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, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM ____________ TO ____________

COMMISSION FILE NO. 1-13079

(GAYLORD ENTERTAINMENT LOGO)

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

DELAWARE (State or other jurisdiction of incorporation or organization)	73-0664379 (I.R.S. employer identification number)
ONE GAYLORD DRIVE, NASHVILLE, TENNESSEE (Address of principal executive offices)	37214 (Zip Code)

Registrant's telephone number, including area code (615) 316-6000

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

COMMON STOCK -- $.01 PAR VALUE (Title of Class)	NEW YORK STOCK EXCHANGE (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. [ ]

As of March 18, 1998, 32,802,584 shares of Common Stock were 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 March 18, 1998 was approximately $699,835,000. 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 Proxy Statement for the Annual Meeting of Stockholders to be held May 8, 1998 are incorporated by reference into Part III of this Form 10-K.

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GAYLORD ENTERTAINMENT COMPANY

1997 FORM 10-K ANNUAL REPORT

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PART I

ITEM 1. BUSINESS

INTRODUCTION AND HISTORY

Gaylord Entertainment Company (the "Company" or "New Gaylord") is a diversified entertainment company emphasizing family values and its country music roots, operating principally in three industry segments: (i) hospitality and attractions; (ii) broadcasting and music; and (iii) cable networks.

The Company traces its origins to a newspaper publishing business founded in 1903 in the Oklahoma Territory by a group including the Gaylord and Dickinson families. In 1928, the Company entered the radio broadcasting business and, in 1949, expanded its broadcasting interests to include television stations. The Company currently owns a television station that is affiliated with the CBS television network and three radio stations. See "-- Broadcasting and Music."

In 1983, the Company acquired Opryland USA, an interrelated group of businesses tracing their origins to the Grand Ole Opry music radio show created in 1925, which has become the cornerstone of the company's hospitality and attractions businesses. Opryland USA has developed an entertainment and convention/resort complex in Nashville, Tennessee, that is anchored by the Opry House (the current home of the Grand Ole Opry), the Opryland Hotel, which is one of the nation's largest convention/resort hotels, and, until the end of 1997, the Opryland theme park. Beginning in 2000, the former Opryland theme park site will be home to Opry Mills, a $200 million entertainment/retail complex to be built in partnership with The Mills Corporation. See "-- Hospitality and Attractions."

Also in 1983, Opryland USA entered the cable networks business by launching The Nashville Network ("TNN"), a cable network with a national audience featuring country lifestyles, entertainment, and sports, and, in 1991, the Company acquired a 67% interest in Country Music Television ("CMT"), a cable network with a 24-hour country music video format. From the date of TNN's formation and CMT's acquisition until the CBS Merger (described below), TNN and CMT were marketed by Westinghouse Electric Corporation, now known as CBS Corporation ("CBS"), through certain of CBS's divisions and subsidiaries, and an affiliate of CBS owned the remaining 33% interest in CMT. The Company subsequently expanded CMT outside the U.S. and the first of the CMT International cable networks was launched in Europe in 1992. CMT International, which programs primarily country music videos, was later expanded into Asia and the Pacific Rim, as well as Latin America. In 1994, the Company acquired an option to purchase 95% of the outstanding common stock of Z Music, a cable network currently featuring contemporary Christian music videos. The Company currently manages the operations of Z Music. In January 1997, New Gaylord's predecessor acquired the assets of Word Entertainment ("Word"), one of the largest contemporary Christian music companies in the world. See "-- Cable Networks" and "-- Broadcasting and Music."

Prior to September 30, 1997, New Gaylord was a wholly owned subsidiary of its former parent, which was then known as Gaylord Entertainment Company ("Old Gaylord"). On October 1, 1997, Old Gaylord consummated a transaction with CBS and G Acquisition Corp., a wholly owned subsidiary of CBS ("Sub"), pursuant to which Sub was merged (the "CBS Merger") with and into Old Gaylord, with Old Gaylord continuing as the surviving corporation and a wholly owned subsidiary of CBS. Prior to the CBS Merger, Old Gaylord was restructured (the "Restructuring") by transferring its assets and liabilities, other than TNN and CMT (U.S. and Canadian operations), and certain other related assets and liabilities (the "Cable Networks Business"), to New Gaylord and its subsidiaries. Following the Restructuring, on September 30, 1997, Old Gaylord distributed (the "Distribution") pro rata to its stockholders all of the outstanding capital stock of New Gaylord. In connection with these transactions, New Gaylord and Old Gaylord entered into various agreements relating to the future relationship between New Gaylord and Old Gaylord (as a subsidiary of CBS) after the CBS Merger (the "CBS Transitional Agreements"), the net cost of which, if any, is expected to be immaterial to New Gaylord. Immediately following the CBS Merger, New Gaylord changed its name to Gaylord Entertainment Company.

Unless the context otherwise requires, references in this Annual Report on Form 10-K to the "Company" for periods prior to the Distribution are to Old Gaylord.

HOSPITALITY AND ATTRACTIONS

The Company's hospitality and attractions operations consist primarily of an interrelated group of businesses including the Grand Ole Opry, the Opryland Hotel, the Wildhorse Saloon, the Ryman Auditorium, the General Jackson (an entertainment showboat), and other related businesses. See Note 14 to the Company's Consolidated Financial Statements for the amounts of revenues, operating income, and identifiable assets attributable to the Company's hospitality and attractions operations.

Convention/Resort Hotel Operations

The Opryland Hotel. The Opryland Hotel, situated on approximately 120 acres in the Opryland complex, is the seventh largest hotel in the United States in terms of number of guest rooms and has more exhibit space per room than any other convention hotel in the world. The Opryland Hotel attracts convention business, which accounted for approximately 80% of the hotel's revenues in each of 1997, 1996, and 1995, from major trade associations and corporations. It also serves as a destination resort for vacationers seeking accommodations in close proximity to the Grand Ole Opry and the Springhouse Golf Club, as well as to other attractions in the Nashville area. The Company believes that the ambience created at the Opryland Hotel by combining a state of the art convention facility, live musical entertainment, and old-fashioned Southern hospitality and charm are factors that differentiate it from other convention/resort hotels.

The following table sets forth information concerning the Opryland Hotel for each of the five years in the period ended December 31, 1997.

	YEARS ENDED DECEMBER 31,				
	1997	1996	1995	1994	1993
Average number of guest rooms	2,866	2,613	1,907	1,878	1,891
Occupancy rate	85.4%	84.7%	87.5%	87.9%	85.5%
Average room rate	$ 135.03	$ 131.21	$ 132.99	$ 130.15	$ 126.27
Food and beverage revenues (in thousands)	$ 76,408	$ 59,904	$ 50,418	$ 48,694	$ 46,870
Total revenues (in thousands)	$231,354	$196,226	$153,062	$147,049	$140,573

To serve conventions, the Opryland Hotel has 2,883 guest rooms, four ballrooms with approximately 123,900 square feet, 85 banquet/meeting rooms, and total dedicated exhibition space of approximately 289,000 square feet. In addition to extensive convention facilities, the Opryland Hotel features the Delta, a 4.5 acre atrium containing a New Orleans street scene with shops; a 1.5 acre garden conservatory; a 1.5 acre water-oriented interior space called the Cascades; fifteen food and beverage outlets including a food court featuring a variety of cuisines; three swimming pools; and twenty-nine retail shops. In the Delta, hotel guests and visitors can take boat rides on the Delta's indoor river. Live entertainment is featured in the Cascades and in the hotel's restaurants and lounges, and special productions for conventions are often staged in the hotel or on the General Jackson showboat. Springhouse Golf Club, the Company's 18-hole championship golf course, attracts conventions requiring the availability of golf and makes the hotel more attractive to vacationers. The Springhouse Golf Club also hosts an annual Senior PGA Tour event, the BellSouth Senior Classic at Opryland, which is televised on NBC.

The Opryland Hotel directs its convention marketing efforts primarily to major trade, industry, and professional associations and corporations. The Company believes that the primary factors in successfully marketing the Opryland Hotel to meeting planners have been the reputation of the Opryland Hotel's services and facilities; the Opryland Hotel's ability to offer comprehensive convention services at a single facility; the quality and variety of entertainment and activities available at the hotel and in the Opryland complex generally; and the central location of Nashville within the United States. The Opryland Hotel typically enters into contracts for conventions several years in advance. To date, Opryland Hotel has experienced a minimal number of cancellations. Conventions that cancel are contractually required to pay certain penalties and face

the possible loss of future convention space at the hotel. As of February 28, 1998, convention bookings for the balance of 1998 and for 1999 were for approximately 653,000 and 632,900 guest room nights, respectively, representing approximately 74% and 60%, respectively, of the available guest room nights for such periods, and the hotel had advance convention bookings extending into the year 2018.

The Company also markets the Opryland Hotel as a destination resort through national and local advertising and a variety of promotional activities. As part of its marketing activities, the Company advertises promotional "packages" on TNN and CMT and through other media. Pursuant to the CBS Transitional Agreements, the Company continues to have access to promotional spots on TNN and CMT, consistent with past practices, allowing the Company to promote the Opryland Hotel and other properties on these cable networks for a period of five years. Such promotions include a "Country Winter Celebration," "Spring into Summer," the International Country Music Fan Fair Celebration in June of each year, and "A Country Christmas," which runs each year from early November through Christmas Day. The Country Christmas program has contributed to the hotel's high occupancy rate during the month of December, traditionally a slow period for the hotel industry.

In February 1998, the Company announced the formation of a new hotel management company (the "Opryland Lodging Group") to expand the Opryland Hotel concept to other areas of the country. The Company's strategy is for the Opryland Lodging Group to develop properties to serve meetings and conventions, as does the Opryland Hotel at resort and convention centers across the U.S., as well as explore opportunities to acquire and manage existing properties, provide consulting services and pursue joint ventures with other businesses.

The General Jackson. The General Jackson, a 300-foot, four-deck paddle wheel showboat, operates 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. It is one of many sources of entertainment that the Company makes available to conventions held at the Opryland Hotel and contributes to the Company's revenues from convention participants. During the day it serves primarily tourists visiting the Opryland complex and the Nashville area.

Opry Mills

From 1972 until the end of 1997, the Company operated the Opryland theme park, a musical show park that emphasized live productions of country, rock 'n' roll, gospel, bluegrass, and Broadway show tunes. In November 1997, the Company announced plans to close the Opryland theme park, and to develop Opry Mills, a $200 million entertainment/retail complex, in partnership with The Mills Corporation. The new 1.1 million square foot Opry Mills retail complex is expected to enhance the Opryland properties, which will consist of the Company's five existing entertainment areas -- the Opryland Hotel, the Grand Ole Opry and Opry Plaza, the redeveloped Opryland theme park area, the General Jackson, and the broadcast area of the Opryland complex, which will continue to house CBS's TNN and CMT cable networks. Unlike the Opryland theme park which operated full-time only in the summer, part-time during the Christmas season, and on weekends in the spring and autumn, Opry Mills will provide shopping, entertainment, and dining experiences to visitors of the Company's existing properties on a year-round basis. The Company currently expects that Opry Mills will open in the spring of 2000.

Country Music Entertainment

The Grand Ole Opry. The Grand Ole Opry, the most widely known platform for country music in the world, is a live country music show with performances every Friday and Saturday night and frequent summer matinees. The Opry House, home of the Grand Ole Opry, is located in the Opryland complex. The show is radio broadcast by WSM-AM every Friday and Saturday night from the Opry House, and TNN telecasts a 30-minute live segment every Saturday night. Pursuant to the CBS Transitional Agreements, this live segment of the Grand Ole Opry will continue to be shown on TNN for at least five years. The show has been radio broadcast since 1925 on WSM-AM, making it the longest running live radio program in the world.

The Grand Ole Opry currently has 70 performing members who are stars or other notables in the country music field. Members perform at the Grand Ole Opry and there are no financial inducements attached to membership in the Grand Ole Opry other than the prestige associated with membership. In addition, the Grand Ole Opry presents performances by many other country music artists. Members include traditional favorites such as Loretta Lynn and George Jones along with contemporary artists like Garth Brooks, Vince Gill, and Reba McEntire. The following is a list of the current members of the Grand Ole Opry (including year of membership).

MEMBERS OF THE GRAND OLE OPRY

Bill Anderson-1961	Emmylou Harris-1992	Ray Pillow-1966
Ernie Ashworth-1964	Jan Howard-1971	Charley Pride-1993
Clint Black-1991	Alan Jackson-1991	Jeanne Pruett-1973
Garth Brooks-1990	Stonewall Jackson-1969	Del Reeves-1966
Jim Ed Brown-1963	Jim & Jesse-1964	Riders In The Sky-1982
Bill Carlisle-1953	George Jones*-1969	Johnny Russell-1985
Roy Clark-1987	Hal Ketchum-1994	Jeannie Seely-1967
Jerry Clower-1973	Alison Krauss-1993	Ricky Van Shelton-1988
John Conlee-1981	Hank Locklin-1960	Jean Shepard-1955
Wilma Lee Cooper-1957	Charlie Louvin-1955	Ricky Skaggs-1982
Skeeter Davis-1959	Patty Loveless-1988	Connie Smith-1971
Little Jimmy Dickens*-1948	Loretta Lynn*-1962	Mike Snider-1990
Joe Diffie-1993	Barbara Mandrell-1972	Hank Snow*-1950
Roy Drusky-1958	Martina McBride-1995	Marty Stuart-1992
Holly Dunn-1989	Mel McDaniel-1986	Randy Travis-1986
The 4 Guys-1967	Reba McEntire-1986	Travis Tritt-1992
Larry Gatlin & The Gatlin	Ronnie Milsap-1976	Porter Wagoner-1957
Brothers Band-1976	Lorrie Morgan-1984	Billy Walker-1960
Don Gibson-1958	Jimmy C. Newman-1956	Charlie Walker-1967
Vince Gill-1991	The Osborne Brothers-1964	Steve Wariner-1996
Billy Grammer-1959	Bashful Brother Oswald-1995	The Whites-1984
Jack Greene-1967	Dolly Parton-1969	Teddy Wilburn-1953
Tom T. Hall-1980	Johnny PayCheck-1997	Boxcar Willie-1981
George Hamilton IV-1960	Stu Phillips-1967	

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* Members of the Country Music Hall of Fame.

The Opry House, which was built in 1974 to replace the Ryman Auditorium as the home of the Grand Ole Opry, contains a 45,000 square foot auditorium with 4,400 seats, a television production center that includes a 300-seat studio as well as 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 for 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 the Opryland Hotel for convention entertainment and events. Pursuant to the CBS Transitional Agreements, TNN and CMT will have access to and use of the Opry House and certain other properties owned by the Company for the next five years.

The Wildhorse Saloon. Since 1994, the Company has owned and operated the Wildhorse Saloon, a country music dance club on historic Second Avenue in downtown Nashville. The three-story, 56,000 square-foot facility includes a 3,000 square foot dance floor, a 190-seat restaurant and banquet facility, and a 15 x 22 foot television screen featuring, among other things, country music videos. The club also has a broadcast-ready stage and facilities to house mobile production units from which broadcasts of live concerts may be distributed nationwide. The Company also owns 51% of a joint venture with Levy Restaurants Group ("Levy"), which was established to expand the Wildhorse Saloon concept beyond Nashville to major, high-profile tourism

cities around the country. Levy provides restaurant management expertise and oversees day-to-day operations, site selections, and lease negotiations for the restaurants. In August 1997, the Company and Levy announced the first such Wildhorse Saloon expansion at the Walt Disney Resort at Downtown Disney Pleasure Island near Orlando, Florida. The planned two-level 27,000 square foot entertainment venue and restaurant is expected to open during 1998. Pursuant to the CBS Transitional Agreements, the Wildhorse Saloon will continue to receive exposure and promotion on TNN for a period of five years, including the airing of four shows annually on TNN to originate from the Wildhorse Saloon.

Ryman Auditorium. In 1994, the Company re-opened the renovated Ryman Auditorium, the former home of the Grand Ole Opry, for concerts and musical productions, including musicals produced by the Company such as "Always . . . Patsy Cline" and "Lost Highway," a tribute to the life and music of Hank Williams. In 1998, the Ryman Auditorium will open a new production called "Bye Bye Love," based on the lives and music of the Everly Brothers. The Ryman Auditorium, built in 1892, is listed on the National Register of Historic Places and seats approximately 2,100. Recent performers at the Ryman Auditorium include James Brown, Shawn Colvin, Bob Dylan, Amy Grant, Lyle Lovett, Ricky Skaggs, and Bruce Springsteen.

BROADCASTING AND MUSIC

The Company's broadcasting and music operations during 1997 consisted primarily of two television stations, three radio stations, Word and the Opryland Music Group ("OMG"). In March 1997 the Company acquired Blanton Harrell Entertainment and in June 1997 the Company sold its Seattle-area television station. See Note 14 to the Company's Consolidated Financial Statements for the amounts of revenues, operating income, and identifiable assets attributable to the Company's broadcasting and music operations.

KTVT

The Company has been engaged in television broadcasting since 1949, at one time owning as many as seven television stations. As of December 31, 1997, the Company owned and operated one television station: KTVT, in Dallas-Fort Worth, Texas, which has been affiliated with the CBS television network since 1995. In June 1997, the Company consummated the sale of KSTW in Seattle-Tacoma, Washington, also affiliated with the CBS television network, for $160 million in cash.

As of November 1997, based on the Nielsen Station Index produced by the A.C. Nielsen Company ("Nielsen"), KTVT, broadcasting on channel 11, was the fourth ranked station, out of 13 commercial stations, in the Dallas-Fort Worth Designated Market Area ("DMA"), which is an exclusive geographic area consisting of all counties in which the local stations receive a preponderance of total viewing hours. The Dallas-Fort Worth DMA, consisting of 1.9 million television households, is the eighth largest DMA in the United States. KTVT's broadcast license issued by the Federal Communications Commission (the "FCC") expires in August 1998, but is expected to be renewed. See "-- Regulation and Legislation."

KTVT has historically generated revenues from local, regional, and national spot advertising. The majority of local, regional, and national spot advertising contracts are short-term, generally running for only a few weeks. Advertising rates charged by a television station are based primarily upon the demographics and number of television households in the area served by the station, as well as the station's ability to attract audiences as reflected in surveys made by Nielsen. DMA data, which is published by Nielsen, is a significant factor in determining television advertising rates. Rates are highest during the most desirable viewing hours (generally between 5:00 p.m. and midnight). The rates for local and national advertising are determined by KTVT. Local advertising spots are sold by KTVT's sales personnel and national advertising spots are sold by HRP, Inc., the national advertising sales agent for KTVT. Pursuant to an affiliation agreement with CBS, KTVT receives cash compensation and network programming from CBS (which represents the majority of the programming for KTVT). In turn, the affiliation agreement entitles CBS to a portion of the advertising spots on KTVT.

Radio Stations

WSM-AM and WSM-FM. The Company's radio stations WSM-AM and WSM-FM commenced broadcasting in 1925 and 1967, respectively. The Company's involvement 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 has radio broadcast studios in the Opryland Hotel and at the Wildhorse Saloon.

WWTN-FM. In 1995, New Gaylord acquired the assets of radio station WWTN-FM, operated out of Nashville, Tennessee, which has a news/talk/sports format.

Music

Word Entertainment. Word is one of the largest contemporary Christian music companies in the world, with six recording labels featuring artists such as Amy Grant, Shirley Caesar, Sandi Patty, Point of Grace, and Jaci Velasquez. Other significant Word operations include print music and hymnal sales, children's video sales, sales of music and video products owned by third parties under various exclusive distribution agreements, and music publishing, including a 40,000 song catalog. Word produces a wide variety of contemporary Christian and inspirational music, including adult contemporary, pop, country, rock, gospel, praise and worship, rap, metal, and rhythm and blues, with an emphasis on positive, inspirational, and family values themes. Word's products are distributed through both the Christian bookstore market by its own dedicated sales force and other mainstream retail stores through its distribution agreement with Epic Records. In addition, Word produces acoustical and instrumental entertainment recordings for distribution through the mass market and sells its product line directly to churches and related educational institutions.

In March 1997, the Company acquired Blanton Harrell Entertainment, an international management company which, together with Word and Z Music, anchor New Gaylord's family values entertainment offerings. Blanton Harrell Entertainment manages primarily Christian music artists, including Word artist Amy Grant, the top-selling contemporary Christian music artist of all time, Michael W. Smith, and Gary Chapman.

Opryland Music Group. OMG is primarily engaged in the music publishing business and owns one of the world's largest catalogs of copyrighted country music songs. The OMG catalog also includes popular music, with songs of legendary writers such as Hank Williams, Pee Wee King, Roy Orbison, and Don and Phil Everly. Songs in the OMG catalog have accumulated more country "Song of the Year" awards from the major performing rights organizations than the songs of any other publisher, and the OMG catalog contains at least 70 songs that have been publicly performed over a million times. Standards such as "Oh, Pretty Woman," "Blue Eyes Cryin' in the Rain," and "When Will I Be Loved" are included in the roster of OMG songs. In addition to commercially recorded music, OMG issues licenses for the use of its songs in films, plays, print, commercials, videos, cable, and television. In addition to its U.S.-based business, through various subsidiaries and sub-publishers OMG collects a significant percentage of royalties on licenses granted in a number of foreign countries.

CABLE NETWORKS

Following the CBS Merger, the Company's cable networks operations consist primarily of CMT International and the management of Z Music. See Note 14 to the Company's Consolidated Financial Statements for the amounts of revenues, operating income, and identifiable assets attributable to the Company's cable networks operations.

CMT International. In October 1992, the Company launched CMT International in Europe. CMT International expanded its reach to include portions of Asia and the Pacific Rim, including Australia and New

Zealand, with the launch of a second cable network in 1994. In 1995, CMT International launched its third cable network in Latin America. The programming for CMT International currently consists primarily of country music videos. At December 31, 1997, CMT International had 7.4 million subscribers. In February 1998, the Company announced its plans to expand the operations of CMT International in Asia and the Pacific Rim and Latin America and to cease 24-hour operations in Europe. The Company currently expects to halt its CMT Europe satellite feed on March 31, 1998. At December 31, 1997, CMT Europe accounted for approximately 5.9 million subscribers. The Company is currently exploring programming opportunities in selected European markets, including the potential for block programming through existing cable channels.

Z Music. In 1994, the Company entered into an agreement to manage Z Music in exchange for an option to purchase 95% of Z Music's outstanding capital stock. Z Music is a cable network featuring contemporary Christian music videos. Z Music's video programming covers a spectrum of musical styles, ranging from inspirational, country and rock videos to spiritual music videos with more overt Christian messages. The Z Music network also programs music news and artists' interviews, featuring artists with strong convictions and a passion for their message. Z Music has recently expanded its programming to include positive, uplifting music by artists that are not necessarily categorized as Christian. The Company anticipates that it will exercise its option to purchase Z Music in 1998.

