis.

3.1.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of such site.

3.1.3 Except for permits and fees which are the responsibility of the Contractor under the Contract Documents, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities. The Owner shall secure and pay for the building permit.

3.2 OWNER'S RIGHT TO STOP THE WORK. If the Contractor fails to correct work which is not in accordance with the requirements of the Contract Documents as required by Paragraph 13.2 or fails to carry out Work in accordance with the Contract Documents, the Owner, by 7 days written order, may order the Contractor to cure any non-conforming work or complete any omitted work or stop the work, or any portion thereof, until the cause for such order has been eliminated;

however, the right of the Owner to stop the work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity.

3.3 OWNER'S RIGHT TO CARRY OUT THE WORK. If the Contractor defaults or neglects to carry out the Project Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the Owner, as provided in Paragraph 3.2 hereof to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the cost of correcting such deficiencies, including compensation for the Program Manager and Architect and their respective consultants and Contractor's additional services and expenses made necessary by such default, neglect or failure. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 4.
CONTRACTOR

4.1 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR.

4.1.1 The Contractor shall continuously throughout the performance of the Project Work, carefully study and compare the Contract Documents with each other and with information furnished by the Owner pursuant to Paragraph 3.1 and shall, after reasonable investigation, report to the Program Manager and Architect errors, inconsistencies or omissions discovered. The Contractor shall not be liable to the Owner, Program Manager or Architect for damage resulting from errors,

inconsistencies or omissions in the Contract Documents unless the Contractor recognized such error, inconsistency or omission and failed to report it to the Program Manager and Architect. If the Contractor performs any construction activity after its employees or representatives became aware that such performance involved an error, inconsistency or omission in the Contract Documents without such notice to the Program Manager and Architect, the Contractor shall assume responsibility for such performance and shall bear an appropriate amount of the attributable costs for correction.

4.1.2 Contractor represents that it took field measurements and verified field conditions of the site prior to commencement of construction under the Pre-Construction Agreement and that no errors, inconsistencies or omissions were discovered.

4.1.3 The Contractor shall perform the Project Work in accordance with the Contract Documents.

4.1.4 The Contractor represents that the Contractor, Subcontractors, material and equipment suppliers have evaluated the Drawings and Specifications as provided by the Owner, have participated in the evaluation of the project design subject to the limitations of Article 4.9.10, and made site observations as necessary, and that all conflicts, discrepancies, errors and omissions in the Contract Documents known or discovered prior to the date of this Agreement will be corrected and clarified in accordance with the provisions of Paragraph 4.9.10 hereof. Contractor is aware of the importance of document coordination and acknowledges that Contractor and Subcontractors will not be allowed any change orders for field coordination issues relating to document review per this paragraph.

4.1.4.1 It is the intent of the Contract Documents to describe fully complete Project Work as more particularly described in the Contract Documents, and it is intended that Contractor shall furnish all labor, materials, tools, equipment and other items necessary for the proper execution and completion of the Project Work in accordance therewith, including all work incidental to or reasonably inferable from the Contract Documents as being necessary to produce the intended results, unless it is specifically indicated in the Contract Documents that such work is to be performed by others, and to complete the work in a good and workmanlike manner. Contractor warrants and represents that the GMP represents the cost for complying with that stage of completion of the Project Work depicted by the Contract Documents.

4.1.4.2 The Contractor acknowledges that, subject to the limitations of Article 4.9.10, the Contractor has participated in the design of the project by attending Owner Design Meetings, Architectural Consultant Meetings and by providing cost estimates and guidance for the Project. The Contractor acknowledges the receipt of compensation for Preconstruction Services as stated in the Preconstruction Services Agreement. The Contractor acknowledges that throughout the Preconstruction process that the Contractor has participated in the selection of materials, equipment and systems for the Project. Notwithstanding anything to the contrary in this Article 4.1, the Contractor is not responsible for the design decisions and the interpretation of those decisions into the design depicted by the Contract Documents to achieve Owner's intended results.

4.1.5 Based on known conditions and representations set forth in this Contract, Contractor represents that the Guaranteed Maximum Price represents the total cost for completion of the Project Work as specified in the Contract Documents hereto, including the Contractor's Fee, and therefore,

the Contractor's review and evaluation of the specifications has taken into consideration the Scope of Work depicted in the Contract Documents hereto.

4.1.6 Should Contractor fail to report in writing the discovery by its representatives of an error, inconsistency or ambiguity in the Contract Documents or, having reported same, fail to wait for the Owner or Architect's instructions prior to proceeding with the Project Work, then any work performed by or on behalf of Contractor and subsequent correction will be considered a Cost of the Work and will be at Contractor's own risk and expense to the extent the GMP is exceeded.

4.2 SUPERVISION AND CONSTRUCTION PROCEDURES.

4.2.1 The Contractor shall supervise and direct the Project Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, job safety, techniques, sequences and procedures and for coordinating all portions of the Project Work under this Contract, as provided in Subparagraphs 5.3.4.1 and 5.3.4.2.

4.2.2 The Contractor will employ, during the Project's progress an adequate and appropriate number of competent staff to successfully execute the Project Work. This staff will include, but not be limited to a Project Manager, Project Superintendent, Safety Representative and other assistants and supervisory personnel. Contractor will designate a sufficient number of representatives and that there will be at least two authorized representatives on the Project Site at all times during which the Project Work is being performed. Any personnel, whether specifically named in the Agreement or approved by the Owner, will be replaced by another person satisfactory to the Owner upon the Owner's demand, and none will be removed or changed in status without the Owner's written approval. The Project Manager, Project Executive or Superintendent will represent the Contractor and all directions given to them will be binding. Contractor may request confirmation of directions in writing. If a replacement is necessary as described in this subparagraph, it will not be considered a change in work or claim for extra compensation. The Owner shall not unreasonably request replacement or unreasonably withhold approval for changing an employee.

4.2.3 The Contractor agrees and certifies to the Owner that the Project Executive, Project Managers, and Superintendents described in Exhibit M are currently in the employ of the Contractor, and shall be committed to this Project until Substantial Completion or as otherwise agreed to in writing by the Owner. The Contractor's organizational chart, attached as Exhibit M, reflects all staff designated for this Project, their durations on the Project, and accurately describes the reporting relationships and responsibilities of each of the parties.

4.2.3.1 SUPERINTENDENT. The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Project Work.

4.2.4 The Contractor shall not be relieved of its obligations to perform the Project Work in accordance with the Contract Documents either by activities or duties of the Program Manager or Architect in their administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor.

4.2.5 The Contractor shall inspect the Project Work and will not allow additional work to be performed until such time as those portions are in proper condition to receive subsequent work.

4.2.6 Contractor will be responsible to the Owner for the acts and omissions of its employees. Contractor shall also be responsible for the acts and omissions of its subcontractors and vendors and their respective employees and agents. This provision shall not restrict the Contractor's rights of recovery or indemnity against the Subcontractor or other person or entity ultimately responsible for such act or omission.

4.2.7 Further, notwithstanding the fact that a dispute, controversy or other question may have arisen between the parties relating to the execution or progress of the Project Work, the interpretation of the Contract Documents, the payment of any monies, the delivery of any materials or any other matter whatsoever, Contractor will not be relieved of its obligations to perform and otherwise complete the Project Work in a timely manner or to otherwise perform in accordance with the Contract Documents, pending the determination of such dispute, controversy or other question.

4.3 LABOR AND MATERIALS. Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for execution and completion of the Project Work in a good and workmanlike manner, whether temporary or permanent and whether or not incorporated or to be incorporated in the Project Work. The Contractor shall enforce strict discipline and good order among the Contractor's employees, subcontractors, suppliers, and other persons carrying out the Project Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

4.4 WARRANTY. The Contractor warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new, unless otherwise required or permitted by the Contract Documents, that the Project Work will be free from defects not inherent in the quality required or permitted, and that the Project Work will conform with the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, shall be considered defective. The Contractor's warranty obligations shall extend for a period of one year from the date of Substantial Completion of the Project Work to be performed and excludes remedy for damage or defect caused by abuse (except abuse caused by the Contractor or any subcontractor during the course of the Project Work), modifications affecting the warranted condition or performance that are not made or authorized by the Contractor or its agents, employees or Contractors; maintenance or operation in disregard of, or contrary to, the requirements of any operations or owner's manual or the terms or limitations of an express warranty furnished by the Contractor; or normal wear and tear under normal usage. If required by the Owner, Program Manager or Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

4.5 ACCEPTANCE OF DEFECTIVE OR NON-CONFORMING WORK. If the Owner prefers to accept defective or non-conforming work, it may do so instead of requiring its removal and correction, in which case an appropriate amount will be offset against any amounts then or thereafter due to Contractor; or, if the appropriate amount of offset is determined after final payment (or if there is not then or thereafter due to Contractor an amount sufficient to cover the offset available to the Owner), Contractor will, upon demand, pay the appropriate amount (of the difference after offset, as applicable) to the Owner.

4.6 PERMITS, FEES AND NOTICES.

4.6.1 Except for the building permit, Contractor shall secure and pay for all permits and governmental fees, licenses and inspections necessary for which Contractor is responsible for proper execution and completion of the Project Work which are customarily secured after execution of the Contract and which are legally required when bids are received or negotiations concluded.

4.6.2 The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities bearing on performance of the Project Work. Contractor shall also comply with Factory Mutual Standards bearing on the conduct of the Project Work where required in the Drawings and Specifications. The Contractor shall be responsible for any and all actual cost incurred by the Owner resulting from the Contractor's negligent or intentional failure to comply with said laws, ordinances, codes and regulations.

4.6.3 If the Contractor observes that portions of the Contract Documents are not in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations, the Contractor shall promptly notify the Program Manager and Architect in writing, and necessary changes shall be accomplished by appropriate Modification. If the Contractor performs the Project Work knowing it to be contrary to laws, statutes, ordinances, building codes, and rules and regulations without such notice to the Program Manager and Architect, the Contractor shall assume full responsibility for such work and shall bear the attributable actual cost of achieving conformity to such violated sanctions. Nothing contained herein shall relieve Architect from its responsibility for designing the Project in accordance with all applicable laws, statutes, ordinances, building codes and rules and regulations.

4.7 ALLOWANCES.

4.7.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities against which the Contractor makes reasonable objection.

4.7.2 Unless specifically provided in the Allowance description in Exhibit F, the Allowance amount stated in Exhibit F includes all cost, warranty, and time risk, other than Contractor's fee, associated with or arising out of the Allowance item. Contractor shall separately track and Owner shall pay all costs that are not specifically included in the Contract Sum (as stated in the Allowance description in Exhibit F) in connection with the Allowance items, including, without limitation, additional and extended general conditions. Owner shall select materials and equipment under an allowance to avoid delay in the Project Work.

4.7.3 Contractor acknowledges that the inclusion of the Allowances will not be considered to mean that Contractor is entitled to receive payment in the same amount, nor will it be subject to any Shared Savings to Contractor, if any. Unless otherwise provided in Exhibit F, Contractor will not be entitled to additional job and field overhead, general conditions, home office overhead, due to an adjustment from the Allowance amount to the Actual Cost of the allowance item. After a firm price (the "Actual Cost") is agreed upon between the Owner and Contractor in connection with an allowance item, an adjustment either up or down to the GMP equal to any difference between the specified allowance and the Actual Cost will be made.

4.7.4 Allowance items are detailed in Exhibit F attached hereto.

4.8 CONTRACTOR'S CONSTRUCTION SCHEDULE. The Contractor shall prepare and submit, for the Owner's and Program Manager's approval, monthly updated construction schedules depicting the planned schedules for performance of the Project Work.

4.9 DOCUMENTS AND SAMPLES AT THE PROJECT SITE.

4.9.1 The Contractor shall maintain at the Project site for the Owner one record copy of the Drawings, Specifications, addenda, Change Orders and other Modifications, in good order and marked currently to record changes and selections made during construction, and in addition approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Program Manager, Architect and Owner and shall be delivered to the Program Manager for submittal to the Owner upon completion of the Project Work.

4.9.2 When used herein:

4.9.2.1 "SHOP DRAWINGS" shall mean drawings, diagrams, schedules and other data specially prepared for the Project Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Project Work;

4.9.2.2 "PRODUCT DATA" shall mean illustrations, standards, schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Project Work; and

4.9.2.3 "SAMPLES" shall mean physical examples, which illustrate materials, equipment or workmanship and establish standards by which the Project Work will be judged.

4.9.3 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents except upon express written approval by the Architect. The purpose of their submittal is to demonstrate for those portions of the Project Work for which submittals are required the way the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents.

4.9.4 The Contractor shall review, approve and submit to the Program Manager and Architect, in accordance with the schedule and sequence approved by the Program Manager and Architect, Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents. Submittals made by the Contractor, which are not required by the Contract Documents, may be returned without action.

4.9.5 The Contractor shall not perform any portion of the Project Work requiring submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect. Such work shall be in accordance with approved submittals.

4.9.6 By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents that the Contractor has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and

coordinated the information contained within such submittals with the requirements of the Project Work and of the Contract Documents.

4.9.7 The Contractor shall not be relieved of responsibility for deviations, errors or omissions from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Program Manager and the Architect in writing of such deviation at the time of submittal and the Architect has given written approval to the specific deviation.

4.9.8 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Program Manager and Architect on previous submittals.

4.9.9 Informational submittals upon which the Program Manager and Architect are not expected to take responsive action may be so identified in the Contract Documents or may be requested by the Architect or Program Manager.

4.9.10 The Contractor shall not be required to provide professional services which constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Project Work or unless the Contractor needs to retain such services in order to carry out the contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Project Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided the Owner and Architect have specified to the contractor all performance and design criteria that such service must satisfy. Pursuant to this Subparagraph 4.9.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents. Notwithstanding anything to the contrary in this Agreement, Contractor's liability for damages arising out of or relating to EIFS is limited to defective workmanship.

4.10 USE OF SITE. The Contractor shall confine operations at the Project site to areas permitted by law, ordinances, permits and the Contract Documents and shall not unreasonably encumber the Project site with materials or equipment. The Contractor shall coordinate the Contractor's operations with, and secure the approval of, the Program Manager and Owner before using any portion of the Project site and/or any adjacent off-site staging areas.

4.11 CUTTING AND PATCHING. The Contractor shall be responsible for cutting, fitting or patching required to complete the Project Work or to make its parts fit together properly. The Contractor shall

not damage or endanger a portion of the work or fully or partially completed construction of the Owner's agents, employees and Contractors or of Other Contractors by cutting, patching, excavating or otherwise altering such construction. The Contractor shall not cut or otherwise alter such construction by the Owner or the Owner's agents or Other Contractors without the written consent of the Project Manager.

4.12 CLEANUP. The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Project Work the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials. If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the cost thereof shall be charged to the Contractor.

Prior to Substantial Completion, the Contractor shall employ experienced persons or a professional team to make a Final Clean-Up of the Project or such portions of the Project as the Owner may designate. Such Clean-Up shall leave all surfaces, equipment, finishes, fixtures, furnishings and other similar items in a condition requiring only ordinary care to maintain. The Contractor shall be responsible to re-clean as directed any areas soiled or disturbed as a result of performing corrective or uncompleted work.

4.13 ACCESS TO WORK. The Contractor shall provide the Owner, Program Manager and Architect access to the Project Work in preparation and progress wherever located and at any time during the course of construction.

4.14 ROYALTIES AND PATENTS. The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of patent rights and shall hold the Owner, Program Manager and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents.

4.15 INDEMNIFICATION.

4.15.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Program Manager, Architect, consultants, contractors, agents, and employees from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Project Work, to the extent caused by negligent , willful or fraudulent acts or omissions of the Contractor, a Subcontractor, Sub-subcontractor or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Paragraph 4.15.

4.15.2 In claims against any person or entity indemnified under this Paragraph 4.15 by an employee of the Contractor, a Subcontractor, Sub-subcontractor or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Paragraph 4.15 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor, a Subcontractor or Sub-subcontractor under workers compensation acts, disability benefit acts or other employee benefit acts.

4.15.3 The obligations of the Contractor under this Paragraph 4.15 shall not extend to the liability of the Program Manager, Architect, their consultants, and agents and employees of any of them arising out of (i) the preparation or approval of maps, drawings, opinions, reports, surveys, Change Orders, designs or specifications, or (ii) the giving of or the failure to give directions or instructions by the Program Manager, Architect, their consultants, and agents and employees of any of them provided such giving or failure to give is the primary cause of the injury or damage.

4.16 LIMITATION OF LIABILITY. The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes:

4.16.1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and

4.16.2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Subparagraph 4.16 shall be deemed to preclude an award of liquidated direct damages, when applicable, in accordance with the requirements of the Contract Documents.

ARTICLE 5.
ADMINISTRATION OF THE CONTRACT

5.1 MODIFICATION OF DUTIES. The duties, responsibilities and limitations of authority of the Program Manager and Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, and either the Program Manager or Architect, as applicable, which consent shall not be unreasonably withheld or delayed.

5.2 REPLACEMENT OF ARCHITECT OR PROGRAM MANAGER. In case of termination of employment of the Program Manager or Architect, the Owner shall appoint a replacement Program Manager or Architect, with the Contractor's consent, which shall not be unreasonably withheld or delayed, and whose status under the

Contract Documents shall be that of the former Program Manager or Architect, respectively.

5.3 ADMINISTRATION OF THE CONTRACT.

5.3.1 GENERAL. The Program Manager and Architect will provide administration of the Contract as described in the Contract Documents, and will be the Owner's representatives (i) during construction, (ii) until final payment is due and (iii) with the Owner's concurrence, from time to time during the correction period described in Paragraph 13.2. The Program Manager and Architect will advise and consult with the Owner and will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents, unless otherwise modified by written instrument in accordance with other provisions of the Contract.

5.3.2 PROGRAM MANAGER DUTIES. The Program Manager will have the following duties and responsibilities:

5.3.2.1 The Architect and Program Manager will monitor in general that the Project Work is being performed in accordance with the requirements of the Contract Documents, will keep the Owner informed of the progress of the Project Work, and will report to the Owner and Contractor any observed defects or deficiencies in the work.

5.3.2.2 The Program Manager will notify the Contractor of the Owner's interests and intent with regard to the schedule and coordinate the activities of Owner and its Other Contractors and Suppliers in accordance with the latest approved Project construction schedule.

5.3.2.3 The Program Manager and Architect will review and certify all Applications for Payment by the Contractor, including final payment. The Contractor will assemble each of the Subcontractors and Vendors Applications for Payment into a Project Application and Project Certificate for Payment. After reviewing and certifying the amounts due the Contractor and the Other Contractors, the Program Manager will submit the Project Application and Project Certificate for Payment, along with the applicable Contractors' Applications and Certificates for Payment, to the Architect for certification.

5.3.2.4 The Program Manager's actions will be taken with such reasonable promptness as to cause no delay in the Project Work of the Contractor or in the activities of Other Contractors, the Owner, or the Architect.

5.3.2.5 The Program Manager will assist the Architect in conducting inspections to determine the dates of Substantial Completion and final completion, and will receive and forward to the Architect written warranties and related documents required by the Contract and assembled by the Contractor. The Program Manager will forward to the Architect a final Project Application and Project Certificate for Payment upon compliance with the requirements of the Contract Documents.

5.3.2.6 The Program Manager is the Owners designated onsite Agent. Any directions or directives given by the Program Manager to the Architect or Contractor will be as if issued by the Owner.

5.3.3 ARCHITECT DUTIES. The Architect will have the following duties and responsibilities.

5.3.3.1 No later than the date of this Agreement, the Architect will have two (2) full time representatives on the Project site to review the progress and quality of the completed Project Work and to determine if the Project Work is being performed in a manner indicating that the Project Work, when completed, will be in accordance with the Contract Documents. On the basis of on-site observations, the Architect will keep the Owner and Program Manager informed of progress of the Project Work, and will endeavor to avoid defects and deficiencies in the Project Work.

5.3.3.2 Based on the Architect's observations and evaluations of Applications for Payment, and the recommendations of the Program Manager, the Architect will review and certify the amounts due the Contractors and will issue a certificate for payment.

5.3.3.3 The Architect will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the

limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of its obligations under this Agreement.

5.3.3.4 The Architect will interpret and decide matters concerning performance under and requirements of the Contract Documents on written request of the Program Manager, Owner or Contractor. The Architect's response to such requests will be made with reasonable promptness and within any time limits agreed upon. Interpretations and decisions of the Architect will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings.

5.3.3.5 The Architect will prepare Construction Change Directives.

5.3.4 CONTRACTOR DUTIES. The Contractor will have the following duties and responsibilities:

5.3.4.1 The Contractor will provide for coordination of the activities of the Other Contractors with the Project Work of the Contractor.

5.3.4.2 The Contractor shall participate with Other Contractors and the Program Manager and Owner in reviewing their construction schedules when directed to do so. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement.

5.3.4.3 The Contractor will review and note thereon and date approval, disapproval or other action taken with respect to all Shop Drawings, Product Data and Samples, coordinate them with information received from Other Contractors, and transmit to the Architect those recommended for approval.

5.3.4.4 The Contractor will maintain at the Project site for the Owner one record copy of all Contracts, Drawings, Specifications, addenda, Change Orders and other Modifications, in good order and marked currently to record all changes and selections made during construction, and in addition approved Shop Drawings, Product Data, Samples and similar required submittals. These will be available to the Architect, Program Manager, and Owner and will be delivered to the Program Manager upon completion of the Project.

5.3.5 REJECTION OF WORK. The Architect will have authority to reject work which does not conform to the Contract Documents, and to require additional inspection or testing, in accordance with Subparagraphs 15.5.2 and 15.5.3, whether or not such work is fabricated, installed or completed, but will take such action only after notifying the Program Manager and Owner. Subject to review by the Architect, the Program Manager will have the authority to reject work which does not conform to the Contract Documents. Whenever the Program Manager considers it necessary or advisable for implementation of the intent of the Contract Documents, the Program Manager will have authority to require additional inspection or testing of the Project Work in accordance with Subparagraphs 15.5.2 and 15.5.3, whether or not such work is fabricated, installed or completed.

5.3.6 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION. Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall communicate through the Program Manager, and shall contemporaneously provide the same communications to the Architect. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with Other Contractors shall be through the Program Manager and shall be contemporaneously provided to the Architect.

5.4 CLAIMS AND DISPUTES.

5.4.1 DEFINITION. A Claim is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of the terms of the Contract Documents, payment of money, extension of time or other relief with respect to the terms of the Contract Documents. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. Claims must be made by written notice. The responsibility to substantiate Claims shall rest with the party making the Claim.

5.4.2 DECISION OF ARCHITECT. Claims, including those alleging an error or omission by the Contractor, but excluding those alleging an error or omission by the Architect, shall be referred initially to the Architect for action as provided in Paragraph 5.5. A decision by the Architect, as provided in Subparagraph 5.5, shall be required as a condition precedent to arbitration or litigation of a Claim between the Contractor and Owner as to only those matters arising prior to the date final payment is due and which require the interpretation of, or the determination of compliance with, the Contract Documents, regardless of (1) whether such matters relate to execution and progress of the Project Work or (2) the extent to which the Project Work has been completed. The decision by the Architect in response to a Claim shall not be a condition precedent to arbitration or litigation in the event (1) the position of Architect is vacant, (2) the Architect has not received evidence or has failed to render a decision within agreed time limits, (3) the Architect has failed to take action required under Subparagraph 5.5.2 within 10 days after the Claim is made, unless the Parties shall have agreed to the extension of such time, (4) 45 days have passed after the Claim has been referred to the Architect, (5) the Claim relates to a mechanic's lien, or (6) the Claim does not relate to the interpretation of or the compliance with the Contract Documents.

5.4.3 TIME LIMITS ON CLAIMS. Notwithstanding any provision of the Contract Documents to the contrary and as a condition precedent to the right to demand arbitration or bring suit for the recovery of any claims against the Owner by the Contractors, a Subcontractor or any suppliers of labor, materials, services or equipment (other than statutory mechanic's lien claims governed by Chapter 53, Texas Property Code), written notice of such claim must be made, if at all, within 91 days after first occurrence of the event, condition or circumstance giving rise to such claims. The notice must reasonably describe the factual and/or contractual basis for the loss, damage or expense claimed and need not be expressed as a final, liquidated sum demanded. A claim shall be void if not presented in writing to the Owner within such 91-day duration. This condition precedent is imposed in addition to, not in limitation of, all other defenses available to the Owner under the Contract Documents and at law.

5.4.3.1 The Contractor warrants that a provision identical to Paragraph 5.4.3 above shall be inserted in each of its subcontracts with its vendors or suppliers of labor, material, equipment or services.

5.4.4 CONTINUING CONTRACT PERFORMANCE. Pending final resolution of a Claim including arbitration, unless otherwise agreed in writing the Contractor shall proceed diligently with

performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents, except for the amounts to be in dispute.

5.4.5 WAIVER OF CLAIMS; FINAL PAYMENT.

5.4.5.1 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from: Claims reserved in writing or unsettled liens, Claims, security interests or encumbrances arising out of the performance of the Project Work; pending Warranty Claims and potential Warranty

Claims arising within the warranty term or terms of special warranties required by the Contract Documents; claims arising from the discovery of defects in the performance of the Work or non-compliance with the Contract Documents; demands for contribution or indemnity against third-party claims for personal injury, illness, death or property damage or loss; and demands or notices from governmental agencies. The Owner's rights hereunder shall survive the completion of the Agreement.

5.4.5.2 acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

5.4.6 CLAIMS FOR CONCEALED OR UNKNOWN CONDITIONS. If conditions are encountered at the Project site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then written notice by the observing party shall be given to the other party promptly before conditions are disturbed and in no event later than 7 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if they differ materially and cause an increase or decrease in the Contractor's cost of, and time for, performance for any part of the Project Work, will recommend an equitable adjustment in the Contract Sum. If the Architect determines that the conditions at the Project site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall so notify the Owner, Program Manager and Contractor in writing, stating the reasons. Written objection by either party in opposition to such determination must be made within 7 days after the Architect has given notice of the decision. If the Owner and Contractor cannot agree on an adjustment in the Contract Sum, the adjustment shall be referred to the Architect for initial determination, subject to further proceedings pursuant to Paragraph 5.5.

5.4.7 CLAIMS FOR ADDITIONAL COST. If the Contractor wishes to make Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the work and such Claim shall be made and prosecuted in accordance with the terms of this Agreement. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Paragraph 11.3.

5.4.8 CLAIMS FOR ADDITIONAL TIME. If the Contractor wishes to make a Claim for an extension to any of the Access Dates as stated in Article 9, written notice as provided herein shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Project Work. In the case of a continuing delay only one Claim is necessary. If adverse weather conditions are the basis for a Claim for an increase in the Access Dates, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of

time and could not have been reasonably anticipated, and that weather conditions had an adverse effect on the scheduled construction.