ADDITIONAL INTERESTS

Bass Pro Shops. In 1993, the Company purchased a minority interest in a partnership that owns and operates Bass Pro Shops, a leading retailer of premium outdoor sporting goods and fishing tackle. Bass Pro Shops serves its customers through an extensive mail order catalog operation, a 185,000-square-foot retail center in Springfield, Missouri, and additional retail stores in Atlanta, Georgia, Gurnee, Illinois (near Chicago) and Islamorada, Florida. Bass Pro Shops has announced plans to build three additional stores, including one to be located in the new Opry Mills complex. The partnership also owns a two-thirds interest in Tracker Marine, a manufacturer of fiberglass and aluminum fishing boats, which are sold through the Bass Pro Shops catalogs and by means of wholesale distribution to authorized dealers. The Company's properties are featured in the approximately 40 million Bass Pro Shops catalogs published annually. The Company also provides hotel consulting services to Bass Pro Shops' Big Cedar Lodge, a 1,250 acre resort development on Table Rock Lake located in the Ozark Mountains in southern Missouri.

Texas Rangers Baseball Club. The Company currently owns a 10% interest in B/R Rangers Associates, Ltd., a limited partnership that owns the Texas Rangers major league baseball club. In January 1998, B/R Rangers Associates, Ltd. agreed to sell the Texas Rangers and certain other assets to Hicks, Inc. for consideration valued at approximately $250 million. The sale is subject to the approval of Major League Baseball.

COMPETITION

Hospitality and Attractions

The Company's hospitality and attractions operations compete with all other forms of entertainment, lodging, and recreational activities. In addition to the competitive factors outlined below for each of the Company's businesses within the hospitality and attractions segment, the success of the hospitality and attractions segment is dependent upon certain factors beyond the Company's control including economic conditions, amount of available leisure time, transportation costs, public taste, and weather conditions.

The Opryland Hotel competes with other hotels throughout the United States and abroad, including many hotels operated by companies with greater financial, marketing, and human resources than the Company. Principal factors affecting competition within the convention/resort hotel industry include the hotel's reputation, quality of facilities, location and convenience of access, price, and entertainment. The hotel business is management and marketing intensive, and the Opryland Hotel competes with other hotels throughout the United States for high quality management and marketing personnel. Although the Opryland Hotel has historically enjoyed a relatively low rate of turnover among its managerial and marketing personnel, there can be no assurance that it will continue to be able to attract and retain high quality employees with

managerial and marketing skills. The hotel also competes with other employers for non-managerial employees in the Middle Tennessee labor market, which recently has had a low level of unemployment. The low unemployment rate makes it difficult to attract qualified non-managerial employees and has been a substantial factor in the high turnover rate among those employees.

Broadcasting and Music

KTVT competes for advertising revenues primarily with television stations serving the Dallas-Fort Worth DMA, including both independent stations and network-affiliated stations. Advertising rates of KTVT are based principally on the size, market share, and demographic profile of its viewing audience. WSM-AM, WSM-FM, and WWTN-FM similarly compete for advertising revenues with other radio stations in the Nashville market on the basis of formats, ratings, market share, and the demographic make-up of their audiences. The Company's television and radio stations also compete with cable networks and local cable channels for both audience share and advertising revenues and with the Internet, radio, newspapers, billboards, and magazines for advertising revenues. Other sources of present and potential competition are prerecorded video cassettes, direct broadcast satellite services, and multi-channel, multi-point distribution services. Management competence and experience, station frequency signal coverage, network affiliation, format effectiveness of programming, sales effort, and level of customer service are all important factors in determining competitive position.

Word competes with numerous other companies that publish and distribute Christian inspirational music, many of which have longer operating histories and certain of which are tax-exempt organizations. Word and Blanton Harrell Entertainment compete with other record and music publishing companies, both Christian and secular, to sign top artists and songwriters, and new talent. The Company's ability to sign and re-sign popular recording artists and successful songwriters depends on a number of factors, including distribution and marketing capabilities, Word's management team, and the royalty and advance arrangements offered.

Cable Networks

CMT International and Z Music compete for viewer acceptance with all forms of video entertainment, including other basic cable services, premium cable services, commercial television networks, independent television stations, and products distributed for the home video markets, in addition to the motion picture industry and other communications, media, and entertainment services. CMT International and Z Music compete with other nationally and internationally distributed cable networks and local broadcast television stations for available channel space on cable television systems, with other cable networks for subscriber fees from cable systems operators, and with all forms of advertiser-supported media for advertising revenues. The Company also competes to obtain creative talents, properties, and market share, which are essential to the success of its cable networks business.

The principal competitive factors in obtaining viewer acceptance, on which cable subscriber fees and advertiser support ultimately depend, are the appeal of the networks' programming focus and the quality of their programming. Music videos constitute substantially all of CMT International's and Z Music's programming. These videos are currently provided to the Company for promotional purposes by record companies and may also be distributed to other programming services as well as to other media.

For a period of five years following the CBS Merger, pursuant to the CBS Transitional Agreements, the Company is prohibited from owning or operating a cable network featuring country music videos or a significant amount of musical, sports, variety, or other entertainment features or series, the theme of which is perceived by the viewing public as "country entertainment." The Company is also prohibited, during such five-year period, from providing, or making available for viewing, "country entertainment" programming on a cable network or an over-the-air broadcast television station. Notwithstanding the foregoing, the Company can own and operate CMT International in any area outside of the United States and Canada, provided that CMT International's programming, other than country music videos, will not primarily consist of programming featuring or related to "country entertainment."

REGULATION AND LEGISLATION

Hospitality and Attractions

The Opryland Hotel is 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 the Opryland Hotel requires a license and is subject to regulation by the applicable state and local authorities. The agencies involved have full 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 the operations of the Company's hospitality and attractions segment.

Broadcasting and Music

Radio and television broadcasting is 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 employment practices of broadcasting stations.

The FCC has adopted rules to implement a provision of the 1996 Communications Act Amendments (the "1996 Amendments") pursuant to which licenses issued for radio renewal applications filed on or after June 1, 1995 and for television renewal applications filed on or after June 3, 1996, will have terms of eight years. (The maximum periods were formerly five years and seven years, respectively.) Television and radio broadcast licenses are renewable upon application to the FCC and in the past usually have been renewed except in rare cases. In a departure from past practice, the 1996 Amendments provide that 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 aware of no reason why its radio and television station licenses should not be renewed.

FCC regulations also prohibit concentrations of media ownership on both the local and national levels. FCC regulations prohibit the common ownership or control of most communications media serving the same market areas (i.e., (i) television and radio ownership; (ii) television and daily newspapers; (iii) radio and daily newspapers; and (iv) television and cable television). Pursuant to the 1996 Amendments, however, the FCC's liberal waiver policy for joint television and radio ownership in the top 25 markets has been expanded to include the top 50 markets. The 1996 Amendments also increase the number of radio stations a single entity may own in the same market area (depending on the number of stations operating in the local radio market), and the FCC is conducting a rulemaking proceeding to consider whether owning more than one television station in the same market area may be permitted. The FCC has also issued a notice of inquiry for the purpose of reevaluating the restriction on radio/newspaper cross ownership. Pursuant to the 1996 Amendments, FCC regulations no longer will limit the total number of television broadcast stations held by any single entity so long as all of the stations under common control do not attain an aggregate national audience reach exceeding 35%, up from the prior cap of 25%, and no more than 12 stations. The 1996 Amendments also eliminated previous limits on the total number of radio stations commonly owned on a national basis. The FCC has amended and is in the process of amending certain of its regulations to implement the 1996 Amendments.

The Communications Act also places certain limitations on alien ownership or control of entities holding broadcast licenses. The Restated Certificate of Incorporation of the Company (the "Restated Certificate") contains a provision permitting the Company to redeem common stock from certain holders if the Board of Directors deems such redemption necessary to prevent the loss or secure the reinstatement of any of its licenses or franchises. The 1996 Amendments have deleted prior restrictions on communications companies having non-citizen officers and directors.

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, including those made by the 1996 Amendments.

Cable Networks

CMT International's programming and uplink services are handled in the United States. Although the operations of the Company's cable networks are not directly subject to regulation, the Cable Television Consumer Protection and Competition Act of 1992 and the regulations thereunder have required cable networks to, in certain instances, lower charges for their programming for certain distributors. Although the recently enacted 1996 Amendments did not have such an effect, any future legislation or regulatory actions that increase rate regulation or effect structural changes on the Company's cable networks could have such an effect. For example, increased rate regulation could, among other things, affect the ability or willingness of cable system operators to establish or retain Z Music as a basic tier cable service.

EMPLOYEES

As of January 3, 1998, the Company had approximately 5,000 full-time and 1,350 part-time and seasonal employees. The Company believes that its relationship with its employees is good.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information regarding executive officers of the Company as of date hereof. All officers serve at the discretion of the Board of Directors.

NAME	AGE	POSITION
Edward L. Gaylord	78	Chairman of the Board
E. K. Gaylord II	40	Vice-Chairman of the Board
Terry E. London	48	Director, President and Chief Executive Officer
Joseph B. Crace	43	Senior Vice President and Chief Financial Officer
Jerry O. Bradley	58	President -- Opryland Music Group
Jack L. Gaines	56	President -- Opryland Hospitality and Attractions Group
Dan E. Harrell	49	President -- Idea Entertainment Group
Carl W. Kornmeyer	45	President -- Communications Group
Jack J. Vaughn	60	Chairman -- Opryland Lodging Group
Robert F. Whittaker	56	President -- Grand Ole Opry
Rod F. Connor, Jr	45	Senior Vice President and Chief Administrative Officer

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

Mr. Edward L. Gaylord served as President and Chief Executive Officer of the Company from 1974 until October 1991, and has served as Chairman of the Board of the Company since October 1991. Mr. Gaylord has been a director of the Company since 1946. Mr. Gaylord is currently the chairman and a director of The Oklahoma Publishing Company ("OPUBCO"). Mr. Gaylord is active in numerous civic and charitable organizations, and is (among others) chairman of the Oklahoma Industries Authority, director and past president (ten years) of the State Fair of Oklahoma, chairman and director of The Oklahoma Medical Research Foundation and chairman and director of the National Cowboy Hall of Fame & Western Heritage Center. Mr. Gaylord is the father of Mr. E. K. Gaylord II and Mrs. Christine Gaylord Everest, both of whom are directors of the Company.

Mr. E. K. Gaylord II has served as Vice-Chairman of the Board of the Company since May 1996 and as a director since 1977. Mr. Gaylord has been the president of OPUBCO since June 1994 and is a director of OPUBCO. He served as executive vice president and assistant secretary of OPUBCO from June 1993 until June 1994. He also owns and operates the Lazy E Ranch in Guthrie, Oklahoma. Mr. Gaylord is a director of the National Cowboy Hall of Fame & Western Heritage Center and is a director of BASSGEC Management Company. Mr. Gaylord is the son of Mr. Edward L. Gaylord and the brother of Mrs. Christine Gaylord Everest, both of whom are directors of the Company.

Mr. London has been the President and Chief Executive Officer and a director of the Company since May 1997. Mr. London was also the acting Chief Financial Officer of the Company until February 1998. Prior to May 1997, Mr. London had served, since March 1997, as Executive Vice President and Chief Operating Officer and, from September 1993 until March 1997, as Senior Vice President and Chief Financial and Administrative Officer of the Company. He served as Vice President and Chief Financial Officer of the Company from October 1991 until September 1993, and has been employed by the Company in various capacities since 1978. Mr. London is a certified public accountant.

Mr. Crace has served as the Senior Vice President and Chief Financial Officer of the Company since February 1998. From June 1997 to February 1998, Mr. Crace was the chief executive officer of Blue Sky Group, Inc., a venture capital firm and a marketing and business development resource for entertainment, sports and health care companies. Prior to founding Blue Sky Group, Inc., Mr. Crace served in various capacities beginning in 1992 at Bob Evans Farms, Inc., a restaurant and consumer products company, including group vice president in charge of speciality products and business development and president and

chief executive officer of its Hickory Specialties, Inc. subsidiary, a manufacturer of barbeque grills and accessories, charcoal briquettes, and liquid smoke.

Mr. Bradley has served as President of Opryland Music Group since September 1993 and, prior to that time, as General Manager of Opryland Music Group since July 1986. Prior to joining Opryland Music Group, Mr. Bradley operated Bradley Productions, an independent production company for three years and worked for RCA Records for 16 years. Mr. Bradley is a director of Logan's Roadhouse, Inc.

Mr. Gaines has served as the President of the Opryland Hospitality and Attractions Group since February 1998. From 1994 until February 1998, Mr. Gaines operated JLG Consulting, a hotel consulting business. From 1993 until 1994, Mr. Gaines was the general manager of La Cantera Resort in San Antonio, Texas. From 1990 until 1993, Mr. Gaines was senior vice president and director of operations for Omni Hotels.

Mr. Harrell has been President of Idea Entertainment, the Company's family entertainment subsidiary, since the Company's March 1997 acquisition of Blanton Harrell Entertainment, an artist management company that manages the careers of several prominent contemporary Christian music artists. For over 17 years prior to such acquisition, Mr. Harrell was co-owner of Blanton Harrell Entertainment.

Mr. Kornmeyer has been President of the Communications Group since October 1997. He served as Senior Vice President of Broadcast and Business Affairs of the Company's broadcasting and cable networks operations from March 1996 until October 1997. He served as Vice President of Business Affairs of the Company's broadcasting and cable networks operations from March 1994 until February 1996, and, from August 1989 through February 1994, he was Executive Director of

Business and Financial Affairs of the Company's broadcasting and cable networks operations.

Mr. Vaughn has been the Chairman of the newly formed Opryland Lodging Group since February 1998. From November 1993 until February 1998, Mr. Vaughn was President of the Opryland Hospitality and Attractions Group. He has served as Vice President of the Company since October 1991 and was the General Manager of the Opryland Hotel from 1975 to November 1993. He has been a member and served on committees of the American Hotel and Motel Association since 1972.

Mr. Whittaker has been the President and General Manager of the Grand Ole Opry since November 1996. From September 1993 until November 1996, Mr. Whittaker served as Vice President of the Grand Ole Opry and Opryland Productions, and from August 1990 until September 1993, he was the General Manager of the Opryland theme park. Mr. Whittaker has been employed by the Opryland USA businesses since 1971.

Mr. Connor has served as the Senior Vice President and Chief Administrative Officer of the Company since December 1997. From February 1995 to December 1997, Mr. Connor was the Vice President and Corporate Controller of the Company. For over three years prior to February 1995, Mr. Connor was the Corporate Controller of the Company. Mr. Connor has been employed by the Opryland USA businesses since 1972.

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 believes that its present facilities for each of its business segments as described below are generally well maintained and currently sufficient to serve each segment's particular needs.

HOSPITALITY AND ATTRACTIONS

The Company owns approximately 800 acres of land in Nashville, Tennessee and the improvements thereon that comprise the Opryland complex. The Opryland complex is comprised of the Opryland Hotel, the former site of the Opryland theme park, the General Jackson showboat's docking facility, the TNN/CMT production and administration facilities, the Opry House, and WSM Radio's offices and studios. The Company also owns the Springhouse Golf Club, an 18-hole golf course situated on approximately 240 acres,

and a 26-acre KOA campground, both of which are located near the Opryland complex. In addition, the Company owns the Ryman Auditorium in downtown Nashville; the Wildhorse Saloon, a dance hall/production facility, on Company property in downtown Nashville; and a 100,000 square foot warehouse in Old Hickory, Tennessee.

BROADCASTING AND MUSIC

The Company owns all of KTVT's business facilities which are comprised of an office and two studios containing an aggregate of approximately 48,000 square feet in Fort Worth, Texas and an additional building of approximately 19,000 square feet in Dallas, Texas containing sales and news operations. KTVT owns its transmitter facilities and tower. In addition, the Company owns the Opryland Music Group building located on Nashville's "Music Row" and adjacent real estate. The Company leases approximately 34,000 square feet on various floors in a Nashville office building, which space is primarily used for Word's executive and administrative offices. These leases expire on various dates ranging from October 1998 to June 2001. Word also leases sales office and warehouse space in Waco, Texas; Richmond, Canada; and Milton Keynes, United Kingdom.

CABLE NETWORKS

The Company owns the 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. Pursuant to the CBS Transitional Agreements, these facilities are being leased to CBS. Master control and satellite uplink operations for CMT Europe and Z Music are also located in the facilities being leased to CBS. The services for the satellite uplink operations are being provided by CBS to the Company pursuant to the CBS Transitional Agreements. CMT International has offices in the executive office building and currently leases its transponders.

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 its 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 Old Gaylord. In 1991, Old Gaylord and OPUBCO, a former subsidiary of Old Gaylord, entered into a distribution agreement (the "OPUBCO Distribution Agreement"), pursuant to which OPUBCO assumed such liabilities and agreed to indemnify Old Gaylord for any losses, damages, or other liabilities incurred by Old Gaylord in connection with such matters. Under the OPUBCO Distribution Agreement, OPUBCO is required to maintain adequate reserves to cover potential Superfund liabilities. In connection with the Restructuring, Old Gaylord assigned its rights under the OPUBCO Distribution Agreement to New Gaylord, and Old Gaylord has a right of subrogation to the Company's right to indemnification from OPUBCO. To date, no litigation has been commenced against the Company, Old Gaylord or OPUBCO with respect to these two Superfund sites.

Although statutorily liable private parties cannot contractually transfer liability so as to render themselves no longer liable, CERCLA permits private parties to indemnify one another against CERCLA liability pursuant to a contract, and to enforce such a contract in an appropriate court. 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 under the OPUBCO Distribution Agreement.

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

Inapplicable.

PART II

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

(a) Market Information

Prior to October 1, 1997, the Company was a wholly owned subsidiary of Old Gaylord. On October 1, 1997, the Company's Common Stock began trading on the New York Stock Exchange under the symbol "GET." The table below lists the high and low sales prices for the Common Stock as reported on the New York Stock Exchange for each full quarterly period since the Common Stock began trading on October 1, 1997.

	HIGH	LOW
Fourth Quarter 1997	$33.25	$28.38
First Quarter 1998 (through March 26)	36.81	29.88

(b) Holders

At March 18, 1998, the approximate number of record holders of the Common

Stock was 3,214.

(c) Cash Dividends

In the fourth quarter of 1997 and the first quarter of 1998, the Company paid a dividend of $.15 per share with respect to its Common Stock. Although the Credit Agreement among the Company and a syndicate of banks with NationsBank of Texas, N.A., acting as agent (the "1997 Credit Facility") does not specifically limit the Company's ability to pay dividends, the 1997 Credit Facility does require the Company to maintain certain financial ratios and minimum stockholders' equity levels, and the Company would be prohibited from paying dividends if it were in default under such 1997 Credit Facility.

ITEM 6. SELECTED FINANCIAL DATA.

The following selected historical financial data for the five years ended December 31, 1997 is derived from the Company's audited consolidated financial statements. The unaudited selected consolidated pro forma income statement data for the years ended December 31, 1997 and 1996 are presented as if the Distribution and the CBS Merger had occurred on January 1, 1996. The unaudited selected consolidated pro forma information does not purport to represent what the Company's results of operations would have been had such transactions, in fact, occurred on such date or to project the Company's financial position or results of operations for any future period. The information in the following table should be read in conjunction with the Company's consolidated financial statements and related notes included herein.

	YEARS ENDED DECEMBER 31,						
	UNAUDITED PRO FORMA(1)		ACTUAL				
	1997	1996	1997(2)(3)	1996	1995	1994	1993
	(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)						
INCOME STATEMENT DATA:							
Revenues:							
Hospitality and attractions...	$346,931	$313,023	$346,931	$313,023	$276,638	$274,494	$243,460
Broadcasting and music........	202,680	102,368	202,680	102,368	148,175	169,538	170,255
Cable networks................	11,921	11,155	276,384	331,767	282,647	243,899	208,869
Total revenues.............	561,532	426,546	825,995	747,158	707,460	687,931	622,584
Operating expenses:							
Operating costs..............	363,369(4)(5)	261,175	511,162(4)(5)	443,236	442,208(4)	427,903	392,151
Selling, general and administrative.............	132,511	95,586	161,280	125,459	115,361	108,624	92,849
Merger costs..................	22,645(6)	--	22,645(6)	--	--	--	--
Restructuring charge..........	13,654(6)	--	13,654(6)	--	--	--	--
Theme park closing charge.....	42,006(7)	--	42,006(7)	--	--	--	--
Depreciation and amortization:							
Hospitality and attractions..............	31,998	28,861	31,998	28,861	21,782	19,041	16,959
Broadcasting and music......	6,945	4,421	6,945	4,421	3,954	3,854	3,936
Cable networks.............	1,763	1,991	10,924	12,406	9,522	7,758	6,608
Corporate..................	3,530	3,168	3,530	3,168	2,828	2,293	1,420
Total depreciation and amortization...........	44,236	38,441	53,397	48,856	38,086	32,946	28,923
Total operating expenses...............	618,421	395,202	804,144	617,551	595,655	569,473	513,923
Operating income (loss):							
Hospitality and attractions...	52,024	45,938	52,024	45,938	40,178	38,254	41,195
Broadcasting and music........	18,056(4)	23,846	18,056(4)	23,846	19,578(4)	37,837	34,107
Cable networks................	(21,875)(5)	(13,379)	56,865(5)	84,884	74,459	63,343	50,869
Corporate.....................	(26,789)	(25,061)	(26,789)	(25,061)	(22,410)	(20,976)	(17,510)
Merger costs..................	(22,645)(6)	--	(22,645)(6)	--	--	--	--
Restructuring charge..........	(13,654)(6)	--	(13,654)(6)	--	--	--	--
Theme park closing charge.....	(42,006)(7)	--	(42,006)(7)	--	--	--	--
Total operating income (loss)....................	(56,889)	31,344	21,851	129,607	111,805	118,458	108,661
Interest expense..............	(26,994)	(18,976)	(27,177)	(19,538)	(4,200)	(1,292)	(1,076)
Interest income...............	23,726	22,904	24,022	22,904	7,011	950	225
Other gains (losses)..........	146,193(8)	74,281(11)	143,532(8)	71,741(11)	(8,264)(12)	(15,579)(12)(14)	1,116
Income from continuing operations before provision (benefit) for income taxes......................	86,036	109,553	162,228	204,714	106,352	102,537	108,926
Provision (benefit) for income taxes........................	(19,788)(9)	35,770	10,792(9)	73,549	40,945	39,477	45,967
Income from continuing operations.................	105,824	73,783	151,436	131,165	65,407	63,060	62,959
Discontinued operations, net of taxes(13)....................	--	--	--	--	42,998	--	(26,905)
Cumulative effect of accounting							

change, net of taxes.........	(7,537)(10)	--	(7,537)(10)	--	--	--	(8,406)(15)
Net income.................	$ 98,287	$ 73,783	$143,899	$131,165	$108,405	$ 63,060	$ 27,648

	YEARS ENDED DECEMBER 31,						
	UNAUDITED PRO FORMA		ACTUAL				
	1997(1)	1996(1)	1997(2)(3)	1996	1995	1994	1993
	(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)						
Income per share:							
Income from continuing operations....................	$ 3.27	$ 2.29	$ 4.68	$ 4.07	$ 2.04	$ 1.98	$ 2.04
Net income.....................	$ 3.04	$ 2.29	$ 4.45	$ 4.07	$ 3.38	$ 1.98	$ 0.90
Income per share, assuming dilution:							
Income from continuing operations....................	$ 3.24	$ 2.26	$ 4.64	$ 4.02	$ 2.01	$ 1.96	$ 2.02
Net income.....................	$ 3.01	$ 2.26	$ 4.41	$ 4.02	$ 3.33	$ 1.96	$ 0.89
Dividends per share............	N/A	N/A	$ 1.05	$ 1.08	$ 0.89	$ 0.71	$ 0.57

	AS OF DECEMBER 31,				
	1997	1996	1995	1994	1993
	(AMOUNTS IN THOUSANDS)				
BALANCE SHEET DATA:					
Total assets...	$1,117,562	$1,182,248	$1,095,812	$1,015,806	$ 915,803
Net assets of discontinued operations (13)..................	--	--	--	214,649	222,830
Total long-term debt, including current portion............	388,397	363,409	340,044	361,894	388,866
Total stockholders' equity.................................	516,224	512,963	419,106	338,606	221,999

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(1) Reflects the unaudited pro forma results of operations as if the CBS Merger had occurred on January 1, 1996.
(2) Includes the results of operations of the Cable Networks Business for the first nine months of 1997. On October 1, 1997, the Cable Networks Business was acquired by CBS in the CBS Merger.
(3) In January 1997, the Company purchased the net assets of Word for approximately $120,000. The results of operations of Word have been included from the date of acquisition.
(4) Includes pretax charges of $11,740 and $13,302 for 1997 and 1995, respectively, for the write-down to net realizable value of certain television program rights.
(5) Includes a pretax charge of $5,000 related to plans to cease the European operations of CMT International effective March 31, 1998.
(6) Pretax merger costs and the pretax restructuring charge are related to the CBS Merger.
(7) Pretax charge related to the closing of the Opryland theme park at the end of the 1997 operating season.
(8) Includes a pretax gain of $144,259 on sale of Tacoma-Seattle television station KSTW.
(9) Includes a deferred tax benefit of $55,000 related to the revaluation of certain reserves as a result of the Restructuring and the CBS Merger.
(10) Reflects the cumulative effect of the change in accounting method for deferred preopening expenses to expense these costs as incurred, effective January 1, 1997, of $12,335, net of a related tax benefit of $4,798.
(11) Includes a pretax gain of $73,850 on sale of Houston television station KHTV.
(12) Includes pretax losses of $5,529 and $26,000 for 1995 and 1994, respectively, to reflect the loss upon the disposal of the Company's 14% limited partnership interest in the Fiesta Texas theme park.
(13) In November 1993, the Company formalized plans to sell its cable television systems segment (the "Systems") and began accounting for the Systems as discontinued operations. The Systems were sold in September 1995 which resulted in a gain of $42,998, net of income taxes of $30,824.

(14) Includes a pretax gain of $10,689 on sale of Milwaukee television station WVTV.
(15) Reflects the adoption of Statement of Financial Accounting Standards No. 106, "Employers' Accounting of Postretirement Benefits Other Than Pensions," which resulted in a charge of $12,736, net of a related tax benefit of $4,330.

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

REORGANIZATION AND CBS MERGER

On October 1, 1997, Old Gaylord consummated a transaction with CBS and Sub, a wholly owned subsidiary of CBS, pursuant to which Sub was merged with and into Old Gaylord, with Old Gaylord continuing as the surviving corporation and a wholly owned subsidiary of CBS. Prior to the CBS Merger, Old Gaylord completed the Restructuring so that certain assets and liabilities that were part of Old Gaylord's hospitality, attractions, music, television, and radio businesses, including all of its long term debt, as well as CMT International and the management of and option to acquire 95% of Z Music, Inc., were transferred to or retained by the Company. As a result of the Restructuring and the CBS Merger, substantially all of the assets of the Cable Networks Business and its liabilities to the extent that they arose out of or related to the Cable Networks Business, were acquired by CBS. The operating results of the Cable Networks Business are included in the consolidated statements of income through September 30, 1997.

On September 30, 1997, Old Gaylord completed the Distribution, on a pro rata basis, of all of the outstanding capital stock of the Company to its stockholders. As a result of the Distribution, each holder of record of the Class A Common Stock, $0.01 par value, and Class B Common Stock, $0.01 par value (collectively, the "Old Gaylord Common Stock"), of Old Gaylord on the record date for the Distribution received a number of shares of Common Stock, $0.01 par value, of the Company equal to one-third the number of shares of Old Gaylord Common Stock held by such holder. Cash was distributed in lieu of any fractional shares of the Company's common stock. All income per share and dividend per share amounts have been restated to reflect the retroactive application of the Distribution.

ACQUISITION OF WORD ENTERTAINMENT

In January 1997, the net assets of Word were purchased by the Company for approximately $120.0 million in cash. The purchase price included approximately $40.0 million of working capital. The acquisition was financed through borrowings under a revolving credit agreement and has been accounted for using the purchase method of accounting. The operating results of Word have been included in the consolidated financial statements from the date of acquisition. The excess of purchase price over the fair values of the net assets acquired was $64.1 million and has been recorded as goodwill, which is being amortized on a straight-line basis over 40 years.

OPRYLAND THEME PARK CLOSING

During 1997, the Company signed a letter of agreement with The Mills Corporation to create a partnership to develop a $200 million entertainment/retail complex located on land previously used for the Opryland theme park. The Company will hold a one-third interest in the partnership. During 1997, the Company recorded a pretax charge of $42.0 million related to the closing of the Opryland theme park at the end of the 1997 operating season. Included in this charge are asset write-downs of $32.0 million related primarily to property, equipment and inventory, estimated costs for employee severance and termination benefits of $5.1 million, and other costs related to the closing of the park of $4.9 million.

RESULTS OF OPERATIONS

The following table contains selected income statement data for each of the three years ended December 31, 1997, 1996 and 1995 (in thousands). The unaudited pro forma data for the years ended December 31, 1997 and 1996 is presented as if the CBS Merger had occurred on January 1, 1996. The table also shows the percentage relationships to total revenues and, in the case of segment operating income, its relationship to segment revenues.

	YEARS ENDED DECEMBER 31,									
	UNAUDITED PRO FORMA				ACTUAL					
	1997	%	1996	%	1997	%	1996	%	1995	%
Revenues:										
Hospitality and attractions.....	$346,931	61.8%	$313,023	73.4%	$346,931	42.0%	$313,023	41.9%	$276,638	39.1%
Broadcasting and music..........	202,680	36.1	102,368	24.0	202,680	24.5	102,368	13.7	148,175	20.9
Cable networks..................	11,921	2.1	11,155	2.6	276,384	33.5	331,767	44.4	282,647	40.0
Total revenues................	561,532	100.0	426,546	100.0	825,995	100.0	747,158	100.0	707,460	100.0
Operating expenses:										
Operating costs.................	363,369	64.7	261,175	61.2	511,162	61.9	443,236	59.3	442,208	62.5
Selling, general and administrative...............	132,511	23.6	95,586	22.4	161,280	19.5	125,459	16.8	115,361	16.3
Merger costs....................	22,645	4.0	--	--	22,645	2.7	--	--	--	--
Restructuring charge............	13,654	2.4	--	--	13,654	1.7	--	--	--	--
Theme park closing charge.......	42,006	7.5	--	--	42,006	5.1	--	--	--	--
Depreciation and amortization:										
Hospitality and attractions...	31,998		28,861		31,998		28,861		21,782	
Broadcasting and music........	6,945		4,421		6,945		4,421		3,954	
Cable networks................	1,763		1,991		10,924		12,406		9,522	
Corporate.....................	3,530		3,168		3,530		3,168		2,828	
Total depreciation and amortization.............	44,236	7.9	38,441	9.0	53,397	6.5	48,856	6.5	38,086	5.4
Total operating expenses....	618,421	110.1	395,202	92.7	804,144	97.4	617,551	82.7	595,655	84.2
Operating income (loss):										
Hospitality and attractions.....	52,024	15.0	45,938	14.7	52,024	15.0	45,938	14.7	40,178	14.5
Broadcasting and music..........	18,056	8.9	23,846	23.3	18,056	8.9	23,846	23.3	19,578	13.2
Cable networks..................	(21,875)	--	(13,379)	--	56,865	20.6	84,884	25.6	74,459	26.3
Corporate.......................	(26,789)	--	(25,061)	--	(26,789)	--	(25,061)	--	(22,410)	--
Merger costs....................	(22,645)	--	--	--	(22,645)	--	--	--	--	--
Restructuring charge............	(13,654)	--	--	--	(13,654)	--	--	--	--	--
Theme park closing charge.......	(42,006)	--	--	--	(42,006)	--	--	--	--	--
Total operating income (loss)......................	$(56,889)	(10.1)%	$ 31,344	7.3%	$ 21,851	2.6%	$129,607	17.3%	$111,805	15.8%

YEAR ENDED DECEMBER 31, 1997, COMPARED TO YEAR ENDED DECEMBER 31, 1996

Revenues

Total Revenues -- Total revenues increased $78.8 million, or 10.6%, to $826.0 million in 1997. The increase was primarily attributable to the acquisition of Word. Excluding the revenues of Word subsequent to the date of the Word acquisition, total revenues decreased $33.4 million, or 4.5%, to $713.7 million in 1997, primarily as a result of the CBS Merger. Revenues of the Cable Networks Business were $264.5 million in 1997 prior to the CBS Merger and $320.6 million in 1996. Excluding the revenues of Word and the Cable Networks Business from 1997 and 1996, total revenues increased $22.7 million, or 5.3%, to $449.3 million in 1997. This increase was primarily attributable to increased revenues in the hospitality and attractions segment, principally the Opryland Hotel, offset in part by decreased revenues in the broadcasting and music segment resulting from the 1997 sale of television station KSTW. On a pro forma basis, assuming the CBS Merger had occurred on January 1, 1996, total revenues in 1997 would have increased $135.0 million, or 31.6%, to $561.5 million.

Hospitality and Attractions -- Revenues in the hospitality and attractions segment increased $33.9 million, or 10.8%, to $346.9 million in 1997. Opryland Hotel revenues increased $35.1 million, or 17.9%, to $231.4 million in 1997, principally due to the hotel expansion. The hotel's occupancy rate increased to 85.4% in 1997 compared to 84.7% in 1996. The hotel sold 862,300 rooms in 1997 compared to 780,300 rooms in 1996, reflecting a 10.5% increase. The hotel's average guest room rate increased to $135.03 in 1997 from $131.21 in 1996. At December 31, 1997, the hotel's advanced bookings were in excess of $1 billion of future revenues at current rates with a significant portion of these advanced bookings relating to the next three years. Opryland theme park revenues decreased $1.5 million in 1997 due primarily to a 6.8% decrease in theme park attendance as compared with 1996. As mentioned above, the Company closed the Opryland theme park at the end of the 1997 operating season.

Broadcasting and Music -- Revenues increased $100.3 million, or 98.0%, to $202.7 million in 1997. The increase was primarily attributable to the acquisition of Word in 1997. Excluding the revenues of Word subsequent to the date of the Word acquisition, total revenues decreased $12.0 million, or 11.7%, to $90.4 million. The decrease results primarily from the June 1997 sale of television station KSTW. Revenues of KSTW were $12.2 million and $25.7 million in 1997 and 1996, respectively.

Cable Networks -- Revenues decreased $55.4 million, or 16.7%, to $276.4 million in 1997. This decrease resulted from the CBS Merger on October 1, 1997. On a pro forma basis, excluding the revenues of the Cable Networks Business from 1997 and 1996, revenues increased $0.8 million, or 6.9%, to $11.9 million. CMT International revenues increased $1.8 million, or 17.8%, to $11.9 million in 1997.

Operating Expenses

Total Operating Expenses -- Total operating expenses increased $186.7 million, or 30.2%, to $804.1 million in 1997, a substantial portion of which was attributable to the acquisition of Word and the nonrecurring charges discussed below. Operating costs, as a percentage of revenues, increased to 61.9% during 1997 as compared to 59.3% during 1996. Selling, general and administrative expenses, as a percentage of revenues, increased to 19.5% in 1997 from 16.8% in 1996. A portion of the increase is also due to corporate operating expenses, consisting primarily of senior management salaries and benefits, legal, human resources, accounting, data processing and other administrative costs, which increased $1.7 million to $26.8 million in 1997. On a pro forma basis, assuming the CBS Merger had occurred on January 1, 1996, total operating expenses in 1997 would have increased $223.2 million, or 56.5%, to $618.4 million.

Operating Costs -- Operating costs increased $67.9 million, or 15.3%, to $511.2 million in 1997. A significant portion of the increase resulted from the operating costs of Word in 1997. Excluding the operating costs of Word subsequent to the date of the Word acquisition, operating costs decreased $0.3 million to $443.0 million in 1997. Excluding the operating costs of the Cable Networks Business from 1997 and 1996 and the operating costs of Word subsequent to the date of the Word acquisition, operating costs increased $34.0 million, or 13.0%, to $295.2 million. During 1997, the Company recorded a nonrecurring charge to operations of $11.7 million for the write-down to net realizable value of certain program rights at television station KTVT. This write-down related primarily to movie packages and certain syndicated programming whose value has been impaired as a result of the operating decision to purchase more first-run programming. In addition, the Company recorded a $5.0 million charge to operations related to its plans to cease the European operations of CMT International effective March 31, 1998. Operating costs increased $20.0 million during 1997 at the Opryland Hotel, primarily as a result of the hotel expansion, and increased $3.6 million during 1997 at CMT International. These increases were offset by a decrease of $9.9 million related to the 1997 sale of television station KSTW. On a pro forma basis, assuming the CBS Merger had occurred on January 1, 1996, operating costs in 1997 would have increased $102.2 million, or 39.1%, to $363.4 million.

Selling, General and Administrative -- Selling, general and administrative expenses increased $35.8 million, or 28.6%, to $161.3 million in 1997. Excluding the selling, general and administrative expenses of Word subsequent to the date of the Word acquisition, selling, general and administrative expenses increased $2.9 million, or 2.3%, to $128.4 million in 1997. Excluding the selling, general and administrative expenses of the Cable Networks Business from 1997 and 1996 and the selling, general and administrative expenses of

Word subsequent to the date of the Word acquisition, selling, general and administrative expenses increased $3.7 million, or 3.9%, to $99.6 million. The increase for the year was primarily attributable to administrative cost increases of $3.2 million and selling and promotional cost increases of $2.0 million at the Opryland Hotel. This increase was offset by a decrease related to the 1997 sale of television station KSTW of $2.5 million. On a pro forma basis, assuming the CBS Merger had occurred on January 1, 1996, selling, general and administrative expenses in 1997 would have increased $36.9 million, or 38.6%, to $132.5 million.

Merger Costs and Restructuring Charge -- In connection with the CBS Merger, Restructuring and Distribution, the Company recognized nonrecurring merger costs and a restructuring charge in 1997 of $22.6 million and $13.7 million, respectively. Merger costs included professional and registration fees, debt refinancing costs, and incentive compensation associated with the CBS Merger. The restructuring charge included estimated costs for employee severance and termination benefits of $6.5 million, asset write-downs of $3.7 million, and other costs associated with the restructuring of $3.5 million. As of December 31, 1997, the Company had recorded charges of $7.6 million against the restructuring accrual of which $3.0 million represents actual cash expenditures and $4.6 million represents non-cash asset write-downs and other restructuring costs. At December 31, 1997, the restructuring accrual had a remaining balance of $6.1 million, which is included in accounts payable and accrued liabilities in the consolidated balance sheet. The Company expects the restructuring to be completed in the next six months and to be funded from the Company's cash flows from operating activities.

Theme Park Closing Charge -- During 1997, the Company recorded a pretax charge of $42.0 million related to the closing of the Opryland theme park at the end of the 1997 operating season. Included in this charge were asset write-downs of $32.0 million related primarily to property, equipment and inventory, estimated costs for employee severance and termination benefits of $5.1 million, and other costs related to the closing of the park of $4.9 million.

Depreciation and Amortization -- Depreciation and amortization increased $4.5 million, or 9.3%, to $53.4 million in 1997. The increase was primarily attributable to the acquisition of Word. Excluding the depreciation and amortization of Word subsequent to the date of the Word acquisition, depreciation and amortization increased $1.5 million, or 3.0%, to $50.3 million in 1997. Excluding the depreciation and amortization of the Cable Networks Business from 1997 and 1996 and the depreciation and amortization of Word subsequent to the date of the Word acquisition, depreciation and amortization increased $2.7 million, or 7.1%, to $41.2 million. The increase in 1997 is primarily attributable to increased depreciation and amortization expense of $2.9 million related to the expansion of the Opryland Hotel. On a pro forma basis, assuming the CBS Merger had occurred on January 1, 1996, depreciation and amortization expense in 1997 would have increased $5.8 million, or 15.1%, to $44.2 million.

Operating Income

Total operating income decreased $107.8 million to $21.9 million during 1997. Excluding the non-recurring charges related to the write-down of television program rights at television station KTVT, the charge to operations related to CMT International's plan to cease operations in Europe, merger costs and restructuring charge, and the Opryland theme park closing charge, total operating income decreased $12.7 million to $116.9 million. This decrease was primarily attributable to the CBS Merger. The operating income of the Cable Networks Business was $78.7 million and $98.6 million in 1997 and 1996, respectively. Excluding the non-recurring items discussed above, the operating income of the Cable Networks Business in 1997 and 1996 and the operating income of Word subsequent to the date of the Word acquisition, total operating income decreased $1.0 million, or 3.1%, to $30.0 million in 1997. This decrease was primarily attributable to increased operating losses of CMT International offset, in part, by increased operating income of the Opryland Hotel. On a pro forma basis, assuming the CBS Merger had occurred on January 1, 1996, total operating income in 1997 would have decreased $88.2 million to an operating loss of $56.9 million.

Interest Expense

Interest expense increased $7.6 million to $27.2 million in 1997. The increase was attributable to higher average debt levels, due primarily to the financing of the Word acquisition. The Company utilized the net proceeds from the sale of television station KSTW in June 1997 to reduce outstanding indebtedness. The Company's weighted average interest rate on its bank debt and senior notes combined was 6.6% in 1997 compared to 6.9% in 1996. On a pro forma basis, assuming the CBS Merger had occurred on January 1, 1996, interest expense in 1997 would have increased $8.0 million to $27.0 million.

Interest Income

Interest income increased $1.1 million to $24.0 million in 1997. Interest income primarily resulted from noncash interest income earned on a long-term note receivable from the sale of the Systems. On a pro forma basis, assuming the CBS Merger had occurred on January 1, 1996, interest income in 1997 would have increased $0.8 million to $23.7 million.

Other Gains (Losses)

In June 1997, the Company sold KSTW, its Tacoma-Seattle, Washington television station, for $160.0 million in cash. The sale resulted in a pretax gain of $144.3 million, which is included in other gains (losses) in 1997.

In January 1996, the Company sold KHTV, its Houston, Texas television station, for $97.8 million, including certain working capital and other adjustments of approximately $4.3 million. The sale resulted in a pretax gain of $73.9 million which is included in other gains (losses) in 1996.

Income Taxes

The Company's provision for income taxes on income from continuing operations was $10.8 million in 1997 compared to $73.5 million in 1996. During 1997, the Company recorded a deferred tax benefit of $55.0 million related to the revaluation of certain reserves as a result of the Restructuring and CBS Merger. The Company's effective tax rate on its income from continuing operations before provision for income taxes was 6.7% for 1997 compared to 35.9% for 1996.

Accounting Change

Effective January 1, 1997, the Company changed its method of accounting for deferred preopening expenses to expense these costs as incurred. Prior to 1997, preopening expenses were deferred and amortized over five years on a straight-line basis. The Company recorded a $7.5 million charge, net of taxes of $4.8 million, to record the cumulative effect of this accounting change. This change did not have a significant impact on results of operations before the cumulative effect of this accounting change for 1997. On a pro forma basis, this change would have decreased net income by $3.0 million, or $0.09 per share, for the year ended December 31, 1996 and decreased net income by $2.7 million, or $0.08 per share, for the year ended December 31, 1995.

YEAR ENDED DECEMBER 31, 1996, COMPARED TO YEAR ENDED DECEMBER 31, 1995

Revenues

Total Revenues -- Total revenues increased $39.7 million, or 5.6%, to $747.2 million in 1996. The increases were primarily attributable to continued growth in the cable networks segment and increased revenues in the hospitality and attractions segment resulting from the expansion of the Opryland Hotel. The average number of guest rooms at the hotel increased from 1,907 in 1995 to 2,613 in 1996. These increases were partially offset by a decrease in revenues from the broadcasting and music segment due to the sale of a television station in January 1996 and a decline in revenues at the Company's two other television stations.

Hospitality and Attractions -- Revenues in the hospitality and attractions segment increased $36.4 million, or 13.2%, to $313.0 million in 1996. Opryland Hotel revenues increased $43.2 million, or 28.2%, to $196.2 million in 1996, principally because of the hotel expansion. The hotel's occupancy rate decreased to 84.7% in 1996 compared to 87.5% in 1995 because of the additional rooms which became available in 1996. The hotel sold 780,300 rooms in 1996 compared to 587,200 rooms sold in 1995 reflecting a 32.9% increase. The hotel's average guest room rate declined to $131.21 in 1996 from $132.99 in 1995. Opryland theme park revenues decreased $5.4 million in 1996 due primarily to a 5.7% decrease in theme park attendance and a 3.4% decrease in per guest spending as compared with 1995.

Broadcasting and Music -- Revenues decreased $45.8 million, or 30.9%, to $102.4 million in 1996. Broadcasting and music revenues were impacted by the Company's sale of KHTV, a Houston, Texas television station in January 1996. Excluding the operations of KHTV from the 1995 results, broadcasting and music revenues decreased 10.8% in 1996. The decline in broadcasting and music revenues reflected a decrease in advertising inventory available for sale at the Company's Dallas and Seattle-area television stations resulting from their affiliation with the CBS television network. The affiliation with CBS was effective on March 13, 1995 at KSTW and on July 2, 1995 at KTVT. Advertising revenues at KSTW also decreased in 1996 due to a decline in ratings.