5.4.8.1 If the Contractor's performance of this Contract is delayed, which delay is excused by Force Majeure, or by changes ordered in the Project Work and that such delay or change in the Project Work impacts the Critical Path to the Access Dates, then the Access Dates shall be extended by Change Order as may be determined by the Contractor, Program Manager and Architect and agreed to by the Owner. The days included within any agreed extension of time will not be subject to the imposition of Liquidated Damages pursuant to Paragraph 2.3.5.

5.4.8.2 The Contractor must request the extension of time in writing and must provide the following information within the time periods stated hereafter. Failure to submit such information and in compliance with the time requirements hereinafter stated, shall constitute a waiver by the Contractor and a denial of the claim for extension of time:

A. Nature of the delay or change in the Project

Work;

B. Dates of commencement/cessation of the delay or change in the Project Work;

C. Activities on the current progress schedule affected by the delay or change in the Project Work;

D. Demonstration that the delay or change in Project Work impacts the Critical Path;

E. Identification of the source of delay or change in the Project Work;

F. Anticipated impact or extent of the delay or change in the Project Work; and

G. Recommended action to minimize the delay.

5.4.8.3 The Contractor shall not be entitled to any extensions of time for delays resulting from any cause unless it shall have notified the Owner, Program Manager, and Architect in writing, as soon as reasonably possible after the commencement of such delay and, within ten (10) days of notice of the delay provide, in writing, the information stated above to the extent it reasonably can be determined.

5.4.8.4 Notwithstanding the generality of the provision in Paragraph 2.3.5, Owner may assert as a defense to any Claim for delay by Contractor concurrent delays by the Contractor or its Subcontractors.

5.4.9 INJURY OR DAMAGE TO PERSON OR PROPERTY. If either party to the Contract suffers injury or damage to person or property because of an act or omission of the other party, or any of the other party's employees or agents, or of others for whose acts such party is legally liable, written notice of such injury or damage, whether or not insured, shall be given to the other party as soon as practicable, but in no event later than five (5) days after first observance. The notice shall provide sufficient detail to enable the other party to investigate the matter.

5.5 RESOLUTION OF DISPUTES BY THE ARCHITECT.

5.5.1 The Architect shall reasonably determine only those Claims which require a professional interpretation of, or a determination whether the Work complies with, the Contract Documents, as provided in Paragraph 5.4.2 hereof. In this event, the Architect shall resolve all issues framed by the Parties' written presentation of the Claim, including any modification of the scope of the Work, the Contract Time or the Contract Sum that may be reasonably required to equitably resolve the Claim.

5.5.2 Within ten (10) days of receipt of the framed dispute, the Architect shall deliver to the Parties its written determination of the Claim. The Parties shall proceed with construction and the performance of the Agreement in accordance with the Architect's written determination.

5.5.3 Each of the Parties may reserve the right to challenge the reasonableness of such determination by seeking arbitral review and re-determination of the monetary effect of the Architect's disposition within the ambit of Paragraph 5.6.1 hereof. If the Architect renders a decision after arbitration proceedings have been initiated, such decision may be submitted as evidence, but shall not control the outcome of the challenge in the arbitration proceedings unless the decision is acceptable to the Parties.

5.6 MEDIATION/ARBITRATION.

5.6.1 If a dispute arises out of, or relates to, this Agreement, including any unresolved challenge of the Architect's interpretation of Contract Documents afforded by Paragraph 5.5.3 hereof, the Parties shall first attempt in good faith to settle the dispute by mediation and, if unsuccessful, then by arbitration. The mediation and, if necessary, the arbitration shall be administered by the American Arbitration Association ("AAA") at Dallas, Texas, pursuant to Construction Industry Dispute Resolution Procedures (including Mediation and Arbitration Rules) Revised and in Effect on July 1, 2001 (the "RULES"), unless the Parties shall mutually agree in writing to adopt any amended Rules, whether in effect at the time when a demand for either procedure is made or as may be uniquely agreed and adopted by the Parties.

5.6.2 The Rules are hereby modified to permit the Parties to select a mutually approved mediator or arbitrator of the dispute. If the Parties are unable within thirty (30) days of demand for either Mediation or Arbitration Procedure to select and qualify an available, neutral mediator or arbitrators and to agree in writing upon scheduling and procedural matters, then AAA shall appoint the mediator or arbitrators and conduct the proceeding in accordance with the Rules.

5.6.3 CONTRACT PERFORMANCE DURING ARBITRATION. During arbitration proceedings, the Owner and Contractor shall comply with Subparagraph 5.4.4.

5.6.4 WHEN ARBITRATION MAY BE DEMANDED. A demand for arbitration shall not be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statutes of limitations or repose.

5.6.5 LIMITATION ON CONSOLIDATION OR JOINDER. No arbitration shall include, by consolidation or joinder or in any other manner, parties other than the Owner, its consultants and the Architect and its consultants, Program Manager, Contractor and Subcontractors as described in

Article 7 and Other Contractors as described in Article 6, and other persons substantially involved in a common question of fact or law whose presence is required if complete relief is to be accorded in arbitration. No persons or entities other than the Owner, Contractor or Other Contractors shall be included as an original third party or additional third party to an arbitration whose interest or responsibility is insubstantial. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of a dispute not described therein or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

5.6.6 JUDGMENT ON FINAL AWARD. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

5.6.7 LOCATION FOR ARBITRATION PROCEEDINGS. Any arbitration proceedings will be conducted in Dallas, Texas.

ARTICLE 6.
SUBCONTRACTORS

6.1 DEFINITIONS. A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Project Work at the Project site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include Other Contractors or Subcontractors of Other Contractors. A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Project Work at the Project site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

6.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK. Until subcontracts have been let for the performance of all Work required hereunder, the Owner and Project Manager shall participate in pre-and post-bid meetings and in the approval of the Contractor's award of the various portions of the Work to

Subcontractors and vendors. The Contractor shall initiate this process by submitting to the Program Manager for approval an Award Recommendation (sometimes referred to herein as an "AR") identifying the proposed subcontractor or vendor, describing the specific part of the Work proposed and the relevant section of the specifications, the proposed contract price, the applicable GMP Budget Line Item Value, the amount of any variance between the proposed price and the GMP Budget Line Value and such other data and information as may be requested by the Program Manager. Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Program Manager for review by the Owner, Program Manager and Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Project Work. The Program Manager will promptly reply to the Contractor in writing stating whether or not the Owner, Program Manager or Architect, after due investigation, has reasonable objection to any such proposed person or entity. The Contractor shall not contract with a proposed person or entity to whom the Owner, Program Manager or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable and timely objection.

If the Owner, Program Manager or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another entity to which the Owner, Program Manager or Architect has no reasonable objection. However, no increase in the Contract Sum shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required. The Contractor shall not change a Subcontractor, person or entity previously selected if the Owner, Program Manager or Architect makes reasonable objection to such change.

6.2.1 All ARALs previously delivered, whether signed by the Owner or by Opryland Hospitality Group, are adopted as a part of the Contract Documents and included in the GMP at submitted value. AR's and PCOs and any pending or requested Change Order submitted by the Contractor and pending as of the date of this Agreement that have not been reviewed by Program Manager shall be subject to an adjustment to the GMP by Change Order.

6.2.2 The contract price of any contract approved by an ARAL shall be included within the Cost of the Work. Any contractor's fee or mark-up associated with the AR shall be included within the Contractor's Fee.

6.2.3 Contractor shall submit for Program Manager's and Owner's approval all proposed bidding documents prior to issuance to bidders. Contractor shall obtain bids from all subcontractors and suppliers of materials or equipment fabricated especially for the Project Work. After receiving the bids, the Contractor shall analyze them and provide the Owner and Program Manager with a tally sheet reflecting the bids, including all supported data and copies of all bids, and recommendations for awards. Along with its recommendations Contractor shall provide all pertinent data required for a decision upon the award, and certifying that, to the best of its knowledge, the bid of the recommended subcontractor or supplier is bona fide and reasonable. The Owner will then determine, based on the advice of the contractor and Program Manager, which bids will be accepted. In the event Owner does not accept Contractor's recommendation and Owner's required bidder(s) results in increased costs over Contractor's recommended bidder, Owner will increase the Contract Sum to account for any increased costs associated with Owner's required bidder.

6.2.4 Contractor shall invite bids from and enter into contracts and material orders with only subcontractors and suppliers who have been approved by the Program Manager and the Owner. When the Program Manager and the Owner have approved the award of each subcontract and purchase order, Contractor shall contract solely in its own name and behalf, not in the name or behalf of the Program Manager and the Owner, with the specified subcontractor or supplier.

6.2.5 Contractor's subcontract forms have been approved by the Program Manager and the Owner and shall provide that the subcontractor perform its portion of the Project Work in accordance with all applicable provisions of the Contract Documents. All subcontracts shall, so far as practicable, contain unit prices and any other feasible formula for use and determination of the costs of changes in the Project Work.

6.3 SUBCONTRACTUAL RELATIONS. By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Project Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities which the Contractor has to the Owner, Program Manager and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner, Program Manager and Architect under the Contract Documents with respect to the Project Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and

shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. The Contractor shall require each Subcontractor to enter into similar agreements with Sub-Subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement which may be at variance with the Contract Documents. Subcontractors shall similarly make copies of applicable portions of such documents available to their respective proposed Sub-Subcontractors.

6.3.1 The Centex Construction Company, Inc., Standard Form General Conditions shall govern and control the relationship of the Contractor with its Subcontractors but not the relationship of the Owner with the Contractor.

6.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS. Each subcontract agreement for a portion of the Project Work is assigned by the Contractor to the Owner provided that (i) assignment is effective only after termination of this Agreement pursuant to Article 14 hereof and only for those subcontract agreements which the Owner accepts by notifying the Subcontractor in writing; and (ii) assignment is subject to the prior rights of the surety, if any, obligated under bond relating to this Agreement.

ARTICLE 7.
CONSTRUCTION BY OWNER OR BY OTHER CONTRACTORS

7.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD OTHER CONTRACTS. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own employees, agents or other Contractors, which may include persons or entities under separate contracts not administered by the Contractor. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Paragraph 5.4.7 hereof.

7.2 MUTUAL RESPONSIBILITY.

7.2.1 The Contractor shall afford the Owner's agents, employees and subcontractors, Program Manager and Other Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with the operations of such parties as required by the Contract Documents.

7.2.2 If part of the Contractor's Project Work depends for proper execution or results upon construction or operations by the Owner's agents, employees and Other Contractors, the Contractor shall, prior to proceeding with that portion of the Project Work, promptly report to the Program Manager and Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor to report shall constitute an acknowledgment that such construction or operations is fit and proper to receive the Contractor's Project Work, except as to defects not then reasonably discoverable.

7.2.3 Costs caused by delays or by improperly timed activities or defective construction shall be borne by the party responsible therefor.

7.2.4 The Contractor shall promptly remedy damage or loss wrongfully or negligently caused by the Contractor to completed or partially completed construction or to property of the Owner or Other Contractors as provided in Subparagraph 11.2.5. Such remedial expense shall not be included within the Cost of the Work.

7.2.5 Claims and other disputes and matters in question between the Contractor and Other Contractors shall be subject to the provisions of Paragraph 5.5.

7.2.6 Other Contractors shall not cut or patch Contractor's Work without previously notifying the Contractor and obtaining for written approval of the Program Manager.

7.3 OWNER'S RIGHT TO CLEAN UP. If a dispute arises among the Contractor, Other Contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish as described in Paragraph 4.13, the Owner, after giving 7 days written notice to the Contractor, may clean up and allocate the cost among those responsible as the Program Manager determines to be appropriate.

7.4 OTHER CONTRACTORS. The Contractor shall cooperate with any other persons or entities who contract with Owner to furnish labor, material, equipment or services outside the scope of this Agreement in connection with the Project (the "Other Contractors").

ARTICLE 8.
CHANGES IN THE WORK

8.1 CHANGES.

8.1.1 Changes in the Project Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order (as defined below), Construction Change Directive (as defined below) or order for a minor change in the Project Work, subject to the limitations stated in this Article 8 and elsewhere in the Contract Documents.

8.1.2 A Change Order shall be based upon written agreement among the Owner, Program Manager, Architect and Contractor; a Construction Change Directive requires written agreement by the Owner, Program Manager and Architect and may or may not be agreed to by the Contractor; and an order for a minor change in the Project Work may be issued by the Architect alone.

8.1.3 Changes in the Project Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly to perform each such change, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Project Work.

8.1.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are so changed in a proposed Change Order or Construction Change Directive that application of such unit prices to quantities of work proposed would cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted. No subcontracts or purchase orders shall be issued on a unit cost basis unless Contractor receives prior written authorization from the Owner.

8.1.5 The Guaranteed Maximum Price shall not be amended, except by a Change Order or a Construction Change Directive specifically authorizing an increase or decrease in the Contract Sum.

8.1.5.1 The Contractor shall, as part of its Subcontract Agreements executed after the date of this Agreement, require that no more than ten percent (10%) overhead of the total cost and five percent (5%) profit thereon shall be charged by a Subcontractor on any Change Order work performed by the Subcontractor or by any of the Subcontractor's sub-contractors, vendors or suppliers. Contractor shall receive a 4% fee on all first-tier subcontractor Change Order amounts as provided in Paragraph 2.3.1.

8.1.6 Subject to the limitations in Paragraph 2.3.1, an approved Change Order shall adjust the Cost of the Work and the Contractor's Fee calculated thereon by the percentage rate stipulated in Paragraph 8.1.5.1 hereof for additive changes. Deductive changes shall not adjust Contractor's fee.

8.2 CHANGE ORDERS.

8.2.1 A "Change Order" is a written instrument prepared by the Architect and signed by the Owner, Architect and Contractor, stating their agreement upon all of the following: (i) a change in the scope of the Project Work; and (ii) the amount of the adjustment in the cost of the Work, the Contractor's Fee, the Contract Sum or Access Dates, if any.

8.2.2 A Change Order shall amend the Contract Sum by the effect of increases or decreases in the Cost of the Work and corresponding adjustments of the Contractor's Fee by the percentage authorized by Paragraphs 8.1.5.1 and 8.1.6.

8.3 CONSTRUCTION CHANGE DIRECTIVES.

8.3.1 A "Construction Change Directive" is a written order prepared by the Architect and signed by the Owner, Contractor, and Architect, directing a change in the Project Work and stating a proposed basis for adjustment, if any, in the Contract Sum. The Owner may, by Construction Change Directive, without invalidating the Contract, order changes in the Project Work within the general scope of the Contract consisting of additions, deletions or other revisions, with the Contract Sum being adjusted accordingly.

8.3.2 A Construction Change Directive shall be used in the absence of the Contractor's agreement on the terms of a Change Order.

8.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

8.3.3.1 mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;

8.3.3.2 unit prices stated in the Contract Documents or subsequently agreed upon;

8.3.3.3 cost to be determined in a manner agreed upon by the Parties, including a percentage fee, as provided in Paragraph 8.1.5.1; or

8.3.3.4 as provided in Subparagraph 8.3.6.

8.3.4 Upon receipt of an executed Construction Change Directive, the Contractor shall promptly proceed with the change in the Project Work involved and advise the Program Manager and Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum.

8.3.5 A Construction Change Directive signed by the Contractor indicates the agreement of the Contractor therewith, including adjustment in Contract Sum. Such agreement shall be effective immediately and shall be considered as a Change Order.

8.3.6 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the method and the adjustment shall be recommended by the Program Manager on the basis of reasonable expenditures and savings of those performing the work attributable to the change, including, in case of an increase in the Contract Sum or Contract Time, a reasonable allowance for overhead and profit. In such case, and also under Subparagraph 8.3.3.3, the Contractor shall keep and present, in such form as the Program Manager may prescribe, an itemized accounting together with appropriate supporting data. Costs for the purposes of this Subparagraph 8.3.6 shall include Cost of the Work in Article 2.3.2

Each change order shall be separately accounted for and shall be subject to 8.1.5 and 8.1.6.

8.3.7 Pending final determination of cost to the Owner, amounts not in dispute may be included in Applications for Payment. The amount of credit to be allowed by the Contractor to the Owner for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Program Manager.

8.3.8 If the Owner and Contractor do not agree with the adjustment in Contract Sum or the method for determining it, the adjustment or the method shall be referred to the Program Manager for determination and if resolution is not achieved, the issues shall be submitted to mediation or arbitration in accordance with Paragraph 5.6 hereof.

8.3.9 When the Owner and Contractor agree with the determination made by the Program Manager concerning the adjustments in the Contract Sum or Contract Time or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order.

8.4 MINOR CHANGES IN THE WORK. The Architect will have authority to order minor changes in the Project Work not involving adjustment in the Contract Sum or the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order, AFO (Architect Field Order), or ASI (Architects Supplemental Instruction), issued to the Owner and Contractor through the Program Manager and shall be binding on the Owner and Contractor unless the Owner objects to such change. The Contractor shall carry out such written orders promptly.

ARTICLE 9.
TIME

9.1 PROGRESS AND COMPLETION.

9.1.1 Time limits for Access Dates stated in the Contract Documents are of the essence of this Agreement. By executing this Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Project Work. "Access Dates" are those milestone dates for completion of all or a portion of the Project Work set forth in Paragraphs 1.1.17, 9.3, 9.5 and 9.7. Dates and time limits contained herein other than Access Dates, including dates in Paragraphs 1.1.8, 2.2.1.1, and 2.2.1.2, are target dates for scheduling purposes only.

9.1.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the Project site or elsewhere prior to the effective date of insurance required by this Agreement to be furnished by the Contractor. The date of commencement of the Project Work shall not be changed by the effective date of such insurance, however.

9.1.3 The Contractor shall not be allowed any extension of the Access Dates except for delays due to (i) natural disasters, (ii) fires or unavoidable casualties, (iii) national emergencies, (iv) Owner caused delays (as verified and agreed to in writing by Owner and Contractor), (v) delays in inspections by fire department and/or building inspectors, providing all necessary preparations and requests for inspections have been timely made and the Project Work inspected has been completed in accordance with the Plans and Specifications, (vi) delays due to adverse weather and climatic conditions which are more severe than as reasonably anticipated at the Project site and which directly impact the critical path of the Work after the date of this Agreement (as verified and agreed to in writing by Owner and Contractor), (vii) material shortages beyond industry control, which prevent construction activities on the critical path to achieving the Completion Dates or (viii) other causes beyond Contractor's reasonable control ("Force Majeure"). For each working day in which one of these events or circumstances prevents construction activities on the critical path of the scheduled Work, the Access Dates shall be extended one day as mutually agreeable between the Owner and Contractor.

9.1.4 The Access Dates may be modified by Owner and Contractor in the event of a change in the scope of the Project Work if agreed to in writing at the time of the change in the scope of the Project Work.

9.2 DELAYS AND EXTENSIONS OF TIME.

9.2.1 If the Contractor is delayed at any time in progress of the Project Work by an act or neglect of the Owner's agents, employees and Program Manager, Architect, any of the Other Contractors or an employee of any of them, or by changes ordered in the Project Work, Force Majeure, or other causes beyond the Contractor's control, or by other causes which the Architect, based on the recommendation of the Program Manager, determines may justify delay, then the Contract Time shall be extended by Change Order for such time as the Owner may reasonably determine. Any extension of the Contract Time, as provided in this Subparagraph, shall produce a corresponding extension of the Access Dates defined in Subparagraph 9.1.1 hereof.

9.2.2 Claims relating to time shall be made in accordance with applicable provisions of Paragraphs 5.4.8. This Paragraph 9.2 does not preclude recovery of damages for delay by either party under the provisions of the Contract Documents.

9.3 LIQUIDATED DAMAGES. The Parties acknowledge that the actual damages to the Owner caused by revenues lost from declined or cancelled room reservations and convention bookings as a result of the Contractor's failure to achieve completion of the Project sufficient to permit the Grand Opening on April 2, 2004, are difficult or impossible to determine on the date of execution of this Agreement. Accordingly, the Contractor shall pay as Liquidated Damages to the Owner, as Owner's sole remedy for delay in the Grand Opening of the Project, and not as a penalty, $20,000.00 per calendar day for each day after April 2, 2004, until the Grand Opening, as defined in Paragraph 1.1.16 hereof, occurs.

9.4 The Parties acknowledge the critical lead-time that is necessary for Owner's marshalling of labor and coordination of delivery, storage and distribution of furniture, fixtures, equipment and accoutrements ("FF&E") throughout the Hotel Wings and public areas of the Hotel which must occur in advance of the Grand Opening Date. Contractor further acknowledges that its failure to provide Owner access to the Hotel Wings and public areas on a timely basis will compress the time within which FF&E must be distributed to other Hotel Wings and public areas, thus, requiring the Owner or its Other Contractors to enlarge, and/or accelerate, the workforce and/or resort to payment of premium time for distribution and placement of FF&E in order to have the Hotel and Convention Center open and capable of producing revenue on April 2, 2004.

9.5 Because the late delivery of the Hotel Wings and public areas creates an adverse economic impact on the Owner, separate from the adverse impact resulting from the delay in the Grand Opening of the Project, the Parties agree that separate, additional Liquidated Damages shall be paid by the Contractor to the Owner as the Owner's exclusive remedy, and not as a penalty, for the Contractor's delay in providing Owner access to the Hotel Wings and public areas, as follows:

9.5.1 The Contractor shall provide non-exclusive access to the Owner for unencumbered installation of FF&E in all hotel rooms and adjacent public corridors within Hotel Wing H-4 no later than September 1, 2003.

9.5.2 In the event that all hotel rooms and adjacent public corridors within Hotel Wing H-4 are not made available to the Owner on a non-exclusive basis within the time provided herein, the Contractor shall pay to the Owner as Liquidated Damages, and not as a penalty, at the daily rate of $10,000.00 for each calendar day after September 1, 2003, until the date on which the Contractor provides to the Owner non-exclusive access to all H-4 hotel rooms and adjacent public corridors for unencumbered installation of FF&E.

9.5.3 The Contractor shall provide non-exclusive access to the Owner for unencumbered installation of FF&E in all hotel rooms and adjacent public corridors in Hotel Wings H-1, H-2, H-3 and H-5 no later than February 1, 2004. In the event that non-exclusive access is not provided within the time provided herein, the Contractor shall pay to the Owner as Liquidated Damages, and not as a penalty, at a daily rate of $5,000.00 for each calendar day after February 1, 2004, until the date on which the Contractor provides to the Owner non-exclusive access to the last of the hotel rooms and adjacent public corridors in Hotel Wings H-1, H-2, H-3 and H-5 for unencumbered installation of FF&E. The total Liquidated Damages for late delivery of non-exclusive access to the last of the Hotel Wings, as provided herein, shall not exceed $100,000.00.

9.6 After the Owner is provided access to a hotel room or adjacent corridor or public areas, each Party shall become liable for the cost of repair or replacement of any damage to the Work or to FF&E caused by a person or entity for which it is responsible. In this regard, the Owner shall be responsible for the repair of damage caused by its own personnel and its Other Contractors and the Contractor shall be responsible for repair of damage caused by its Subcontractors and vendors.

9.7 Provided that design of public areas is completed by the Owner as follows: MEP and foundations no later than December 15, 2002; shell no later than January 15, 2003; architectural no later than February 15, 2003; and interior finishes no later than March 15, 2003; then, commencing no later than February 15, 2004, the Contractor shall progressively provide access to a portion of the public areas of the Hotel and the Convention Center in advance of, and coordinated with, the Owner's uninterrupted progress in the installation of case goods in those public areas in a sequence that allows case goods to be completely installed prior to the Grand Opening. The access in those public areas progressively made available to the Owner shall be unencumbered by scaffolding or other obstructions and all final floors, ceilings and wallcoverings shall be installed. In the event that the Contractor does not provide materially unimpaired access for commencement of the installation of case goods within the time as provided herein, the Contractor shall pay to the Owner as Liquidated Damages, as Owner's exclusive remedy for delay and not as a penalty, at the daily rate of $5,000.00 for each calendar day after February 15, 2004, until the date on which the Contractor provides materially unimpaired access to the public areas for the Owner's uninterrupted installation or placement of case goods. Liquidated Damages for late delivery of all public areas shall not exceed $100,000.00.

9.8 The Liquidated Damages for delay in providing access to Hotel Wing H-4 and the remaining Hotel Wings and public areas, as provided herein, shall be cumulative with the Liquidated Damages for delays in the Grand Opening of the Project.

9.9 Contractor's total liability for Liquidated Damages shall not exceed the amount of the Contractor's Fee set out in Paragraph 2.3.1 hereof.

9.10 The Parties agree to fully cooperate with each other and allow reasonable accommodation to avoid unnecessary interference between their respective workforces in the completion of the Work by the Contractor and the installation of FF&E by the Owner.

ARTICLE 10.
PAYMENTS AND COMPLETION

10.1 COMPENSATION TO CONTRACTOR. As compensation for the Contractor's satisfactory performance in accordance with the provisions of this Agreement, the Owner shall pay the Contractor a sum no greater than the Guaranteed Maximum Price (or "GMP") for performance of the Project Work, as provided in Paragraph 10.1.1 hereof, Payment of compensation earned by the Contractor with respect to the GMP shall be administered in accordance with the provisions of Paragraphs 10.2 through 10.10. For the purpose of maintaining administration of payment provisions, the GMP may be referred to herein as the "Contract Sum".

10.2 SCHEDULE OF VALUES. Before the next Application for Payment, after the execution of this Agreement, the Contractor shall submit to the Architect, and the Program Manager, a schedule of values allocated to various portions of the Project Work (the "Hotel Schedule of Values"), prepared in such form and supported by such data to substantiate its accuracy as the Program Manager and Architect may require. This schedule, unless objected to by the Program Manager or Architect, and upon approval by Owner, shall be used as a basis for reviewing the Contractor's Applications for Payment.

10.2.1 Within thirty (30) days following the Contractor's receipt of written Notice to Proceed to Completion, and, in any event before the next Progress Payment is made and with each Application for Payment thereafter, the Contractor shall submit to the Program Manager and Architect and obtain approval of the following data:

10.2.1.1 A payment application format based upon the Trade Payment Breakdown to include the following information:

A. Each line item shall be broken down by subcontractor, trade and work activity;

B. Each line item shall be broken down by area, floor and building;

C. No application line item will be more than five percent (5%) of the total Contract or Subcontractor total Contract amount unless waived by Owner;

D. Each line item shall be broken down by material and labor;

E. Subcontractor and vendor payment applications;

F. Certified payrolls (used to determine OCIP credits);

G. Lien releases substantiating the previous application for payment, including material vendors and lower tier Subcontractors that comply with the then-current provisions of the Texas Statutes;

H. Any other evidence of performance of the Project Work, the costs of and payment for which the Owner may consider necessary or desirable in order to complete the application for payment.

10.2.1.2 A Cash Flow Schedule that forecasts the total monthly cash requirements for the duration of the Contract period.