Cable Networks -- Revenues increased $49.1 million, or 17.4%, to $331.8 million in 1996. Advertising revenues increased 19.6% during 1996 at TNN. Subscriber revenues at TNN increased 12.2% in 1996 due to an increase in the number of U.S. subscribers to 68.3 million in December 1996 from 64.4 million in December 1995 and increased revenues from satellite customers. Revenues related to the United States distribution of CMT increased 19.3% in 1996 due to growth in both advertising and subscriber revenues. CMT subscribers increased to 37.3 million in December 1996 from 31.7 million in December 1995. CMT International revenues increased to $10.1 million in 1996 from $8.9 million in 1995.

Operating Expenses

Total Operating Expenses -- Total operating expenses increased $21.9 million, or 3.7%, to $617.6 million in 1996. Operating costs, as a percentage of revenues, decreased to 59.3% during 1996 as compared to 62.5% during 1995. Selling, general and administrative expenses, as a percentage of revenues, increased to 16.8% in 1996 from 16.3% in 1995. Total operating expenses for 1995 include operating expenses of KHTV of $30.1 million.

Operating Costs -- Operating costs increased $1.0 million, or 0.2%, to $443.2 million in 1996. During 1995, the Company recorded a nonrecurring pretax charge of $13.3 million for the write-down of certain program rights at the Company's Dallas and Seattle-area television stations. This write-down was primarily related to excess program rights resulting from the affiliations of these stations with CBS. Excluding the effect of the 1995 write-down of program rights and the operating costs of KHTV, operating costs increased $37.8 million, or 9.3%, in 1996. The increase was attributable to operating costs increases of $23.6 million during 1996 at the Opryland Hotel, primarily as a result of the hotel expansion. In addition, increased operating costs were attributable to the continued growth in the cable networks segment, including an $11.6 million increase in CBS commissions at TNN; a $9.3 million increase in programming costs at TNN; a $4.5 million increase in operating costs related to the expansion of CMT International; and a $1.1 million operating cost increase relating to the opening of a chain of racing themed retail stores. These increases were partially offset by a $10.4 million decrease in operating costs during 1996 at KTVT and KSTW due to lower programming costs resulting from their affiliation with CBS; a $3.5 million decrease in operating costs at the Opryland theme park; and a $2.4 million decrease in operating costs of the Nashville On Stage concert series.

Selling, General and Administrative -- Selling, general and administrative expenses increased $10.1 million, or 8.8%, to $125.5 million in 1996. Excluding the selling, general and administrative expenses of KHTV from the 1995 results, selling, general and administrative expenses increased $16.0 million, or 14.7%, in 1996. The increases for the year were primarily attributable to administrative cost increases of $4.8 million at the Opryland Hotel, $3.7 million at TNN and $1.2 million at the Opryland theme park. Selling and promotion costs at CMT and CMT International increased $1.5 million and $1.8 million, respectively. KTVT

and KSTW also had increased selling and promotion costs, which were $1.1 million greater than the corresponding 1995 amounts. In addition, the Company had nonrecurring expenses of $1.1 million during 1996 related to its obligations under an employment agreement with its departing chief operating officer which is included in the increases discussed above.

Depreciation and Amortization -- Depreciation and amortization increased $10.8 million, or 28.3%, to $48.9 million in 1996. The increase was primarily attributable to the expansion of the Opryland Hotel and continued growth in the cable networks segment.

Operating Income

Total operating income increased $17.8 million, or 15.9%, to $129.6 million during 1996. This increase reflected higher operating income in all segments. The hospitality and attractions segment increase was primarily related to greater operating income generated by the Opryland Hotel expansion. The broadcasting and music segment increase resulted from the 1995 write-down of television program rights. Excluding the impact of this write-down, broadcasting and music segment operating income decreased primarily due to the sale of KHTV and the decline in revenues at KSTW as discussed above. The cable networks increase was a result of the continued growth of TNN and CMT offset, in part, by increased operating losses associated with CMT International's expansion. Operating losses of CMT International increased to $13.0 million in 1996 from $7.1 million in 1995.

Interest Expense

Interest expense increased $15.3 million to $19.5 million in 1996. A significant portion of the Company's interest expense for 1995 was attributable to the Systems prior to their sale in September 1995. In accordance with generally accepted accounting principles, such interest was allocated to the Systems and was therefore not included in income from continuing operations. The Company's weighted average interest rate on its bank debt and senior notes combined was 6.9% in 1996 compared to 7.3% in 1995.

Interest Income

Interest income increased $15.9 million to $22.9 million in 1996. This increase primarily resulted from an additional $15.5 million of noncash interest income in 1996 recorded on the long-term note receivable from the sale of the Systems.

Other Gains (Losses)

In January 1996, the Company sold KHTV, its Houston, Texas television station, for $97.8 million, including certain working capital and other adjustments of approximately $4.3 million. The sale resulted in a pretax gain of $73.9 million which is included in other gains (losses) in 1996.

In 1995, the Company recorded a pretax loss of $5.5 million to reflect the loss upon the disposal of its 14% limited partnership interest in the Fiesta Texas theme park. The loss was based on the permanent impairment in the value of the investment and the Company's guarantee on certain indebtedness related to the original construction of Fiesta Texas. The Company paid $13.0 million to transfer its partnership interest and related obligations to a subsidiary of USAA, the majority investor, in January 1996. In connection with the Company's termination of its interest in Fiesta Texas, the Company was released from the loan guarantee.

Income Taxes

The Company's provision for income taxes on income from continuing operations was $73.5 million for 1996 compared to $40.9 million for 1995. The Company's effective tax rate on its income from continuing operations before provision for income taxes was 35.9% for 1996 compared to 38.5% for 1995.

Discontinued Operations

On September 29, 1995, the Company sold the Systems to CCT Holdings Corp. ("CCTH"), an entity jointly owned by investment partnerships affiliated with Kelso & Company, Inc. and by Charter Communications, Inc. ("Charter"), an owner and manager of cable systems. Proceeds from the sale, after a working capital adjustment, consisted of $198.8 million in cash and a 10-year, $165.7 million note (the "Note") with an interest rate of 12% per year which increases to 15% in September 2000 and increases 2% per year thereafter, with principal and interest payable at maturity in 2005. The Note was recorded at $150.7 million, net of a $15.0 million discount. In addition, the Company received the contractual right to 15% of the net distributable proceeds, as defined, from certain future sales by Charter Communications Entertainment, L.P., a newly formed joint venture created to operate cable television systems, to which CCTH contributed certain of the Systems' assets which were purchased from the Company. Immediately prior to the closing of the sale, the Company paid Charter $10.6 million to acquire the remaining 2.9% interest in the Systems.

The Company recorded a gain of $43.0 million, net of tax of $30.8 million, on the sale of the Systems during 1995. The Systems have been accounted for as discontinued operations and, accordingly, the Systems' losses including interest expense (based upon debt that can be specifically attributed to the Systems) subsequent to the November 1993 measurement date were deferred and reflected as a reduction in the gain on the sale of the Systems. The 1995 net loss from discontinued operations prior to the sale of the Systems was $19.5 million, including interest expense of $17.1 million, which was deferred and reflected as a reduction in the gain on the sale of the Systems.

LIQUIDITY AND CAPITAL RESOURCES

Pursuant to the Restructuring, the Company assumed all of Old Gaylord's long-term indebtedness, including Old Gaylord's obligations under a revolving credit facility entered into by Old Gaylord in August 1997 (the "1997 Credit Facility"). The lenders under the 1997 Credit Facility are a syndicate of banks with NationsBank of Texas, N.A. acting as agent (the "Agent"). The maximum amount that can be borrowed under the 1997 Credit Facility is $600 million. The final maturity of the 1997 Credit Facility is July 2002. The 1997 Credit Facility is unsecured and is guaranteed by certain of the Company's subsidiaries.

Amounts outstanding under the 1997 Credit Facility bear interest at a rate, at the Company's option, equal to either (i) the higher of the Agent's prime rate or the federal funds rate plus 0.5%, or (ii) LIBOR plus a margin ranging from 0.4% to 1% depending on the Company's debt ratings or ratio of debt to capitalization. In addition, the Company is required to pay a commitment fee ranging between 0.125% and 0.25% per year, also depending on the Company's debt ratings or ratio of debt to capitalization, on the average unused portion of the 1997 Credit Facility, as well as an annual administrative fee.

The 1997 Credit Facility requires the Company to maintain certain financial ratios and minimum stockholders' equity levels and subjects the Company to limitations on, among other things, mergers and sales of assets, additional indebtedness, capital expenditures, investments, acquisitions, liens, and transactions with affiliates.

Old Gaylord prepaid the remaining $90 million of its outstanding fixed-rate senior notes as well as its $21 million term loan during 1997 by utilizing borrowings under the 1997 Credit Facility.

The purchase of Word for approximately $120 million in 1997 was financed through borrowings under the Company's prior revolving line of credit. The proceeds from the sale of KSTW in 1997 were used to reduce indebtedness. At February 28, 1998, the Company had approximately $192 million in available borrowing capacity under the 1997 Credit Facility.

The Company currently projects capital expenditures of approximately $45 million for 1998. The Company's management believes that the net cash flows from operations, together with the amount expected to be available for borrowing under the 1997 Credit Facility, will be sufficient to satisfy anticipated future cash requirements of the Company on both a short-term and long-term basis.

YEAR 2000

Without programming modifications, certain computer programs will not operate properly when using the two-digits used in date calculations for the year 2000. These computer programs interpret the "00" used in date calculations to represent the year 1900. The Company has assessed its computer systems to determine which computer programs will not operate properly using the year 2000 dates. A plan to correct these programs has been developed and is scheduled to be implemented by the end of 1998. The Company does not expect the year 2000 concerns to have a material adverse effect on its results of operations, financial position or liquidity.

SEASONALITY

Certain of the Company's operations are subject to seasonal fluctuation. Many of the operations in the hospitality and attractions segment operate on a limited basis during the first quarter of the year and conduct most of their business during the summer tourism season. The first calendar quarter is also the weakest quarter for most television and radio broadcasters, including the Company, as advertising revenues are lower in the post-Christmas period. Revenues in the music business are typically weakest in the first calendar quarter following the Christmas buying season.

NEWLY ISSUED ACCOUNTING STANDARDS

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," effective for fiscal years beginning after December 15, 1997. SFAS No. 130 requires that changes in the amounts of certain items, including gains and losses on certain securities, be shown in the financial statements. The Company will adopt the provisions of SFAS No. 130 effective January 1, 1998 and does not anticipate that the adoption of SFAS No. 130 will have a material effect on the Company's financial statements.

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information," effective for fiscal years beginning after December 15, 1997. SFAS No. 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas, and major customers. The Company will adopt the provisions of SFAS No. 131 effective January 1, 1998 and does not anticipate that the adoption of SFAS No. 131 will have a material effect on the Company's financial statements.

FORWARD-LOOKING STATEMENTS/RISK FACTORS

This Form 10-K contains certain forward-looking statements regarding, among other things, the anticipated financial and operating results of the Company. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to publicly release any modifications or revisions to these forward-looking statements to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events.

In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company cautions investors that future financial and operating results may differ materially from those projected in forward-looking statements made by, or on behalf of, the Company. The Company's future operating results depend on a number of factors that could cause the Company's actual results to differ materially from those projected in forward-looking statements. These factors, many of which are beyond the Company's control, include the continued growth in the popularity of country music; continued growth in the popularity of Christian music; the ability to integrate the operations of Word into the Company's business; the Company's ability to implement its growth strategy relating to the development or management of hotel properties; the acceptability of the Company's product offerings to international audiences; the advertising market in the United States in general and in the Company's local television and radio markets in particular; the perceived attractiveness of Nashville, Tennessee as a convention and tourist destination; consumer tastes and preferences for the Company's entertainment offerings; competition; and consolidation in the broadcasting and cable distribution industries.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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SCHEDULES

The 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.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Gaylord Entertainment Company:

We have audited the accompanying consolidated balance sheets of Gaylord Entertainment Company (a Delaware corporation) and its subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1997. 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 generally accepted auditing standards. 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 consolidated 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, 1997 and 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1997 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Nashville, Tennessee
February 6, 1998

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	1997	1996	1995
Revenues..	$825,995	$747,158	$707,460
Operating expenses:			

Operating costs	511,162	443,236	442,208
Selling, general and administrative	161,280	125,459	115,361
Merger costs	22,645	--	--
Restructuring charge	13,654	--	--
Theme park closing charge	42,006	--	--
Depreciation and amortization	53,397	48,856	38,086
Operating income	21,851	129,607	111,805
Interest expense	(27,177)	(19,538)	(4,200)
Interest income	24,022	22,904	7,011
Other gains (losses)	143,532	71,741	(8,264)
Income from continuing operations before provision for income taxes	162,228	204,714	106,352
Provision for income taxes	10,792	73,549	40,945
Income from continuing operations	151,436	131,165	65,407
Discontinued operations, net of taxes	--	--	42,998
Income before cumulative effect of accounting change	151,436	131,165	108,405
Cumulative effect of accounting change, net of taxes	(7,537)	--	--
Net income	$143,899	$131,165	$108,405
Income per share:			
Income from continuing operations	$ 4.68	$ 4.07	$ 2.04
Discontinued operations, net of taxes	--	--	1.34
Income before cumulative effect of accounting change	4.68	4.07	3.38
Cumulative effect of accounting change, net of taxes	(0.23)	--	--
Net income	$ 4.45	$ 4.07	$ 3.38
Income per share -- assuming dilution:			
Income from continuing operations	$ 4.64	$ 4.02	$ 2.01
Discontinued operations, net of taxes	--	--	1.32
Income before cumulative effect of accounting change	4.64	4.02	3.33
Cumulative effect of accounting change, net of taxes	(0.23)	--	--
Net income	$ 4.41	$ 4.02	$ 3.33

The accompanying notes are an integral part of these statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 1997 AND 1996
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	1997	1996
ASSETS		
Current assets:		
Cash	$ 8,712	$ 13,720
Trade receivables, less allowance of $4,031 and $3,276, respectively	82,152	108,702
Inventories	23,206	15,436
Other assets	37,311	49,414
Total current assets	151,381	187,272
Property and equipment, net of accumulated depreciation	550,267	640,319
Intangible assets, net of accumulated amortization	84,419	39,363
Investments	73,991	66,037
Long-term notes and interest receivable	233,112	203,514
Other assets	24,392	45,743

Total assets	$1,117,562	$1,182,248

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Current portion of long-term debt	$ --	$ 37,350
Accounts payable and accrued liabilities	127,694	126,616
Total current liabilities	127,694	163,966
Long-term debt	388,397	326,059
Deferred income taxes	32,579	117,947
Other liabilities	42,710	46,466
Minority interest	9,958	14,847
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, 32,741 shares issued and outstanding at December 31, 1997	327	--
Class A common stock, $.01 par value, 300,000 shares authorized, 44,987 shares issued, 44,687 shares outstanding at December 31, 1996	--	450
Class B common stock, $.01 par value, 150,000 shares authorized, 51,684 shares issued and outstanding at December 31, 1996	--	517
Additional paid-in capital	498,504	483,287
Retained earnings	16,837	39,494
Treasury stock	--	(5,938)
Other stockholders' equity	556	(4,847)
Total stockholders' equity	516,224	512,963
Total liabilities and stockholders' equity	$1,117,562	$1,182,248

The accompanying notes are an integral part of these statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995
(AMOUNTS IN THOUSANDS)

	1997	1996	1995
Cash Flows from Operating Activities:			
Net income	$ 143,899	$ 131,165	$ 108,405
Amounts to reconcile net income to net cash flows provided by operating activities:			
Depreciation and amortization	53,397	48,856	38,086
Discontinued operations, net of taxes	--	--	(42,998)
Cumulative effect of accounting change, net of taxes	7,537	--	--
Provision (benefit) for deferred income taxes	(80,570)	2,119	(684)
Theme park closing charge	42,006	--	--
Write-down of television program rights	11,740	--	13,302
Noncash interest income	(22,936)	(20,479)	(4,970)
Provision for losses on disposal of Fiesta Texas partnership interest	--	--	5,529
Gain on sale of television stations	(144,259)	(73,850)	--
Changes in:			
Trade receivables	(6,744)	(8,914)	(6,720)
Income taxes payable	3,056	(10,462)	(69,464)
Accounts payable and accrued liabilities	21,450	2,181	5,674
Other assets and liabilities	(2,195)	(5,273)	8,621
Net cash flows provided by operating activities	26,381	65,343	54,781

Cash Flows from Investing Activities:

Purchases of property and equipment	(49,239)	(115,542)	(175,225)
Purchase of Word Entertainment	(120,191)	--	--
Proceeds from sale of television stations, net of direct selling costs paid	155,266	96,840	--
Cash acquired by CBS in the Merger	(7,481)	--	--
Proceeds from sale of discontinued operations, net of direct selling costs	--	--	190,838
Purchase of minority interest in discontinued operations	--	--	(10,585)
Investments in, advances to and distributions from affiliates	(10,880)	(7,893)	(6,143)
Payment upon disposal of Fiesta Texas partnership interest	--	(12,976)	--
Other investing activities	(7,123)	(7,954)	(4,401)
Net cash flows used in investing activities	(39,648)	(47,525)	(5,516)
Cash Flows from Financing Activities:			
Net borrowings (payments) under revolving credit agreements	178,935	61,446	(21,797)
Proceeds from issuance of long-term debt	420	--	400
Repayment of long-term debt	(149,762)	(38,081)	(453)
Dividends paid	(33,929)	(34,946)	(28,685)
Proceeds from exercise of stock options	14,304	1,359	128
Purchase of treasury stock	(1,709)	(5,938)	--
Net cash flows provided by (used in) financing activities	8,259	(16,160)	(50,407)
Cash Flows from Discontinued Operations:			
Operating activities	--	--	16,758
Investing activities	--	--	(12,985)
Increase in cash balance	--	--	2,856
Net cash flows provided by discontinued operations	--	--	6,629
Net change in cash	(5,008)	1,658	5,487
Cash, beginning of year	13,720	12,062	6,575
Cash, end of year	$ 8,712	$ 13,720	$ 12,062

The accompanying notes are an integral part of these statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	COMMON STOCK	CLASS A COMMON STOCK	CLASS B COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TREASURY STOCK	OTHER STOCKHOLDERS' EQUITY	TOTAL STOCKHOLDERS' EQUITY
Balance, December 31, 1994	$ --	$ 369	$ 534	$340,739	$ 58,820	$(61,856)	$ --	$ 338,606
Net income	--	--	--	--	108,405	--	--	108,405
Cash dividends ($0.89 per share)	--	--	--	--	(28,685)	--	--	(28,685)
5% stock dividend	--	19	26	70,142	(70,187)	--	--	--
Conversion of common stock	--	24	(24)	--	--	--	--	--
Issuance of restricted stock	--	1	--	3,564	--	--	(3,565)	--
Compensation expense	--	--	--	--	--	--	767	767
Other	--	--	--	13	--	--	--	13
Balance, December 31, 1995	--	413	536	414,458	68,353	(61,856)	(2,798)	419,106
Net income	--	--	--	--	131,165	--	--	131,165
Cash dividends ($1.08 per share)	--	--	--	--	(34,946)	--	--	(34,946)
Conversion of common stock	--	13	(13)	--	--	--	--	--
Issuance of restricted stock	--	2	--	4,318	--	--	(4,320)	--

Compensation expense.....	--	--	--	--	--	--	2,271	2,271
5% stock dividend........	--	21	26	125,031	(125,078)	--	--	--
Exercise of stock options................	--	1	--	1,358	--	--	--	1,359
Retirement of treasury stock..................	--	--	(32)	(61,824)	--	61,856	--	--
Purchase of treasury stock..................	--	--	--	--	--	(5,938)	--	(5,938)
Other....................	--	--	--	(54)	--	--	--	(54)
Balance, December 31, 1996.....................	--	450	517	483,287	39,494	(5,938)	(4,847)	512,963
Net income...............	--	--	--	--	143,899	--	--	143,899
Cash dividends ($1.05 per share)	--	--	--	--	(33,929)	--	--	(33,929)
New Gaylord stock distribution...........	324	(466)	(509)	651	--	--	--	--
Cable Networks Business net assets.............	--	--	--	--	(132,627)	--	--	(132,627)
Conversion of common stock..................	--	8	(8)	--	--	--	--	--
Exercise of stock options................	2	12	--	14,290	--	--	--	14,304
Tax benefit on stock option exercises.......	--	--	--	6,598	--	--	--	6,598
Issuance of restricted stock..................	1	--	--	1,321	--	--	(1,322)	--
Compensation expense.....	--	--	--	--	--	--	3,954	3,954
Purchase of treasury stock..................	--	--	--	--	--	(1,709)	--	(1,709)
Retirement of treasury stock..................	--	(4)	--	(7,643)	--	7,647	--	--
Unrealized gain on investments............	--	--	--	--	--	--	2,887	2,887
Foreign currency translation............	--	--	--	--	--	--	(116)	(116)
Balance, December 31, 1997.....................	$327	$ --	$ --	$498,504	$ 16,837	$ --	$ 556	$ 516,224

The accompanying notes are an integral part of these statements.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

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

Gaylord Entertainment Company (the "Company"), formerly New Gaylord Entertainment Company, is a diversified entertainment and communications company operating, through its subsidiaries, principally in three business segments: hospitality and attractions, broadcasting and music, and cable networks. During 1997, the Company's former parent ("Old Gaylord") consummated a transaction with CBS Corporation ("CBS"), formerly Westinghouse Electric Corporation, whereby certain assets and liabilities of the Company's cable networks segment were merged with CBS (the "Merger") as further described in Note 2. The Company sold its cable television systems segment (the "Systems") on September 29, 1995. Prior to the sale, the Systems were accounted for as discontinued operations in the accompanying consolidated financial statements as further described in Note 5.

HOSPITALITY AND ATTRACTIONS

At December 31, 1997, the Company owns and operates the Opryland Hotel, the Grand Ole Opry, and various other tourist attractions located in Nashville, Tennessee. During 1997, the Company ceased operations of the Opryland theme park and announced its intent to develop an entertainment/retail complex located on land previously used for the Opryland theme park. The Company also owns a minority limited partnership interest in Bass Pro, L.P. ("Bass Pro"), which is a leading retailer of premium outdoor sporting goods and fishing products.

BROADCASTING AND MUSIC

At December 31, 1997, the Company owns and operates one broadcast television station, KTVT (Fort Worth-Dallas, Texas). The Company sold its television stations, KSTW (Tacoma-Seattle, Washington) in June 1997 and KHTV (Houston, Texas) in January 1996, as further described in Note 4. The Company affiliated KTVT and KSTW with the CBS television network during 1995. The Company acquired the assets of Word Entertainment ("Word"), a contemporary

Christian music company, in January 1997 as further described in Note 3. In addition, the Company owns and operates three radio stations and a music publishing company in Nashville, Tennessee.