10.2.2 Thereafter, the Contractor shall resubmit on a monthly basis an update of the Cash Flow Schedule and an updated Contractor's Construction Schedule for the Project, as provided by Paragraph 4.8 hereof. Approval of each Payment Request is contingent upon these submittals.

10.3 APPLICATIONS FOR PAYMENT.

10.3.1 By the 25th of the month, the Contractor shall submit to the Program Manager and Architect an itemized "Application for Payment" accompanied by the Certificate of Payment which shall be completed in accordance with the Schedule of Values. Such application shall be notarized and supported by such data substantiating the Contractor's right to payment as the Owner, Program

Manager or Architect may require, such as copies of Applications for Payment from Subcontractors and material suppliers, as approved by the Contractor, and reflecting retainage.

10.3.1.1 Such applications shall include requests for payment on account of changes in the Project Work which have been properly authorized by

Construction Change Directives but not yet included in Change Orders.

10.3.1.2 Such applications shall not include requests for payment of amounts the Contractor does not intend to pay to a Subcontractor or material supplier because of a dispute or other reason.

10.3.1.3 Applications for Payment of the Project Work shall also be accompanied by labor records, time records, petty cash accounts, receipts, invoices and other evidence of the cost incurred by the Contractor in performing the Project Work.

10.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the Project site for subsequent incorporation in the Project Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the Project site at a location agreed upon in writing. Payment for materials and equipment stored on or off the Project site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, as itemized below:

10.3.2.1 The Owner approves the purchase of the material prior to purchase by the Contractor.

10.3.2.2 An applicable purchase order is provided listing the materials in detail and identifying this specific contract by name.

10.3.2.3 Evidence that proper storage security is provided.

10.3.2.4 The Owner is furnished legal title (free of liens or encumbrances of any kind) to the material that is stored or stockpiled.

10.3.2.5 Any off-site stored material shall be secured in a bonded warehouse.

10.3.2.6 Once any Stored Material is paid for by Owner, it shall not be removed from the designated storage area except for incorporation into the Project Work or upon subsequent approval of the Owner.

10.3.2.7 No disbursements or applications for disbursements stored at locations other than the Project, unless otherwise approved in writing by the Owner.

10.3.3 The Contractor warrants that title to all Project Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Project Work for which Certificates for Payment have been previously issued and payments received from the Owner shall be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors,

materialmen, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Project Work or otherwise make a claim by or through Contractor.

10.4 CERTIFICATES FOR PAYMENT.

10.4.1 The Contractor will submit a Project Application for Payment, combining the applications for progress payments from Subcontractors, suppliers and vendors and, after certifying the amounts due on such applications, forward them to the Program Manager and Architect no later than the twenty-fifth (25th) day of each month.

10.4.2 Within seven days after the Program Manager and Architect's receipt of each Project Application for Payment, the Architect will either issue to the Owner a certificate, with a copy to the Contractor, for such amount as the Program Manager and Architect determines is properly due or notify the Contractor and Owner in writing of the Program Manager and Architect's reasons for withholding certification in whole or in part as provided in Paragraph 10.5. Such notification will be forwarded to the Contractor by the Program Manager.

Owner will pay Contractor no later than the 20th of each month following the pay application submitted by the Contractor in accordance with Article 10.4.1.

10.4.3 The issuance of a separate Certificate for Payment will constitute representations made separately by the Architect and the Program Manager to the Owner, based on their individual observations at the Project site and the data comprising the Application for Payment submitted by the Contractor, that the Project Work has progressed to the point indicated and that, to the best of the Program Manager's and Architect's knowledge, information and belief, the quality of the Project Work is in accordance with the Contract Documents. The issuance of a separate Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a separate Certificate for Payment will not be a representation that the Program Manager or Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the work, (2) reviewed the Contractor's construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

10.4.4 No approval of an Application for Payment, progress payment or any partial or entire use or occupancy of the Project by the Owner will constitute an acceptance of any Project Work which is not in accordance with the Contract Documents; and regardless of approval of an Application for Payment by the Owner, Contractor will remain totally obligated and liable for the performance of the Project Work in strict compliance with the Contract Documents.

10.5 DECISIONS TO WITHHOLD CERTIFICATION.

10.5.1 The Architect may decide not to certify payment and may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Program Manager's or Architect's opinion the representations to the Owner required by Subparagraph 10.4.3 cannot be made. If the Program Manager or Architect is unable to certify payment in the amount of the Application, the Program Manager or Architect will notify the Contractor and Owner as provided in Subparagraph 10.4.2. If the Contractor, Program Manager and

Architect cannot agree on a revised amount, the Program Manager and Architect will promptly issue a Certificate for Payment for the amount for which the Program Manager and Architect are able to make such representations to the Owner. The Program Manager or Architect may also decide not to certify payment or, because of subsequently discovered evidence or subsequent observations, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Program Manager's or Architect's opinion to protect the Owner from loss because of:

10.5.1.1 defective work not remedied;

10.5.1.2 third party claims filed or reasonable evidence indicating probable filing of such claims;

10.5.1.3 failure of the Contractor to make payments properly to Subcontractors of any tier or for labor, materials or equipment;

10.5.1.4 compelling evidence that the Project Work cannot be completed for the unpaid balance of the Contract Sum;

10.5.1.5 damage to the Owner, surrounding property or Other Contractors which are the responsibility of Contractor;

10.5.1.6 persistent failure to carry out the Project Work in accordance with the Contract Documents;

10.5.1.7 unsatisfactory prosecution of the Project Work by Contractor;

10.5.1.8 failure of Contractor to maintain the Job Site in a clean condition;

10.5.1.9 failure of Contractor to submit an updated Schedule with each application for payment;

10.5.1.10 failure of Contractor to remove liens from the property.

10.5.1.11 failure of Contractor to comply with Paragraph 10.6.1.1.

10.5.2 When the applicable reason(s) for withholding certification have been resolved, certification will be made for amounts previously withheld.

10.6 PROGRESS PAYMENTS.

10.6.1 Based upon Applications for Payment (as defined in Paragraph 10.3) submitted to the Architect by the Contractor and certificates for payment issued by the Architect, the Owner shall make progress payments on account of the GMP to the Contractor. The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

10.6.1.1 Provided that a Certificate of Payment is received by the Owner, or its designated representative, not later than the 30th of the month, and is for a verifiable, equitable amount based upon the Project Work performed and/or materials properly stored during that pay

period, the Owner will make payment within 15 days after receipt of architects certification of pay application, provided the Contractor has a fully executed W-9 on file with the Gaylord Hotels. Payment will be withheld from the account of those Vendors, Subcontractors and Sub-Subcontractors that have failed to submit all documentation to enroll in the OCIP Program or have failed to properly submit a completed Form 5 monthly to the Insurance Carrier.

10.6.1.2 Applications for Payment shall indicate the actual cost or percentage of completion of each portion of the Project Work, as of the end of the period covered by such Application for Payment. Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed by calculating the lesser of actual cost or percentage of completion, as follows:

A. Take that portion of the GMP properly allocable to completed Project Work as determined by the lesser of: (i) the amount of the actual cost to date or (ii) by multiplying the percentage completion of each portion of the Project Work to date by the share of the GMP allocated to that portion of the Project Work in the Schedule of Values (as defined in Paragraph 10.2), less retainage of 10% of all progress payment amounts from Subcontracts and Contractor-issued Purchase Orders that provide for such retainage and exclusive of Contractor's fee and General Conditions. Pending final determination of cost to the Owner of changes in the Project Work, amounts due for additional labor and material not in dispute shall be included, less retainage of 10% of such undisputed additional costs exclusive of Contractor's Fee and General Conditions.

B. Add the lower of the actual cost or the portion of the GMP properly allocable to materials and equipment delivered and suitably stored at the Project site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the Project site at a location agreed upon in writing), less retainage of 10% of all amounts from Subcontracts or Purchase Orders that provide for such retainage.

C. Subtract the aggregate of previous payments made by the Owner.

D. Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Paragraph 10.5 hereof.

10.6.2 The progress payment amount determined in accordance with Subparagraph 10.6 shall be further modified under the following circumstances:

10.6.2.1 Upon Substantial Completion of the entire Project, as certified by the Architect, and approved by the Program Manager or the date on which an Affidavit of Completion is recorded by the Owner, whichever is later, the Owner shall pay to the Contractor a sum sufficient to increase the total payments to the full amount of the actual Cost of the Work to date plus the earned Contractors Fee to date, not to exceed the GMP, less retainage and such amounts as the Architect and the Owner shall determine for correction of non-conforming and incomplete Project Work and unsettled claims. Progress payments are contingent upon receipt of schedule updates as required in Paragraph 4.8 and cost data and reports as follows:

A. Approval and certification of the Contractors Payment Application shall be contingent upon but not limited to receipt of construction schedules update as required in Paragraph 4.8 and receipt and approval of the following cost management reports:

1. Current Estimated Cost of Construction and GMP Status.
2. Current Status of Proposed Value Engineering.
3. Current Status of Allowances.
4. Current Status of all AR's.
5. Current Buy Out log.
6. Current Status of Contingencies.
7. Updated Construction/Pre-Construction Schedule.
8. Bid Package and Award Status Report.
9. Subcontract Status Report.
10. Subcontractor and Supplier Default Notice.
11. Current Submittal log.
12. Current RFI log.

10.6.3 Reduction or limitation of retainage, if any, shall be as follows: retainage shall be held until thirty (30) days after Substantial Completion of all Project Work, as certified by the Architect, and the Owner has recorded an Affidavit of Completion. The Owner reserves the right to withhold any reduction of retainage to compensate for any portion of the Project being behind schedule, or any portions of the Project Work deemed unacceptable. For Subcontracts executed prior to the date of this Agreement, the Owner will honor the Subcontract provisions regarding the reduction and/or release of Subcontractor's retainage on a case-by-case basis during the course of construction. Contractor shall not reduce or release subcontractor/supplier final retainage without approval of Owner.

10.6.4 Except with the Owner's prior written approval, the Contractor shall not make advance payments to or reduce retainage to subcontractors/suppliers for materials or equipment, or release or reduce final retainage, which have not been delivered and stored at the Project site.

10.6.5 FINAL PAYMENT. Final Payment, constituting the earned but unpaid balance of the GMP, shall be made by the Owner to the Contractor thirty (30) days after the Architect has issued its Certificate of Substantial Completion and the Owner has recorded its Affidavit of Completion, provided that the Contractor has fully performed the Contract and a final Certificate for Payment has been issued by the Architect after consultation with the Program Manager and the Contractor has otherwise satisfied the conditions of Paragraph 10.10, and Contractor has provided Owner with a final accounting detailing the Cost of the Work, the earned Contractors Fee, and any incentives earned, in form and substance acceptable to Owner.

10.6.5.1 After the Architect has issued a Project Certificate for Payment, the Owner shall make payment in the manner and within the time provided in Article 10.6, and shall so notify the Program Manager and Architect.

10.6.5.2 Upon receipt of payment from the Owner, the Contractor shall promptly pay each Subcontractor, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Project Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Project Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-Subcontractors in similar manner.

10.6.5.3 The Contractor will, on request, of the Program Manager, furnish to a Subcontractor, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Owner, Program Manager and Architect on account of portions of the Project Work done by such Subcontractor.

10.6.5.4 Neither the Owner, Program Manager nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law.

10.6.5.5 Payment to material suppliers shall be treated in a manner similar to that provided in Subparagraphs 10.6.2, 10.6.3 and 10.6.4.

10.7 FAILURE OF PAYMENT. If, through no fault of the Contractor, (i) the Architect does not within fourteen days after the receipt of the Contractor's Application for Payment either (A) issue a Certificate of Payment, or (B) notify the Contractor of a decision to withhold certification or (ii) the Owner does not pay the Contractor within fifteen (15) days after the Architect certifies a pay application, then the Contractor may, upon seven (7) additional days' written notice to the Owner, stop work until all amounts owed under this Agreement are paid with interest. All reasonable costs of Contractor and subcontractors in connection with such work stoppage shall be reimbursable Costs of the Work. In the event of a work stoppage over 30 days, Contractor may, at its option, terminate this Agreement for Default under Article 14. All payments pursuant to valid pay applications not paid within the time set forth in Article 10.6 shall bear interest at the Bank of America prime rate plus 2%.

10.8 SUBSTANTIAL COMPLETION.

10.8.1 Substantial Completion is the stage in the progress of the Project Work defined by Paragraph 2.2.1 hereof.

10.8.2 When the Contractor considers that the Project Work is substantially complete as defined in Paragraph 2.2.1 hereof, it shall notify the Owner, Architect and Program Manager accordingly. The Contractor shall prepare and submit to the Architect and Program Manager a comprehensive list of items to be completed or corrected (the "Punch List"). The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Project Work in accordance with the Contract Documents. Upon receipt of the list, the Architect and its consultants assisted by the Program Manager, will make an inspection to determine whether the Project Work or designated portion thereof is substantially complete. When the Project Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Project Work and insurance, and shall fix the time within which the Contractor shall complete or remedy all omitted or non-conforming items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Project Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate.

10.8.2.1 Upon the Architect's issuance of a Certificate of Substantial Completion for the entire Hotel in 2.2.1 above, the Owner shall immediately record its Affidavit of Completion in the Real Property Records of Tarrant County, Texas.

10.8.3 The issuance of the Certificate of Substantial Completion will not constitute a waiver of any rights of the Owner, including without limitation the right to those retainages permitted by the Contract Documents. If Contractor does not complete and/or correct the "punch-list" items listed in the Certificate of Substantial Completion within the time agreed to by the Owner and Contractor (not to exceed 90 days), the Owner will have the right to complete the punch-list and offset all costs against any amounts then or thereafter due to Contractor. If the amounts then or thereafter due to Contractor are not sufficient to cover these costs, Contractor will pay the difference to the Owner. The Owner's decision as to the Date of Substantial Completion will be final and binding regarding the time allowed to complete the punchlist.

10.8.4 Before requesting inspection for Certification of Substantial Completion, Contractor shall complete the following:

10.8.4.1 Advise the Owner of pending insurance changeover requirements.

10.8.4.2 Provide a list to the Owner of any pending unresolved claims by Contractor, any Subcontractor, Supplier, or third party.

10.8.4.3 Perform startup testing of systems, and instruction of the Owner's operating and maintenance personnel. Discontinue changeover and remove temporary facilities from the areas along with construction tools, mockups and similar elements.

10.9 PARTIAL OCCUPANCY OR USE.

10.9.1 The Owner shall obtain access to completed or partially completed portions of the Project Work as provided in Paragraph 9.5 hereof. The Owner may also occupy other portions of the Project at any stage when such occupancy or use is consented to by the insurer as required under Subparagraph 12.18 and authorized by public authorities having jurisdiction over the Project Work. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, security, maintenance, heat, utilities, damage to the Project Work and insurance, and have agreed in writing concerning the period for correction of the Project Work and commencement of warranties required by the Contract Documents. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The progress of the Project Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect after consultation with the Program Manager.

10.9.2 Immediately prior to such partial occupancy or use, the Owner, Program Manager, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Project Work to be used in order to determine and record the condition of the Project Work.

10.9.3 Partial occupancy will not constitute acceptance by the Owner of the completed Project Work or any portion of the Project Work, will not relieve Contractor of its full responsibility for correcting defective work and repairing the work, will not be considered to be the equivalent of

Substantial Completion of the Project Work, and will not entitle Contractor to any increase in the Contract Sum.

10.10 FINAL COMPLETION AND FINAL PAYMENT.

10.10.1 Upon completion of the Project Work, the Contractor shall forward to the Program Manager a written notice that the Project Work is ready for final inspection and acceptance and shall also forward to the Program Manager and Architect a Final Application for Payment. Upon receipt, the Program

Manager will review and make recommendations, then forward the notice and Application for Payment to the Architect who will promptly make such inspection. When the Architect finds the Project Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a Final Certificate for Payment stating that to the best of its knowledge, information and belief, and on the basis of its observations and inspections, the Project Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor, except as noted in said final Certificate, is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Subparagraph 10.10.2 conditions as precedent to the Contractor's being entitled to final payment have been fulfilled.

10.10.2 As conditions precedent to final payment and any remaining retainage, the Contractor shall submit to the Architect through the Program Manager the following:

10.10.2.1 an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Project Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or will be paid or otherwise satisfied;

10.10.2.2 a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner;

10.10.2.3 a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents;

10.10.2.4 consent of surety, if any, to final payment;

10.10.2.5 submit specific warranties, workmanship bonds, maintenance agreements, final certifications and similar documents;

10.10.2.6 obtain and submit releases enabling the Owner unrestricted use of the Project Work, and access to services and utilities; including occupancy permits, operating certificates and similar releases;

10.10.2.7 as-built schedule, submit record drawings, maintenance manuals, operating manuals, final Project photographs, damage or settlement survey, property survey, and similar final record information;

10.10.2.8 deliver tools, spare parts, extra stock or similar items;

10.10.2.9 complete final cleanup requirements, including touchup painting, and otherwise repair and restore marred, exposed finishes;

10.10.2.10 Make final changeover of permanent locks and transmit keys to the Owner. Advise the Owner's personnel of changeover and security provisions;

10.10.2.11 Waivers of Mechanic's Liens in a form satisfactory to the Owner by the Contractor and each of the Contractor's subcontractors and their suppliers, conditioned only upon their receipt of final payments in amounts designated therein;. Upon payment of the sums so designated in the Conditional Releases, the Contractor shall provide to the Owner Unconditional Releases of Mechanic's Liens executed by the Contractor, its Subcontractors and suppliers in recordable form acceptable to the Owner.

10.10.2.12 provide other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner.

10.10.2.13 If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

10.10.3 If, after Substantial Completion of the Project Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Program Manager and Architect so confirm, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Project Work fully completed and accepted. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims. The making of final payment shall constitute a waiver of Claims by the Owner except as provided in Subparagraph 5.4.5.

10.10.4 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

10.10.5 CONSTRUCTION LIENS.

10.10.5.1 Contractor will unconditionally indemnify and hold the Owner harmless from all claims, demands, causes of action or suits of whatever nature arising out of any statutory or constitutional mechanic's or materialman's liens, equitable lien or other liens ("Lien Claims") against the real property or improvements constituting all or part of the Project Work under the Agreement that may be filed of record by a Subcontractor of any tier, materialmen, or any party other than Contractor with respect to labor, materials, equipment or services under the Agreement. Contractor shall (i) obtain a Release of any recorded Affidavit of Lien Claim; or (ii) file with the County Clerk of Tarrant County an Indemnity Bond and evidence of service of notice of such Bond in compliance with the Texas Property Code, Chapter 53, Subchapter H, within fourteen (14) days of receipt of Owner's written notice to Contractor to remove any recorded Affidavit of Lien Claim. Contractor shall obtain the Release of any and all such recorded Affidavits of Lien Claims, as provided herein,

regardless of whether it considers the Lien Claims to be valid or invalid, timely or untimely perfected, or subject of a previous lien waiver by the lien claimant. Contractors obligations under this Paragraph 10.10. 5.1 shall not apply to any Lien Claims filed by Other Contractors and their subcontractors of any tier, materialmen, suppliers, and vendors.

10.10.5.2 Within seven (7) days after Contractor has made final payment to its Subcontractors and upon demand by the Owner, Contractor will furnish an unconditional release or waiver of lien acceptable to the Owner, from itself, and of any other person furnishing services, labor or materials in connection with the Project Work covering all service, labor and materials for which a lien might be filed. If any Subcontractor, laborer, materialman, or other person refuses to furnish a release, waiver of lien in full, Contractor may furnish at its expense a bond satisfactory to the Owner to indemnify the Owner against any claim or lien, filed pursuant to the Texas Lien Laws.

10.10.6 AUDIT/RECORDS RETENTION. The Owner will have the right to audit all of Contractor's books and records pertaining to the Project Work (including but not limited to payments to Subcontractors of any tier for changes in the Project Work) at any time and from time to time during regular business hours, upon reasonable prior notice to Contractor. Contractor will keep, retain and preserve all such books and records in reasonable order, in accordance with all applicable Federal, State and local agencies rules, regulations and guidelines, or for a minimum of five (5) years from the date of the final payment.

10.10.7 Contractor's records which shall include but not be limited to substantiation of the Cost of the Work submitted by the Contractor for payment, including without limitation, cost of labor, site executive salaries and benefits, materials, services and equipment incurred for performance of the Project Work, accounting records (hard copy, as well as computer readable data if it can be made available), written policies and procedures; subcontract files (including proposals of successful and unsuccessful bidders, bid recaps, etc.); original estimates; estimating work sheets; correspondence; change order files (including documentation covering negotiated settlements); backcharge logs and supporting documentation; general ledger entries detailing cash and trade discounts earned, insurance rebates and dividends; and any other supporting evidence deemed necessary by the Owner to substantiate costs and charges related to this Contract (all of the foregoing hereinafter referred to as "Records") shall be open to inspection and subject to audit and/or reproduction by Owner or Owner's agent or its authorized representative to the extent necessary to adequately permit evaluation and verification of (a) Contractor compliance with Contract requirements, (b) compliance with Owner's business ethics, change orders, payments or claims submitted by the Contractor or any of its payees. Such audits may require inspection and copying from time to time and at reasonable times and places and character including without limitation, records, books, papers, documents, subscriptions, recordings, agreements, purchase orders, leases, contracts, commitments, arrangements, notes, daily diaries, superintendent reports, drawings, receipts, vouchers and memoranda, and any and all other agreements, sources of information and matters that may in Owner's judgment have any bearing on or pertain to any matters, rights, duties or obligations under or covered by any contract Document. Such records subject to audit shall also include but not be limited to, those records necessary to evaluate and verify direct and indirect costs, (including overhead allocations) as they may apply to costs associated with this Agreement. Lump sum elements of the GMP and Change Orders and indirect costs and overhead allocations that are stated as fixed costs in this Agreement and in subsequent Change Orders are not subject to audit. The Owner or its designee shall be afforded access to all of the Contractor's records pertaining to the Project, and shall be allowed to interview any of the Contractor's employees, pursuant to the provisions of this paragraph throughout the term of this contract and for a period of three years after

final payment or longer if required by law. Contractor shall require all subcontractors, insurance agents, and material suppliers (payees) to comply with the provisions of this paragraph by insertion of the requirements hereof in a written contract between Contractor and such payee. The Owner shall have no right to unilaterally revise the composition of any fixed, unit prices or percentage markups that have been specifically agreed to by Owner in writing, in advance, or specifically set out in this Agreement.

ARTICLE 11.
PROTECTION OF PERSONS AND PROPERTY

11.1 SAFETY PRECAUTIONS AND PROGRAMS.

11.1.1 The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract. The Contractor shall submit the Contractor's safety program to the Program Manager and OCIP representative for review and coordination with the safety programs of Other Contractors.

11.1.2 If the Contractor encounters on the Project site material reasonably believed to be asbestos or polychlorinated biphenyl's ("PCB's") or other hazardous materials, the Contractor shall immediately stop work in the area affected and report the condition to the Owner, Program Manager and Architect in writing. The work in the affected area shall not thereafter be resumed except by written agreement of the Owner and Contractor if in fact the material is asbestos or PCB's and has not been rendered harmless. The work in the affected area shall be resumed in the absence of asbestos or PCB's, or when it has been rendered harmless, by written agreement of the Owner and Contractor, or in accordance with final determination by the Architect on which arbitration has not been demanded, or by arbitration under Article 5.

11.1.3 The Contractor shall not be required pursuant to Article 8 to perform without consent any work relating to asbestos or PCB's or other hazardous materials.

11.1.4 To the fullest extent permitted by law the Owner shall indemnify and hold harmless the Contractor, Program Manager, Architect, their consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Project Work in the affected area if in fact the material is asbestos or PCB's or other hazardous materials, unless such materials were introduced to the site by the Contractor, its Subcontractors or those persons or entities for which the Contractor is responsible, and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Project Work itself including loss of use resulting therefrom), but only to the extent caused in whole or in part by negligent acts or omissions of the Owner, anyone directly or indirectly employed by the Owner or anyone for whose acts the Owner may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity, which would otherwise exist as to a party or person described in this Subparagraph 11.1.4.

11.1.5 If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance encountered on the Project site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop work in the

affected area and report the condition to the Owner, Program Manager and Architect in writing. The Owner, Contractor, Program Manager and Architect shall then proceed in the same manner described in Subparagraph 11.1.2.

11.1.6 The Owner shall be responsible for obtaining the services of a licensed laboratory to verify a presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to verify that it has been rendered harmless.

11.2 SAFETY OF PERSONS AND PROPERTY.

11.2.1 The Contractor shall take precautions for safety of, and shall provide protection in accordance with Federal, State and Local safety regulations to prevent damage, injury or loss to:

11.2.1.1 Employees engaging in the Project Work and other persons who may be affected thereby;

11.2.1.2 The Project Work and materials and equipment to be incorporated therein, whether in storage on or off the Project site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and

11.2.1.3 Other property at the Project site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

11.2.2 The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

11.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

11.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Project Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

11.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Paragraphs 11.2.1.2, and 11.2.1.3 to the extent caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Paragraphs 11.2.1.2, and 11.2.1.3, except damage or loss attributable to acts or omissions of the Owner, Program Manager or Architect or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Paragraph 4.15.

11.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the Project site whose sole duty shall be the prevention of accidents, safety inspections and safety reporting. This person shall not be the Contractor's superintendent and shall be a full time designated and trained Safety Officer. The Contractor Safety representative shall coordinate with and work closely with the Owner's OCIP on site representative and Program Manager to insure compliance with the safety program and OCIP requirements.

11.2.7 The Contractor shall not exceed design loads or permit any part of the construction or site to be loaded so as to endanger its safety.

11.3 EMERGENCIES. In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Paragraph 5.5 and Article 8.

ARTICLE 12.
INSURANCE AND BONDS

The Owner has elected to implement an Owner Controlled Insurance Program (OCIP) that will provide Workers' Compensation, Employer's Liability, General Liability, and Excess Liability for all enrolled contractors of every tier providing direct labor on the Project. The Owner agrees to pay all premiums associated with the OCIP including deductibles or self-insured retention unless otherwise stated in the Contract Documents. Owner shall provide proof of its ability to pay reasonably anticipated deductibles upon Contractor's written request and shall notify Contractor immediately upon any foreseeable change in the status of Owner's reserves that may materially affect Contractor's (or its Subcontractors' or Suppliers') insurance rights under this Agreement.

Eligible contractors include all contractors providing direct labor on the Project site (see definition of ineligible contractors below). Temporary labor services and leasing companies are to be exempt from the program.

12.1 APPLICABILITY OF THE OCIP. The following types of contractors (hereinafter called ineligible contractors) shall not be eligible for coverage in the OCIP: Consultants, suppliers, vendors, materials dealers, guard services, janitorial services, truckers (including trucking to the Project where delivery is the only scope work performed), and other contractors as determined by the Owner. Ineligible contractors shall be required to maintain their own insurance of the types and with the limits as set forth in Article 12, at their own expense, and shall promptly furnish the Owner, or its designated representative, certificates of insurance giving evidence that all required insurance is in force.

12.2 IDENTIFICATION OF GENERAL CONTRACTOR AND SUBCONTRACTOR INSURANCE COSTS. General Contractor shall identify all costs associated with the cost of insurance for all Project Work, including but not limited to insurance premiums, expected losses within any retention or deductible program, overhead and profit, using Form 2 (Insurance Cost Identification Worksheet). By completing and submitting this insurance cost information, including supporting documents to the Insurance Administrator, Contractor warrants that all cost for insurance as described in this paragraph have been correctly identified. For the Contractor and all cost plus subcontractors and for any Project Work identified as "cost plus", billings to the Owner shall not include the cost of any insurance coverages covered by the OCIP Program. Coverage and limit requirements are:

(1) WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:

STATUTORY BENEFITS as provided by state statute; and EMPLOYER'S LIABILITY LIMITS:

(a) $1,000,000 Bodily Injury each Accident
(b) $1,000,000 Bodily Injury by Disease - Policy Limit
(c) $1,000,000 Bodily Injury by Disease - Each Employee

(2) COMMERCIAL OR GENERAL LIABILITY INSURANCE:

(a) $2,000,000 Bodily Injury & Property Damage for Each Occurrence
(b) $2,000,000 Products/Completed Operations Aggregate
(c) $4,000,000 General Aggregate
(d) $1,000,000 Personal & Advertising Injury
(e) $50,000 Fire Damage
(f) $5,000 Medical Expense

Coverages should include but not limited to the following supplementary coverages:

(i) Contractual Liability to cover liability assumed under this agreement,
(ii) Product and Completed Operations Liability Insurance,
(iii) Broad Form Property Damage Liability Insurance,
(iv) Explosion, collapse and underground hazards (deletion of the X, C, U exclusions) if such exposure exist, and
(v) Independent Contractors.
(vi) Such policy shall include all of the coverages which may be included in coverages A, B and C contained in the Commercial General Liability Policy, without deletion. Such policy must be issued upon an "occurrence" basis, as distinguished from a "claims made" basis.

(3) EXCESS (UMBRELLA) INSURANCE:

(a) Limits of Liability:
(i) $10,000,000 Per Occurrence
(ii) $10,000,000 General Aggregate

(b) Coverages and Terms:
(i) Occurrence Policies
(ii) Excess of General Liability
(iii) Excess of Employer's Liability
(iv) Excess of Completed Operations

12.3 SUBCONTRACTOR INSURANCE LIMITS. General Contractor agrees to require its subcontractors to identify all costs associated with the cost of insurance for all subcontracted Project Work, including but not limited to insurance premiums, expected losses within any retention or deductible program, overhead and profit, using the Owner Form 2 (Insurance Cost Identification Worksheet). By completing and submitting this insurance cost information, including supporting documents to the Owner, General Contractor and its subcontractor(s) agrees that the all cost for subcontractor

insurance as described in this paragraph have been correctly identified. For the purpose of calculating subcontractor insurance deductions, the contractor shall cause the subcontractor to base its deduction on the following limits:

(1) WORKERS' COMPENSATION: STATUTORY LIMITS/EMPLOYER'S LIABILITY:

(a) $500,000 Bodily Injury each Accident
(b) $500,000 Bodily Injury by Disease - Policy Limit
(c) $500,000 Bodily Injury by Disease - Each Employee

(2) COMMERCIAL GENERAL LIABILITY INSURANCE:

(a) $2,000,000 Bodily Injury & Property Damage for Each Occurrence
(b) $2,000,000 Products/Completed Operations Aggregate
(c) $2,000,000 General Aggregate

(d) $1,000,000 Personal & Advertising Injury

It is understood and agreed, insurance cost identified on Form 2, is an initial estimate only. The final insurance cost will be subject to review and audit of actual insurance policy(ies) rate information, actual payrolls and revenues for the initial award plus any additive amendments. The Owner contract award will be based on the total estimated Cost of the Work including insurance costs. An initial deductive change order will be processed to transfer the insurance cost into the Project insurance program. During the term of contractor's contract, including extended periods thereof, the Owner shall have the right to recover all costs for insurance as described in paragraph 12.2 that are in addition to those initially identified by contractor in the initial deductive change order. The Owner shall have the right to recover these additional costs through deductive change orders.

Contractors of every tier shall complete and submit Form 2 to the Insurance Administrator, and shall also provide a copy of the declaration page(s) and premium rate page(s) for each policy to the Insurance Administrator. Contractor shall provide all necessary information for the Owner to determine the accuracy of each contractor's cost of insurance as identified on Form 2.

12.4 CHANGE ORDER PRICING. Contractor shall price, and shall require that all enrolled contractors price change order pricing equal to or greater than ten thousand dollars ($10,000) to include the cost to provide insurance as specified in Paragraph 12.3, and shall identify the amount of insurance contained in the change order proposal using Form 3. Contractor's price shall be adjusted by removing the cost of insurance as identified on Form 3. The Owner shall have the right to recover these additional costs through deductive change orders

12.5 CONTRACTOR'S RESPONSIBILITY FOR ITS SUBCONTRACTORS. The awarding contractor shall require each of its subcontractors to identify the cost for the coverage associated with the Project Work performed for or on behalf of the awarding contractor as outlined in this agreement using the methods and documents described herein.

The awarding contractor shall include all of the provisions of this agreement in every subcontract so that such provisions will be binding upon each of its subcontractors.

12.6 AUDIT AND RECOVERY OF "INSURANCE COST". For insurance purposes, the Contractors of every tier agree, and shall require all tiers of subcontractors to agree, to keep and maintain accurate

and certified record of its payroll for operation at the Project site. Contractor further agrees, and will require all tiers of subcontractors to agree, to furnish to the Insurance Administrator, full and accurate payroll data and information in accordance with the requirements of the OCIP Project Insurance Manual, incorporated herein by this reference. All contractors shall permit the Owner or its representative to examine and/or audit its books and records. Contractor shall also provide any additional information to the Owner or its appointed representatives as may be required. During the term of the contractor's contract including extended periods thereof, the Owner shall have the right to adjust the contract price to reflect the cost of the Contractor's insurance costs had the Owner not implemented an OCIP.

12.7 OWNER -PROVIDED COVERAGES. The Owner, at its sole expense, has implemented an Owner Controlled Insurance Program (OCIP) to furnish certain insurance coverages with respects to on-site activities. The OCIP Manual is appended as Exhibit K to this Agreement and is incorporated herein by reference. The OCIP will be for the benefit of the Owner and enrolled contractors of all tiers (unless specifically excluded) who have on-site employees. Such coverage applies only to Project Work performed under this contract at the Project Site. Enrolled contractors must provide their own insurance for off-site activities.

The OCIP policies are available for review by the contractor upon request to the Owner. The terms of such policies or programs, as such policies or programs may be from time to time amended, are incorporated herein by reference. The contractor hereby agrees to be bound by the terms of coverage as contained in such insurance policies and/or self-insurance programs.

Through a combination of insured and self-insured insurance programs the Owner, at its sole expense, will provide and maintain in force the types of insurance listed in subparagraphs (1) through (3) below as a part of the OCIP for all approved contractors. Contractors enrolled in the OCIP agree that the insurance company policy limits of liability, coverage terms and conditions shall determine the scope of coverage provided by the OCIP. Contractors agree that the purpose of this section is to provide a general understanding of the coverage provided by the OCIP.

(1) WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE will be provided in accordance with applicable State laws. Limits of Liability and coverages will be as follows:

(a) Workers' Compensation - Applicable State Statutory Benefits

(b) Employer's Liability

(i) $1,000,000 Bodily Injury each Accident
(ii) $1,000,000 Bodily Injury by Disease - Policy Limit
(iii) $1,000,000 Bodily Injury by Disease - Each Employee

(2) COMMERCIAL GENERAL LIABILITY INSURANCE will be provided on an "occurrence" form under a master liability policy with the following Limits of Liability, Coverages, and Terms:

(a) Limit of Liability:
(i) $2,000,000 Per any occurrence
(ii) $4,000,000 General Aggregate
(iii) $6,000,000 Completed Operations Aggregate

(b) Coverage and Terms:

(i) Occurrence Basis;
(ii) Products;
(iii) Contractual Liability specifically designating the indemnity provision of this agreement as an insured contract;
(iv) Completed Operations (Five Year Term);
(v) Independent Contractor's Liability;
(vi) Personal Injury;
(vii) Explosion, Collapse, and Underground (X, C, U) exclusion deleted; and
(viii) Designated Premises Only.

(3) EXCESS LIABILITY INSURANCE will be provided under a master liability policy with Limits of Liability, Coverages, and Terms as follows:

(a) Limits of Liability:

(i) $25,000,000 Any one occurrence and general aggregate annually; and
(ii) $25,000,000 Annual Aggregate Products and completed Operations.

(b) Coverages and Terms:

(i) Excess of General Liability
(ii) Excess of Employer's Liability
(iii) Completed Operations (Five Year Term)

12.8 OCIP CERTIFICATES AND POLICIES. The Owner provided insurance coverage outlined above shall be either written by insurance companies or shall be self-insured. The Owner, through the Insurance Administrator, shall provide all contractor(s) with appropriate certificates of insurance or self-insurance evidencing the coverage outlined above.

12.9 TERMINATION/MODIFICATION OF THE OCIP. The Owner reserves the right to terminate or to modify the OCIP or any portion thereof. To exercise this right, the Owner shall provide thirty (30) days advance written notice of termination or material modification to all contractor(s) covered by the OCIP. The contractor shall promptly obtain appropriate replacement insurance coverage acceptable to the Owner. The cost of such replacement insurance will be reimbursed by the Owner. Written evidence of such insurance shall be provided to the Owner prior to the effective date of the termination or modification of the OCIP.

12.10 CONTRACTOR RESPONSIBILITIES. The contractor is required to cooperate with the Owner and the Insurance Administrator, with regards to the administration and operation of the OCIP. The contractor's responsibilities shall include, but not be limited to:

(1) Compliance with the Contractor Insurance Manual outlining the administrative procedures required of the contractors;

(2) Provision of necessary contract, operations and insurance information;

(3) Immediately notifying the Insurance Administrator of all contractors upon award on the Owner Form-1. Furnish all new subcontractors the Contractor Insurance Manual;

(4) Maintenance and provision of monthly certified payroll records and other records as necessary for premium computation;

(5) Cooperation with any insurance company or the Insurance Administrator with respect to requests for claims, payroll or other information required under the program;

(6) Immediately notifying the Insurance Administrator that any Contractor-Provided Coverages have been canceled, materially changed, or not been renewed; and,

(7) Complete the following administrative forms within the time frames specified:

   (a) Form 1 -- Upon execution of the (Subcontractor) contract;

   (b) Form 2 -- Upon execution of a (Subcontractor) contract;

   (c) Form 5 -- Monthly Payroll Record--Within 10 days after the last day of each month; and

   (d) Notice of Completion -- Upon completion of all Project Work being performed under the contract.

12.11 ASSIGNMENT OF RETURN PREMIUMS. The Owner will be responsible for the payment of all premiums associated solely with the OCIP and will be the sole recipient of any dividend(s) and/or return premium(s) generated by the OCIP. In consideration of the Owner provision of said coverages the contractor(s) agree to:

(1) Identify all applicable insurance costs in their contract price, and cooperate with the Insurance Administrator in the confirmation of the contractor's insurance cost.

(2) Irrevocably assign to and for the benefit of the Owner, all return premiums, premium refunds, premium discounts, dividends, retentions, credits, and any other monies due the Owner in connection with the insurance which Owner herein agrees to provide.

12.12 CONTRACTOR-PROVIDED COVERAGES. For any work under this contract, and until completion and final acceptance of the Project Work all ineligible contractors/subcontractors as defined in paragraph 12.1 of this document shall provide certificates of insurance giving evidence that the following coverages are in force. The Project site should be shown on the certificate and the Owner, Contractor and their affiliates, directors; officers, representatives, agents and employees shall be endorsed as Additional Insureds, ATIMA (As Their Interest may appear) on the Commercial General Liability Policy and Automobile Policy and that such coverages are primary to any policies of insurance provided by Owner or Contractor.

For any work under this contract, and until completion and final acceptance of the Project Work, all eligible subcontractors, at their own expense, shall promptly furnish to the Insurance Administrator, certificates of insurance giving evidence that the following coverages are in force:

(1) AUTOMOBILE LIABILITY INSURANCE:

Contractor must provide the limits of liability:

Comprehensive Automobile Liability Insurance to cover all vehicles owned by, hired by or used on behalf of the contractor, with minimum combined single limit that shall not be less than $1,000,000 each accident.

Gaylord Entertainment Company and its directors; officers, representatives, agents and employees shall be added as Additional Insureds, ATIMA (As Their Interest may appear).

(2) WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE (OFF-SITE ACTIVITIES):

Statutory Limits with All States Endorsement and minimum Employer's Liability Limits will be provided as follows:

- (a) $500,000 Bodily Injury with Accident - Each Accident;
- (b) $500,000 Bodily Injury by Disease - Policy Limit
- (c) $500,000 Bodily Injury by Disease - Each Employee; and
- (d) The policy will be endorsed to exclude the Gaylord Entertainment Company Project site.

(3) COMMERCIAL GENERAL LIABILITY INSURANCE (OFF-SITE ACTIVITIES):

- (a) $1,000,000 Bodily Injury & Property Damage for Each Occurrence
- (b) $1,000,000 Products/Completed Operations Aggregate
- (c) $2,000,000 General Aggregate
- (d) $1,000,000 Personal & Advertising Injury
- (e) $50,000 Fire Damage
- (f) $5,000 Medical Expense
- (g) Shall include the following:
  - (i) Occurrence Basis;
  - (ii) Premises operations;
  - (iii) Contractual Liability;
  - (iv) Products/Completed Operations;
  - (v) Broad Form Property Damage; and
  - (vi) Independent Contractors.
  - (vii) Such policy shall include all of the coverages which may be included in coverages A, B and C contained in the Standard Texas Form Commercial General Liability Policy, without deletion. Such policy must be issued upon an "occurrence" basis, as distinguished from a "claims made" basis.
- (h) The policy will be endorsed to exclude Gaylord Opryland Hotel-Texas Project Site.

(4) EXCESS (UMBRELLA) INSURANCE (OFF-SITE ACTIVITIES):

- (a) Limits of Liability:

CONTRACT SUM	MINIMUM LIMIT REQUIRED (PER OCCURRENCE/AGGREGATE)
Up to $2,499,999	$1,000,000
$2,500,000 - $4,99,999	$2,000,000
$5,000,000 - $7,499,999	$3,000,000
$7,500,000 and over	$4,000,000

(b) Coverages and Terms: Follow form of Primary Policies

If the contractor chooses to have such a policy endorsed to recognize the Gaylord Opryland Hotel-Texas Project Site during the construction period, coverage should be Excess and/or DIC of the OCIP. This shall not reduce the cost identification requirement in paragraph 12.2.

(5) SUBCONTRACTOR INSURANCE LIMITS:

For the purpose of calculating subcontractor insurance deductions, the contractor shall cause the subcontractor to base its deduction on the following limits:

WORKERS' COMPENSATION (OFF-SITE): Statutory Limits

EMPLOYER'S LIABILITY (OFF-SITE):

(a) $100,000 Bodily Injury each Accident
(b) $100,000 Bodily Injury by Disease - Policy Limit
(c) $100,000 Bodily Injury by Disease - Each Employee

COMMERCIAL GENERAL LIABILITY INSURANCE (OFF-SITE):

(a) $500,000 Bodily Injury & Property Damage for Each Occurrence
(b) $500,000 Products/Completed Operations Aggregate
(c) $500,000 General Aggregate
(d) $500,000 Personal & Advertising Injury

COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE (ON-SITE AND OFF-SITE):

(a) $250,000 Per Person/Accident

All insurance policies shall be provided by a company or companies with a rating of not less than B+ in the last available Best's Rating Guide. All such policies shall include clauses whereby each underwriter agrees to waive its rights of subrogation against the Owner. The Commercial General Liability, Automobile Liability and Umbrella Liability policies shall be endorsed to add the Owner and Contractor as an additional insured. The limits of liability shown for each type of insurance coverage to be provided by the Contractor pursuant hereto shall not be deemed to constitute a limitation of the Contractor's liability for claims hereunder or otherwise. Notwithstanding anything herein to the contrary, the Owner may to the fullest extent permitted by applicable law, accept alternate or different coverages for the insurance specified herein upon receipt from a licensed insurance agent or company

acceptable to the Owner of a written evaluation of the proposed alternate coverage in form acceptable to the Owner confirming that such alternate coverage provides comparable or greater protection to the Owner as the coverage specified.

Should the contractor fail to purchase, or fail to continue in force until completion of the Project Work, insurance in the amounts indicated above, the Owner may purchase such insurance and the cost thereof shall be borne by the contractor, and may be deducted from any amounts owed by the Owner to the contractor.

12.13 CERTIFICATES OF INSURANCE. Certificates of Insurance acceptable to the Owner shall be filed with the Owner as soon as practicable after award of the contract to contractor and prior to commencement of the Project Work. All required insurance shall be maintained without interruption from the date of commencement of the Project Work under the subcontract until the date of the final payment. These certificates and the insurance policies required by this paragraph 12.12 shall contain a provision that coverages afforded under the policies will not be concealed, materially modified, or allowed to expire until at least thirty (30) days' prior written notice has been given to the Owner to be sent to the Insurance Administrator as described in the OCIP Project Insurance Manual. The provisions of this subparagraph shall apply to all policies of insurance required to be maintained by the contractor pursuant to the contract documents.

12.14 OTHER INSURANCE. Any type of insurance or any increase of limits of liability not described above which a contractor requires for its own protection or on account of any statute shall be its own responsibility and its own expense.

12.15 SUBCONTRACTOR PARTICIPATION. Upon execution of the subcontract, the contractor will immediately report all new subcontracts to the Insurance Administrator for enrollment in the OCIP. The contractor shall incorporate all the provisions of this agreement in any subcontractor agreement and shall cause its subcontractors to cooperate fully with the Owner, the Insurance Administrator and insurance companies for the Project, in the administration of the OCIP. The contractor agrees to cooperate in the safety and accident prevention program and claim handling procedures as established for the Project by the Owner. In accordance with this paragraph contractor shall not permit any contractor of any tier to enter the Project site prior to enrollment in the Owner's Owner Controlled Insurance Program (OCIP).

12.16 WAIVER OF SUBROGATION. Contractor and Owner waive all rights of subrogation and recovery against the Other, their Insurance Administrators, and other contractor(s) of all tiers to the extent of any loss or damage, which is insured under the OCIP. Notwithstanding the foregoing and not by way of limitation of the same, Contractor waives its rights of subrogation and recovery for damage to any property or equipment against the Owner, Insurance Administrator, other contractor(s) of all tiers. Each contractor shall require all contractor(s) to similarly waive their rights of subrogation and recovery in each of their respective construction contracts with respect to their work.

12.17 NO RELEASE. The carrying of the above-described insurance shall in no way be interpreted as relieving the contractor of any other responsibility or liability under this subcontract or any applicable law, statute, regulation or order.

12.18 PROPERTY INSURANCE.

12.18.1 The Owner shall purchase and maintain, property insurance in the amount of the initial Contract Sum as well as subsequent modifications thereto for the entire Project Work at the Project site on a replacement cost basis without voluntary deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Paragraph 10.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Paragraph 12.3 to be covered, whichever is earlier. This insurance shall include interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project Work.

12.18.2 Property insurance shall be on an "all-risk" policy form and shall insure against the perils of fire and extended coverage and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, falsework, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's services and expenses required as a result of such insured loss. Coverage for other perils shall not be required unless otherwise provided in the Contract Documents.

12.18.3 This insurance policy has a deductible, and the Contractor will be responsible for the first TWENTY-FIVE THOUSAND DOLLARS ($25,000.00) of any loss against the policy caused by the Contractor or its Subcontractor of any tier. All deductibles paid by Contractor are to be included in the Cost of the Work. The Owner will cause its "All Risk" Builder's Risk and/or Property insurance carrier to waive insurer's right of subrogation in favor of Contractor.

12.18.4 Unless otherwise provided in the Contract Documents, this property insurance shall cover portions of the Project Work stored off the Project site after written approval of the Owner at the value established in the approval, and also portions of the Project Work in transit may be covered if previously approved by Owner.

12.18.5 The insurance required by this Paragraph is not intended to cover machinery, tools or equipment owned or rented by the Contractor which are utilized in the performance of the Project Work but not incorporated into the permanent improvements. The Contractor shall, at the Contractor's own expense, provide insurance coverage for owned or rented machinery, tools or equipment.

12.18.6 BOILER AND MACHINERY INSURANCE. The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Program Manager, Contractor, Subcontractors and Sub-Subcontractors in the Project Work, and the Owner and Contractor shall be named insureds.

12.18.7 LOSS OF USE INSURANCE. The Owner, shall purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards, however caused.

12.18.8 If the Contractor requests in writing that insurance for risks other than those described herein or for other special hazards be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

12.18.9 Before an exposure to loss may occur, the Owner shall file with the Contractor a Certificate of Insurance that includes insurance coverage's required by this Paragraph. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Contractor.

12.18.11 A loss insured under Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Subparagraph 12.3.9. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

12.18.12 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection be made, arbitrators shall be chosen as provided in Paragraph 5.6. The Owner as fiduciary shall, in that case make settlement with insurers in accordance with directions of such arbitrators. If distribution of insurance proceeds by arbitration is required, the arbitrators will direct such distribution.

12.18.13 It is understood and agreed that Owner is bearing all risk of loss to the property for which the Owner has an insurable/financial interest during construction, and in the event of loss during construction Owner agrees to look solely to the proceeds of the Builder's Risk Insurance which Owner has agreed to furnish, the only exception being losses which occur as a result of Contractor's negligence or willful acts, and then, only to the extent not covered by insurance. Contractor will be paid by Owner for such work in place at the time of such loss regardless of whether or not such work was damaged in whole or in any part by the peril. In the event of a loss requiring reconstruction of any part of the Project, Contractor shall be entitled to a fee of 5% of the cost of such reconstruction (including General Conditions cost) for overseeing such construction. The cost of reconstruction subject to insurance deductibles shall be paid by the Owner.

12.19 BONDS.

12.19.1 The Owner has the option to request the Contractor to furnish a performance and payment bond for the Project or at the Owners option the Owner will initiate a Subguard Insurance Program. The Subguard Program adopted by the Owner and appended hereto as Exhibit L is a Contractor/sub-contractor/vendor default insurance program and will lessen the requirement to furnish performance and payment bonds for the Project. It is the Owner's desire to enroll the Contractor, its Subcontractors and Vendors in this program. At the Owner's sole discretion, the Owner may request that certain Subcontractors provide a payment and performance bond or insurance in lieu of enrollment in the Subguard Program or if any entity cannot fulfill the pre-qualification criteria. The Owner will adjust the GMP, add or deduct, if the bonds or insurance are requested.

12.19.2 The Contractor must notify the Program Manger and Owner monthly of subcontractors and suppliers which are in default, or who may be declared in default in the near future based on current performance deficiencies. The Contractor will provide the following information related to each such subcontractor or supplier: Name, Scope of Work, Contract Value, Nature of Default, Percentage of Completion, Estimated Cost to Complete if Defaulted and Amount of Unpaid Contract Value. Contractor shall also specify any potential deficiencies in the Subcontractors' and suppliers' work which will require correction or replacement.

12.19.3 In the event of a Subcontractor or supplier default, Contractor agrees to assist the Owner in mitigating the loss to the fullest extent possible. This includes, but is not limited to: (1) adequate supervision and work review, (2) proper documentation of performance, payment and schedule issues, (3) adherence to contract remedies in order to protect rights of recovery from defaulting party and avoid counterclaim for wrongful termination, (4) manage the balance of the Project Work in order to minimize the loss associated with the defaulting subcontract or supplier, and (5) to assist the Owner in selecting the most cost efficient alternative to complete the affected Project Work.

12.19.4 Subcontractors and suppliers (with expected contract values in excess of $50,000.00 must be pre-qualified by the Contractor based upon the criteria established by the Contractor and approved by the Program Manager and Owner. In the event a subcontractor or supplier the Contractor selects to use does not meet this criteria, the Contractor may submit to the Program Manager and Owner in writing a variation report which outlines why this particular entity should be accepted. Only if the Program Manager and Owner concur, the subcontractor or supplier will be considered to be qualified. If the Contractor selects a subcontractor or supplier that does not meet the criteria and does not notify the Program Manager and Owner or get approval, the Contractor will bear the costs and the risk of loss.

12.19.5 If the Contractor incurs a loss as a result of subcontractor or supplier default, the Contractor must complete the Claim of Loss form as approved by the Owner. Once the Program Manager and Owner have reviewed and verified the loss, the Owner will reimburse the Contractor for the amount of the loss.

12.19.6 [DELETED]

12.19.7 Contractor will use all reasonable efforts to assist Owner in the management and mitigation of all claims and potential claims which may arise out of or occur as a result of any subcontractor's failure to perform in accordance with its scope of work set forth in its subcontract and Contract Documents.

12.19.8 The parties acknowledge that Owner has elected to implement an Owner's Subguard Insurance Program in lieu of requiring Subcontractor Payment and Performance Bonds for the Project. To the extent that Contractor is subject to a claim that would have been contemplated by either a) Subcontractor's Payment and Performance Bond, or b) insured under Centex Construction Group's Subguard Program, Owner, its successors or assigns will indemnify, defend and hold Centex Construction Company, Inc. harmless for all losses, demands, causes of action and the like, including but not limited to, attorneys' fees and court costs which Contractor suffers as a result of such claims regardless of whether such losses are actually insured under the Owner's Subguard Insurance Program. This indemnity obligation will survive and remain in full force and effect until the

expiration of the statute of limitations period specified in the section 16.009 of the Texas Civil Practice and Remedies Code.

ARTICLE 13.
UNCOVERING AND CORRECTION OF WORK

13.1 UNCOVERING OF WORK.

13.1.1 If a portion of the Project Work is covered contrary to the Program Manager's or Architect's request or to requirements specifically expressed in the Contract Documents, it must, if required in writing by either, be uncovered for their observation and be replaced at the Contractor's expense without change in the Contract Time.

13.1.2 If a portion of the Project Work has been covered which the Program Manager or Architect has not specifically requested to observe prior to its being covered, the Program Manager or Architect may request to see such work and it shall be uncovered by the Contractor. If such work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be charged to the Owner. If such work is not in accordance with the Contract Documents, the Contractor shall pay such costs unless the condition was caused by the Owner or one of the Other Contractors in which event the Owner shall be responsible for payment of such costs.