CABLE NETWORKS

At December 31, 1997, the Company owns the CMT International cable television networks operating in Europe, Asia and the Pacific Rim, and Latin America. CMT International is ceasing its European operations as of March 31, 1998 as further described in Note 4. Prior to October 1997, the Company also owned The Nashville Network ("TNN"), a national basic cable television network, and operated and owned 67% of the outstanding stock of Country Music Television, Inc. ("CMT"), a country music video cable network operated in the United States and Canada. During October 1997, TNN and CMT were acquired by CBS as further described in Note 2. In addition, the Company manages and holds an option to acquire 95% of the capital stock of Z Music, Inc., a cable network featuring contemporary Christian music videos.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and all of its majority-owned subsidiaries. For accounting purposes, the consolidated financial statements include Old Gaylord and its subsidiaries, including the Company, prior to the Merger. All significant intercompany accounts and transactions have been eliminated in consolidation.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, including interest on funds borrowed to finance the construction of major capital additions, and are depreciated or amortized using straight-line and accelerated methods over the following estimated useful lives:

Buildings..	20-40 years
Leasehold and land improvements...........................	20 years
Attractions-related equipment.............................	15-20 years
Furniture, equipment and vehicles.........................	3-10 years

Maintenance and repairs are charged to expense as incurred.

INTANGIBLE ASSETS

Intangible assets consist primarily of goodwill which is amortized using the straight-line method over a period not to exceed 40 years. The Company continually evaluates whether later events and circumstances have occurred that indicate the remaining balance of goodwill may not be recoverable. In evaluating possible impairment, the Company uses the most appropriate method of evaluation given the circumstances surrounding the particular acquisition, which has generally been an estimate of the related business unit's undiscounted operating income before interest and taxes over the remaining life of the goodwill.

Amortization expense related to intangible assets for 1997, 1996 and 1995 was $4,743, $3,212 and $2,445, respectively. At December 31, 1997 and 1996, accumulated amortization of intangible assets was $5,346 and $14,817, respectively.

INVESTMENTS

Investments consist primarily of a minority interest in Bass Pro, a supplier of premium outdoor sporting goods and fishing tackle which distributes its products through retail centers and an extensive mail order catalog operation. Bass Pro also owns and operates a resort hotel and development in southern Missouri. The Company accounts for the Bass Pro investment using the equity method of accounting. The Company's original investment exceeded its share of the underlying equity in the net assets of Bass Pro by approximately $36,000, which is being amortized on a straight-line basis over 40 years. The Company's recorded investment in Bass Pro was $62,344 and $62,852 at December 31, 1997 and 1996, respectively.

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities", certain of the Company's investments are considered available-for-sale investments and are carried at market value, with the difference between cost and market value recorded as a component of stockholders' equity.

OTHER ASSETS

Other current and long-term assets consisted of:

	1997	1996
Other current receivables	$23,207	$ 5,497
Music catalogs	16,476	2,827
Prepaid expenses	10,839	10,492
Program rights	5,236	40,544
Program inventories	536	20,175
Deferred preopening expenses	--	12,335
Prepaid pension cost	2,702	1,292
Other assets	2,707	1,995
Total other assets	$61,703	$95,157

Other current receivables result primarily from non-operating income and are due within one year. Music catalogs consisted of the costs to acquire music publishing rights and are amortized on a straight-line basis over fifteen years. Program inventories are amortized at a rate based upon the broadcast periods of the programs and the revenues estimated to be earned over these periods.

The Company acquires television exhibition rights for certain theatrical and television programs. The program rights are recorded at the gross contract amount when certain conditions are met, including availability of the program for broadcast, and are amortized using an accelerated method over the shorter of the estimated number of program showings or the contract periods. At December 31, 1996, the Company had commitments for program rights and related program contracts payable of $8,850 which were not available for telecast until a future date. These amounts are not included in the accompanying consolidated balance sheet.

During 1997, the Company recorded a pretax charge of $11,740 to write-down certain program rights at KTVT to net realizable value. This write-down relates primarily to movie packages and certain syndicated programming whose value has been impaired by an operating decision to purchase more first-run programming. During 1995, the Company recorded a pretax charge of $13,302 for the write-down to net realizable value of certain program rights. The write-down in 1995 was primarily related to excess program rights resulting from the affiliation of KTVT and KSTW with CBS. These write-downs are included in operating costs in the consolidated statements of income.

Effective January 1, 1997, the Company changed its method of accounting for deferred preopening expenses to expense these costs as incurred. Prior to 1997, preopening expenses were deferred and amortized over five years on a straight-line basis. The Company recorded a $7,537 charge, net of taxes of $4,798, to record the cumulative effect of this accounting change. This change did not have a significant impact on results of operations before the cumulative effect of this accounting change for 1997. On a pro forma basis, this change would have decreased net income by $3,043, or $0.09 per share, for the year ended December 31, 1996 and decreased net income by $2,726, or $0.08 per share, for the year ended December 31, 1995.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of:

	1997	1996
Trade accounts payable	$ 24,210	$ 20,128
Commissions payable	1,020	16,877
Income taxes payable	6,725	3,669
Accrued royalties	13,057	10,153
Deferred revenues	11,430	15,174
Program contracts payable	8,826	14,943
Accrued salaries and benefits	5,614	7,431
Accrued interest payable	1,462	4,500
Property and other taxes payable	13,379	11,293
Other accrued liabilities	41,971	22,448
Total accounts payable and accrued liabilities	$127,694	$126,616

Accrued royalties consisted primarily of music royalties and licensing fees. Deferred revenues consisted primarily of deposits on advance room bookings at the Opryland Hotel, advance ticket sales at the Company's tourism properties and music publishing advances.

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 rates.

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 stock-based compensation using the intrinsic value method as prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB Opinion No. 25"), and related Interpretations, under which no compensation cost related to stock options has been recognized as further described in Note 10.

INCOME PER SHARE

SFAS No. 128, "Earnings per Share", has been issued and is effective for fiscal periods ending after December 15, 1997. SFAS No. 128 establishes standards for computing and presenting earnings per share. The Company adopted the provisions of SFAS No. 128 in the fourth quarter of 1997. 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 additional dilution related to stock options. All income per share amounts in the accompanying consolidated financial statements have been restated to reflect the retroactive application of the provisions of SFAS No. 128.

Income per share amounts are calculated as follows for the years ended December 31:

	1997			1996			1995		
	INCOME	SHARES	PER SHARE	INCOME	SHARES	PER SHARE	INCOME	SHARES	PER SHARE
Income from continuing									

operations	$151,436	32,341	$4.68	$131,165	32,193	$4.07	$65,407	32,121	$2.04
Effect of dilutive stock options		308			406			420	
Income from continuing operations assuming dilution	$151,436	32,649	$4.64	$131,165	32,599	$4.02	$65,407	32,541	$2.01

The Company completed a common stock distribution in 1997 associated with the Merger as further described in Note 2. In addition, the Company paid 5% stock dividends in 1996 and 1995 as further described in Note 9. All income per share and dividend per share amounts in the accompanying consolidated financial statements have been restated to reflect the retroactive application of the common stock distribution and stock dividends.

FINANCIAL INSTRUMENTS

Estimated fair values and carrying amounts of the Company's financial instruments at December 31, 1997 and 1996 are as follows:

	1997		1996	
	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT
Long-term notes and interest receivable	$234,433	$233,112	$206,655	$203,514
Debt	$388,397	$388,397	$369,907	$363,409

The fair value estimates were determined using discounted cash flow analyses. For long-term notes receivable, the discount rate was determined based upon similar instruments. The discount rate for fixed-rate debt was based on the Company's incremental borrowing rates for similar types of borrowing arrangements. The Company's carrying value of its variable-rate debt approximates fair value. 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. Credit risk on trade receivables is minimized by the large and diverse nature of the Company's customer base.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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 June 1997, the Financial Accounting Standards Board issued SFAS No. 130, "Reporting Comprehensive Income", effective for fiscal years beginning after December 15, 1997. SFAS No. 130 requires that changes in the amounts of certain items, including gains and losses on certain securities, be shown in the financial statements. The Company will adopt the provisions of SFAS No. 130 effective January 1, 1998 and does not anticipate the adoption of SFAS No. 130 will have a material effect on the Company's financial statements.

In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information", effective for fiscal years beginning after December 15, 1997. SFAS No. 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas, and major customers. The Company will adopt the provisions of SFAS No. 131 effective January 1, 1998 and does not anticipate the adoption of SFAS No. 131 will have a material effect on the Company's financial statements.

RECLASSIFICATIONS

Certain reclassifications of 1996 and 1995 amounts have been made to conform with the 1997 presentation.

2. CBS MERGER:

On October 1, 1997, Old Gaylord consummated the Merger with CBS and G Acquisition Corp., a wholly owned subsidiary of CBS ("Sub"), pursuant to which Sub was merged with and into Old Gaylord, with Old Gaylord continuing as the surviving corporation and a wholly owned subsidiary of CBS. Prior to the Merger, Old Gaylord was restructured (the "Restructuring") so that certain assets and liabilities that were part of Old Gaylord's hospitality, attractions, music, television and radio businesses, including all of its long term debt, as well as CMT International and the management of and option to acquire 95% of Z Music, Inc., were transferred to or retained by the Company. As a result of the Restructuring and the Merger, substantially all of the assets of Old Gaylord's cable networks business, consisting primarily of TNN and CMT, and certain other related businesses (collectively, the "Cable Networks Business") and its liabilities to the extent that they arose out of or related to the Cable Networks Business, were acquired by CBS. In connection with the Merger, the Company and CBS (or one or more of their respective subsidiaries) entered into an agreement which provides that the Company will not engage in certain specified activities which would constitute competition with the Cable Networks Business and CBS and will not engage in certain activities which would constitute competition with CMT International.

Following the Restructuring, on September 30, 1997, Old Gaylord distributed (the "Distribution") pro rata to its stockholders all of the outstanding capital stock of the Company. As a result of the Distribution, each holder of record of the Class A Common Stock, $0.01 par value, and Class B Common Stock, $0.01 par value (collectively, the "Old Gaylord Common Stock"), of Old Gaylord on the record date for the Distribution received a number of shares of Common Stock, $0.01 par value, of the Company ("Common

Stock") equal to one-third the number of shares of Old Gaylord Common Stock held by such holder. Cash was distributed in lieu of any fractional shares of Common Stock.

At the time of the Merger, the book value of the net assets of the Cable Networks Business was $132,627, which has been reflected in the consolidated financial statements as a charge against retained earnings. The following is a summary of the net assets acquired by CBS:

Cash	$ 7,481
Accounts receivable, net	67,030
Other current assets	20,332
Property and equipment, net	53,386
Intangible assets, net	31,148
Other assets	10,532
Accounts payable and accrued expenses	(35,855)
Long-term debt	(4,605)
Minority interest	(15,048)
Other liabilities	(1,774)
Cable Networks Business net assets	$132,627

The operating results of the Cable Networks Business are included in the consolidated statements of income through September 30, 1997 and are as follows:

	NINE MONTHS ENDED SEPTEMBER 30, 1997	TWELVE MONTHS ENDED DECEMBER 31, 1996	TWELVE MONTHS ENDED DECEMBER 31, 1995
Revenues	$264,463	$320,612	$273,824
Depreciation and amortization	$ 9,161	$ 10,415	$ 8,677
Operating income, excluding allocated corporate expenses	$ 78,740	$ 98,605	$ 81,988

Prior to the Merger, CBS was responsible for promoting and marketing TNN, CMT and CMT International, selling advertising time on TNN and CMT, marketing TNN and CMT to cable operators, and providing a satellite transponder to deliver TNN programming to cable systems. In addition, CBS owned 33% of CMT and CMT International prior to the Merger. CBS received a commission of 33% of TNN's applicable gross receipts, net of agency commissions, and a commission of 10% of CMT's gross receipts, net of agency commissions, for its services prior to the Merger. CBS commissions under these agreements were approximately $70,600, $86,600 and $73,700 in 1997, 1996 and 1995, respectively. Commissions payable to CBS at December 31, 1996 were approximately $15,300 and are included in accounts payable and accrued liabilities in the accompanying consolidated balance sheet.

In connection with the Merger, Restructuring and Distribution, the Company recognized nonrecurring merger costs and a restructuring charge in 1997 of $22,645 and $13,654, respectively. Merger costs included professional and registration fees, debt refinancing costs, and incentive compensation associated with the Merger. The Company recognized merger costs of $1,363 related to restricted stock issued under stock option and incentive plans which vested at the time of the Merger. The restructuring charge included estimated costs for employee severance and termination benefits of $6,500, asset write-downs of $3,653, and other costs associated with the restructuring of $3,501. As of December 31, 1997, the Company had recorded charges of $7,581 against the restructuring accrual of which $2,956 represents actual cash expenditures and $4,625 represents non-cash asset write-downs and other restructuring costs. At December 31, 1997, the restructuring accrual had a remaining balance of $6,073, which is included in accounts payable and accrued liabilities in the consolidated balance sheet. The Company expects the restructuring to be completed in the next six months and to be funded from the Company's cash flows from operating activities.

3. ACQUISITION OF WORD ENTERTAINMENT:

In January 1997, the net assets of Word were purchased for approximately $120,000 in cash. The purchase price included approximately $40,000 of working capital. The acquisition was financed through borrowings under a revolving credit agreement and has been accounted for using the purchase method of accounting. The operating results of Word have been included in the consolidated financial statements from the date of acquisition. The excess of purchase price over the fair values of the net assets acquired was $64,143 and has been recorded as goodwill, which is being amortized on a straight-line basis over 40 years.

The following unaudited pro forma information presents a summary of consolidated results of the combined operations of the Company and Word for the year ended December 31, 1996, as if the acquisition had occurred on January 1, 1996:

Revenues	$837,226
Net income	$124,338
Net income per share	$ 3.86

Net income per share -- assuming dilution..................	$ 3.81

These unaudited pro forma results have been prepared for comparative purposes only and include certain adjustments, including additional amortization expense as a result of goodwill and other intangible assets, increased interest expense on acquisition debt, and an adjustment to the provision for income taxes for such items. The pro forma amounts are not necessarily indicative of what the actual consolidated results of operations might have been if the acquisition had occurred on January 1, 1996, or of future results of operations of the consolidated entities.

4. DIVESTITURES:

During 1997, the Company signed a letter of agreement with The Mills Corporation to create a partnership to develop a $200,000 entertainment/retail complex located on land previously used for the Opryland theme park. The Company will hold a one-third interest in the partnership. During 1997, the Company recorded a pretax charge of $42,006 related to the closing of the Opryland theme park at the end of the 1997 operating season. Included in this charge are asset write-downs of $32,020 related primarily to property, equipment and inventory, estimated costs for employee severance and termination benefits of $5,100, and other costs related to closing of the park of $4,886. At December 31, 1997, the Company had a remaining accrual of $6,439 related to the closing of the theme park, which is included in accounts payable and accrued liabilities in the consolidated balance sheet.

During 1997, the Company recorded a $5,000 pretax charge to operations related to its plans to cease the European operations of CMT International effective March 31, 1998.

In June 1997, the Company sold KSTW, its Tacoma-Seattle, Washington television station, for $160,000 in cash. The sale resulted in a pretax gain of $144,259, which is included in other gains (losses) in the consolidated statements of income. The Company utilized the net proceeds from the sale to reduce outstanding indebtedness. The sale of the television station included program rights of $10,625 and related program contracts payable of $10,269.

In January 1996, the Company sold KHTV, its Houston, Texas television station, to Tribune Broadcasting Company for $97,800, including certain working capital and other adjustments of approximately $4,300. The sale resulted in a pretax gain of $73,850, which is included in other gains (losses) in the consolidated statements of income. The sale of the television station included program rights of $32,235 and related program contracts payable of $23,766.

In December 1995, the Company recorded a pretax loss of $5,529, which is included in other gains (losses) in the consolidated statements of income, to reflect the loss upon the disposal of its 14% limited partnership interest in the Fiesta Texas theme park. The loss was based on the permanent impairment in the value of the investment and the Company's guarantee on certain indebtedness related to the original

construction of Fiesta Texas. The Company paid $12,976 to transfer its partnership interest and related obligations to a subsidiary of USAA, the majority investor, in January 1996. In connection with the Company's termination of its interest in Fiesta Texas, the Company was released from the loan guarantee.

5. DISCONTINUED OPERATIONS:

On September 29, 1995, the Company completed the sale of the Systems to CCT Holdings Corp. ("CCTH"). Net proceeds, after a working capital adjustment of $5,512, consisted of $198,800 in cash and a 10-year note receivable with a face amount of $165,688. The note receivable and related accrued interest are included in long-term notes and interest receivable in the accompanying consolidated balance sheets in the amount of $199,074 and $176,138, for 1997 and 1996, respectively, net of a $15,000 discount in both years. The note is currently classified as held to maturity and bears interest at an initial rate of 12% which increases to 15% in September 2000 and 2% each year thereafter with principal and interest payable at maturity in 2005. The Company recorded

$22,936, $20,479 and $4,970 of interest income related to the note receivable during 1997, 1996 and 1995, respectively. Immediately prior to the sale, the Company purchased the remaining 2.9% minority interest in the Systems for $10,585. In addition, the Company received the contractual right to 15% of the net distributable proceeds, as defined, from certain future asset sales by the buyer of the Systems. A significant stockholder and certain directors of the Company own, indirectly, less than a 5% interest of CCTH.

The Company recorded a gain in 1995 on the sale of the Systems of $42,998, net of applicable income taxes of $30,824. The Systems have been accounted for as discontinued operations and, accordingly, the Systems' losses subsequent to the November 1993 measurement date, including interest expense on debt that can be specifically attributed to the Systems, were deferred and are reflected as a reduction in the gain on the sale of the Systems.

Selected results of operations related to the Systems prior to their sale are summarized below for the period ended September 29, 1995:

Revenues	$ 67,157
Depreciation and amortization	$ 39,178
Interest expense	$ 17,051
Loss before income taxes	$(29,344)
Benefit for income taxes	9,831
Loss deferred subsequent to measurement date	19,513
Net loss	$ --

Net cash flows related to the Systems for the period ended September 29, 1995 were:

Cash flows from operating activities:	
Net losses from discontinued operations	$(19,513)
Depreciation and amortization	39,178
Other, net	(2,907)
Net cash flows provided by operating activities	16,758
Cash flows from investing activities:	
Purchases of property and equipment	(12,924)
Other, net	(61)
Net cash flows used in investing activities	(12,985)
Increase in cash balance	2,856
Net cash flows	$ 6,629

6. PROPERTY AND EQUIPMENT:

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

	1997	1996
Land and improvements	$ 89,782	$105,669

Buildings	452,661	478,955
Furniture, fixtures and equipment	232,834	379,822
Construction in progress	12,292	9,742
	787,569	974,188
Accumulated depreciation	237,302	333,869
Property and equipment, net	$550,267	$640,319

Depreciation expense for 1997, 1996, and 1995 was $44,839, $42,101, and $33,416, respectively. Capitalized interest for 1997, 1996, and 1995 was $186, $3,383, and $5,308, respectively.

7. INCOME TAXES:

The provision for income taxes for the years ended December 31 consisted of:

	1997	1996	1995
Current:			
Federal	$86,342	$69,585	$37,768
State	5,020	1,845	3,861
Total current provision	91,362	71,430	41,629
Deferred:			
Federal	(79,496)	1,771	(1,712)
State	(1,074)	348	1,028
Total deferred provision (benefit)	(80,570)	2,119	(684)
Total provision for income taxes	$10,792	$73,549	$40,945

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. The effective tax rate as applied to income from continuing operations for the years ended December 31 differed from the statutory federal rate due to the following:

	1997	1996	1995
Statutory federal rate	35%	35%	35%
State taxes	2	2	3
Merger related revaluation of reserves	(37)	--	--
Non-deductible expenses	7	--	--
Other items, net	--	(1)	1
	7%	36%	39%

The components of the net deferred tax liability as of December 31 were:

	1997	1996
Deferred tax assets:		

Amortization	$13,733	$ 11,861
Accounting reserves and accruals	35,153	16,827
Other, net	2,463	3,810
Total deferred tax assets	51,349	32,498
Deferred tax liabilities:		
Depreciation	38,296	43,916
Accounting reserves and accruals	45,632	106,529
Total deferred tax liabilities	83,928	150,445
Net deferred tax liability	$32,579	$117,947

During 1997, the Company recorded a deferred tax benefit of $55,000 related to the revaluation of certain reserves as a result of the Restructuring and Merger. The tax benefit associated with the exercise of stock options reduced income taxes payable by $6,598 and is reflected as an increase in additional paid-in capital in 1997. In addition, the Company reached settlements of routine Internal Revenue Service audits of the Company's 1991-1993 tax returns during 1997. These settlements had no material impact on the Company's financial position or results of operations.

Cash payments for income taxes were approximately $81,700, $83,400, and $95,700 (including payments related to the sale of the Systems of approximately $84,400) in 1997, 1996 and 1995, respectively.

8. LONG-TERM DEBT:

Long-term debt at December 31 consisted of:

	1997	1996
Revolving credit agreements	$387,977	$209,042
Senior Notes	--	120,000
Term Loan	--	28,000
Other	420	6,367
	388,397	363,409
Less amounts due in one year	--	37,350
	$388,397	$326,059

In August 1997, the Company entered into a revolving credit facility (the "1997 Credit Facility") and utilized the proceeds to retire outstanding indebtedness. The lenders under the 1997 Credit Facility are a syndicate of banks with NationsBank of Texas, N.A. acting as agent (the "Agent"). The maximum amount that can be borrowed under the 1997 Credit Facility is $600,000. The final maturity of the 1997 Credit Facility is July 2002. The 1997 Credit Facility is unsecured and is guaranteed by certain of the Company's subsidiaries.

Amounts outstanding under the 1997 Credit Facility bear interest at a rate, at the Company's option, equal to either (i) the higher of the Agent's prime rate or the federal funds rate plus 0.5%, or (ii) LIBOR plus a margin ranging from 0.4% to 1% depending on the Company's debt ratings or ratio of debt to capitalization. At December 31, 1997, the Company's borrowing rate under the 1997 Credit Facility was LIBOR plus 0.75%. In addition, the Company is required to pay a commitment fee ranging between 0.125% and 0.25% per year, also depending on the Company's debt ratings or the ratio of debt to capitalization, on the average unused portion of the 1997 Credit Facility, as well as an annual administrative fee. The weighted average interest rates for borrowings under revolving credit agreements for 1997, 1996 and 1995 were 6.4%, 6.4% and 7.3%, respectively.

The 1997 Credit Facility requires the Company to maintain certain financial ratios and minimum stockholders' equity levels and subjects the Company to limitations on, among other things, mergers and sales of assets, additional indebtedness, capital expenditures, investments, acquisitions, liens, and transactions with

affiliates. At December 31, 1997, the Company was in compliance with all financial covenants under the 1997 Credit Facility.