13.2 CORRECTION OF WORK.

13.2.1 The Contractor shall promptly correct Project Work rejected by the Program Manager or Architect or failing to conform to the requirements of the Contract Documents, whether observed before or after Substantial Completion and whether or not fabricated, installed or completed. The Contractor shall bear costs of correcting such rejected work, including additional testing and inspections and compensation for the Program Manager's and Architect's services and expenses made necessary thereby.

13.2.2 If, within one year after the date of Substantial Completion of the Project Work or designated portion thereof, any of the Project Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This period of one year shall be extended with respect to portions of Project Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the work. This obligation under this Subparagraph 13.2.2 shall survive acceptance of the Project Work under the Contract and termination of the Contract. The Owner shall give such notice promptly after discovery of the condition. The Owner and Contractor agree to attend at the Project site, eleven months after Substantial Completion, and a one-year walkthrough to determine any warranty deficiencies to be remedied within 30 days by Contractor.

13.2.3 The Contractor shall remove from the Project site portions of the Project Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

13.2.4 If the Contractor fails to commence correction of nonconforming Project Work within 10 days after receipt of written notice, the Owner may correct it in accordance with Paragraph 3.3, and the Owner may remove the nonconforming Project Work and store the salvagable materials or equipment at the Contractor's expense. If the Contractor does not pay costs of such removal and storage within ten days after written notice, the Owner may upon ten additional days' written notice sell such materials and equipment at auction or at private sale and shall account for the proceeds thereof, after deducting costs and damages that should have been borne by the Contractor, including compensation for the Program Manager's and Architect's services and expenses made necessary thereby. If such proceeds of sale do not cover costs which the Contractor should have borne, the Contract Sum shall be reduced by the deficiency. If payments then or thereafter due the Contractor are not sufficient to cover such amount, the Contractor shall immediately pay the difference to the Owner.

13.2.5 Subject to insurance of property damage provided under this Agreement, the Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or Other Contractors caused by the Contractor's correction or removal of Project Work which is not in accordance with the requirements of the Contract Documents.

13.2.6 Nothing contained in this Paragraph 13.2 shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the time period of one year as described in Subparagraph 13.2.2 relates only to the specific obligation of the Contractor to correct the Project Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Project Work.

13.3 ACCEPTANCE OF NONCONFORMING WORK. If the Owner prefers to accept Project Work which is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 14.
TERMINATION OR SUSPENSION OF THE CONTRACT

14.1 TERMINATION BY THE CONTRACTOR. The Contractor may terminate this Agreement as it relates to the Project Work if the Work is stopped for a period of thirty (30) consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons performing portions of the Project Work under contract with the Contractor, for any of the following reasons:

14.1.1 issuance of an order of a court or other public authority having jurisdiction;

14.1.2 because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or

14.1.3 the Owner has failed to furnish to the Contractor promptly, upon the Contractor's written request, the information required by Subparagraph 3.1.1.

If one of the above reasons exists, the Contractor may, upon fourteen (14) additional days' written notice to the Owner, Program Manager and Architect, terminate the Contract and recover from the Owner payment for Project Work executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery.

14.2 TERMINATION BY THE OWNER FOR CAUSE.

14.2.1 The Owner may terminate the Contract if the Contractor:

14.2.1.1 Repeatedly refuses or fails to supply enough properly skilled workers or proper materials;

14.2.1.2 Fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;

14.2.1.3 Repeatedly disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or

14.2.1.4 Otherwise is guilty of substantial breach of a provision of the Contract Documents.

14.2.2 When any of the above reasons exist, the Owner, after consultation with the Program Manager and the Architect that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven (7) days' written notice and an opportunity to cure, terminate employment of the Contractor and may, subject to any prior rights of the surety:

14.2.2.1 Take possession of the Project site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;

14.2.2.2 Accept assignment of subcontracts pursuant to Paragraph 6.4; and finish the Project Work by whatever reasonable method the Owner may deem expedient;

14.2.3 When the Owner terminates the Contract for one of the reasons stated in Subparagraph 14.2.1, the Contractor shall not be entitled to receive further payment, except as provided in subparagraph 14.2.4 after the Project Work is completed.

14.2.4 If the unpaid balance of the GMP exceeds costs of finishing the Project Work, including compensation for the Program Manager's and Architect's services and expenses made necessary thereby, such excess shall be paid to the Contractor. If such costs exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall, upon application, be certified by the Architect after consultation with the Program Manager, and this obligation for payment shall survive termination of the Contract.

14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE.

14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Project Work in whole or in part for such period of time as the Owner may determine.

14.3.2 An adjustment shall be made for increases in the cost of performance of the Contract, on the increased cost of performance, caused by suspension, delay or interruption. No adjustment shall be made to the extent that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible, or that an equitable adjustment is made or denied under another provision of this Contract.

14.3.3 Adjustments made in the cost of performance may have a mutually agreed fixed cost for time impacted general conditions.

14.3.4 The Contractor will be compensated for the Cost of the Work actually incurred plus the earned Contractor's Fee through the date of suspension, and will not be paid for lost opportunity costs or profit. Cost plus subcontractors shall be paid for actual costs incurred plus any earned fee, and lump sum subcontractors shall be paid an amount based upon the percentage of Work completed, as approved by the architect/program manager as of the date of suspension.

ARTICLE 15.
MISCELLANEOUS PROVISIONS

15.1 GOVERNING LAW. This Agreement shall be governed by the law of the State of Texas, without reference to principles of conflicts of laws.

15.2 SUCCESSORS AND ASSIGNS. The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to the other party hereto and to partners, successors, assigns and legal representatives of such other party in respect to covenants, agreements and obligations contained in the Contract Documents. Neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

15.3 WRITTEN NOTICE. Any notices or consents required or permitted by this Agreement shall be in writing and shall be deemed delivered when delivered in person, or when sent by certified mail, postage prepaid, return receipt requested, by overnight courier service, or by facsimile to the address and/or telecopy number as follows, unless such address or number is changed by written notice hereunder.

If to Owner:	David Breeding Vice President Design & Construction One Gaylord Drive Nashville, TN 37214 Telephone: (615) 316-6847 Telecopy: (615) 316-6898

If to Contractor:	Bob Gist Vice President 1507 Gaylord Trail Lot 107 Grapevine, TX 76051 Telephone (817) 329-4270 Telecopy (817) 329-4335

15.4 REPRESENTATIVES. Initially, for purposes of this Agreement, the Owner's representative shall be David Breeding, and the Contractor's representative shall be Bob Gist. Either party may change the identity of its representative by notice provided as set forth in Section 15.3.

15.5 TESTS AND INSPECTIONS.

15.5.1 Tests, inspections and approvals of portions of the Project Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Program Manager and Architect 48 hours notice of when and where tests and inspections are to be made so the Program Manager and Architect may observe such procedures. The Owner shall bear costs of tests, inspections or approvals.

15.5.2 If the Program Manager, Architect, Owner or public authorities having jurisdiction determine that portions of the Project Work require additional testing, inspection or approval not included under Subparagraph 15.5.1, the Program Manager and Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give 48 hours notice to the Program Manager and Architect of when and where tests and inspections are to be made so the Program Manager and Architect may observe such procedures. The Owner shall bear such costs except as provided in Subparagraph 15.5.3.

15.5.3 If such procedures for testing, inspection or approval under Subparagraphs 15.5.1 and 15.5.2 reveal failure of the portions of the Project Work to comply with requirements established by the Contract Documents, the Contractor shall bear all costs made necessary by such failure including those of repeated procedures re-testing and compensation for the Program Manager's and Architect's services and expenses.

15.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Program Manager for transmittal to the Architect.

15.5.5 If the Program Manager or Architect are to observe tests, inspections or approvals required by the Contract Documents, the Program Manager or Architect will do so promptly and, where practicable, at the normal place of testing.

15.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Project Work.

15.6 NON-WAIVER. The Parties shall have the right at all times to enforce the provisions of the Contract Documents in strict accordance with the terms thereof, notwithstanding any conduct or custom on the part of the either Party in refraining from so doing at any time or times. The failure of the Parties at any time or times to enforce their rights under such provisions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner contrary to specific provisions of the Contract Documents or as having in any way or manner modified or waived the same. All rights and remedies of the Parties are cumulative and concurrent and the exercise of one right or remedy shall not be deemed a waiver or release of any other right or remedy.

15.7 SEVERABILITY. If any provision of this Agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

15.8 COUNTERPARTS. This Agreement may be executed by the parties independently in any number of counterparts, all of which together shall constitute but one and the same instrument which is valid and effective as if all parties had executed the same counterpart.

15.9 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS. The Drawings, Specifications and other documents prepared used in connection with the Project Work shall be the property of the Owner, and the Owner shall and will retain all common law, statutory and other reserved rights, in addition to the copyright. The Contractor may retain one contract record set. Neither the Contractor nor any Subcontractor or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications and other such documents. All copies of them, except the Contractor's record set, shall be returned or suitably accounted for to the Owner, on request, upon completion of the Project Work. The Drawings, Specifications and other such documents, and copies thereof furnished to the Contractor, are for use solely with respect to this Project. They are not to be used by the Contractor or any Subcontractor or material or equipment supplier on other Projects or for additions to this Project outside the scope of the Project Work without the specific written consent of the Owner. The Contractor, Subcontractors and material or equipment suppliers are granted a limited license to use and reproduce applicable portions of the Drawings, Specifications and other such documents appropriate to and for use in the execution of their Project Work under the Contract Documents. All copies made under this license shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other such documents. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the copyright or other reserved rights.

15.10 CONFIDENTIALITY AGREEMENT. CONFIDENTIALITY AND PROMOTION.

15.10.1 Contractor may have access to information with regard to systems, concepts and designs, trade secrets, financial data, and general business information of Gaylord Hotels, its subsidiary, affiliated and related companies which is not generally known by the public and which gives Gaylord Hotels an advantage over its competitors who do not know or use this information ("Confidential Information"). The Project and all matters relating to it, including any discussions between Gaylord Hotels, its subsidiary, affiliated and related companies and Contractor are considered and will be treated as Confidential Information by Contractor and Contractor's employees and Contractor's subcontractors, if any. Contractor agrees to refrain at all times from disclosing

Gaylord Hotels Confidential Information to others or from using it except for the benefit of Gaylord Hotels and to refrain from any other acts which would tend to impair the value of the Confidential Information to Gaylord Hotels. Contractor will secure appropriate agreements with each of its employees and subcontractors assigned to the Project so that each will agree to the obligations of this Paragraph.

15.10.2 Further, without the prior written approval of Gaylord Hotels, Contractor and Contractor's employees will not discuss the Project or their relationship to it with any branch of the media or with any third party nor will they furnish any written materials, photographs, drawings or sketches relating to the Project to any media entity or third party. Contractor will not use Gaylord Hotels name or its association with Gaylord Hotels, its subsidiary, affiliated and related companies in any form of advertising or promotions without Gaylord Hotels prior written consent. Further, Contractor will not utilize the name of Gaylord Hotels, its subsidiary, affiliated and related companies or any of its fanciful characters or themes, whether real or fictitious, associated with Gaylord Hotels, its subsidiary, affiliated and related companies' products, or any other intellectual properties owned or controlled by Gaylord Hotels or any of its parent or related companies without the prior written consent of Gaylord Hotels, which consent may be withheld by Gaylord Hotels in its sole judgment.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the Owner and Contractor have executed this Agreement as of the date first written above and it is effective, however, from and after March 19, 2001.

Owner:	Contractor:
GAYLORD ENTERTAINMENT COMPANY	CENTEX CONSTRUCTION COMPANY, INC.
By: /s/ Colin Reed	By: /s/ Robert Van Cleave
COLIN REED	ROBERT VAN CLEAVE
Title: President & CEO	Title: President and CEO

EXHIBITS

OWNER-CONTRACTOR CONSTRUCTION AGREEMENT

A. Scope of Work

B. Construction Document Listing

C. Centex GMP Estimate

D. Centex General Conditions and Project Support Costs

E. Centex Qualifications and Exclusions

F. Centex Allowance Items

G. GAYLORD HOTELS Turnover Schedule

H. DELETED

I. DELETED

J. DELETED

K. OCIP Manual

L. Subguard Outline Spec

M. Centex Organization Chart

N. DELETED

O. DELETED

P. DELETED

EXHIBIT 10.33

[GAYLORD ENTERTAINMENT LOGO]

October 17, 2001

Mr. Jay Sevigny
9916 Robin Oaks Drive
Las Vegas, NV 89117

Dear Jay:

It is my pleasure to confirm the offer for you to join Gaylord Entertainment Company as Senior Vice President, Marketing and Attractions. Below is a list of highlights from that offer:

- An annual salary of $300,000
- Ten vacation days available until December 31, 2001. Standard vacation policy thereafter.
- Limited benefit coverage beginning your first day of employment with expanded coverage after three months of employment.
- A start date of October 29, 2001.
- An At Risk bonus of 60% of your annual salary. The bonus will be prorated the first year based on your date of hire. The bonus is subject to change by the Human Resources Committee, and is broken down as follows:
    - 60% based on financial performance of Gaylord Entertainment Company
    - 40% based on performance of Corporate objectives
- You will be awarded options to purchase 75,000 shares of the Company's common stock. The exercise price for each option share will be determined based on the closing market price on the last business day preceding your first day of employment. These options will vest in 18,750 share increments on the first through the fourth anniversaries of your hire date; provided, however, that you are employed on each anniversary date.
- You will also be granted 6,000 restricted shares of Company Common Stock. The restrictions on the Restricted Stock Grant shares shall terminate (i.e. the shares will become available for distribution) in 1,500 share increments on the first through the fourth anniversaries of your hire date; provided, however, that you are employed on each anniversary date.

- The Company sponsors the Gaylord Entertainment Company Supplemental Deferred Compensation Plan ("SUDCOMP") which allows certain highly compensated employees to save for their retirement. A member of the Benefits Trust Committee will contact you concerning your participation. Under SUDCOMP, highly compensated employees are permitted to make contributions up to the lesser of 20% of their compensation or $80,000. Assuming you contribute at least 6% of your compensation to SUDCOMP, the Company also contributes a 3% Company match to your SUDCOMP account. (The maximum Company match of 3% is a combined 401k and SUDCOMP match.)
- Certain relocation benefits detailed below.

RELOCATION BENEFITS

Gaylord Entertainment will provide assistance for the relocation of your personal and household goods from your current residence to Nashville, Tennessee. The relocation benefits include the following:

1. Up to two (2) house hunting trips between your current residence and Nashville for you and your spouse for up to four (4) days and three (3) nights each, including coach airfare (or mileage reimbursement, if driving), lodging, and reasonable meal and car rental expenses. This trip(s) will be arranged by the Company or its agent;
2. Packing, transporting, and unpacking of your personal household goods and transit insurance by a carrier selected by the Company to be used

within 12 months after your employment hire date. Boats and other large peripheral objects are not included. Arrangements for a one-way U-haul for items the van lines will not haul is also available, if needed;

3. Reimbursement of closing costs on your new residence, excluding pre-paid taxes and insurance, not to exceed 1% of the first mortgage of your new residence. This benefit expires 12 months after your employment date;
4. Reimbursement of realtor commissions up to a maximum of 5% of the closing cost associated with the sale of your former residence. This benefit expires 12 months after your employment date;
5. Temporary living expenses, arranged by the Company or its agent, paid for up to 60 days, excluding meals;
6. Storage of household goods, arranged by the Company or its agent, for up to 60 days;
7. Reasonable time off from work to accommodate your final move if it occurs after the employment start date. This benefit expires 12 months after your employment date. Reasonable lodging and meals will be reimbursed.
8. In the event that your Las Vegas residence sells for a gross sales price of less than $875,000, the Company agrees to reimburse you or otherwise subsidize the loss to you, subject to a maximum of $50,000. You agree to cooperate with the Company's third party relocation agent.

Please note that certain of these relocation benefits may constitute taxable income to you and may be reported as income on your Form W-2. To the extent that reimbursed relocation expenses are deemed taxable and not normally subject to deductions on an employee's tax return, we do "gross up" at 27.5% of federal taxes and the applicable FICA tax. Please note that reimbursements that are subject to withholding, (e.g. "points" included in closing costs reimbursement) but which are normally deductible for Federal Income Tax purposes, are not subject to the "gross up".

We request that you accumulate supporting documentation for your moving expenses and supply those to us within 30 days of your arrival to Nashville (these expenses would include house hunting trips, mileage reimbursements, etc.) We will review the documentation to determine the appropriate tax treatment. Failure to supply this documentation will force the Company to treat the entire amount as taxable compensation.

Please also note that 100% repayment of relocation benefits (excluding items 1 and 5) is required if a voluntary resignation occurs within one year of employment. If a voluntary resignation occurs during the second year of employment, a pro-rated portion based on the total numbers of months since your employment date will be required, excluding househunting and temporary living expenses.

As an exempt employee, you will be eligible to participate in our medical/dental/pharmacy plan on your date of hire. You will also be provided with company-paid benefits that include Basic Life, Basic Accidental Death and Dismemberment, and Long-Term Disability coverage. After three months of employment, you will have the option to participate in the supplemental CHOICES plan. A benefits overview booklet is enclosed, along with this letter. If you have any questions pertaining to benefits, please call Benefits Specialist, Cathy DeShaw, at 615-316-6407.

Upon acceptance of this offer, you will be scheduled to attend a New Hire Orientation on or near October 29th. During the Orientation session, you will have the opportunity to learn more about the history of Gaylord Entertainment Company, complete new hire paperwork, and enroll in medical benefits.

I look forward to you joining our Company.

Sincerely,

/s/ Colin Reed

Colin Reed
President and Chief Executive Officer

I, Jay Sevigny, have reviewed the offer extended to me to join Gaylord

Entertainment Company and have accepted the terms of that offer.

Jay Sevigny	SRVP Marketing & Attractions
Print Name	Position Offered
/s/ Jay Sevigny	10/25/01
Signature	Date

EXHIBIT 10.36

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made and entered into as of the __ day of ________, 200_, by and between GAYLORD ENTERTAINMENT COMPANY, a Delaware corporation (the "Company"), and ______________ (the "Indemnitee").

RECITALS

WHEREAS, it is essential to the Company that it attract and retain as directors and officers the most capable persons available; and

WHEREAS, both the Company and the Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public companies in the course of exercising their duties; and

WHEREAS, the Company and the Indemnitee are also aware of conditions in the insurance industry that have affected the Company's ability to obtain adequate directors' and officers' liability insurance coverage on an economically acceptable basis;

WHEREAS, Section 145 of the Delaware General Corporation Law, Article X of the Company's Restated Certificate of Incorporation (the "Certificate of Incorporation") and Article 52 of the Company's By-laws provide for the indemnification of the Company's directors and officers under certain circumstances;

WHEREAS, the Company and the Indemnitee recognize the potential inadequacy of the protection available to directors and officers under the Delaware General Corporation Law, the Company's Restated Certificate of Incorporation, the Company's By-laws, and directors' and officers' liability insurance; and

WHEREAS, Section 145(f) of the Delaware General Corporation Law, the Company's Restated Certificate of Incorporation and the Company's By-laws specifically provide that the indemnification provided thereunder is not exclusive and contemplate that indemnification agreements may be entered into between the Company and its directors and officers.

WHEREAS, in recognition of the Indemnitee's need for additional protection against personal liability in order to enhance the Indemnitee's continued service to the Company in an effective manner, and in order to induce the Indemnitee to continue to provide services to the Company as a director and/or officer thereof, the Company wishes to provide in this Agreement for the indemnification of the Indemnitee to the fullest extent permitted by law and as set forth in this Agreement;

NOW THEREFORE, in consideration of the foregoing, the covenants contained herein and the Indemnitee's continued service to the Company, the Company and the Indemnitee, intending to be legally bound, hereby agree as follows:

1. Definitions. The following terms, as used herein, shall have the following respective meanings:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings relative to the foregoing.

"Change in Control" shall be deemed to have taken place if: (i) any person or entity, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended ("Exchange Act") other than the

Company, a wholly-owned subsidiary thereof or any employee benefit plan of the Company or any of its subsidiaries, or Mr. Edward L. Gaylord or any member of his immediate family or any Affiliate, becomes the beneficial owner of the Company's securities having 40% or more of the combined voting power of the then outstanding securities of the Company that may be cast for the election of directors of the Company (other than as a result of an issuance of securities initiated by the Company in the ordinary course of business); or (ii) as the result of, or in connection with, any cash tender or exchange offer, merger or other business combination, sale of substantially all of the assets or contested election, or any combination of the foregoing transactions less than a majority of the combined voting power of the then-outstanding securities of the Company or any successor corporation or entity entitled to vote generally in the election of the directors of the Company or such other corporation or entity after such transaction is held in the aggregate by the holders of the Company's securities entitled to vote generally in the election of directors of the Company immediately prior to such transaction; or (iii) during any period of two consecutive years, individuals who at the beginning of any such period constitute the Board of Directors of the Company cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the Company's stockholders, of each director of the Company first elected during such period was approved by a vote of at least two-thirds of the directors of the Company then still in office who were directors of the Company at the beginning of any such period.

"Claim" means (a) any threatened, pending or completed action, suit, proceeding or arbitration or other alternative dispute resolution mechanism, or (b) any inquiry, hearing or investigation, whether conducted by the Company or any other Person, that the Indemnitee in good faith believes might lead to the institution of any such action, suit, proceeding or arbitration or other alternative dispute resolution mechanism, in each case whether civil, criminal, administrative or other (whether or not the claims or allegations therein are groundless, false or fraudulent) and includes, without limitation, those brought by or in the name of the Company or any director or officer of the Company.

"Company Agent" means any director, officer, partner, employee, agent, trustee or fiduciary of the Company, any Subsidiary or any Other Enterprise.

"Covered Event" means any event or occurrence on or after the effective date of this Agreement related to the fact that the Indemnitee is or was a Company Agent or related to anything done or not done by the Indemnitee in any such capacity, and includes, without limitation, any such event or occurrence (a) arising from performance of the responsibilities, obligations or duties imposed by ERISA or any similar applicable provisions of state or common law, or (b) arising from any merger, consolidation or other business combination involving the Company, any Subsidiary or any Other Enterprise, including without limitation any sale or other transfer of all or substantially all of the business or assets of the Company, any Subsidiary or any Other Enterprise.

"Determination" means a determination made by (a) a majority vote of a quorum of Disinterested Directors; (b) Independent Legal Counsel, in a written opinion addressed to the Company and the Indemnitee; (c) the stockholders of the Company; or (d) a decision by a court of competent jurisdiction which is not subject to further appeal or not appealed in a timely manner.

"Disinterested Director" shall be a director of the Company who is not or was not a party to the Claim giving rise to the subject matter of a Determination.

"Expenses" are any fees or costs, including, but not limited to, attorneys' fees, travel expenses, fees of experts, transcript costs, filing fees, witness fees, telephone charges, postage, copying costs, delivery service fees and other expenses and obligations of any nature whatsoever paid or incurred in connection with investigating, prosecuting or defending, being a witness in or participating in (including on appeal), or preparing to prosecute or defend, be a witness in or participate in any Claim, for which the Indemnitee is or becomes legally obligated to pay.

"Independent Legal Counsel" shall mean a law firm or a member of a law firm that (a) neither is nor in the past five years has been retained to represent in any material matter the Company, any Subsidiary, the Indemnitee or any other party to the Claim, (b) under applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's rights to indemnification under this Agreement and (c) is reasonably acceptable to the Company and the Indemnitee.

"Loss" means any amount which the Indemnitee is legally obligated to pay as a result of any Claim, including, without limitation (a) all judgments (whether by court of competent jurisdiction or arbitor), penalties and fines, and amounts paid or to be paid in settlement, (b) all interest, assessments and other charges paid or payable in connection therewith and (c) any federal, state, local or foreign taxes imposed (net of the value to the Indemnitee of any tax benefits resulting from tax deductions or otherwise as a result of the actual or deemed receipt of any payments under this Agreement, including the creation of the Trust).

"Other Enterprise" means any corporation (other than the Company or any Subsidiary), partnership, joint venture, association, employee benefit plan, trust or other enterprise or organization to which the Indemnitee renders service at the request of the Company or any Subsidiary.

"Parent" shall have the meaning set forth in the regulations of the Securities and Exchange Commission under the Securities Act of 1933, as amended; provided the term "Parent" shall not include the board of directors of a corporation in its capacity as a board of directors, and provided further that if the other party to any transaction referred to in Section 11.1.2 has no Parent as so defined above, "Parent" shall mean such other party.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government (or any subdivision, department, commission or agency thereof), and includes without limitation any "person", as such term is used in Sections 13(d) and 14(d) of the Exchange Act.

"Potential Change in Control" shall be deemed to have occurred if (a) the Company enters into an agreement or arrangement the consummation of which would result in the occurrence of a Change in Control, (b) any Person (including the Company) publicly announces an intention to take

or to consider taking actions which if consummated would constitute a Change in Control or (c) the Board of Directors of the Company adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

"Subsidiary" means any corporation of which more than 50% of the outstanding stock having ordinary voting power to elect a majority of the board of directors of such corporation is now or hereafter owned, directly or indirectly, by the Company.

"Trust" has the meaning set forth in Section 8.2.

"Voting Securities" means any securities of the Company which vote generally in the election of directors.

2. Indemnification.

2.1. General Indemnity Obligation.

2.1.1. Subject to the remaining provisions of this Agreement, the Company hereby agrees to indemnify and hold the Indemnitee harmless for any Losses or Expenses arising from any Claims relating to (or arising in whole or in part out of) any Covered Event, including without limitation, any Claim the basis of which is any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or other act done or attempted by the Indemnitee in the capacity as a Company Agent, whether or not the Indemnitee is acting or serving in such capacity at the effective date of this Agreement, at the time liability is incurred or at the time the Claim is initiated.

2.1.2. The obligations of the Company under this Agreement shall apply to the fullest extent authorized or permitted by the provisions of applicable law, as presently in effect or as changed after the effective date of this Agreement, whether by statute or judicial decision (but, in the case of any subsequent change, only to the extent that such change permits the Company to provide broader indemnification than permitted prior to giving effect thereto).

2.1.3. The Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by the Indemnitee against the Company or any director or officer of the Company, unless the Company has joined in or consented to the initiation of such Claim; provided, the provisions of this Section 2.1.3 shall not apply following a Change in Control to Claims seeking enforcement of this Agreement, the Company's Restated Certificate of Incorporation the Company's By-laws or any other agreement now or hereafter in effect relating to indemnification for Covered Events.

2.1.4. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Losses or Expenses paid with respect to a Claim but not, however, for the total amount thereof, the Company shall nevertheless indemnify and hold the Indemnitee harmless against the portion thereof to which the Indemnitee is entitled.

2.1.5. Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating to (or arising in whole or in part out of) a Covered Event or in defense of any issue or matter therein, including dismissal without prejudice, the Company shall indemnify and hold the Indemnitee harmless against all Expenses incurred in connection therewith.

2.2. Indemnification for Serving as Witness and Certain Other Claims. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify and hold the Indemnitee harmless for all Expenses in connection with (a) the preparation to serve or service as a witness in any Claim in which the Indemnitee is not a party, if such actual or proposed service as a witness arose by reason of the Indemnitee having served as a Company Agent on or after the effective date of this Agreement and (b) any Claim initiated by the Indemnitee on or after the effective date of this Agreement (i) for recovery under any directors' and officers' liability insurance maintained by the Company or (ii) following a Change in Control, for enforcement of the indemnification obligations of the Company under this Agreement, the Company's Restated Certificate of Incorporation or Bylaws or any other agreement now or hereafter in effect relating to indemnification for Covered Events, regardless of whether the Indemnitee ultimately is determined to be entitled to such insurance recovery or indemnification, as the case may be.

3. Limitations on Indemnification.

3.1. Coverage Limitations. No indemnification is available pursuant to the provisions of this Agreement:

3.1.1. If such indemnification is not lawful;

3.1.2. If the Indemnitee's conduct giving rise to the Claim with respect to which indemnification is requested was knowingly fraudulent, a knowing violation of law, deliberately dishonest or in bad faith, or constituted willful misconduct;

3.1.3. In respect of any Claim based upon or attributable to the Indemnitee's gaining any personal profit or advantage to which the Indemnitee was not legally entitled;

3.1.4. In respect of any Claim for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act;

3.1.5. If the Indemnitee's conduct giving rise to the Claim with respect to which indemnification is requested constituted a breach of the duty of loyalty to the Company or its stockholders; or

3.1.6. In respect of any Claim based upon any violation of

Section 174 of the Delaware General Corporation Law, as amended.

3.2. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment otherwise due and payable to the extent the Indemnitee has otherwise actually received payment (whether under the Company's Restated Certificate of Incorporation, By-laws, any directors' and officers' liability insurance or otherwise) of any amounts otherwise due and payable under this Agreement.

4. Payments and Determinations.

4.1. Advancement and Reimbursement of Expenses. If requested by the Indemnitee, the Company shall advance to Indemnitee, no later than two business days following any such request, any and all Expenses for which indemnification is available under Section 2. In order

to obtain such advancement or reimbursement, the Indemnitee must also furnish to the Company a written affirmation of his good faith belief that he has conducted himself in good faith and that he reasonably believed that: (1) in the case of conduct in his official capacity with the Company, that his conduct was in the Company's best interest; and (2) in all other cases, that his conduct was at least not opposed to the Company's best interests; and (3) in the case of any criminal action or proceeding, he had no reasonable cause to believe his conduct was unlawful. In addition, the Indemnitee must furnish to the Company a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he is not entitled to indemnification. Upon any Determination that the Indemnitee is not permitted to be indemnified for any Expenses so advanced, the Indemnitee hereby agrees to reimburse the Company (or, as appropriate, any Trust established pursuant to Section 8.2) for all such amounts previously paid. Such obligation of reimbursement shall be unsecured and no interest shall be charged thereon.

4.2. Payment and Determination Procedures.

4.2.1. To obtain indemnification under this Agreement, the Indemnitee shall submit to the Company a written request, together with such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that the Indemnitee has requested indemnification.

4.2.2. Upon written request by the Indemnitee for indemnification pursuant to Section 4.2.1, a Determination with respect to the Indemnitee's entitlement to indemnification thereto shall be made in the specific case (a) if a Change in Control shall have occurred, as provided in Section 8.1; and (b) if a Change in Control shall not have occurred, by (i) the Board of Directors by a majority vote of a quorum of Disinterested Directors, (ii) Independent Legal Counsel, if either (A) a quorum of Disinterested Directors is not obtainable or (B) a majority vote of a quorum of Disinterested Directors otherwise so directs or (iii) the stockholders of the Company (if submitted by the Board of Directors) but shares of stock owned by or voted under the control of any Indemnitee who is at the time party to the proceeding may not be voted. If a Determination is made that the Indemnitee is entitled to indemnification, payment to the Indemnitee shall be made within 10 days after such Determination.

4.2.3. If no Determination is made within 60 days after receipt by the Company of a request for indemnification by the Indemnitee pursuant to Section 4.2.1, a Determination shall be deemed to have been made that the Indemnitee is entitled to the requested indemnification (and the Company shall pay the related Losses and Expenses no later than 10 days after the expiration of such 60-day period), except where such indemnification is not lawful; provided, however, that (a) such 60-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the Person or Persons making the Determination in good faith require such additional time for obtaining or evaluating the documentation and information relating thereto; and (b) the foregoing provisions of this Section 4.2.3 shall not apply (i) if the Determination is to be made by the stockholders of the Company and if (A) within 15 days after receipt by the Company of the request by the Indemnitee pursuant to Section 4.2.1 the Board of Directors has resolved to submit such

Determination to the stockholders at an annual meeting of the stockholders to be held within 75 days after such receipt, and such Determination is made at such annual meeting, or (B) a special meeting of stockholders is called within 15 days after such receipt for the purpose of making such Determination, such meeting is held for such purpose within 60 days after having been so called

and such Determination is made at such special meeting, or (ii) if the Determination is to be made by Independent Legal Counsel.

5. Subrogation. In the event of any payment under this Agreement to or on behalf of the Indemnitee, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee against any Person other than the Company or the Indemnitee in respect of the Claim giving rise to such payment. The Indemnitee shall execute all papers reasonably required and shall do everything reasonably necessary to secure such rights, including the execution of such documents reasonably necessary to enable the Company effectively to bring suit to enforce such rights and providing deposition or oral testimony at trial.

6. Notifications and Defense of Claims.

6.1. Notice by Indemnitee. The Indemnitee shall give notice in writing to the Company as soon as practicable after the Indemnitee becomes aware of any Claim with respect to which indemnification will or could be sought under this Agreement; provided the failure of the Indemnitee to give such notice, or any delay in giving such notice, shall not relieve the Company of its obligations under this Agreement except to the extent the Company is actually prejudiced by any such failure or delay.

6.2. Defense.

6.2.1. In the event any Claim relating to Covered Events is by or in the right of the Company, the Indemnitee may, at the option of the Indemnitee, either control the defense thereof or accept the defense provided; provided, however, that the amounts expended by the Company shall be reimbursed to the Company by the Indemnitee if the provisions of Section 145 of the Delaware General Corporation Law so require.

6.2.2. In the event any Claim relating to Covered Events is other than by or in the right of the Company, the Indemnitee may, at the option of Indemnitee, either control the defense thereof or require the Company to defend. In the event that the Indemnitee requires the Company to so defend, the Company shall promptly undertake to defend any such Claim, at the Company's sole cost and expense, utilizing counsel of the Indemnitee's choice who has been approved by the Company. If appropriate, the Company shall have the right to participate in the defense of any such Claim.

6.2.3. In the event the Company shall fail, as required by any election by the Indemnitee pursuant to Section 6.2.2, to timely defend the Indemnitee against any such Claim, the Indemnitee shall have the right to do so, including without limitation, the right (notwithstanding Section 6.2.4) to make any settlement thereof, and to recover from the Company, to the extent otherwise permitted by this Agreement, all Expenses and Losses paid as a result thereof.

6.2.4. The Company shall have no obligation under this Agreement with respect to any amounts paid or to be paid in settlement of any Claim without the express prior written consent of the Company to any related settlement. In no event shall the Company authorize any settlement imposing any liability or other obligations on the Indemnitee without the express prior written consent of the Indemnitee. Neither the Company nor the Indemnitee shall unreasonably withhold consent to any proposed settlement.

7. Determinations and Related Matters.

7.1. Presumptions.

7.1.1. If a Change in Control shall have occurred, the Indemnitee shall be entitled to a rebuttable presumption that the Indemnitee is entitled to indemnification under this Agreement and the Company shall have the burden of proof in rebutting such presumption.

7.1.2. The termination of any Claim by judgment, order, settlement (whether with or without court approval), conviction, or upon a plea of nolo contendere or its equivalent shall not adversely affect either the right of the Indemnitee to indemnification under this Agreement or the presumptions to which the Indemnitee is otherwise entitled pursuant to the provisions of this Agreement nor create a presumption that the Indemnitee did not meet any particular standard of conduct or have a particular belief or that a court has determined that indemnification is not permitted by applicable law.

7.2. Appeals: Enforcement.

7.2.1. In the event that (a) a Determination is made that the Indemnitee shall not be entitled to indemnification under this Agreement, (b) any Determination to be made by Independent Legal Counsel is not made within 90 days of receipt by the Company of a request for indemnification pursuant to Section 4.2.1 or (c) the Company fails to otherwise perform any of its obligations under this Agreement (including, without limitation, its obligation to make payments to the Indemnitee following any Determination made or deemed to have been made that such payments are appropriate), the Indemnitee shall have the right to commence a Claim in any court of competent jurisdiction, as appropriate, to seek a Determination by the court, to challenge or appeal any Determination which has been made, or to otherwise enforce this Agreement. If a Change of Control shall have occurred, the Indemnitee shall have the option to have any such Claim conducted by a single arbitrator pursuant to the rules of the American Arbitration Association. Any such judicial proceeding challenging or appealing any Determination shall be deemed to be conducted de novo and without prejudice by reason of any prior Determination to the effect that the Indemnitee is not entitled to indemnification under this Agreement. Any such Claim shall be at the sole expense of the Indemnitee except as provided in Section 8.3.

7.2.2. If a Determination shall have been made or deemed to have been made pursuant to this Agreement that the Indemnitee is entitled to indemnification, the Company shall be bound by such Determination in any judicial proceeding or arbitration commenced pursuant to this Section 7.2, except if such indemnification is unlawful.

7.2.3. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 7.2 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. The Company hereby consents to service of process and to appear in any judicial or arbitration proceedings and shall not oppose the Indemnitee's right to commence any such proceedings.

7.3. Procedures. The Indemnitee shall cooperate with the Company and with any Person making any Determination with respect to any Claim for which a request for indemnification under this Agreement has been made, as the Company may reasonably require. The Indemnitee shall

provide to the Company or the Person making any Determination, upon reasonable advance request, any documentation or information reasonably available to the Indemnitee and necessary to (a) the Company with respect to any such Claim or (b) the Person making any Determination with respect thereto.

8. Change in Control Procedures.

8.1. Determinations. If there is a Change in Control, any Determination to be made under Section 4 shall be made by Independent Legal Counsel selected by the Indemnitee and approved by the Company, which approval shall not be unreasonably withheld. The Company shall pay the reasonable fees of the Independent Legal Counsel and indemnify fully such Independent Legal Counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or the engagement of Independent Legal Counsel pursuant hereto.

8.2. Establishment of Trust. Following the occurrence of any Potential Change in Control, the Company, upon receipt of a written request from the Indemnitee, shall create a Trust (the "Trust") for the benefit of the Indemnitee, the trustee of which shall be a bank or similar financial institution with trust powers chosen by the Indemnitee. From time to time, upon the written request of the Indemnitee, the Company shall fund the Trust in amounts sufficient to satisfy any and all Losses and Expenses reasonably anticipated at the time of each such request to be incurred by the Indemnitee for which indemnification may be available under this Agreement. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of the Indemnitee and the Company or, if the Company and the Indemnitee are unable to reach such an agreement or, if a Change in Control has occurred, by Independent Legal Counsel (selected pursuant to Section 8.1). The terms of the Trust shall provide that, except upon the prior written consent of the Indemnitee and the Company, (a) the Trust shall not be revoked or the principal thereof invaded, other than to make payments to unsatisfied judgment creditors of the Company if payment to such judgment creditors cannot be made from any other source, (b) the Trust shall continue to be funded by the Company in accordance with the funding obligations set forth in this Section, (c) the Trustee shall promptly pay or advance to the Indemnitee any amounts to which the Indemnitee shall be entitled pursuant to this Agreement, and (d) all unexpended funds in the Trust shall revert to the Company upon a Determination by Independent Legal Counsel (selected pursuant to Section 8.1) or a court of competent jurisdiction that the Indemnitee has been fully indemnified under the terms of this Agreement. All income earned on the assets held in the trust shall be reported as income by the Company for federal, state and local tax purposes.

8.3. Expenses. Following any Change in Control, the Company shall be liable for, and shall pay the Expenses paid or incurred by the Indemnitee in connection with the making of any Determination (irrespective of the determination as to the Indemnitee's entitlement to indemnification) or the prosecution of any Claim pursuant to Section 7.2, and the Company hereby agrees to indemnify and hold the Indemnitee harmless therefrom. If requested by counsel for the Indemnitee, the Company shall promptly give such counsel an appropriate written agreement with respect to the payment of its fees and expenses and such other matters as may be reasonably requested by such counsel.

9. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company, any Subsidiary, any Other Enterprise or any Affiliate of the Company against the Indemnitee or the Indemnitee's spouse, heirs, executors, administrators

or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company, any Subsidiary, any Other Enterprise or any Affiliate of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations, whether established by statute or judicial decision, is otherwise applicable to any such cause of action, such shorter period shall govern.

10. Contribution. If the indemnification provisions of this Agreement should be unenforceable under applicable law in whole or in part or insufficient to hold the Indemnitee harmless in respect of any Losses and Expenses incurred by the Indemnitee, then for purposes of this Section 10, the Company shall be treated as if it were, or was threatened to be made, a party defendant to the subject Claim and the Company shall contribute to the amounts paid or payable by the Indemnitee as a result of such Losses and Expenses incurred by the Indemnitee in such proportion as is appropriate to reflect the relative benefits accruing to the Company on the one hand and the Indemnitee on the other and the relative fault of the Company on the one hand and the Indemnitee on the other in connection with such Claim, as well as any other relevant equitable considerations. For purposes of this Section 10 the relative benefit of the Company shall be deemed to be the benefits accruing to it and to any Subsidiary, and other Enterprise, or any Affiliate of the Company and all of their respective directors, officers, employees and agents (other than the Indemnitee) on the one hand, as a group and treated as one entity, and the relative benefit of the Indemnitee shall be deemed to be an amount not greater than the

Indemnitee's yearly base salary or the Indemnitee's compensation from the Company during the first year in which the Covered Event forming the basis for the subject Claim was alleged to have occurred. The relative fault shall be determined by reference to, among other things, the fault of the Company and to any Subsidiary, any other Enterprise, or any Affiliate of the Company and all of their respective directors, officers, employees and agents (other than the Indemnitee) on the one hand, as a group and treated as one entity, and the Indemnitee's and such group's relative intent, knowledge, access to information and opportunity to have altered or prevented the Covered Event forming the basis for the subject Claim.

11. Miscellaneous Provisions.

11.1. Successors and Assigns. Etc.

11.1.1. This Agreement shall be binding upon and inure to the benefit of (a) the Company, its successors and assigns (including any direct or indirect successor by merger, consolidation or operation of law or by transfer of all or substantially all of its assets) and (b) the Indemnitee and the heirs, personal and legal representatives, executors, administrators or assigns of the Indemnitee.

11.1.2. The Company shall not consummate any consolidation, merger or other business combination, nor will it transfer 50% or more of its assets (in one or a series of related transactions), unless the ultimate Parent of the successor to the business or assets of the Company shall have first executed an agreement, in form and substance satisfactory to the Indemnitee, to expressly assume all obligations of the Company under this Agreement and agree to perform this Agreement in accordance with its terms, in the same manner and to the same extent that the Company would be required to perform this Agreement if no such transaction had taken place; provided that, if the Parent is not the Company, the legality of payment of indemnity by the Parent shall be determined by reference to the fact that such indemnity is to be paid by the Parent rather than the Company.

11.2. Severability. The provisions of this Agreement are severable. If any provision of this Agreement shall be held by any court of competent jurisdiction to be invalid, void or unenforceable, such provision shall be deemed to be modified to the minimum extent necessary to avoid a violation of law and, as so modified, such provision and the remaining provisions shall remain valid and enforceable in accordance with their terms to the fullest extent permitted by law.

11.3. Rights Not Exclusive: Continuation of Right of Indemnification. Nothing in this Agreement shall be deemed to diminish or otherwise restrict the Indemnitee's right to indemnification pursuant to any provision of the Company's Restated Certificate of Incorporation, By-laws, any agreement, vote of shareholders or Disinterested Directors, applicable law or otherwise. This Agreement shall be effective as of the effective date set forth above written and continue in effect until no Claims relating to any Covered Event may be asserted against the Indemnitee and until any Claims commenced prior thereto are finally terminated and resolved, regardless of whether the Indemnitee continues to serve as a director or officer of the Company, any Subsidiary or any Other Enterprise.

11.4. No Employment Agreement. Nothing contained in this Agreement shall be construed as giving the Indemnitee any right to be retained in the employ of the Company, any Subsidiary or any Other Enterprise.

11.5. Subsequent Amendment. No amendment, termination or repeal of any provision of the Company's Restated Certificate of Incorporation, or any respective successor thereto, or of any relevant provision of any applicable law, shall affect or diminish in any way the rights of the Indemnitee to indemnification, or the obligations of the Company, arising under this Agreement, whether the alleged actions or conduct of the Indemnitee giving rise to the necessity of such indemnification arose before or after any such amendment, termination or repeal.

11.6. Notices. Notices required under this Agreement shall be given in writing and shall be deemed given when delivered in person or sent by certified or registered mail, return receipt requested, postage prepaid. Notices shall be directed to the Company at One Gaylord Drive, Nashville, Tennessee 37214, Attention: Secretary, and to the Indemnitee at the address found on the signature page to this Agreement (or such other address as either party may designate in writing to the other).

11.7. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and performed in such state without giving effect to the principles of conflict of laws.

11.8. Headings. The headings of the Sections of this Agreement are inserted for convenience only and shall not be deemed to discriminate part of this Agreement or to affect the construction thereof.

11.9. Counterparts. This Agreement may be executed in any number of counterparts all of which taken together shall constitute one instrument.

11.10. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by any of the parties hereto. No waiver of this Agreement shall constitute, or be a waiver of any other provisions hereof (whether or not similar) nor shall any such waiver constitute a continuing waiver.

The parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

GAYLORD ENTERTAINMENT COMPANY

By:

President and Chief Executive Officer

INDEMNITEE

[Address]

EXHIBIT 10.37

DIRECTOR COMPENSATION POLICY

The Human Resources Committee reviews and recommends the compensation for directors. During 2002 each of the directors who was not employed by the Company received an annual Board retainer of $30,000, an annual committee retainer for each committee on which the director served of $5,000 ($6,000 for chairpersons) and a fee of $1,500 for each special Board meeting attended and $1,000 for each special committee meeting attended. The Human Resources Committee changed the compensation for directors for 2003 so that during 2003 each of the directors who is not employed by the Company will receive an annual Board retainer of $30,000, an annual retainer for service on the audit committee of $10,000 ($15,000 for chairpersons) and an annual retainer for service on any other committee of $7,500 ($12,500 for chairpersons). No additional fees will be paid for special meetings. Subject to stockholder approval of the Company's Deferred Compensation Plan for Non-Employee Directors, non-employee directors may defer these fees into this plan until their retirement or resignation from the Board. Three of the directors have elected to participate in this deferred compensation plan, subject to stockholder approval of this plan.

In addition, non-employee directors receive a grant of a non-qualified stock option to purchase 10,000 shares of common stock under the 1997 Omnibus Stock Option and Incentive Plan upon their election to the Board, at an exercise price equal to the closing price on the date prior to the date of the grant, which becomes exercisable in four equal annual installments. During 2002 each of the directors who was not employed by the Company received an annual grant of a non-qualified stock option to purchase 7,000 shares of common stock under the 1997 Omnibus Stock Option and Incentive Plan, at an exercise price equal to the closing price on the date prior to the date of the grant, which is immediately exercisable. During 2003 each of the directors who is not employed by the Company will receive an annual grant of a non-qualified stock option to purchase 5,000 shares of common stock under the 1997 Omnibus Stock Option and Incentive Plan, at an exercise price equal to the closing price on the date prior to the date of the grant, which becomes exercisable on the first anniversary of the grant.

Directors who are employed by the Company do not receive compensation for their service as directors. All directors are reimbursed for expenses incurred in attending meetings.

GAYLORD ENTERTAINMENT COMPANY
CODE OF BUSINESS CONDUCT AND ETHICS

GAYLORD ENTERTAINMENT COMPANY
CODE OF BUSINESS CONDUCT AND ETHICS

I. INTRODUCTION

Gaylord Entertainment Company (the "Company" or "Gaylord") is committed to achieving high standards of business and personal and ethical conduct for itself, its Directors and all personnel. Through performance in accordance with these standards, the Company, its Directors and all of its employees will merit and enjoy the respect of one another, the business community, our stockholders, our meeting planners and guests, our suppliers, and the public.

It is the personal responsibility of all Directors and employees to acquaint themselves with all legal and policy standards and restrictions applicable to their duties and responsibilities, and to conduct themselves accordingly. Over and above the strictly legal aspects involved, all Directors and employees are expected to observe high standards of business and personal ethics in the discharge of their duties. This Code of Business Conduct and Ethics (the "Code") is designed to help ensure that these things occur.

This Code applies to all Directors and employees of Gaylord. "Employees" means an officer or employee of Gaylord and its affiliates, and it includes Executive Officers, unless otherwise stated. Certain parts of this Code may apply specifically to "Executive Officers," and are so indicated. "Executive Officer" means a member of Gaylord management so designated by resolution of the Board. All employees and Directors are required to read and understand this Code, and compliance with the conduct policies set forth herein is required of all personnel.

This Code supercedes and replaces in its entirety our March 1992 Corporate Code of Business Ethics and is intended to comply with the new requirements of the NYSE Listing Standards Committee and the Sarbanes-Oxley Act of 2002. Directors and employees are encouraged to report violations of laws, regulations, or this Code using the processes described in Article VIII of this Code. Gaylord will not permit retaliation against Directors or employees for reports made in good faith.

II. CONFLICTS OF INTEREST

A. INTRODUCTION

For purposes of our Code, a "conflict of interest" occurs when an individual's private interests interferes in a material way or appears from the perspective of a reasonable person to interfere in a material way with the interests of Gaylord as a whole. A conflict situation can arise when an employee or Director takes actions or has interests that may make it difficult to perform his or her responsibilities objectively and effectively. Ordinarily, a conflict exists when an outside interest could actually or potentially influence the judgment or actions of an individual in the conduct of Gaylord's business. Conflicts of interest may also arise when an employee or Director or a member of his or her family, receives improper personal benefits as a result of his

or her position at Gaylord. Notwithstanding the foregoing, accepting things of value in accordance with Section III.B of this Code shall not constitute the receipt of improper personal benefits.

B. GENERAL POLICY

Gaylord must have the confidence of its customers and the public. Directors and employees must avoid conflicts or the appearance of conflicts, as discussed above. Specifically, employees should avoid any outside financial interests that might conflict with the Company's interests. Such outside interests could include, among other things:

1. Personal or family financial interests in or indebtedness to enterprises that have business relations with the Company.

2. Acquiring any interest in outside entities, properties, etc., in which the Company has an interest or potential interest. This would include stock in businesses being considered for acquisition, or real estate or possible new or expanded company operations.

3. Conduct of any business not on behalf of the Company with any vendor, supplier, customer or agency or any of their officers or employees.

Employees and Directors should report any material transaction or relationship that could result in a conflict of interest to Gaylord's General Counsel.

C. SERVING AS A DIRECTOR, OFFICER OR EMPLOYEE OF A NON-GAYLORD BUSINESS

The Company expects its employees to devote their full energies to their work. Therefore, an employee's outside activities must not reflect adversely on the Company or give rise to a real or apparent conflict of interest with the employee's duties with the Company. Employees must be alert to potential conflicts of interests and be aware that they may be asked to discontinue any outside activity should such a conflict arise.

Gaylord employees must have the written approval in advance of accepting an appointment or position to serve as a Director, partner, owner, officer, or employee of any non-Gaylord business. If the service is permitted, then any employee acting in this dual capacity must inform the applicable Gaylord committee or Board of any matter affecting this dual responsibility at any time and, if warranted, abstain from any discussion or vote arising from this situation. No outside employment of a Gaylord employee which may constitute a conflict of interest is permitted unless approved in advance under this Code. Outside employment considered to be a conflict of interest would include, but is not limited to, employment with or service on the board of directors of a lodging or hospitality company. Gaylord directors who accept nominations to serve as directors of other public companies shall, in cases where such nominations have not previously been disclosed, notify in writing the Gaylord Nominating and Corporate Governance Committee.

Notwithstanding the foregoing, volunteering in civic and charitable organizations is encouraged for Gaylord employees. To serve as a director or officer of a charitable or civic

organization, an employee must obtain written approval from a member of the Gaylord Entertainment Senior Partner Group (a "PG Member") in advance of accepting the appointment. Participation in such activities shall not be deemed to be within an individual's scope of employment or authority as an employee, and Gaylord assumes no liability therefor.

D. POTENTIAL CONFLICTS BY FAMILY AND FRIENDS

The above conflict of interest guidelines are not intended to interfere with your personal life, but there may be situations where the actions of family members and close personal friends may cause an employee a conflict of interest. For example, gifts or other benefits offered to an employee's family member by suppliers or potential suppliers are considered business gifts and it is the same as if they were given to the employee. If an employee's spouse, relative, or close personal friend is directly involved in a business that would like to provide goods or services to Gaylord, the employee cannot use his or her position at Gaylord to influence the bidding process or negotiation in any way.

E. POLITICAL ACTIVITIES

Except under certain circumstances expressly permitted under applicable law, no employee of Gaylord, acting on Gaylord's behalf, may contribute or loan money or items of value to any foreign, federal, state or local political candidates or parties. This prohibition includes the use of any Gaylord facilities, equipment, supplies, personnel or name. Employees may, however, participate in and/or contribute to the political process as concerned individuals, through means which would include voting and the contribution of their own time and money, and participate in or make contributions to political action committees.

Employees considering running for election to public office must discuss such matter in advance with their supervisors to assure that their responsibilities at Gaylord are not compromised. This policy does not prohibit consideration for personal leaves of absence by Gaylord employees to pursue elected or appointed governmental positions. Requests for personal leaves of absence will be considered and administered as set forth in the Gaylord Employee Handbook.

III. CORPORATE OPPORTUNITIES

A. PROHIBITION ON TAKING GAYLORD CORPORATE OPPORTUNITIES

Directors and employees of Gaylord stand in a fiduciary relationship to Gaylord and must advance its legitimate interests when the opportunity to do so arises. It is a breach of this duty for any such person to take advantage of a business opportunity for his or her own or another person's personal profit or benefit when the opportunity is within the corporate powers of Gaylord and when the opportunity is of present or potential practical advantage to Gaylord unless Gaylord's Board knowingly elects not to avail itself of such opportunity and such person's participation is approved in advance by the Board. If such a person so appropriates such a Gaylord corporate opportunity, Gaylord may claim the benefit of the transaction or business and such person exposes himself or herself to liability in this regard. It is Gaylord's policy that no Director or employee take a corporate opportunity without the consent of the Board.