During 1995, the Company amended its unsecured revolving credit agreement (the "1995 Credit Facility") to provide for an unsecured revolving loan of up to $400,000 until its expiration on December 31, 2000. According to the 1995 Credit Facility's terms, at the time borrowings were made, the Company elected an interest rate of the prime rate or LIBOR plus 0.5% to 1.0%, depending on certain of the Company's financial ratios. Additionally, the Company was required to pay annual commitment fees based on 0.25% or 0.1875% of the average daily unused portion of the total commitment available as determined by certain of the Company's financial ratios. The 1995 Credit Facility was retired with borrowings under the 1997 Credit Facility.

During 1993, the Company entered into an agreement for a $35,000 term loan ("Term Loan") and issued $150,000 of 7.19% fixed-rate senior notes ("Senior Notes"). The weighted average interest rates for the borrowings under the Term Loan for 1997, 1996 and 1995 were 6.2%, 6.1% and 6.8%, respectively. The Term Loan and Senior Notes were prepaid during 1997 by utilizing borrowings under the 1997 Credit Facility.

Accrued interest payable for 1997 and 1996 was $1,462 and $4,500, respectively, and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets. Cash paid for interest for 1997, 1996 and 1995, excluding amounts capitalized, was $30,747, $20,564 and $21,110, respectively.

9. STOCKHOLDERS' EQUITY:

As a result of the Distribution during 1997, each holder of record of Old Gaylord Common Stock on the record date for the Distribution received a number of shares of Common Stock of the Company equal to one-third the number of shares of Old Gaylord Common Stock held by such holder. Cash was distributed in lieu of any fractional shares of the Common Stock. Holders of Common Stock are entitled to one vote per share. Holders of Class A Common Stock and Class B Common Stock of Old Gaylord were entitled to one vote per share and five votes per share, respectively.

At December 31, 1995, treasury stock consisted of 3,110,000 Class B shares of Old Gaylord Common Stock. In August 1996, the Company's Board of Directors retired the Old Gaylord Common Stock held in treasury. The cost of the treasury stock in excess of par value was charged to additional paid-in capital. In October 1996, Old Gaylord's Board of Directors authorized the repurchase of up to $100,000 of the outstanding Old Gaylord Class A Common Stock over a three year period. Treasury stock of $7,647 held by Old Gaylord immediately prior to the Merger was retired and the cost of the treasury stock in excess of par value was charged to additional paid-in capital.

A 5% stock dividend was paid by Old Gaylord in 1996 and 1995, subject to which retained earnings were reduced by $125,078 and $70,187, respectively. Approximately 4,742,000 and 4,519,000 additional shares of Old Gaylord Common Stock were issued in 1996 and 1995, respectively, as a result of the stock dividends.

All income per share and dividend per share amounts in the consolidated financial statements have been restated to reflect the retroactive application of the Distribution and stock dividends.

10. STOCK PLANS:

At December 31, 1997 and 1996, 2,111,445 shares of Common Stock and 2,864,184 shares of Old Gaylord Common Stock, respectively, were reserved for future issuance pursuant to the exercise of stock options under stock option and incentive plans for directors and key employees. As a result of the Distribution, the Company adopted a new stock option plan whereby all options to acquire Old Gaylord Common Stock that were held by persons who, following the Distribution, were New Gaylord employees were converted into fully vested and exercisable options to acquire Common Stock. As a result of the conversion of options to acquire Old Gaylord Common Stock into options to acquire Common

Stock, the number of options issued was adjusted with an offsetting adjustment in option price to maintain the same intrinsic value and original term of the option. Under the terms of these plans, 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 one year from the date of grant, while options granted to employees are exercisable three to five years from the date of grant. The Company accounts for these plans under APB Opinion No. 25 under which no compensation expense for employee stock options has been recognized. If compensation cost for these plans had been determined consistent with SFAS No. 123, the Company's net income and income per share for the years ended December 31 would have been reduced to the following pro forma amounts:

	1997	1996	1995
Net income:			
As reported	$143,899	$131,165	$108,405
Pro forma	$142,146	$130,503	$108,030
Income per share:			
As reported	$ 4.45	$ 4.07	$ 3.38
Pro forma	$ 4.40	$ 4.05	$ 3.36
Income per share -- assuming dilution:			
As reported	$ 4.41	$ 4.02	$ 3.33
Pro forma	$ 4.35	$ 4.00	$ 3.32

Because the SFAS No. 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years. 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 1997, 1996 and 1995, respectively: risk-free interest rates of 6.0%, 6.2% and 6.2%; expected volatility of 32.0%, 32.4% and 32.4%; expected lives of 6.9, 8.9 and 8.9 years. The assumed dividend rate used in estimating fair value was 2% in all three years. The weighted average fair value of options granted was $8.77, $10.32 and $9.34 in 1997, 1996 and 1995, respectively.

The plans also provide for the award of restricted stock. At December 31, 1997 and 1996, awards of restricted stock of 131,940 shares of Common Stock and 332,523 shares of Old Gaylord Common Stock, respectively, were outstanding. Restricted stock issued prior to the Distribution and Merger vested under the change in control provisions under the plans. Subsequent to the Distribution and Merger, 131,940 shares of restricted stock were awarded. 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 over the vesting period of the restricted stock.

During 1996 and 1995, the number and exercise prices of all options outstanding were adjusted to recognize the effect of the stock dividends described in Note 9. The stock dividend adjustments resulted in an increase in the number of stock options and a reduction of the exercise prices. Stock option awards available for future grant under the stock plans at December 31, 1997 and 1996 were 581,323 shares of Common Stock and 1,799,873 shares of Old Gaylord Common Stock, respectively. Stock option transactions under the plans are summarized as follows:

	1997		1996		1995	
	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	2,864,184	$14.03	2,779,265	$12.98	2,513,131	$11.77
Granted	998,924	28.24	286,612	25.09	321,047	22.72
Exercised	(1,363,834)	10.49	(128,614)	10.57	(13,781)	9.30
Effect of option conversions	(249,548)	--	--	--	--	--
Canceled	(138,281)	23.74	(73,079)	23.38	(41,132)	16.60
Outstanding at end of year	2,111,445	$23.06	2,864,184	$14.03	2,779,265	$12.98
Exercisable at end of year	1,112,973	$18.41	2,329,297	$11.96	1,535,703	$10.25

A summary of stock options outstanding as of December 31, 1997 is as follows:

OPTION EXERCISE PRICE RANGE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF SHARES	EXERCISABLE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE
$ 10.17	$10.17	362,579	362,579	3.8 years
19.47-26.05	21.18	606,214	606,214	5.8 years
27.35-28.24	28.15	1,142,652	144,180	9.6 years
$10.17-28.24	$23.06	2,111,445	1,112,973	7.5 years

11. COMMITMENTS AND CONTINGENCIES:

Rental expense was $14,552, $11,771 and $8,965 for 1997, 1996 and 1995, respectively. Future minimum lease commitments under all noncancelable operating leases in effect as of December 31, 1997 are as follows:

1998	$ 8,067
1999	8,021
2000	7,563
2001	7,304
2002	6,179
Years thereafter	49,633
Total	$86,767

The Company is involved in certain legal actions and claims on a variety of 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.

12. RETIREMENT PLANS:

The Company has a noncontributory defined benefit pension plan in which substantially all of its employees are eligible to participate upon meeting the pension plan's participation requirements. The benefits are based on years of service and compensation levels. 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:

	1997	1996
Actuarial present value of accumulated benefit obligation, including vested benefits of $33,714 and $30,936, respectively	$36,632	$31,708
Projected benefit obligation	$41,167	$36,601
Plan assets at fair value	41,048	34,084
Projected benefit obligation in excess of plan assets	(119)	(2,517)
Unrecognized net loss	3,299	3,730
Prior service cost not yet recognized	(478)	79
Prepaid pension cost	$ 2,702	$ 1,292

Net pension expense included the following components for the years ended December 31:

	1997	1996	1995
Service cost	$2,058	$1,827	$1,479
Interest cost	2,697	2,550	2,381
Actual return on plan assets	(6,840)	(4,377)	(6,431)
Net deferral and amortization	4,861	2,523	4,934
Total net pension expense	$2,776	$2,523	$2,363

The weighted-average discount rate and the rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 7.5% and 4%, respectively, in both 1997 and 1996. The expected long-term rate of return on plan assets was 8% in both 1997 and 1996.

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. Company contributions under the retirement savings plans were $2,142, $2,055 and $1,929 for 1997, 1996 and 1995, respectively.

13. 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.

Generally, for employees who retired prior to January 1, 1993 and who met the other age and service requirements, the Company contributes 100% of the employee and spouse's health care premium, and provides a life insurance benefit of 100% of pay up to $50. For employees retiring on or after January 1, 1993 and who meet the other age and service requirements, the Company contributes from 50% to 90% of the health care premium based on years of service, 50% of the health care premium for the spouses of eligible retirees regardless of service, and provides a life insurance benefit of $12.

The following table reconciles the funded status of the plans to the accrued postretirement liability as reflected in other liabilities in the accompanying consolidated balance sheets at December 31:

	1997	1996
Retirees	$ 5,162	$ 5,271
Other fully eligible participants	2,395	2,266
Other active participants	10,487	10,621
Unrecognized actuarial gain	4,007	1,618
Accrued postretirement cost	$22,051	$19,776

Net postretirement benefit expense for the years ended December 31 included the following components:

	1997	1996
Service cost	$ 1,488	$ 1,174
Interest cost	1,270	1,185
Net postretirement benefit expense	$ 2,758	$ 2,359

For measurement purposes, a 9% annual rate of increase in the per capita cost of covered health care claims was assumed for 1997. The health care cost trend is projected to decline by 1% every two years to an ultimate level trend rate of 6% per year in 2002. 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, 1997 by approximately 14% and the aggregate of the service and interest cost components of net postretirement benefit expense would increase approximately 16%. The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.5% in both 1997 and 1996.

14. FINANCIAL REPORTING BY BUSINESS SEGMENTS:

During 1997, the Company realigned its financial segment reporting in an attempt to provide more useful and beneficial information. In addition to changing the operating segments, the Company began reporting its unallocated corporate expenses separately, all of which were previously allocated to the Company's financial reporting segments. The 1996 and 1995 information has been restated to conform to the new presentation. The following reflects the Company's revenues, operating income, depreciation and amortization, capital expenditures and identifiable assets by business segment for the years ended or as of December 31:

	1997	1996	1995

Revenues:			
Hospitality and attractions	$ 346,931	$ 313,023	$ 276,638
Broadcasting and music	202,680	102,368	148,175
Cable networks	276,384	331,767	282,647
Total	$ 825,995	$ 747,158	$ 707,460
Operating income:			
Hospitality and attractions	$ 52,024	$ 45,938	$ 40,178
Broadcasting and music	18,056	23,846	19,578
Cable networks	56,865	84,884	74,459
Corporate	(26,789)	(25,061)	(22,410)
Merger costs and restructuring charge	(36,299)	--	--
Theme park closing charge	(42,006)	--	--
Total	$ 21,851	$ 129,607	$ 111,805
Depreciation and amortization:			
Hospitality and attractions	$ 31,998	$ 28,861	$ 21,782
Broadcasting and music	6,945	4,421	3,954
Cable networks	10,924	12,406	9,522
Corporate	3,530	3,168	2,828
Total	$ 53,397	$ 48,856	$ 38,086
Capital expenditures:			
Hospitality and attractions	$ 27,770	$ 85,692	$ 147,826
Broadcasting and music	9,110	4,572	8,506
Cable networks	9,477	21,522	17,229
Corporate	2,882	3,756	1,664
Total	$ 49,239	$ 115,542	$ 175,225
Identifiable assets:			
Hospitality and attractions	$ 592,159	$ 644,132	$ 566,459
Broadcasting and music	214,184	86,960	130,742
Cable networks	10,160	208,482	174,931
Corporate	301,059	242,674	223,680
Total	$1,117,562	$1,182,248	$1,095,812

15. QUARTERLY FINANCIAL INFORMATION (UNAUDITED):

1997	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Revenues	$185,068	$249,736	$245,481	$145,710
Depreciation and amortization	$ 12,539	$ 15,707	$ 14,460	$ 10,691
Operating income (loss)	$ 15,119	$ 44,342	$ (8,054)	$(29,556)
Income (loss) from continuing operations	$ 8,616	$121,932	$ 42,316	$(21,428)
Net income (loss)	$ 1,079	$121,932	$ 42,316	$(21,428)
Income per share:				
Income (loss) from continuing operations	$ 0.27	$ 3.79	$ 1.30	$ (0.66)
Net income (loss)	$ 0.03	$ 3.79	$ 1.30	$ (0.66)
Income per share -- assuming dilution:				
Income (loss) from continuing operations	$ 0.27	$ 3.75	$ 1.30	$ (0.65)
Net income (loss)	$ 0.03	$ 3.75	$ 1.30	$ (0.65)

1996	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Revenues	$138,857	$209,280	$205,011	$194,010
Depreciation and amortization	$ 8,635	$ 12,651	$ 13,942	$ 13,628
Operating income	$ 13,729	$ 42,923	$ 31,452	$ 41,503
Net income	$ 54,378	$ 28,908	$ 20,433	$ 27,446
Net income per share	$ 1.69	$ 0.90	$ 0.63	$ 0.85
Net income per share -- assuming dilution	$ 1.67	$ 0.89	$ 0.63	$ 0.84

Certain of the Company's operations are subject to seasonal fluctuation. Many of the operations in the hospitality and attractions segment operate on a limited basis during the first quarter of the year and conduct most of their business during the summer tourism season. The first calendar quarter is also the weakest quarter for most television and radio broadcasters, including the Company, as advertising revenues are lower in the post-Christmas period. Revenues in the music business are typically weakest in the first calendar quarter following the Christmas buying season.

In the fourth quarter of 1997, the Company recorded a pretax charge of $42,006 related to asset write-downs and related charges in conjunction with the closing of the Opryland theme park, and also recorded a pretax charge of $5,000 related to plans to cease the European operations of CMT International. During the third quarter of 1997, the Company recorded pretax merger costs and a restructuring charge of $22,645 and $13,654, respectively, related to the Merger; a non-cash pretax charge of $11,740 to write-down program rights at television station KTVT; and a deferred income tax benefit of $55,000 related to the revaluation of certain reserves as a result of the Restructuring and Merger. During the second quarter of 1997 the Company recorded a pretax gain of $144,259 on the sale of television station KSTW. The Company also recorded a change in accounting principle of $7,537, net of taxes of $4,798, effective January 1, 1997 related to preopening expenses. In the first quarter of 1996, the Company recorded a pretax gain of $73,850 on the sale of television station KHTV.

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

Inapplicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the directors of the Company and information required by Item 405 of Regulation S-K are included under the caption "PROPOSAL ONE -- ELECTION OF CLASS I DIRECTORS" of the Company's Proxy Statement for the Annual Meeting of Stockholders to be held May 8, 1998, to be filed with the Securities and Exchange Commission pursuant to Rule 14a-6(c), and are incorporated herein by reference.

Pursuant to General Instruction G(3), certain information concerning executive officers of the Company is included in Part I of this Form 10-K under the caption "Executive Officers of the Registrant."

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is contained in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held May 8, 1998, to be filed with the Securities and Exchange Commission pursuant to Rule 14a-6(c), and is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item is contained in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held May 8, 1998, to be filed with the Securities and Exchange Commission pursuant to Rule 14a-6(c), and is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item is contained in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held May 8, 1998, to be filed with the Securities and Exchange Commission pursuant to Rule 14a-6(c), and is incorporated by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) Financial Statements. See Item 8.

(a)(2) Financial Statement Schedules. Inapplicable.

(a)(3) Exhibits. See Index to Exhibits, pages 51 through 53.

(b) Reports on Form 8-K. A Current Report on Form 8-K, dated October 7, 1997, reporting the completion of the Distribution and the CBS Merger was filed with the Securities and Exchange Commission.

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/ EDWARD L. GAYLORD
Edward L. Gaylord
Chairman of the Board

March 30, 1998

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/ EDWARD L. GAYLORD Edward L. Gaylord	Chairman of the Board	March 30, 1998
/s/ TERRY E. LONDON Terry E. London	Director, President and Chief Executive Officer (Principal Executive Officer)	March 30, 1998
/s/ JOSEPH B. CRACE Joseph B. Crace	Senior Vice President and Chief Financial Officer (Principal Accounting and Financial Officer)	March 30, 1998
/s/ MARTIN C. DICKINSON Martin C. Dickinson	Director	March 30, 1998
/s/ CHRISTINE GAYLORD EVEREST Christine Gaylord Everest	Director	March 30, 1998

/s/ E. K. GAYLORD II E. K. Gaylord II	Vice-Chairman of the Board	March 30, 1998
/s/ JOE M. RODGERS Joe M. Rodgers	Director	March 30, 1998
/s/ MARY AGNES WILDEROTTER Mary Agnes Wilderotter	Director	March 30, 1998

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
2.1+	Basic Agreement, dated as of December 15, 1993, among BASSGEC Management Company, Bass Pro Shops, Inc., Trackmar Corporation, Finley River Properties, Inc., John L. Morris, Trustee of the John L. Morris Revocable Living Trust, U/T/A dated December 23, 1986, as amended, Hospitality and Leisure Management, Inc., John L. Morris, and the Registrant's former parent Gaylord Entertainment Company ("Old Gaylord") (incorporated by reference to Exhibit 2.1 to Old Gaylord's Registration Statement on Form S-3 (Registration No. 33-74552)).
2.2+	Asset Purchase Agreement by and among Cencom Cable Television, Inc., Lenoir TV Cable, Inc., CCT Holdings Corporation and CCA Holdings Corporation dated as of March 30, 1995 (incorporated by reference to Exhibit 2 to Old Gaylord's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995).
2.3	Amendment 1 to the Asset Purchase Agreement by and among Cencom Cable Television, Inc., Lenoir TV Cable, Inc., CCT Holdings Corporation and CCA Holdings Corporation dated as of May 24, 1995 (incorporated by reference to Exhibit 2.2 to Old Gaylord's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 13, 1995).
2.4	Amendment 2 to the Asset Purchase Agreement by and among Cencom Cable Television, Inc., Lenoir TV Cable, Inc., CCT Holdings Corporation and CCA Holdings Corporation dated as of September 29, 1995 (incorporated by reference to Exhibit 2.3 to Old Gaylord's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 13, 1995).
2.5+	Asset Purchase Agreement, dated as of November 21, 1996 by and among Thomas Nelson, Inc., Word, Incorporated and Word Direct Partners, L.P. as Sellers and Old Gaylord as Buyer (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K, dated January 6, 1997, of Thomas Nelson, Inc.).
2.6+	Amendment No. 1 to the Asset Purchase Agreement dated as of January 6, 1997, by and among Thomas Nelson, Inc., Word Incorporated and Word Direct Partners, L.P. as Sellers and Old Gaylord as Buyer (incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K, dated January 6, 1997, of Thomas Nelson, Inc.).
2.7+	Asset Purchase Agreement, dated as of January 6, 1997, by and between Nelson Word Limited and Word Entertainment Limited (incorporated by reference to Exhibit 2.3 to the Current Report on Form 8-K, dated January 6, 1997, of Thomas Nelson, Inc.).
2.8+	Subsidiary Asset Purchase Agreement executed on January 6, 1997 and dated as of November 21, 1996 between Word Communications, Ltd. and Word Entertainment (Canada), Inc. (incorporated by reference to Exhibit 2.4 to the Current Report on Form 8-K, dated January 6, 1997, of Thomas Nelson,

	Inc.).
2.9+	Asset Purchase Agreement by and between Cox Broadcasting, Inc. and Gaylord Broadcasting Company, L.P. dated January 20, 1997 (incorporated by reference to Exhibit 2.10 to Old Gaylord's Annual Report on Form 10-K, as amended by Form 10-K/A, for the year ended December 31, 1996).
2.10+	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).
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).

EXHIBIT NUMBER	DESCRIPTION
3.2	Restated By-laws 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)).
4.2	Credit Agreement dated as of August 19, 1997 among Old Gaylord, the banks named therein and NationsBank of Texas, N.A., ("NationsBank") as Administrative Lender (including form of Swing Line Note, form of Revolving Credit Note, and form of Assumption Agreement)(incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form 10, as amended (File No. 1-13079)).
4.3*	First Amendment to Credit Agreement, dated as of September 30, 1997, among Old Gaylord, the Registrant, the banks named therein, and NationsBank.
4.4*	Second Amendment to Credit Agreement, dated as of March 24, 1998 but effective as of October 1, 1997, among the Registrant, the banks named therein, and NationsBank.
9.1	Voting Trust Agreement ("Voting Trust Agreement") dated as of October 3, 1990 between certain stockholders of The Oklahoma Publishing Company and Edward L. Gaylord, Edith Gaylord Harper, Christine Gaylord Everest, and E. K. Gaylord II as Voting Trustees (incorporated by reference to Exhibit 9.1 to Old Gaylord's Registration Statement on Form S-1 (Registration No. 33-42329)).
9.2	Amendment No. 1 to Voting Trust Agreement dated as of October 7, 1991 between certain stockholders of The Oklahoma Publishing Company and Edward L. Gaylord, Edith Gaylord Harper, Christine Gaylord Everest, and E. K. Gaylord II as Voting Trustees (incorporated by reference to Exhibit 9.2 to Old Gaylord's Registration Statement on Form S-1 (Registration No. 33-42329)).
10.1	Senior Subordinated Note issued on September 29, 1995 by CCT Holdings Corporation in the original principal amount of $165,687,890 (incorporated by reference to Exhibit 10.1 to Old Gaylord's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 13, 1995).
10.2	Senior Subordinated Loan Agreement, dated as of September 29, 1995, between CCT Holdings and Cencom Cable Television, Inc. (incorporated by reference to Exhibit 10.2 to Old Gaylord's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 13, 1995).
10.3	Contingent Payment Agreement, dated as of September 29, 1995, between Charter Communications Entertainment, L.P., CCT Holdings Corporation and Cencom Cable Television, Inc. (incorporated by reference to Exhibit 10.3 to Old Gaylord's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 13, 1995).

10.4	Letter Agreement dated September 14, 1994 between CBS, Inc. and the Registrant (d/b/a KTVT, Fort Worth-Dallas) as modified by the Affiliation Agreement dated December 2, 1994 between the parties as amended by the letter agreement between the parties dated December 29, 1994 (incorporated by reference to Exhibit 10.20 of Old Gaylord's Annual Report on Form 10-K for the year ended December 31, 1994).
10.5	Amended and Restated Limited Partnership Agreement of Bass Pro, L.P. (incorporated by reference to Exhibit 2.3 to Old Gaylord's Registration Statement on Form S-3 (Registration No. 33-74552)).
10.6	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).