B. UNDERSTANDING PERMISSIBLE BUSINESS GIFTS

The general purpose of gifts and favors in a business context is to create goodwill. If they do more than that, and have the potential to unduly influence judgment or create a feeling of obligation, employees should not accept them. Employees may not solicit any kind of gift or personal benefit from present or potential suppliers or customers. Employees are prohibited from accepting gifts of money (or monetary equivalents), whether solicited or unsolicited. The following transactions are permitted and shall be considered an exception to the general prohibition against accepting things of value:

1. Acceptance of gifts, gratuities, amenities or favors based on obvious family or personal relationships (such as those with parents, children or spouse) when the circumstances make it clear that it is those relationships, rather than the business of Gaylord that are the motivating factors;

2. Acceptance of meals, refreshments, travel arrangements or accommodations, or entertainment, all of reasonable value, in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions or to foster better business relations, provided that the expense would be paid for by Gaylord as a reasonable business expense if not paid for by another party;

3. Acceptance of advertising or promotional material of reasonable value such as pens, pencils, note pads, key chains, calendars and other items that are similar to the types of advertising and/or marketing materials given or used by

Gaylord;

4. Acceptance of discounts or rebates on merchandise or services that do not exceed those available to other customers;

5. Acceptance of gifts of reasonable value related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement or Christmas; or

6. Acceptance of civic, charitable, education, or religious organizational awards for recognition of service and accomplishment.

In addition, an employee may not give anything of value to any customer or potential customer as an inducement to obtain business or favorable treatment. Similarly, employees are prohibited from giving anything of value to public officials, as an inducement to have a law or regulation enacted, defeated or violated.

The purpose of this policy is to avoid violations of law and to insure that Gaylord's business is safeguarded from undue influence of bribery and personal favors. Whenever you have dealings with persons who have business with the Company, the requirements of the law must be kept in mind. Necessarily, the application of the policy stated herein will require good judgment and common sense. If you encounter situations in which you are not sure of your obligations, you should consult Gaylord's Legal Department.

It is inevitable and desirable that you will have individual business and personal relationships with Gaylord's customers, vendors and others who do business with Gaylord even though such individual business and personal relationship is not connected with Gaylord's business. This policy is not intended to discourage such relationships. Any such business relationship should be on customary terms and for proper and usual purposes. However, you should not solicit any special favors in recognition of your relationship with Gaylord.

IV. CONFIDENTIALITY AND PRESERVATION OF RECORDS

Employees frequently have access to confidential information concerning the Company's business. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. Safeguarding confidential information is essential to the conduct of the Company. Caution and discretion must be exercised in the use of such information, which should be shared only with those who have a clear and legitimate need and right to know.

No employee may disclose confidential information of any type to anyone except persons within the Company who need to know. Information regarding a customer may not be released to third parties, government, or other organizations, without the consent of the customer unless required by law. Any requests for information arising through a legal process (e.g., subpoena or court order) must first be referred to the Company's General Counsel before the release of the information.

Whenever an employee becomes aware of an investigation which affects Gaylord, he or she shall immediately notify Gaylord's General Counsel. Notwithstanding any Gaylord records retention guidelines, under no circumstances shall any records known to be the subject of or germane to any anticipated, threatened or pending lawsuit or governmental or regulatory investigation or case filed in bankruptcy be removed, concealed or destroyed. For purposes of this section, "records" means any of hard copy, paper documents and electronic records, including but not limited to, e-mail, voicemail and the contents of hard drives.

Furthermore, all audit and audit review work papers shall be retained as required, in accordance with the rules promulgated by the SEC under the Sarbanes-Oxley Act of 2002.

V. BUSINESS CONDUCT AND FAIR DEALING

A. GENERAL POLICY

Each Gaylord employee and Director must endeavor to deal fairly with Gaylord's customers, suppliers, competitors and other employees. No employee or Director shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of a material fact, or any other unfair-dealing practice.

B. RELATIONSHIPS WITH COMPETITORS

1. Gaylord is committed to fair competition. The most important laws governing competitive practices in the United States are the federal anti-trust laws, which are designed to

protect economic freedoms and promote competition. It is Gaylord's policy to fully comply with anti-trust laws. Most serious anti-trust violations deal with attempts to restrict competition through agreements or understandings with competitors. Accordingly, there should be no contact with a competitor of the Company concerning pricing policies and related matters unless prior legal advice is obtained. Pricing fixing and related agreements to lessen or eliminate competition between competitors can be implied from such contacts, and have the gravest consequences of all anti-trust offenses. While beneficial in many respects, participation in trade associations necessarily results in contacts with competitors. Anti-trust sensitive topics must be avoided, and activities of the association should be closely monitored by legal counsel for the association.

2. No Director or employee shall engage in any activity which competes with Gaylord.

3. No Director or employee shall reveal any trade secrets that are unique to Gaylord or are Gaylord's proprietary information.

4. Each Director and employee has a fiduciary responsibility to take care that no information that is deemed confidential as to Gaylord be passed to competitors.

C. RELATIONSHIPS WITH GUESTS AND MEETING PLANNERS

1. Employees shall act in a professional manner at all times when representing Gaylord. In dealing with Gaylord's customers, employees shall use prudent judgment and exercise good faith. Employees shall avoid situations that would generate a conflict of interest. Transactions with customers shall always be conducted at "arm's length."

2. No employee shall misrepresent, circumvent, or conceal the nature of any material aspect of any transaction when dealing with a customer.

3. If a relationship between an employee and a customer or a potential customer exists which potentially creates a conflict of interest, that employee shall notify his/her supervisor immediately.

VI. PROTECTION AND PROPER USE OF GAYLORD PROPERTY

A. GAYLORD PROPERTY

Employees and Directors have a duty to protect and conserve Gaylord property and to insure its efficient use for proper purposes. All Gaylord assets shall be used for legitimate business purposes and not for personal gain. Employees of Gaylord are to take care and responsibility to safeguard the property of Gaylord within reason. Notwithstanding the foregoing, at no time is a Gaylord employee to put his/her person at risk to safeguard Gaylord property. Gaylord property includes, but is not limited to: (i) all physical property of Gaylord whether leased or owned by Gaylord and includes all fixtures; (ii) all books and records in possession of Gaylord; (iii) all marketing studies, advertising or promotional materials, customer lists, logs, reports or any other forms or surveys that are in Gaylord's possession; and (iv) all proprietary software.

B. USE OF TECHNOLOGY

Electronic mail and e-mail systems (including electronic bulletin boards) are property of the Company and must be used primarily for business purposes and only occasionally for personal reasons. The use of e-mail must conform to the policies and values of the Company. Among other things, messages which violate any of the Company's policies or invite participation in illegal activities, such as gambling or the use and sale of controlled substances, are prohibited. Statements which, if made in any other forum, would violate any of the Company's policies, including without limitation, policies against harassment or discrimination and the misuse of confidential information, are prohibited to the same extent in an e-mail message. E-mail systems may be used to transmit sensitive information only when such information is adequately protected. Subject to applicable laws and regulations, the Company reserves the right to monitor, restrict access, filter and disclose e-mail, internet usage and voicemail as it deems appropriate.

The Internet is an efficient and valuable business tool and is to be used primarily for business purposes. Gaylord reserves the right to access all information on Company computers, including but not limited to e-mail and history of internet usage, even where personal passwords have been assigned. If you have questions about the use of your computer, the Internet, e-mail or voice mail, please see your manager.

VII. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

A. GENERAL

Directors and employees must comply fully with applicable laws, rules and regulations at all times. In particular, Directors and employees should take note of laws, rules and regulations regarding the integrity of Gaylord's records, insider trading and fair employment practices.

B. INTEGRITY OF GAYLORD RECORDS

Accuracy and reliability in the preparation of all business records, financial statements and reports to regulatory and other government agencies is of critical importance to the corporate decision-making process and to the proper discharge of the Company's financial, legal and reporting obligations. To this end, the Company shall:

- comply with generally accepted accounting principles at all times;

- maintain a system of internal accounting controls that will provide reasonable assurances to management that all material transactions are properly recorded;

- maintain books and records that accurately and fairly reflect the Company's transactions;

- prohibit the establishment of any undisclosed or unrecorded funds or assets; and

- maintain a system of internal controls that will provide reasonable assurances to management that material information about the Company is made known to management, particularly during the periods in which the Company's periodic reports are being prepared.

All business records, expense accounts, vouchers, bills, payroll, service records and other statements and reports are to be prepared with care and honesty. False or misleading entries are prohibited. All corporate funds and assets are to be recorded in accordance with applicable corporate procedures. Compliance with accounting procedures and internal control procedures is required at all times, and it is the responsibility of all employees that they understand how to comply. Employees must ensure that both the letter and the spirit of corporate accounting and internal control procedures are strictly adhered to at all times.

In accordance with the rules promulgated by the SEC under the Sarbanes-Oxley Act of 2002, it shall be unlawful and a violation of this Code for any officer or Director of Gaylord or any other person acting under the direction thereof, to take any action to fraudulently influence, coerce, manipulate, or mislead any independent or certified accountant engaged in the performance of an audit of Gaylord's financial statements for the purposes of rendering such financial statements materially misleading.

C. COMPLIANCE WITH INSIDER TRADING LAWS

Stock transactions are regulated by numerous complex laws. Severe civil and criminal penalties can be imposed on individuals and corporations convicted of violations. The information contained in the Code is a summary of the Company's Insider Trading Policy (the "Policy"), and employees are encouraged to consult the Policy for a complete description. Employees are required to pre-clear any trade in the Company's securities with the Company's General Counsel.

1. Employees who know any "material" fact about the Company which has not been disclosed to the public ("inside information") may not buy or sell the Company's stock until reasonable time has passed after the information has been disclosed to the public. "Material" information means facts that would be likely to cause the value of the stock to go up or down. Examples include knowledge of new products or discoveries; unpublished sales; earnings or dividend figures; new contracts with customers or suppliers; tender offers; acquisitions; mergers; and sales of businesses.

2. In addition, employees can be legally liable if someone outside the Company trades in the Company stock based on a "tip" of inside information given by an employee. Company policy forbids giving confidential information about the Company to outsiders except under limited circumstances approved by legal counsel.

3. Specific additional legal restrictions on Company stock trading apply to Executive Officers and Directors, who have been furnished with detailed explanations of these restrictions.

4. Trading in the stock of outside concerns while in the possession of material inside information is also prohibited. Examples of material inside information which might be obtained as a result of an employee's position with the Company include

proposed acquisitions of outside concerns or awards of important contracts to suppliers of the Company.

D. FAIR EMPLOYMENT PRACTICES

Race, Color, Religion, National Origin, Sex, Age and Disability. Employees at the Company are recruited, selected and hired on the basis of individual merit and ability with respect to the position filled. As a business comprised of talented and diverse employees, the Company is committed to the fair and effective utilization of all employees without regard to race, color, religion, national origin, sex, age or disability unrelated to ability to do the job. Employees must all keep in mind that equal employment opportunity is indispensable in every aspect of the employment relationship. The relationship covers origin, training, working conditions, benefits, compensation practices, employment functions (including promotion, demotion, discipline, transfer, termination and reduction in force) and Company sponsored educational, social and recreational programs. The Company will move affirmatively and aggressively toward full and equal participation for each and every one of its employees as a matter of sound moral, legal and business policy. The Company steadfastly requires all of its employees to treat each other, regardless of title or position, with fairness and respect.

Sexual Harassment. It is the Company's policy that every Director and employee of the Company must refrain from engaging in any verbal or physical conduct that could be construed as sexual harassment. In addition, every person conducting business on the Company premises, whether or not employed by the Company, must refrain from engaging in any verbal or physical conduct that could be construed as sexual harassment. Such conduct includes making unwelcome sexual advances, or engaging in coercive behavior that is sexual in nature when the rejection of or submission to such conduct affects, either implicitly or explicitly, an employee's status of employment (e.g., pay, promotion, assignment, termination, etc.).

E. GOVERNMENT REQUESTS

It is the Company's policy to cooperate with all reasonable requests from government authorities. All requests for information should be responded to with complete and accurate information. In addition, documents should always be retained in accordance with the Company's document retention policy and should never be concealed, altered or destroyed in anticipation of, or in response to, any investigation. Any request for information from a government authority, other than routine items requested in the ordinary course of business, should be reported to the General Counsel.

VIII. COMPLIANCE WITH AND IMPLEMENTATION OF CODE OF BUSINESS CONDUCT

A. GENERAL

All employees are required to read, understand and conduct business according to this Code. Compliance with the conduct policies set forth in this Code is required of all employees. Enforcement is the direct responsibility of every supervisor. Managers and supervisors may be sanctioned for failure to instruct adequately their subordinates or for failing to detect non-compliance with applicable policies and legal requirements, where reasonable diligence on the

part of the manager or supervisor would have led to the discovery of any problems or violations and given the Company the opportunity to correct them earlier.

If an employee is approached by anyone inside or outside of the Company with a request to do something the employee recognizes to be illegal or unethical, the employee should refuse. The employee should tell the person making the request that such conduct is contrary to the Company's policy and then report the incident to the employee's supervisor. No supervisor may direct a subordinate to violate this Code.

Employees should immediately disassociate themselves from taking part in any discussions, activities, or other situations that they recognize to be potentially illegal or unethical. If an employee becomes aware of any illegal or unethical conduct or behavior in violation of this Code by anyone working for or on behalf of the Company, that employee should report it promptly, fully and objectively as provided below. The Company will attempt to treat such reports confidentially and to protect the identity of the employee who has made the request to the maximum extent and as may be permitted under applicable law. All reports will be investigated.

THIS CODE SETS FORTH GENERAL GUIDELINES ONLY AND MAY NOT INCLUDE ALL CIRCUMSTANCES THAT WOULD FALL WITHIN THE INTENT OF THE CODE AND BE CONSIDERED A VIOLATION THAT SHOULD BE REPORTED. EMPLOYEES SHOULD REPORT ALL SUSPECTED DISHONEST OR ILLEGAL ACTIVITIES WHETHER OR NOT THEY ARE SPECIFICALLY ADDRESSED IN THE CODE.

B. QUESTIONS REGARDING CODE

General questions regarding this Code or the application of this Code to particular situations may be directed to Gaylord's General Counsel. Questions from Directors and Executive Officers may also be discussed with the Chairman of the Board, the Chief Executive Officer, or the Chairman of the Nominating and Corporate Governance Committee.

C. DETERMINATION OF VIOLATIONS

Determinations regarding whether a violation of this Code has occurred shall be made as follows:

1. Process:

(a) If the alleged violation under consideration concerns an Executive Officer or Director, the determination of the existence of any violation shall be made by the Nominating and Corporate Governance Committee in consultation with the General Counsel and/or such external legal counsel as the Nominating and Corporate Governance Committee deems appropriate.

(b) If the situation under consideration concerns any other employee, the determination of the existence of a violation shall be made by the member of the Partner Group ("PG Member") to whom the employee ultimately reports, in consultation with the General Counsel.

(c) Whoever makes the decision as to whether a violation has occurred shall document the decision and forward the documentation to the Director of Human Resources for filing and retention, with a copy to the Legal Department. These files shall be available to the Internal Audit and Legal Departments.

(d) In determining whether a violation of this Code has occurred, the committee or person making such determination may take into account to what extent the violations were intentional; the qualitative and quantitative materiality of such violation from the perspective of either the detriment to Gaylord or the benefit to the Director, Executive Officer, or employee, the policy behind the provision violated and such other facts and circumstances as they shall deem advisable under all the facts and circumstances.

2. Acts or omissions determined to be violations of this Code by other than the Nominating and Corporate Governance Committee under the process set forth above shall be promptly reported by the Legal Department to the Nominating and Corporate Governance Committee and in turn by the Nominating and Corporate Governance Committee to the full Board of Directors.

D. REQUEST FOR WAIVERS

A waiver of a provision of this Code shall be requested whenever there is a reasonable likelihood that a contemplated action may be deemed to violate the Code.

1. Process:

(a) If the request under consideration relates to an Executive Officer or Director, the determination with respect to the waiver shall be made by the Nominating and Corporate Governance Committee, in consultation with the Legal Department and/or such external legal counsel as the Nominating and Corporate Governance Committee deems appropriate and submitted to the Board for ratification.

(b) If the request under consideration relates to any other employee, the determination shall be made by the PG Member to whom the employee ultimately reports, in consultation with the Legal Department unless such request is quantitatively or qualitatively material or outside the ordinary course of business, in which case such determination shall be made by the Nominating and Corporate Governance Committee.

(c) The decision with respect to the waiver requested shall be documented and forwarded to the Director of Human Resources for filing and retention, with a copy to the Legal Department. These files shall be available to the Internal Audit and Legal Departments.

2. All waivers of this Code (other than those approved by the Nominating and Corporate Governance Committee) shall be promptly reported by the Legal Department to the Nominating and Corporate Governance Committee.

3. Waivers will only be granted under extraordinary or special circumstances.

4. To the extent determined to be required or appropriate by Gaylord's Board of Directors in consultation with the General Counsel and/or other legal counsel as the Nominating and Corporate Governance Committee deems appropriate, waivers shall be publicly disclosed on a timely basis.

E. GOOD FAITH REPORTING OF WRONGDOING

1. Employees of Gaylord are protected, to the extent provided by law, against retaliation by Gaylord when they provide information or assist in an investigation by federal regulators, law enforcement, Congress, or Gaylord itself, regarding conduct which the employee reasonably believes relates to fraud against Gaylord's shareholders.

2. Good faith reports of wrongdoing should be submitted, in writing, to the PG Member to whom an employee ultimately reports, the Vice President of Human Resources or the General Counsel or by phone call to the Company's ethics hot line at (800) 359-8115. The person receiving the report shall discuss the report with relevant members of Gaylord's executive management and may then arrange a meeting with the employee to allow the employee to present a personal and complete description of the situation.

(a) "Good faith report" shall mean a report of conduct defined as wrongdoing, which the person making the report has reasonable cause to believe is true and which is made without malice or consideration of personal benefit.

(b) "Wrongdoing" shall mean a violation which is not of a merely technical or minimal nature of a federal or state statute or regulation or of this Code designed to protect the interest of the public or Gaylord.

(c) All good faith reports and resulting investigations will be kept confidential.

3. Directors may submit any good faith reports of wrongdoing in writing to the Gaylord General Counsel or to appropriate outside legal counsel. A thorough investigation will be undertaken by the General Counsel or his designee (or outside legal counsel, as the case may be) and appropriate action taken.

4. The Sarbanes-Oxley Act of 2002 requires that the Gaylord Audit Committee establish procedures for confidential, anonymous submission of employee concerns regarding questionable accounting or auditing matters. Employee complaints and reports of this nature shall be handled under the procedures established by the Audit Committee.

It is the policy of Gaylord to comply with both the letter and the spirit of the federal laws and regulations that govern Gaylord's activities. All operating policies, procedures and forms used to conduct Gaylord's business shall be in conformity with applicable federal laws and regulations. Any employee who violates a provision of this Code is subject to applicable disciplinary action ranging from warnings and reprimand up to and including termination, and, where appropriate, the filing of a civil or criminal complaint. Directors who violate a provision of this Code are subject to such sanction as the Board of Directors shall impose.

Notwithstanding the foregoing, Gaylord also preserves and reserves its other rights and remedies against any individual who violates any provision of this Code, both at law and in equity.

IX. DISCLAIMER OF EMPLOYMENT CONTRACT

This Code is neither an employment contract nor any guaranty of continued employment. The employment relationship between Gaylord and its employees is "at will". Gaylord's policies, guidelines and related procedures are subject to unilateral change by Gaylord at any time. A fuller discussion of these matters appears in the Gaylord Employee Handbook.

X. RESERVATION OF RIGHTS

The Company reserves the right to amend this Code, in whole or in part, at any time and solely at its discretion. Any amendments, to the extent determined to be required or appropriate by the Board of Directors in consultation with the General Counsel and/or any other legal counsel as the Nominating and Corporate Governance Committee deems appropriate, shall be publicly disclosed on a timely basis. Changes to this Code will be published on the Company's intranet site, and employees will be promptly notified of any such changes.

XI. CERTIFICATION

Each Director and member of the Gaylord Leadership Team will be required to read or review this Code and certify, in writing, that he or she understands his or her responsibilities to comply with the guidelines and provisions set forth herein.

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EXHIBIT 21

SUBSIDIARIES OF GAYLORD ENTERTAINMENT COMPANY
AS OF DECEMBER 31, 2002

Name	Jurisdiction of Organization
Acuff-Rose Music, LLC	Tennessee
Acuff-Rose Music Publishing, LLC	Tennessee
CCK Holdings, LLC	Delaware
Corporate Magic, Inc.	Texas
Country Music Television Australia Pty. Ltd.	Australia
Country Music Television International, Inc.	Delaware
Country Music Television International, B.V.	Netherlands
Gaylord Creative Group, Inc.	Delaware
Gaylord Digital, LLC	Delaware
Gaylord Investments, Inc.	Delaware
Gaylord Program Services, Inc.	Delaware
GBRJ Music, LLC	Texas
Grand Ole Opry Tours, Inc.	Tennessee
Hickory Records, LLC	Tennessee
Lightsource, LLC	Delaware
Milene Music, LLC	Tennessee
OHN Management, Inc.	Delaware
OKC Athletic Club Limited Partnership	Oklahoma
OKC Concession Service Limited Partnership	Oklahoma
Oklahoma City Athletic Club, Inc.	Oklahoma
OLH, G.P.	Tennessee
Opryland Attractions, Inc.	Delaware
Opryland Hospitality, LLC	Tennessee
Opryland Hotel Florida, L.P.	Florida
Opryland Hotel Nashville, LLC	Tennessee
Opryland Hotel Texas, LLC	Delaware
Opryland Hotel Texas, L.P.	Delaware
Opryland Productions, Inc.	Tennessee
Opryland Theatricals, Inc.	Delaware
Springhouse Music, LLC	Tennessee
TV Force, LLC	Texas
Wildhorse Saloon Entertainment Ventures, Inc.	Tennessee
Word Entertainment (Canada), Ltd.	Canada

EXHIBIT 23

Consent of Independent Auditors

We consent to the incorporation by reference in: (1) the Registration Statement (Form S-8 No. 333-37051) pertaining to the Amended and Restated Gaylord Entertainment Company 401(K) Savings Plan of Gaylord Entertainment Company; (2) the Registration Statement (Form S-8 No. 333-37053) pertaining to the 1997 Stock Option and Incentive Plan of Gaylord Entertainment Company; (3) the Registration Statement (Form S-8 No. 333-79323) pertaining to the Employee Stock Purchase Plan of Gaylord Entertainment Company; (4) the Registration Statement (Form S-8 333-31254) pertaining to the Amended and Restated 1997 Stock Option and Incentive Plan of Gaylord Entertainment Company; and (5) the Registration Statement (Form S-8 No. 333-40676) pertaining to the 1997 Omnibus Stock Option and Incentive Plan of Gaylord Entertainment Company, of our report dated February 5, 2003 (except for Notes 2 and 22 as to which the date is March 25, 2003), with respect to the consolidated financial statements of Gaylord Entertainment Company, and our report dated February 5, 2003 with respect to certain financial statement schedules, included in the Annual Report (Form 10-K) for the year ended December 31, 2002.

/s/ Ernst & Young LLP

Nashville, Tennessee
March 25, 2003

EXHIBIT 99.1

GAYLORD ENTERTAINMENT COMPANY
AUDIT COMMITTEE CHARTER

STATEMENT OF POLICY

The Audit Committee is a committee of the Board of Directors. Its primary function is to assist the Board in fulfilling its fiduciary oversight responsibilities by reviewing the financial information provided to shareholders and others, the systems of internal controls which management and the Board of Directors have established, the legal and ethical conduct of the Company and its employees relating to preparation of financial information, and the audit process.

OPERATING POLICIES

1. The Audit Committee shall consist of no fewer than three members. The members of the Audit Committee shall meet the independence and experience requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Securities and Exchange Commission. At least one member of the Audit Committee shall be a financial expert as defined by the Commission. The Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies.

2. The members of the Audit Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. Audit Committee members may be replaced or added by the Board at any time.

3. The Committee shall meet at least four times per year or more frequently as circumstances require. The Audit Committee shall meet periodically with management, the internal auditors and the Independent Accountant in separate executive sessions. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or Independent Accountant to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

4. The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.

COMMITTEE AUTHORITY

1. The Audit Committee shall have the sole authority to appoint or replace the Independent Accountant (subject, if applicable, to shareholder ratification). The Audit Committee shall be directly responsible for the compensation and oversight of the work of the Independent Accountant (including resolutions of disagreements between management and the Independent Accountant regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Independent Accountant shall report directly to the Audit Committee.

2. The Audit Committee shall preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its Independent Accountant, subject to the de minimums exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit.

3. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant

preapprovals shall be presented to the full Audit Committee at its next scheduled meeting.

4. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the Independent Accountant for the purpose of rendering or issuing an audit report and to any advisor employed by the Audit Committee.

RESPONSIBILITIES

In meeting its responsibilities, the Audit Committee is expected to:

1. Review its charter on an annual basis and, as appropriate, recommend amendments to the Board.

2. Request and review a statement from the Independent Accountant delineating all relationships between the Independent Accountant and the Company to determine the independence of the Independent Accountant, consistent with Independence Standards Board Standard No. 1, as may be modified or supplemented.

3. Provide an open and independent avenue of communication between Internal Audit, the Independent Accountant, and the Board of Directors.

4. Review and recommend to the Board of Directors the appointment, replacement, reassignment, or dismissal of any member of the Internal Audit Department.

5. Inquire of Director of Internal Audit, the Independent Accountant, and appropriate management about significant risks or exposures and assess the steps management has taken to minimize such risks to the Company.

6. Review and approve with the Director of Internal Audit and the Independent Accountant (a) the audit scope and plan of Internal Audit and (b) the audit scope and plan of the Independent Accountant.

7. Review with the Head of Internal Audit and the Independent Accountant the coordination of Internal Audit and Independent Accountant to assure completeness of coverage, reduction of redundant efforts, and the effective use of Internal Audit resources.

8. Discuss with the Independent Accountant:

   (a) The Independent Accountant's independence.

   (b) The matters required to be reported by the Independent Accountants by Statement on Auditing Standards No. 61 and No. 90, as may be modified or supplemented, as well as matters affecting the quality of the Company's financial reporting and the fairness of the presentation in the financial statements of the financial condition and financial risks of the Company.

9. Review and discuss with management and the Independent Accountant:

   (a) The Company's quarterly and annual financial statements and related footnotes.

   (b) The Independent Accountant's audit of the annual financial statements and the report thereon.

   (c) The Independent Accountant's audit plan and any significant changes thereto.

   (d) Any difficulties or disputes with management encountered during the course of the audit.

   (e) The selection, application and disclosure of critical accounting policies used in the Company's financial statements.

(f) Any material related party transactions.

(g) Other matters related to the conduct of the audit which are to be communicated to the Committee under Generally Accepted Auditing Standards.

(h) Any observations or recommendations made in writing by the Independent Accountant to management regarding its policies and procedures, and the status of the response by management to such observations or recommendations.

(i) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management; ramifications of the use of such alternative disclosures and treatments; and the treatment preferred by the Independent Accountant.

(j) Other material written communications between the Independent Accountant and management, such as any management letter or schedule of unadjusted differences.

10. Consider and review with management and the Head of Internal Audit:

(a) All significant findings, recommendations and follow-up activity of Internal Audit together with management's responses.

(b) Any difficulties encountered in the course of its audits, including any restrictions on the scope of its work or access to required information.

(c) The planned scope of its audit plan and any significant changes thereto.

(d) The Internal Audit Department budget and staffing.

(e) The Internal Audit Department charter.

(f) Internal Audit's compliance with the IIA's Standards for the Professional Practice of Internal Auditing.

11. Review filings with the SEC and other published documents containing the Company's financial statements. Consider whether the information contained in these documents is consistent with the information contained in the financial statements and is in compliance with applicable regulatory requirements. Recommend to Board of Directors whether the audited annual financial statements should be included in the Company's Annual Report on Form 10-K.

12. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

13. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).

14. Review and evaluate the lead partner of the Independent Accountant team.

15. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order

to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

16. Obtain and review a report from the Independent Accountant at least annually regarding (a) the Independent Accountant's internal quality-control procedures, (b) any material issues by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the Independent Accountant and the Company. Evaluate the qualifications, performance and independence of the Independent Accountant, including considering whether the auditor's quality controls are adequate and the provisions of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and the internal auditors. The Audit Committee shall present its conclusions with respect to the Independent Accountant to the Board.

17. Recommend to the Board policies for the Company's hiring of employees or former employees of the Independent Accountant who participated in any capacity in the audit of the Company.

18. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

19. Review policies and procedures with respect to officer's expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by Internal Audit or the Independent Accountant.

20. As necessary, review with the Head of Internal Audit and the Independent Accountant the results of their review of the Company's actions in monitoring compliance with the Corporate Code of Conduct.

21. Review legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies, and programs and reports received from regulators.

22. As requested by the Director of Internal Audit and/or the Independent Accountant, meet with the Director of Internal Audit, the Independent Accountant, and management in separate executive sessions to discuss any matters that the Committee or any of these parties believe should be discussed privately with the Committee.

23. Perform other functions as assigned by law, the Company's charter or bylaws, or the Board of Directors.

GAYLORD ENTERTAINMENT

CORPORATE GOVERNANCE GUIDELINES

NOVEMBER 7, 2002 (AS AMENDED)

Gaylord Entertainment Company (the "Company") has developed, and the Board has adopted, the following Corporate Governance Guidelines (the "Guidelines") to assist the Board in the exercise of its responsibilities and to serve best the interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company's Certificate of Incorporation (as amended), bylaws, and other corporate governance documents. The Guidelines are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company or as required by applicable laws and regulations.

I. ROLE OF THE BOARD.

The Board of Directors is the representative of the stockholders with a fiduciary obligation to see that the affairs of the Company are conducted in a manner coincident with the best interest of, and fulfilling our responsibility to our stockholders, customers, employees, franchisees and communities. As spelled out in the Position Description (Exhibit A), the Board's role is to approve broad policies of the Company, its general direction and its overall priorities. The duties of the Board include:

A. Reviewing and approving key financial objectives, corporate strategies and capital allocations;

B. Approval of senior management structure, personnel, compensation and succession plans;

C. Monitoring CEO and senior management performance and recommending improvements;

D. Providing management with additional expertise and perspective based on the individual experience of the directors; and

E. Assuring continuity of Board membership.

II. COMPOSITION OF THE BOARD.

The Board normally shall consist of not less than 10 nor more than 15 Directors. No more than three of them may be employees of the Company ("management directors").

A. Management Directors

The management directors will consist of the Chairman of the Board and the President. Others who may serve as management directors are senior executives selected from the major operating businesses of the Company. The General Counsel will not serve on the

Board, but will be expected to attend Board meetings in an advisory capacity. Without the express approval of the Board, no management director may serve on the board of another non-affiliated corporation.

B. Non-Management Directors

Non-management directors will be chosen based on perspective, experience, knowledge, and independence of judgement, enabling them to contribute most effectively to the functioning of the Board and the meeting of its responsibilities.

They will be expected to become familiar with the condition and operations of the Company, and to serve on at least one committee of the Board. There should be a predominance of business backgrounds, balanced by qualified individuals who can bring additional sets of experiences and perspectives to the Board. Regional balance is desirable, and a high degree of interest and involvement are prime requisites. Directors will be selected without regard to race, religion, sex or national origin.

C. Independence of the Board

The Board will be comprised of a majority of directors who qualify as independent directors (the "Independent Directors) under the listing standards of the New York Stock Exchange (the "NYSE") and by applicable laws. The Board will review annually the relationships that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) will be considered Independent Directors, subject to additional qualifications prescribed under the listing standards of the NYSE. The Company will disclose these determinations with respect to independence in its annual filings.

D. Gaylord Family Directors.

Members of the Gaylord and Dickinson families may serve on the Board without regard to age or term limitations set forth herein. All such members shall stand for election by the shareholders.

E. Rotation.

Age shall be a consideration in selecting new directors so as to maintain a sound age balance on the Board and so that turnover through retirement at reasonable intervals can be expected. Non-management directors will serve no more than 20 years, and will retire from the Board by, at the option of such director(s), either (1) retiring effective the date of the annual stockholders meeting next following the attainment of 20 years of service by such director(s) or (2) not standing for re-election at the next annual stockholders meeting at which the class of such director(s) stands for re-election. However, when it is anticipated that two or more directors may leave the Board within a 12-month period, the Board may request one or more of the retiring directors to serve up to an additional 12 months in order to smooth the rotation of Board membership.

F. Retirement; Change in Position.

Non-management director(s) who reach 70 years of age will retire from the Board by, at the option of such director(s), either (1) retiring effective the date of the annual stockholders meeting next following the attainment of age 70 by such director(s) or (2) not standing for re-election at the next annual stockholders meeting which the class of such director(s) stands for re-election. Any director who ceases to be actively employed, who changes employment, or who experiences a substantial reduction in responsibility level with an employer, will be expected at that time to submit a resignation as a director for consideration by the Board.

G. Professionals and Consultants.

To maintain the independence of the Board, professionals and consultants who have a significant ongoing fee arrangement with the Company normally will not be selected to serve as directors. However, it not the intention of this policy to preclude any firm or organization from receiving impartial consideration as a supplier of goods or services to the Company.

III. BOARD COMMITTEES.

The committees of the Board will be the Executive Committee, the Audit Committee, the Human Resources Committee, and the Nominating and Corporate Governance Committee.

A. The Executive Committee will consist of the Chairman of the Board and the President, up to three (3) non-management directors, and at least one Gaylord family director. While it is preferable that action on the major matters be taken by the Board itself, the role of the Executive committee is to act on behalf of the Board on matters requiring action between Board meetings. Certain limits on that authority are set forth in the Position Description but these limits can be superceded by the explicit delegated authority of the Board.

B. The Audit Committee, the Human Resources Committee, and the Nominating and Corporate Governance Committee will each have at least three members, and each committee member must qualify as an independent director. The duties of these committees are set forth in the attached Position Descriptions. It is contemplated that each member of these committees generally will serve for five to seven years. Committee chairmen will normally serve three to five-year terms to ensure rotation periodically.

C. The Board may also delegate certain of its authority within well defined limits to committees or internal Boards consisting of management personnel, some of whom may not be management directors. These committee or internal boards may derive delegated authority to review results of operations, approval capital appropriations within pre-determined limits set by the Board, establish operating policies, elect group and division officers, review and approve human resources benefits and plans, and review proposals for recommendations to the Board.

IV. ROLE OF THE CHAIRMAN OF THE BOARD.

It is the responsibility of the Chairman to facilitate constructive interaction between the Board and management. The Chairman should be fully aware of the condition of the Company and the concerns and recommendations of both the directors and management. The Chairman should provide an opportunity for full and open participation by each director at Board meetings. The Chairman will recommend a schedule of meetings each year. The Chairman will provide a

written agenda in advance of the Board and Executive Committee meetings, together with full information on major proposals. Members of the Board will have full access to the Chairman for purposes or recommending agenda items for the full Board or its committees. In the absence of the Chairman, the President of the Company will serve as Acting Chairman.

V. COMPENSATION AND BENEFITS.

Non-management directors will receive an annual retainer and a fee for specially called Board meetings, whether attendance is in person or by telephone. Independent, non-management directors will receive an annual retainer for service on the Audit, Human Resources and Nominating and Corporate Governance Committees. The Chairman of each committee will receive an additional retainer. No fees shall be paid for attendance at regular or special committee meetings. The fees are set forth on Exhibit B. The fee schedule will be reviewed at least every three years by the Human Resources committee, which will recommend to the Board any changes deemed advisable. Directors will be reimbursed for travel expenses in connection with attending meetings. A schedule of benefits to which non-management directors will be entitled is set forth on Exhibit C.

VI. INDEMNIFICATION.

To the extent permitted by law, each director is entitled to indemnification under the Company's Certificate of Incorporation and under any agreement between the director and the Company, and to the protection afforded by the Company's insurance policy covering directors' and officers' liability.

VII. SCHEDULE OF MEETINGS.

The Board shall meet at least four times a year. Each year, the Chairman shall recommend to the Human Resources Committee a schedule of Board and Committee meetings for the following year. Special meetings of the Board may be called in exceptional situations but every effort will be made to avoid meetings called on less than 14 days notice. Board meetings will normally be scheduled at the Company headquarters, but at least one meeting per year may be scheduled elsewhere. It is the policy of the Board that an agenda describing the nature of the business to be conducted at a meeting and all information and data that is important to the Board's and its Committees' understanding of the business to be conducted at a meeting be distributed to the Board at least two days before the Board or the committee meets.

VIII. EXECUTIVE SESSION OF INDEPENDENT DIRECTORS.

It is the policy of the Board for its Independent Directors to meet in Executive Session as a normal part of the agenda of regular meetings.

IX. BOARD ACCESS TO SENIOR MANAGEMENT; INTERACTION WITH THIRD PARTIES.

Board members shall have complete access to management and, as necessary and appropriate, to the Company's outside advisors. Board members shall coordinate such access through the Chief Executive Officer, and Board members will use judgment to assure that this access is not distracting to the business operation of the Company. The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board which involve the manager; (ii) make presentations to the Board on matters which involve the manager; and (iii) bring managers with significant potential into contact with the Board. Attendance of such non-directors at Board meetings is at the discretion of the Board.

The Board believes that management generally should speak for the Company. It is suggested that each director shall refer all inquiries from institutional investors, the press or customers to management. If comments from the Board are appropriate, they should, in most circumstances come from the Chairman of the Board or the Chief Executive Officer.

X. BOARD ORIENTATION AND CONTINUING EDUCATION

The Company shall provide new directors with a director orientation program to familiarize such directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principal officers, internal auditors and independent auditors. Each director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

XI. CHANGES IN BOARD POLICY.

Changes in this policy may be made only by the Board upon the recommendation of the Nominating and Corporate Governance Committee.

EXHIBIT A

POSITION DESCRIPTION
BOARD OF DIRECTORS

Function

As the representative of stockholders, the Board is responsible for overseeing management of the Company in the realization of the Company's opportunities and the fulfillment of its obligations to its stockholders, customers, employees, and the communities in which it operates.

Duties

1. Planning

Approve a corporate vision and strategy and review management's performance in achieving it.

Annually assess the changing environment and approve the Company's strategy in relation to it.

Annually review and approve operating plans for the coming year.

Annually review and approve the Company's capital allocations.

Annually review and approve the Company's financial standards. Policy and plans.

Annually review and approve a long-range plan.

Approve other major policies guiding the Company.

Annually approve a corporate contribution plan and periodically review the corporate contribution philosophy.

2. Organization

Elect the officers of the Company (except that the Human Resources Committee is authorized to elect all officers of the Company other than the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, and the Chief Financial Officer) and appraise, advise, stimulate and, if deemed necessary or desirable, change top management.

Annually appoint a slate of directors for approval of the shareholders. Between annual meetings, elect new directors to fill vacancies on the Board or add new Board members.

Assure that management succession is properly being provided.

Assure that the status of organizational strength and manpower planning is equal to the requirements of the long-range goals.

Approve appropriate compensation and benefit policies and practices for the management directors of the Company. Determine the eligibility for and appoint Board committees.

3. Operations

Review the results achieved by management as compared with corporate strategy, annual and long-range plans, and performance of competition. Provide candid and constructive advice, comments and criticism.

Approve major actions of the Company, such as:

- Capital expenditure on all projects over authorized limits.
- Acquisitions, mergers, divestitures and new strategies.
- Declaration of dividends.

Discharge and delegate the responsibilities of the Board under pension, savings and stock plans and under other employee benefit plans requiring its review.

4. Audit

Assure that the Board and its committees are adequately and currently informed through reports and other methods of the condition of the Company and its operations.

Assure that published reports properly reflect operating results and conditions.

Ascertain that management has established appropriate policies to define and identify conflicts of interest with, and prohibited transactions by, employees throughout the Company, and is diligently administering and enforcing those policies.

Select outside auditors subject to approval by stockholders and review their performance periodically.

Review compliance with Code of Conduct and with these Corporate Governance Guidelines.

5. Legal

Review and evaluate the General Counsel's report on the Company's compliance with applicable laws, administrative rules and regulations, and the status, performance, and direction of the Company's legal policies.

EXECUTIVE COMMITTEE

Function

A. To act on behalf of the Board between Board meetings as required.

B. As appropriate from time to time, preliminarily review strategies, major capital expenditures, acquisitions, mergers and divestitures, and the execution against major strategic initiatives prior to the presentation of the same to the full Board.

C. Review and approve capital expenditures between $10 million and $50 million and review for recommendation to the Board expenditures in excess of $50 million.

Limit on Authority

1. Action taken by the Executive Committee is to be reported to the Board of Directors at the first meeting of the Board following such action.

2. Without specific delegated authority from the Board, the Executive Committee will not:

   - Declare dividends except current quarterly dividends not in excess of those last declared by the Board, or
   - Increase or decrease the number of directors or appoint new directors.

3. Unless within an overall plan previously approved by the Board or by specific delegated authority of the Board, any actions taken by the Executive Committee to:

   - Purchase, sell, pledge, encumber, or otherwise acquire or dispose of assets with a value totaling over $50,000,000 in one or more related transactions, or

   - Incur or guarantee indebtedness totaling over $50,000,000 in one or more related transactions, are subject to revision or rescission by the Board at the first meeting of the Board following such action.

AUDIT COMMITTEE

Function

Acting as an arm of the Board of Directors, the functions of the Audit Committee are to:

1. Periodically review, update and measure performance under the Audit Committee Charter approved by the Board. The Charter, as amended from time to time, shall be incorporated by reference into these Corporate Governance Guidelines.

2. Satisfy itself that the outside and inside auditing and control systems and procedures are sufficient to protect the stockholders' interests.

3. Serve as an informed voice on the Board of Directors in evaluating and supporting the financial and accounting groups of the Company.

4. Review the adequacy of the Company's financial and accounting policies and disclosures and approve changes therein.

5. Be assured that the financial reports published or presented to the Board properly reflect the financial condition of the business.

6. Review and evaluate polices and performance for compliance with applicable laws and regulations and the highest standards of business conduct.

7. Review the independence and performance of the Company's internal and external auditors.

8. Review and approve the adequacy of insurance coverage and loss prevention efforts.

Duties

1. As related to the Company's independent public accountants:

   Receive, evaluate, and act upon management's recommendation of independent public accountants. Approve the designated managing partner of the independent public accountants assigned to the annual audit.

   Approve the overall scope of their audit.

   Review the results of the audit program with emphasis on the following:

   - Fairness of presentation of financial data.
   - The public accountants' opinion of the Company's internal controls.
   - The public accountants' opinion as to the qualifications of financial and control personnel.

   Review exceptions pointed out in the public accountants' management letter and the programs to rectify them.

   Review audit fees and the public accountants' fees for non-audit services, including the possible effect of each such service on the independence of the public accountants, within all applicable legal standards.

   Meet periodically with the independent public accountants without management present.

2. As related to the internal audits:

   Approve overall scope of the internal audit program.

   Review the internal auditor's annual and interim reports to the Committee.

   Review internal controls; including information system controls.

   Meet periodically with the internal auditor(s) without management present.

3. Other duties:

   Appraise Company policies and procedures to prevent unauthorized use of Company funds, property, authorization.

   Review status of filed tax returns and adequacy of tax reserves.

   Meet with the financial and control officers of the Company or any other persons it deems necessary or appropriate in discharging its duties. The Committee shall have direct access to all such persons, including the internal auditors.

   Review any questionable payments or transactions and any significant conflicts or interest that may arise.

   Review changes in accounting methods and policies.

   With the assistance of management and the independent public accountants, review opinions and rules of the Financial Accounting Standards Board and the Securities and Exchange Commission that affect the Company's published reports.

Review scope of corporate insurance and related policies.

Annually review the financial status of the retirement, saving and benefits plans of the Company.

Report findings to the full Board of Directors.

HUMAN RESOURCES COMMITTEE

Function

The function of the Human Resources Committee is: (1) to review and approve the compensation programs of the Company that benefit executive officers and management directors, including employment and severance agreements, incentive programs, benefits and retirement programs; (2) to review, and advise the Board of Directors on the CEO's objectives and performance and the Company's management succession plans; and (3) to review with independent consultants from time to time the competitiveness and appropriate level of the Company's compensation and benefit practices.

Duties

1. Review and approve as required compensation policies and programs of the Company and make recommendations to the Board as required.

2. Annually recommend to the Board salary increases, benefits, bonuses, and stock incentives for management directors.

3. Annually approve salary increases, bonuses and benefits for executive officers under the compensation programs of the Company.

4. Annually review the performance of the CEO.

5. Approve stock option grants and other incentives for executive officers under the Company's various incentive plans and review and approve other matters as required by the plans.

6. Elect corporate officers (other than the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, and the Chief Financial Officer) and nominate, for election by the Board, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, if any, and the Chief Financial Officer and members of Board-appointed committees, including proposed chairmen, and approve plan trustees.

7. Periodically review fees and benefits of non-management directors and make recommendations as required to the Board, such review to take place at least every three years.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Function

The function of the Nominating and Corporate Governance Committee is (i) to assist the Board by identifying individuals qualified to become Board members; (ii) to assist the Board in filling vacancies on the Board; (iii) to recommend to the Board director nominees for each Board committee; (iv) to develop and recommend to the Board a set of effective Corporate Governance Guidelines and a Code of Conduct; and (iv) to monitor, oversee and review compliance with these Corporate Governance Guidelines and the Code of Conduct.

Duties

1. Annually recommend a slate of directors for nomination by the Board to the stockholders.

2. Recommend to the Board new directors for election by the Board to fill vacancies or as additions to the Board.

3. Review periodically the performance of the Board (including its composition, and organization) and make appropriate recommendations for improving performance. Review the performance of directors proposing to stand for re-election. Make recommendations to the Board relative to any resignations tendered by directors due to change of duties.

4. Assist in the recruiting of directors, including recruiting and evaluation of executives recruited or promoted to positions eligible for Board membership.

5. Make recommendations to the Board regarding this policy on the composition and function of the Board.

6. Generally advise the Board on Corporate Governance matters.

EXHIBIT B

DIRECTORS' FEES

Annual Retainer (payable quarterly)	$30,000
Annual Stock Option Grant	5,000 shares
Initial Stock Option Grant (one-time grant) upon joining Board	10,000 shares
Per Meeting Fee for Special Board Meetings, including Telephonic Board Meetings	$ 1,500

These fees do not apply to management directors. Annual Stock Option Grants are subject to one year vesting. Initial Stock Option Grants vest over 4 years.

COMMITTEE FEES

Annual Retainer for Committee Chair (payable quarterly)	$12,500 ($15,000 for Audit Committee)
Annual Retainer (payable quarterly)	$ 7,500 ($10,00 for Audit Committee)

EXHIBIT C

DEFERRAL PROGRAM

The Company maintains the Directors' Unfunded Deferral Compensation Plan. This Plan allows for the deferral of directors' cash compensation until retirement or resignation.

EXHIBIT 99.3

GAYLORD ENTERTAINMENT COMPANY
NOMINATING COMMITTEE CHARTER

PURPOSE

The Nominating Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Gaylord Entertainment Company (the "Company") (i) to assist the Board, on an annual basis, by identifying individuals qualified to become Board members, and to recommend to the Board the director nominees for the next annual meeting of stockholders; (ii) to assist the Board in the event of any vacancy on the Board by identifying individuals qualified to become Board members, and to recommend to the Board qualified individuals to fill any such vacancy; (iii) to recommend to the Board, on an annual basis, director nominees for each Board committee; (iv) to develop and recommend to the Board a set of effective corporate governance policies and procedures applicable to the Company ("Corporate Governance Guidelines") and a Code of Business Conduct and Ethics applicable to the officers, directors and employees of the Company (the "Code of Conduct"); and (v) to monitor, oversee and review compliance by the Company's directors, officers and employees with the Corporate Governance Guidelines, Code of Conduct and any other applicable policies of the Company as the Committee or the Board deems necessary or desirable.

COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three members, each of whom shall be a director of the Company. Each member of the Committee shall meet the independence listing standards of the New York Stock Exchange and all other applicable legal requirements1. The Committee will also consider the absence or presence of material relationships with the Company which might impact independence. The Committee shall report to the Board. Members shall be appointed and removed by the Board.

The Committee's chairperson shall be designated by the full Board, or if it does not so do, the Committee members shall elect a Chairman by vote of a majority of the full Committee. The chairperson of the Committee will preside at each meeting and, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The chairperson of the Committee shall ensure

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1 The NYSE [PROPOSED] listing standards define an "independent director" as a director (i) who the Board of Directors affirmatively determines has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company); (ii) who has not been an employee for the Company for at least five years; (iii) who is not, or in the past five years has not been, affiliated or employed by a (present or former) auditor of the Company (or of an affiliate) for at least five years; (iv) who is not, or in the past five years has not been, part of an interlocking directorate in which an executive officer of the Company serves on the compensation committee of another company that employs the director; and (v) who has immediate family members that have satisfied the foregoing five-year "cooling-off" periods.

that the agenda for each meeting is circulated to each Committee member in advance of the meeting. A majority of the members of the Committee shall constitute a quorum.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

1. The Committee shall have the responsibility to develop and recommend criteria for the selection of new directors to the Board, including, but not limited to diversity, age, skills, experience, time availability (including the number of other boards he or she sits on in the context of the needs of the Board and the Company) and such other criteria as the Committee shall determine to be relevant at the time. The Committee shall have the power to apply such

criteria in connection with the identification of individuals to be board members, as well as to apply the standards for independence imposed by the Company's listing agreement with the New York Stock Exchange and all applicable federal laws in connection with such identification process. When vacancies occur or otherwise at the direction of the Board, the Committee shall actively seek individuals whom the Committee determines meet such criteria and standards for recommendation to the Board.

2. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms, at the Company's expense.

3. The Committee shall recommend to the entire Board, at least annually, a process for evaluating the performance of management and the Board.

4. The Committee shall recommend to the Board, on an annual basis, nominees for election as directors for the next annual meeting of shareholders.

5. The Committee shall recommend to the Board the nominees for appointment to Committees of the Board on at least an annual basis.

6. The Committee shall develop and recommend to the Board the Corporate Governance Guidelines applicable to the Company, and review and reassess the adequacy of such guidelines annually and recommend to the Board any changes deemed appropriate.

7. The Committee shall develop and recommend to the Board the Code of Conduct applicable to the Company, and review and reassess the adequacy of such code annually and recommend to the Board any changes deemed appropriate.

8. The Committee shall monitor, oversee and review compliance with the Corporate Governance Guidelines, Code of Conduct and any other applicable policies of the Company; provided, however, that monitoring of compliance with provisions of the Code of Conduct that relate to accounting disclosures and regulations of the SEC or the NYSE, or misrepresentations of or omissions from financial statements or related financial information shall be referred to the Company's Audit Committee for action.

9. The Committee shall serve as the initial reviewing council for allegations of violations of the Code of Conduct or requests for waivers of the provisions of the Code of

Conduct by an executive officer or director of the Company; provided, however, that the initial review of allegations of violations of or request for waiver of the provisions of the Code of Conduct that relate to accounting disclosures and regulations of the SEC or the NYSE, or misrepresentations of or omissions from financial statements or related financial information shall be referred to the Company's Audit Committee for action.

10. The Committee shall make recommendations to the Board about responses to communications with regulatory authorities and agencies arising out of inquiries and/or investigations relating to the Code of Conduct and the Company's Insider Trading Policy, and applicable state and federal laws, to the extent the Committee deems necessary or appropriate. Issues relating to inquiries or investigations regarding the quality of financial reports filed by the Company with the SEC or otherwise distributed to the public shall be referred to the Audit Committee for action.

11. The Committee shall generally advise the Board (as a whole) on corporate governance matters.

12. The Committee may form and delegate authority to subcommittees or members when appropriate.

13. The Committee shall make regular reports to the Board.

14. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance.

15. The secretary for the Committee shall be the Company's Corporate Secretary.

COMMITTEE ACCESS, RESOURCES AND RELIANCE

1. In carrying out its responsibilities, the Committee shall have access to all the Company's books, records, directors, officers and employees.

2. The Committee shall have the authority to consult with the Company's counsel. It shall also have the authority to employ any other counsel of its selection, at the Company's expense, should the Committee deem it desirable and appropriate to do so.

3. The Committee, and each member of the Committee in his or her capacities as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other employees of the Company, whom such member believes to be reliable and competent in the matters presented and (ii) counsel, public accountants or other persons as to matters which the member believes to be within the professional competence of such person.

WRITTEN AFFIRMATION

Once each year the Committee shall provide the Company through the Board, and, if required by applicable law, the Company shall provide to the SEC and to the NYSE, written confirmation regarding:

1. Any determination that the Board has made regarding the independence of directors who are members of the Committee or any other Board committees;

2. Any determination that the Board has made regarding adherence to, or deviation from, the Corporate Governance Guidelines, Code of Conduct, or other corporate governance policies; and

3. The annual review and reassessment of this Charter, the Corporate Governance Guidelines and the Code of Conduct.

EXHIBIT 99.4

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 Gaylord Entertainment Company (the "Company") on Form 10-K for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David C. Kloeppel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David C. Kloeppel

David C. Kloeppel
Chief Financial Officer
March 24, 2003

EXHIBIT 99.5

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 Gaylord Entertainment Company (the "Company") on Form 10-K for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Colin V. Reed, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Colin V. Reed

Colin V. Reed
Chief Executive Officer
March 24, 2003