EXHIBIT NUMBER	DESCRIPTION
10.7	Post-Closing Covenants Agreement among Westinghouse, Old Gaylord, the Registrant and certain subsidiaries of the Registrant dated September 30, 1997 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, dated October 7, 1997).
10.8	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).
	EXECUTIVE COMPENSATION PLANS AND MANAGEMENT CONTRACTS
10.9	1997 Stock Option and Incentive Plan (incorporated by reference to Annex VII to Old Gaylord's definitive Proxy Statement relating to the Special Meeting held on August 15, 1997).
10.10	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)).
10.11	The Opryland USA Inc Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.22 to Old Gaylord's Annual Report on Form 10-K for the year ended December 31, 1992).
10.12	Gaylord Entertainment Company Excess Benefit Plan (incorporated by reference to Exhibit 10.30 to Old Gaylord's Annual Report on Form 10-K for the year ended December 31, 1994).
10.13	Gaylord Entertainment Company Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.31 to Old Gaylord's Annual Report on Form 10-K for the year ended December 31, 1994).
10.14	Gaylord Entertainment Company Directors' Unfunded Deferred Compensation Plan (incorporated by reference to Exhibit 10.32 to Old Gaylord's Annual Report on Form 10-K for the year ended December 31, 1994).
10.15	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).
10.16	Form of Indemnity Agreement between the Registrant and its directors (incorporated by reference to Exhibit 10.24 to Old Gaylord's Annual Report on Form 10-K for the year ended December 31, 1996).
10.17*	Executive Employment Agreement of Dan E. Harrell, dated March 24, 1997, with Word Entertainment Group, Inc., a subsidiary of the Registrant.
10.18*	Letter Agreement, dated March 26, 1998, regarding employment of Jerry O. Bradley by the Registrant.

21	Subsidiaries of Gaylord Entertainment Company (incorporated by reference to Exhibit 21 to the Company's Registration Statement on Form 10, as amended (File No. 1-13079)).
23*	Consent of Independent Auditors.
27*	Financial Data Schedule for year ended December 31, 1997 (for SEC use only).

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

* Filed herewith.

EXHIBIT 4.3

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "First Amendment"), dated to be effective as of September 30, 1997, is entered into among GAYLORD ENTERTAINMENT COMPANY, a Delaware corporation, NEW GAYLORD ENTERTAINMENT COMPANY, a Delaware corporation (collectively, for purposes of this First Amendment, "Borrower"), the banks listed on the signature pages hereof (collectively, "Lenders"), and NATIONSBANK OF TEXAS, N.A., as Administrative Lender (in said capacity, "Administrative Lender").

BACKGROUND

A. Borrower, Lenders and Administrative Lender heretofore entered into that certain Credit Agreement, dated as of August 19, 1997 (the "Credit Agreement"; the terms defined in the Credit Agreement and not otherwise defined herein shall be used herein as defined in the Credit Agreement).

B. Borrower, Lenders and Administrative Lender desire to make an amendment to the Credit Agreement.

NOW, THEREFORE, in consideration of the covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are all hereby acknowledged, Borrower, Lenders and Administrative Lender covenant and agree as follows:

1. AMENDMENT TO CREDIT AGREEMENT. The definition of "Permitted Debt" set forth in Article I of the Credit Agreement is hereby amended to read in its entirety as follows:

> "`Permitted Debt' means, without duplication, (a) unsecured Debt not to exceed $20,000,000 in aggregate principal amount, (b) Debt secured by Liens permitted by clause (g) of the definition of "Permitted Liens", provided, such Debt does not exceed $20,000,000 in aggregate principal amount, (c) Existing Debt and extensions, renewals and refinancings (but not increases) thereof, (d) Debt pursuant to or in connection with Film Contracts, (e) trade payables incurred in the ordinary course of the Companies' respective businesses, (f) Debt and Contingent Debt pursuant to this Agreement, (g) intercompany Debt between Companies, (h) Debt in respect of interest swap agreements and other similar agreements designed to hedge against fluctuations in interest rates, (i) Acquisition Consideration consisting of Debt incurred to the seller of assets acquired in an Acquisition or assumed pursuant to any single Acquisition not to exceed (A) during fiscal year 1997, the remainder of (1) $100,000,000 minus (2) the aggregate

> amount of cash Acquisition Consideration paid for any such Acquisition during such fiscal year, (B) during fiscal year 1998, the remainder of (1) $125,000,000 minus (2) the aggregate amount of cash Acquisition Consideration paid for any such Acquisition during such fiscal year, and (C) during each fiscal year thereafter, the remainder of (1) $150,000,000 minus (2) the aggregate amount of cash Acquisition Consideration paid for any such Acquisition during such fiscal year, and (j) Contingent Debt in respect of operating lease obligations and other obligations (excluding Debt other than Permitted Debt) of any Company incurred in the ordinary course of business."

2. REPRESENTATIONS AND WARRANTIES TRUE; NO EVENT OF DEFAULT. By its execution and delivery hereof, Borrower represents and warrants that, as of the date hereof and after giving effect to the amendment contemplated by the foregoing Section 1:

(a) the representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct on and as of the date hereof as though made on and as of such date, except to the extent that any such representation or warranty relates expressly to a specified date or is no longer correct because of a change in circumstances permitted by the Loan Documents;

(b) no event has occurred and is continuing which constitutes a Default or Event of Default;

(c) Borrower has full power and authority to execute and deliver this First Amendment and the Credit Agreement, as amended hereby, and this First Amendment and the Credit Agreement, as amended hereby, constitute the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable debtor relief laws and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and except as rights to indemnity may be limited by federal or state securities laws;

(d) neither the execution, delivery and performance of this First Amendment or the Credit Agreement, as amended by this First Amendment, will contravene or conflict with any Law to which Borrower or any of its Subsidiaries is subject or any indenture, agreement or other instrument to which Borrower or any of its Subsidiaries or any of their respective property is subject; and

(e) no authorization, approval, consent, or other action by, notice to, or filing with, any Tribunal or other Person, is required for the execution, delivery or performance by Borrower of this First Amendment or the acknowledgement of this First Amendment by any Guarantor.

3. CONDITIONS OF EFFECTIVENESS. This First Amendment shall be effective as of September 30, 1997, subject to the following:

(a) Administrative Lender shall have received counterparts of this First Amendment executed by Determining Lenders;

(b) Administrative Lender shall have received counterparts of this First Amendment executed by Borrower, and within 10 Business Days of the effective date hereof, acknowledged by each Guarantor (after giving effect to the Gaylord Restructuring and the Westinghouse Merger); and

(c) Administrative Lender shall have received, in form and substance satisfactory to Administrative Lender and its counsel, such other documents, certificates and instruments as Administrative Lender reasonably shall require.

4. GUARANTOR ACKNOWLEDGEMENT. By signing below, each of the Guarantors (i) acknowledges, consents and agrees to the execution and delivery of this First Amendment, (ii) acknowledges and agrees that its obligations in respect of its Guaranty are not released, diminished, waived, modified, impaired or affected in any manner by this First Amendment or any of the provisions contemplated herein, (iii) ratifies and confirms its obligations under its Guaranty, and (iv) acknowledges and agrees that it has no claims or offsets against, or defenses or counterclaims to, its Guaranty.

5. REFERENCE TO THE CREDIT AGREEMENT.

(a) Upon the effectiveness of this First Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", or words of like import shall mean and be a reference to the Credit Agreement, as amended by this First Amendment.

(b) The Credit Agreement, as amended by this First Amendment, and all other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

6. COSTS, EXPENSES AND TAXES. Borrower agrees to pay on demand all

costs and expenses of the Administrative Lender in connection with the preparation, reproduction, execution and delivery of this First Amendment and the other instruments and documents to be delivered hereunder (including the reasonable fees and out-of-pocket expenses of counsel for the Administrative Lender with respect thereto and with respect to advising the Lenders as to their rights and responsibilities under the Credit Agreement, as amended by this First Amendment).

7. EXECUTION IN COUNTERPARTS. This First Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

8. GOVERNING LAW: BINDING EFFECT. This First Amendment shall be governed by and construed in accordance with the laws of the State of Texas and shall be binding upon Borrower and each Lender and their respective successors and assigns.

9. HEADINGS. Section headings in this First Amendment are included herein for convenience of reference only and shall not constitute a part of this First Amendment for any other purpose.

10. ENTIRE AGREEMENT. THE CREDIT AGREEMENT, AS AMENDED BY THIS FIRST AMENDMENT, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to be effective as of the date first above written.

GAYLORD ENTERTAINMENT COMPANY

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

NEW GAYLORD ENTERTAINMENT COMPANY

By: ---------------------------------------

Name: ----------------------------------

Title:

NATIONSBANK OF TEXAS, N.A.
as a Lender, Swing Line Bank, Issuing
Bank and as Administrative Lender

By:

Name:

Title:

THE BANK OF NEW YORK

By:

Name:

Title:

THE FUJI BANK, LIMITED, ATLANTA
AGENCY

By:

Name:

Title:

SUNTRUST BANK, NASHVILLE, N.A.

By:

Name:

Title:

FIRST AMERICAN NATIONAL BANK

By:

Name:

Title:

CREDIT LYONNAIS NEW YORK BRANCH

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

BANQUE PARIBAS

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

WELLS FARGO BANK (TEXAS), NATIONAL ASSOCIATION

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

FIRST UNION NATIONAL BANK

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

THE SAKURA BANK, LIMITED

By: ---------------------------------------

Name:

Title:

THE INDUSTRIAL BANK OF JAPAN,
LIMITED, ATLANTA AGENCY

By:

Name:

Title:

COMERICA BANK

By:

Name:

Title:

THE LONG-TERM CREDIT BANK OF JAPAN,
LTD.

By:

Name:

Title:

THE SANWA BANK, LIMITED

By:

Name:

Title:

THE BANK OF NOVA SCOTIA

By:

Name:

Title:

WACHOVIA BANK, N.A.

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

BANK OF TOKYO MITSUBISHI TRUST COMPANY

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

ACKNOWLEDGED AND AGREED:

IDEA ENTERTAINMENT, INC.

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

CNR, INC.

By: ---------------------------------------

Name: ----------------------------------

Title: ---------------------------------

GAYLORD BROADCASTING COMPANY, L.P.

By: Gaylord Communications, Inc., its General Partner

By:

Name:

Title:

OPRYLAND ATTRACTIONS, INC.

By:

Name:

Title:

OLH, L.P.

By: Opryland Hospitality, Inc.

By:

Name:

Title:

OPRYLAND MUSIC GROUP, INC.

By:

Name:

Title:

EXHIBIT 4.4

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Second Amendment"), dated as of March 24, 1998 but effective as of October 1, 1997, is entered into among GAYLORD ENTERTAINMENT COMPANY, a Delaware corporation ("Borrower"), the banks listed on the signature pages hereof (collectively, "Lenders"), and NATIONSBANK OF TEXAS, N.A., as Administrative Lender (in said capacity, "Administrative Lender").

BACKGROUND

A. Borrower, Lenders and Administrative Lender are parties to that certain Credit Agreement, dated as of August 19, 1997, as amended by that certain First Amendment to Credit Agreement, dated as of September 30, 1997 (said Credit Agreement, as amended, the "Credit Agreement"; the terms defined in the Credit Agreement and not otherwise defined herein shall be used herein as defined in the Credit Agreement).

B. Borrower, Lenders and Administrative Lender desire to make an amendment to the Credit Agreement.

NOW, THEREFORE, in consideration of the covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are all hereby acknowledged, Borrower, Lenders and Administrative Lender covenant and agree as follows:

1. AMENDMENTS TO CREDIT AGREEMENT.

(a) The definition of "EBITDA" set forth in Article I of the Credit Agreement is hereby amended to read as follows:

"`EBITDA' means, for the Companies, on a consolidated basis, for the twelve (12) month period preceding any date of determination, the sum of (a) operating income plus (b) depreciation expense, plus (c) amortization expense (not including amortization expense related to program rights and inventories), plus (d) to the extent not already included in operating income, the lesser of (i) earnings or (ii) cash distributions received from unconsolidated Subsidiaries, plus (e) for any period beginning January 1, 1998, to the extent included in determining operating income, but without duplication with respect to any non-cash charges set forth in the immediately succeeding proviso, non-recurring, non-cash charges, if any, minus (f) for any period beginning January 1, 1998, to the extent included in determining operating income, non-recurring, non-cash credits, if any; provided, however, for purposes of calculation of EBITDA for any period of determination including the month of (y) September, 1997, there shall be added to EBITDA (to the extent included in determining operating income) the sum of cash and

non-cash charges related to (A) the Westinghouse Merger not to exceed $36,300,000, plus (B) the write-down of television program inventories at KTVT not to exceed $11,740,000, and (z) December, 1997, there shall be added to EBITDA (to the extent included in determining operating income) the sum of cash and non-cash charges related to (A) the write-down of property, equipment and inventory and for severance and termination benefits related to the closing of the Opryland theme park not to exceed $42,006,000, plus (B) the cessation of operations of CMT Europe not to exceed $5,000,000."

(b) Section 4.4 of the Credit Agreement is hereby amended to read as follows:

"4.4 Net Worth. Borrower shall not permit Net Worth (a) as of October 1, 1997 (taking into account the effect of the Westinghouse Merger) and thereafter up to but not including December 31, 1997 to be less than an amount equal to the sum of (i) the greater of 90% of Net Worth on October 1, 1997 (taking into account the effect of the Westinghouse Merger) or $425,000,000, plus (ii) 50% of the cumulative Net Income from and including October 1, 1997 through the date of calculation (but excluding from the calculation of cumulative Net Income the effect, if any, of any fiscal quarter (or any portion of a fiscal quarter not yet ended) for which Net Income was a negative number), plus (iii) 75% of the Net Proceeds received by Borrower or any of its Subsidiaries from any Equity Issuance occurring on and after October 1, 1997 up to but not including December 31, 1997, plus (iv) any increase in stockholders' equity of Borrower pursuant to the conversion or exchange of preferred Capital Stock of Borrower into common Capital Stock of Borrower, plus (v) an amount equal to 75% of the net worth of any Person that becomes a Subsidiary of Borrower or substantially all of the assets of which are acquired by Borrower or any of its Subsidiaries to the extent the purchase price therefor is paid in Capital Stock of Borrower or any of its Subsidiaries, and (b) as of December 31, 1997 and thereafter to be less than an amount equal to the sum of (i) 90% of Net Worth on December 31, 1997, plus (ii) 50% of the cumulative Net Income from and including January 1, 1998 (but excluding from the calculation of cumulative Net Income the effect, if any, of any fiscal quarter (or any portion of a fiscal quarter not yet ended) for which Net Income was a negative number), plus (iii) 75% of the Net Proceeds received by Borrower or any of its Subsidiaries from any Equity Issuance occurring on and after January 1, 1998, plus (iv) any increase in stockholders' equity of Borrower pursuant to the conversion or exchange of preferred Capital Stock of Borrower into common Capital Stock of Borrower, plus (v) an amount equal to 75% of the net worth of any Person that becomes a Subsidiary of Borrower or substantially all of the assets of which are acquired by Borrower or any of its Subsidiaries to the extent the purchase price therefor is paid in Capital Stock of Borrower or any of its Subsidiaries."

(c) The Officer's Certificate-Financial in the form of Exhibit N to the Credit Agreement is hereby amended to be in the form of Exhibit N to this Second Amendment.

2. REPRESENTATIONS AND WARRANTIES TRUE; NO EVENT OF DEFAULT. By its execution and delivery hereof, Borrower represents and warrants that after giving effect to the amendments contemplated by the foregoing Section 1:

(a) the representations and warranties contained in the Credit Agreement and the other Loan Documents are true and correct on and as of the date hereof as though made on and as of such date, except to the extent that any such representation or warranty relates expressly to a specified date or is no longer correct because of a change in circumstances permitted by the Loan Documents;

(b) no event has occurred and is continuing which constitutes a Default or Event of Default;

(c) Borrower has full power and authority to execute and deliver this Second Amendment and the Credit Agreement, as amended hereby, and this Second Amendment and the Credit Agreement, as amended hereby, constitute the legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms, except as enforceability may be limited by applicable debtor relief laws and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and except as rights to indemnity may be limited by federal or state securities laws;

(d) neither the execution, delivery and performance of this Second

Amendment or the Credit Agreement, as amended by this Second Amendment, will contravene or conflict with any Law to which Borrower or any of its Subsidiaries is subject or any indenture, agreement or other instrument to which Borrower or any of its Subsidiaries or any of their respective property is subject; and

(e) no authorization, approval, consent, or other action by, notice to, or filing with, any Tribunal or other Person, is required for the execution, delivery or performance by Borrower of this Second Amendment or the acknowledgement of this Second Amendment by any Guarantor.

3. CONDITIONS OF EFFECTIVENESS. This Second Amendment shall be effective as of October 1, 1997, subject to the following:

(a) Administrative Lender shall have received counterparts of this Second Amendment executed by Determining Lenders;

(b) Administrative Lender shall have received counterparts of this Second Amendment executed by Borrower and acknowledged by each Guarantor; and

(c) Administrative Lender shall have received, in form and substance satisfactory to Administrative Lender and its counsel, such other documents, certificates and instruments as Administrative Lender reasonably shall require.

4. GUARANTOR ACKNOWLEDGEMENT. By signing below, each of the Guarantors (i) acknowledges, consents and agrees to the execution and delivery of this Second Amendment, (ii) acknowledges and agrees that its obligations in respect of its Guaranty are not released, diminished, waived, modified, impaired or affected in any manner by this Second Amendment or any of the provisions contemplated herein, (iii) ratifies and confirms its obligations under its Guaranty, and (iv) acknowledges and agrees that it has no claims or offsets against, or defenses or counterclaims to, its Guaranty.

5. REFERENCE TO THE CREDIT AGREEMENT.

(a) Upon the effectiveness of this Second Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", or words of like import shall mean and be a reference to the Credit Agreement, as amended by this Second Amendment.

(b) The Credit Agreement, as amended by this Second Amendment, and all other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

6. COSTS, EXPENSES AND TAXES. Borrower agrees to pay on demand all costs and expenses of the Administrative Lender in connection with the preparation, reproduction, execution and delivery of this Second Amendment and the other instruments and documents to be delivered hereunder (including the reasonable fees and out-of-pocket expenses of counsel for the Administrative Lender with respect thereto and with respect to advising the Lenders as to their rights and responsibilities under the Credit Agreement, as amended by this Second Amendment).

7. EXECUTION IN COUNTERPARTS. This Second Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

8. GOVERNING LAW: BINDING EFFECT. This Second Amendment shall be governed by and construed in accordance with the laws of the State of Texas and shall be binding upon Borrower and each Lender and their respective successors and assigns.

9. HEADINGS. Section headings in this Second Amendment are included herein for convenience of reference only and shall not constitute a part of this Second Amendment for any other purpose.

10. ENTIRE AGREEMENT. THE CREDIT AGREEMENT, AS AMENDED BY THIS SECOND AMENDMENT, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR

SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to be effective as of the date first above written.

GAYLORD ENTERTAINMENT COMPANY

By: --

Name: -----------------------------------

Title: ----------------------------------

NATIONSBANK OF TEXAS, N.A.
as a Lender, Swing Line Bank, Issuing Bank and as Administrative Lender

By: --

Name: -----------------------------------

Title: ----------------------------------

THE BANK OF NEW YORK

By: --

Name: -----------------------------------

Title: ----------------------------------

THE FUJI BANK, LIMITED, ATLANTA AGENCY

By: --

Name: -----------------------------------

Title: ----------------------------------

SUNTRUST BANK, NASHVILLE, N.A.

By: --

Name: -----------------------------------

Title: ----------------------------------

FIRST AMERICAN NATIONAL BANK

By: --

Name: -----------------------------------

Title: ----------------------------------

CREDIT LYONNAIS NEW YORK BRANCH

By: --

Name: -----------------------------------

Title: ----------------------------------

BANQUE PARIBAS

By: --

Name: -----------------------------------

Title: ----------------------------------

By: --

Name: -----------------------------------

Title: ----------------------------------

WELLS FARGO BANK (TEXAS), NATIONAL
ASSOCIATION

By:

Name:

Title:

FIRST UNION NATIONAL BANK

By:

Name:

Title:

THE SAKURA BANK, LIMITED

By:

Name:

Title:

THE INDUSTRIAL BANK OF JAPAN,
LIMITED, ATLANTA AGENCY

By:

Name:

Title:

COMERICA BANK

By:

Name:

Title:

THE LONG-TERM CREDIT BANK OF JAPAN,
LTD.

By:

Name:

Title:

THE SANWA BANK, LIMITED

By:

Name:

Title:

THE BANK OF NOVA SCOTIA

By:

Name:

Title:

WACHOVIA BANK, N.A.

By:

Name:

Title:

BANK OF TOKYO MITSUBISHI TRUST
COMPANY

By:

Name:

Title:

ACKNOWLEDGED AND AGREED:

IDEA ENTERTAINMENT, INC.

By:

   Name:

   Title:

CNR, INC.

By:

   Name:

   Title:

GAYLORD BROADCASTING COMPANY, L.P.

By: Gaylord Communications, Inc.,
its General Partner

By:

   Name:

   Title:

OPRYLAND ATTRACTIONS, INC.

By:

   Name:

   Title:

OLH, L.P.

By: Opryland Hospitality, Inc.

By:

   Name:

   Title:

OPRYLAND MUSIC GROUP, INC.

By:

Name:

Title:

EXHIBIT 10.17

EXECUTIVE EMPLOYMENT AGREEMENT
OF DAN E. HARRELL

AGREEMENT, dated March 24, 1997, by and between WORD ENTERTAINMENT GROUP, INC., a Delaware corporation having its corporate headquarters at One Gaylord Drive, Nashville, Tennessee 37214 ("WEG") and DAN E. HARRELL residing at 4411 Truxton, Nashville, Tennessee ("Executive").

W I T N E S S E T H:

WHEREAS, WEG desires to employ Executive as its Co-President;

WHEREAS, Executive desires to serve as the Co-President of WEG;

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Employment; Term. WEG hereby employs Executive, and Executive hereby accepts employment with WEG, upon the terms and conditions contained in this Agreement. The term of Executive's employment hereunder (the "Employment Period") shall commence on the date hereof (the "Effective Date") and shall continue for a period of seven (7) years from and after the Effective Date, unless sooner terminated as hereinafter provided.

2. Duties.

(a) (i) During the Employment Period, Executive shall serve as the Co-President of WEG. Executive, together with E. Michael Blanton, the other Co-President of WEG (the "Co-President"), shall be responsible for the management, operations, growth and development of WEG and its subsidiaries, which, as of the date hereof, include Word Entertainment, Inc., operating as Word Records and Music, and Blanton/Harrell Entertainment ("BHE"), and will include such cable broadcasting services (through Z-TV and/or other program services), syndicated television programming, film, merchandising, sports, retail, video, hospitality, resorts, publishing and other new ventures as determined from time to time by the Company (as hereinafter defined) and the Board of Directors of WEG. Executive shall report directly to the Chief Operating Officer of the Company or such other more senior officer of the Company as is determined by the Company from time to time. During the Executive's employment hereunder, (A) other than E. Michael Blanton, no other officer of WEG shall perform the duties of a President, Chief Executive Officer, Chief Operating Officer or other officer of WEG senior to Executive and E. Michael Blanton, (B) Executive's duties shall not be reduced without his consent, unless such reduction occurs in connection with a restructuring of the business of WEG, such as a disposition or discontinuation of an undesirable business (as determined by the Company) or other action not intended to reduce Executive's role in WEG's business (as the Company determines it should be conducted), (C) all employees of WEG shall report, directly or indirectly, to either Executive or the other Co-President of WEG, other than: (w) the Chief Financial Officer of WEG, who shall report to such officers as provided in Section 2(d), (x) all employees of WEG performing accounting, finance, budgeting and administration functions related thereto, who shall report, directly or indirectly, to the CFO of WEG, (y) all employees of the Company or any subsidiary other than WEG who perform services for Company subsidiaries generally (such as employees of the Human Resources Department and the Legal Department) and (z) employees of Company subsidiaries other than WEG and its wholly-owned subsidiaries utilized by WEG from time to time in furtherance of its business.

(ii) Executive, the other Co-President of WEG and the Company shall jointly develop a strategic plan for WEG (the "Strategic Plan"). The parties will endeavor to develop the Strategic Plan for presentation to and approval by the Company within one hundred twenty (120) days after the Effective Date. In furtherance of the Strategic Plan, the Company intends to provide significant capital to enable the growth and development of WEG.

(iii) On an annual basis, at such time as is consistent with the Company's overall planning and budgeting process, as determined by the Company, Executive and the other Co-President shall update the Strategic Plan in writing for presentation to, and approval by the Company.

(iv) Executive shall faithfully and as a fiduciary perform the duties of his office and shall perform such other duties of an executive, managerial and administrative nature as shall be required of his office and be consistent with the position of President. Subject to Section 2(b) below, Executive shall devote substantially all of his business time and effort to the performance of his duties to WEG hereunder.

(v) If E. Michael Blanton is not employed as Co-President of WEG at any time in which he has joint duties with the Executive as described in this Section 2, subject to WEG and the Company's rights under Section 6, Executive shall be solely responsible for the performance of such duties.

(vi) As used in this Agreement, "Company" shall mean either Gaylord Entertainment Company ("Gaylord Entertainment") or Gaylord Broadcasting Company ("Gaylord"), whichever is the ultimate corporate parent of WEG at the time the determination is made.

(b) Notwithstanding anything to the contrary contained in Section 2(a) above:

(i) Executive shall continue to perform, or supervise the performance of, his existing duties at BHE for no additional compensation;

(ii) Executive shall be permitted to engage in the following activities, provided that such activities do not, individually or in the aggregate, materially interfere or conflict with Executive's duties and responsibilities to WEG:

(w) Executive may serve on the governing boards of, or otherwise participate in, a reasonable number of trade associations and/or charitable organizations;

(x) Executive may engage in a reasonable amount of charitable activities and community affairs;

(y) Executive may manage his personal investments and affairs; and

(z) subject to the approval of the Chief Executive Officer of the Company in his sole discretion, Executive may serve on the Board of Directors of one or more business corporations.

(c) Executive shall comply with all personnel policies and procedures of the Company applicable to senior executives of the Company and its subsidiaries as in effect from time to time.

(d) Relationship with the Chief Financial Officer of WEG. Executive, the Co-President (if then employed by WEG) and the Company shall, from time to time, jointly select a candidate for appointment as Chief Financial Officer of WEG. The Chief Financial Officer shall have dual reporting duties to the Executive and the Co-President (if then employed by WEG), on the one hand, and the Chief Financial Officer of the Company (or such other senior officer of the Company as is determined by the Company from time to time), on the other hand. The Chief Financial Officer of WEG may be terminated either by (i) the Chief Financial Officer of the Company (or such other senior officer as aforesaid) with the consent of the Executive and the Co-President (if then employed by WEG) or (ii) by the Executive and the Co-President (if then employed by WEG), with the consent of the Chief Financial Officer of the Company (or such senior officer as aforesaid); provided that any consent required hereunder shall not be unreasonably withheld or delayed.

3. Compensation.

(a) Base Salary. During the Employment Period, WEG shall pay to Executive an aggregate annual salary of $300,000 (as increased as described in this clause (a), the "Base Salary"). The Base Salary shall be payable in accordance with the Company's

payroll practices as in effect from time to time. The Base Salary shall be increased on or about the anniversary of the date hereof by an amount determined by the Compensation Committee of the Board of Directors of the Company in its sole discretion, but not less than an amount equal to the percentage increase in the Consumer Price Index (as hereinafter defined), during the prior year (measured from December to December). For purposes hereof, "Consumer Price Index" means the Consumer Price Index South Urban Consumer, All Items (1982-84 = 100), as reported by the Bureau of Labor Statistics of the U.S. Department of Labor. In the event the Consumer Price Index shall be superseded or shall be published by a different agency, the superseding index shall be substituted for this Consumer Price Index in such a manner as to implement the intentions of the parties in this Agreement.

(b) Annual Cash Bonus. During the Employment Period, Executive shall be entitled to an annual cash bonus of up to 60% of his Base Salary in effect during the fiscal year of the Company for which such bonus is awarded (the "Cash Bonus"). The percentage of the total Cash Bonus for which the Executive is eligible during any fiscal year shall be based upon performance measures determined by the Compensation Committee of the Board of Directors of the Company in its sole discretion. Such performance measures shall be allocated among various performance criteria determined by the Board of Directors of the Company in its sole discretion. Such criteria are currently proposed to be initially allocated as follows:

Criteria	Initial Percentage of Total Eligible Cash Bonus
(i) Achievement by the Company of operating cash flow goals fixed by its Board of Directors	25%
(ii) Achievement by WEG of operating cash flow goals fixed by the Board of Directors of the Company (such cash flow to be (x) subject to a six percent (6%) charge for the cost of capital invested in WEG, whether before or after the date hereof, and whether such capital was funded by the Company or otherwise and (y) adjusted to offset negative cash flow results from losses incurred by Z-TV, if any)	60%
(iii) Operation by WEG within its capital budget established by the Board of Directors of the Company	5%
(iv) Executive's individual contribution to WEG during the year, as determined by the Board of Directors of the Company	10%
	100%

The Cash Bonus for the portion of each of (x) the first fiscal year of the Company during which Executive is employed hereunder and, (y) if Executive's employment with WEG terminates on the last day of the Employment Period, the last fiscal year of the Employment Period during which Executive is employed hereunder, shall be equal to the total Cash Bonus which Executive would have been entitled to receive had he been employed hereunder for such entire fiscal year multiplied by a fraction, the numerator of which is the number of days in such calendar year in which Executive was employed hereunder, and the denominator of which is 365.

4. Long Term Incentives.

(a) Grants, Adjustment for Economic Equivalents. Gaylord Entertainment has entered into an Agreement and Plan of Merger (the "Merger Agreement"), dated as of February 9, 1997, with Westinghouse Electric Company ("Westinghouse"), and G Acquisition Corp ("Sub") providing for a merger of Gaylord Entertainment with Sub (the "Merger") and a restructuring of certain other assets of Gaylord Entertainment (the "Distribution") pursuant to an Agreement and Plan of Distribution to be entered into between Gaylord Entertainment and Gaylord. Pursuant to the Distribution, certain continuing assets and businesses of Gaylord and certain continuing liabilities of Gaylord Entertainment will be assumed by Gaylord. The number of shares of stock available to Executive for purchase under the option grants and restricted stock awards provided in Section 4 is based on the number of shares of Class A Common Stock, $0.01 par value, of Gaylord Entertainment ("Gaylord Entertainment Common Stock") which would be issued to Executive if the options provided in Section 4 were granted by Gaylord Entertainment. Following the completion of the Merger and the Distribution, current holders of options to acquire Gaylord Entertainment Common Stock granted under Gaylord Entertainment's 1993 Stock Option and Incentive Plan (the "Plan") will receive, in lieu of such options, options to purchase shares of Common Stock, $0.01 par value, of Gaylord ("Gaylord Common Stock") with an economic value substantially equivalent to the shares of Gaylord Entertainment Common Stock available to such current holders under the Plan. In light of the foregoing, the parties agree that the number of shares of restricted Gaylord Common Stock and the number of shares of Gaylord Common Stock which may be purchased upon exercise of the options granted pursuant to Section 4 shall be adjusted

on the same basis as the number of shares of Gaylord Entertainment Common Stock which may be purchased by members of Gaylord senior management who are current holders of options under the Plan as such options are adjusted following completion of the Merger and the Distribution. In the event the Merger Agreement terminates and the Merger does not occur, WEG shall cause Gaylord Entertainment to issue the options set forth in Section 4(b) to purchase the number of shares of Gaylord Entertainment Common Stock provided herein without adjustment. In no event shall any adjustment for the benefit of Executive hereunder include any right (or the economic equivalent of any right) to receive any securities of Westinghouse in the Merger.

(b) Eligibility for Annual Option and Restricted Stock Grants. During the Employment Period, Executive shall be entitled to a grant of (and WEG shall cause the Company to grant) annual options and restricted stock (e.g., performance shares) (together, the "Annual Options") relating to 23,000 shares of Gaylord Entertainment Common Stock or, subject to adjustment as provided in Section 4(a), Gaylord Common Stock. The Annual Options shall be granted as and when grants are made to similarly situated executives of the Company, provided that, any failure by the Company to grant options to similarly situated executives shall not relieve WEG of its obligation to cause the Company to issue the Annual Options required hereunder. The Annual Options shall be granted pursuant to and shall be governed by the terms of the applicable stock option and incentive plan of the Company. Each Annual Option shall include options to purchase 18,500 shares of Gaylord Entertainment Common Stock or, subject to adjustment pursuant to Section 4(a), Gaylord Common Stock and shall (i) vest in equal amounts at the second through the fifth anniversaries of the grant, (ii) be

exercisable at fair market value at the time of grant, (iii) be subject to accelerated vesting upon the occurrence of an event described in Section 7(e) and (f), (iv) have a term of ten years from the date of grant, and (vi) otherwise be subject to the terms of a stock option agreement between the Company and the Executive in the form prescribed by the Compensation Committee of the Board of Directors of the Company for its executives generally. Each

Annual Option shall also include a grant of 4,500 restricted shares (i.e., performance shares) of Gaylord Entertainment Common Stock or, subject to adjustment as provided in Section 4(a), Gaylord Common Stock ("Restricted Stock"). Under the Plan as currently in effect, the restrictions on the Restricted Stock shall be removed on the third anniversary of grant, based on the Company's earnings per share growth target (the "Target") established with respect to such Restricted Stock by the Compensation Committee of the Board of Directors of the Company in accordance with the following formula:

(i) Restrictions shall be removed as to one-third of the Restricted Stock on the third anniversary of grant if 90% but less than 100% of the Target is achieved;

(ii) Restrictions shall be removed as to two-thirds of the Restricted Stock on the third anniversary of the grant if 100% but less than 110% of the Target is achieved; and

(iii) Restrictions shall be removed as to all of the Restricted Stock on the third anniversary of its grant if 110% or more of the Target is achieved.

In the event the Company shall at any time or from time to time modify the restricted stock award program for its executives generally under or pursuant to the Plan or a successor stock option or incentive plan, such modifications shall apply to the Annual Option Award of Restricted Stock under this Agreement.

(c) Mega-Grant. Executive shall be entitled to a grant of an additional 40,000 restricted shares (e.g., performance shares) of Gaylord Entertainment Common Stock or, subject to adjustment as provided in Section 4(a), Gaylord Common Stock (the "Mega-Grant"). The Mega-Grant shall be made on or about the date of termination of the Merger Agreement or the consummation of the Merger and the Distribution, as the case may be. The Mega-Grant shall become eligible for elimination of restrictions (i.e., become available for distribution to Executive) as to one-third of the shares exercisable thereunder beginning on each of the fifth, sixth and seventh anniversaries of the Effective Date (each a "Mega-Grant Eligibility Date"). Elimination of restrictions on eligible Mega-Grant shares shall occur upon WEG achieving, on the Mega-Grant Eligibility Date to which such target and eligible shares relate, or on any subsequent Mega-Grant Eligibility Date, the cumulative operating cash flow target (adjusted for losses of ZTV and charges for the cost of capital invested in WEG as described in Section 3(b)(ii)) determined by the Compensation Committee of the Board of Directors of the Company. All restrictions on Mega-Grant shares shall be removed, without achievement of any of the performance criteria described herein, upon the occurrence of an event described in Section 7(f) and shall be subject to the terms of the existing or successor stock option and incentive plans of the Company (including the form of grant agreement), applicable at the time of grant.

5. Expenses; Benefits.

(a) During the Employment Period, WEG will reimburse Executive, in accordance with the Company's policies and procedures, for all reasonable expenses paid or incurred by Executive, including reimbursement for first class travel and accommodations expenses, in connection with the performance of his duties for WEG hereunder.

(b) During the Employment Period, Executive shall be reimbursed for monthly dues for membership in one country club of his choosing.

(c) During the Employment Period, Executive shall be entitled to the use of a corporate motor vehicle in accordance with the Company's policy. In lieu of such a vehicle, Executive may elect to receive from WEG a vehicle allowance of $1,000 per month. The parties agree to continue any existing auto lease of BHE relating to Executive's corporate motor vehicle in use on the Effective Date in such a manner that WEG's cost of making such vehicle available to Executive does not exceed $1,000 a month. The vehicle allowance shall be subject to annual increase by an amount equal to the percentage increase of the Consumer Price Index during the prior year.

(d) During the Employment Period, Executive shall be entitled to four (4) weeks vacation annually.

(e) During the Employment Period, Executive shall be entitled to participate in and enjoy the benefits of any health, life, disability, retirement, pension, group insurance, or other similar plan or plans which may be in effect or instituted by the Company for the benefit of senior executive employees of the Company and its subsidiaries generally, upon such terms as may be therein provided. Such benefits as in effect on the date hereof are

summarized in Exhibit A hereto, provided that, notwithstanding Exhibit A, Executive shall be entitled to a life insurance benefit equal to three times his Base Salary.

6. Termination. Executive's employment hereunder may be terminated prior to the expiration of the Employment Period only as follows:

(a) Death or Permanent Disability. At the option of the Company or the Board of Directors of WEG, by written notice to Executive or his personal representative in the event of either (i) the death of Executive ("Death"), or (ii) the Permanent Disability (as hereinafter defined) of Executive. As used herein, the term "Permanent Disability" shall mean a physical or mental incapacity or disability which renders Executive unable substantially to render the services required hereunder for a period of one hundred thirty-five (135) consecutive days or one hundred eighty (180) days during any twelve (12) month period, as certified by a licensed physician retained by the Company for the purposes of making such determination. Executive shall be entitled to have his physician present during any examination of Executive by a Company physician pursuant hereto.

(b) Cause. At the option of the Company or the Board of Directors of WEG, by written notice to Executive upon the occurrence of any one or more of the following events (each, a "Cause"):

(i) any action by Executive constituting fraud, embezzlement or dishonesty in the course of his employment hereunder;

(ii) any conviction of Executive of a crime involving moral turpitude;

(iii) gross neglect by Executive in the performance his duties hereunder for a period of two (2) days following receipt by Executive of written notice from the Company of such gross neglect;

(iv) failure or refusal by Executive, for a period of twenty-four hours after receipt by Executive of written notice from the Company, to perform his duties hereunder or to comply with any valid and legal directive of the Board of Directors of WEG or the officer of the Company to whom Executive reports pursuant to Section 2(a);

(v) a breach by Executive of any of his material obligations under this Agreement and failure to cure such breach within ten (10) days of receipt by Executive of written notice thereof from the Company or WEG; or

(vi) upon notice to Executive delivered not later than six (6) months following the voluntary termination (the "Co-President Termination") by E. Michael Blanton of his Employment Agreement, of even date herewith, with the Companies (the "Blanton Employment Agreement").

(c) By Executive. At the option of Executive, by written notice to the Company and WEG at any time for any of the following reasons:

(i) by notice to the Company and WEG given within a reasonable time after the occurrence of a material breach by WEG of any of its material obligations under this Agreement and the failure by WEG to cure such breach within thirty (30) days of such notice;

(ii) by notice to the Company and WEG given within a reasonable time after failure to pay Executive his Base Salary in accordance with Section 3 and failure to cure such breach within fifteen (15) days of such notice (this clause (ii), together with clause (i) hereof, hereinafter sometimes referred to as "Good Reason"); or

(iii) upon the occurrence of a Change of Control (as defined in Section 7(f)); provided that (x) notice of termination by Executive pursuant to this Section 6(c)(iii) shall have been given before the expiration of the one hundred twentieth (120th) day following such Change of Control and (y) if employed by WEG at the time, E. Michael Blanton shall simultaneously give the Company notice of termination pursuant to Section 6(c)(iii) of the Blanton Employment Agreement.

(d) Without Cause. In addition to its rights of termination pursuant to Sections 6(a) and (b), the Company or the Board of Directors of WEG may terminate this Agreement at any time without cause, subject to WEG's obligations under Section 7(e) and 7(f); provided that, unless (i) E. Michael Blanton is not at the time employed by WEG pursuant to the Blanton Employment Agreement or (ii) E. Michael Blanton's employment pursuant to the Blanton Employment Agreement is not otherwise simultaneously terminated pursuant to a provision other than Section 6(d) thereof, Executive's employment may not be terminated pursuant to this Section 6(d) unless E. Michael Blanton's employment is simultaneously terminated pursuant to Section 6(d) of the Blanton Employment Agreement. Termination pursuant to this Section 6(d) is sometimes hereinafter referred to as termination "Without Cause."

7. Effect of Termination.

(a) Effect Generally. In the event of termination of Executive's employment hereunder prior to the expiration of the Employment Period for any reason, neither the Company nor WEG shall have any liability or obligation to Executive other than as specifically set forth in this Section 7.

(b) Upon Death. Upon the termination of Executive's employment hereunder as a result of Death (pursuant to Section 6(a)(i)), Executive or his legal representatives shall be entitled to receive an amount equal to the Base Salary accrued through the date of termination and a pro rata portion of Executive's bonus, if any, in respect of the fiscal year of the Company in which termination occurs, which is based on the Executive's performance during the period through the date of termination, as reasonably determined by the Board of Directors of Company at the time bonuses are determined for Company executives generally. In addition, Executive or his legal representatives shall be entitled to any accrued and unpaid vacation pay, unreimbursed expenses incurred pursuant to Section 5(a), (b) or (c) or other benefits which may be owing to Executive pursuant to any applicable written employee benefit plan or policy of the Company in effect at the time.

(c) Upon Permanent Disability. Upon the termination of Executive's employment hereunder as a result of Permanent Disability (pursuant to Section 6(a)(ii)), Executive or his legal representatives shall be entitled to receive an amount equal to the Base Salary accrued through the date of termination and a pro rata portion of Executive's bonus, if any, in respect of the fiscal year of the Company in which Executive's termination occurs which is based on the Executive's performance through the date of termination, as reasonably

determined by the Board of Directors of Company at the time bonuses are determined for Company executives generally. Executive's payments hereunder shall be reduced by any payments received by Executive under any worker's compensation or similar law. In addition, Executive or his legal representatives shall be entitled to long-term disability benefits, accrued and unpaid vacation pay, unreimbursed expenses incurred pursuant to Section 5(a), (b) or (c) and any other benefits which may be owing to Executive pursuant to any applicable written employee benefit plan or policy of the Company in effect at the time.

(d) For Cause or by Executive Without Good Reason. Upon the termination of Executive's employment hereunder (i) by the Company or WEG for Cause (pursuant to Section 6(b)), or (ii) by Executive for any reason other than Good Reason (pursuant to Section 6(c)(i) or (ii)), then Executive shall be entitled to an amount equal to the Base Salary accrued through the date of termination plus unpaid vacation pay, unreimbursed expenses incurred pursuant to Section 5(a), (b) or (c) and any other benefits which may be owing to Executive pursuant to any applicable written employee benefit plan or policy of the Company in effect at the time; provided, however, that if Executive terminates his employment hereunder pursuant to Section 6(c)(iii), all unvested Annual Options shall immediately vest.

(e) Without Cause or For Good Reason. Upon the termination of Executive's employment hereunder either: (i) by the Company or WEG Without Cause (pursuant to Section 6(d)), or by Executive for Good Reason (pursuant to Section

6(c)(i) or (ii)), Executive shall be entitled to (x) an amount equal to 100% of the Annual Base Salary then in effect, less $185,910.50 ("Severance Compensation"), (y) Base Salary accrued through the date of termination, and (z) unpaid vacation pay, unreimbursed expenses incurred pursuant

to Section 5(a), (b) or (c) and any other benefits which may be owing to Executive pursuant to any applicable written employee benefit plan or policy of the Company in effect at the time. In addition, upon the occurrence of any such event, all unvested Annual Options shall immediately vest. The Severance Compensation shall be payable in a lump sum within ninety (90) days of termination of Executives employment hereunder.

(f) Upon a Change of Control. In the event that Executive's termination Without Cause (pursuant to Section 6(d)) occurs within ninety (90) days following a Change of Control, Executive's Severance Compensation shall be increased such that total Severance Compensation shall be an amount equal 200% of Annual Base Salary then in effect, less $185,910.50. In addition, (i) Executive shall be entitled to (y) Base Salary accrued through the date of termination, and (z) unpaid vacation pay, unreimbursed expenses incurred pursuant to Section 5(a), (b) or (c) and any other benefits which may be owing to Executive pursuant to any applicable written employee benefit plan or policy of the Company in effect at the time, and (ii) upon such event, all Annual Options and Mega-Grants shall immediately vest. A "Change of 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, other than the Company, a wholly-owned subsidiary thereof, or any

employee benefit plan of the Company or any of its subsidiaries becomes the beneficial owner of Company securities having 33-1/3% 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 the 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 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 transactions are held in the aggregate by the holders of the Company 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 after completion of the Merger or termination of the Merger Agreement, 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 shareholders, 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; provided that, notwithstanding the foregoing clauses (i)-(iii), neither the Merger nor the Distribution shall constitute a Change of Control.

8. Purchase Option.

(a) In the event that Executive's employment terminates for any Qualifying Reason (as hereinafter defined), then, upon joint written notice given by Executive (jointly, if applicable as provided herein, with E. Michael Blanton) not later than thirty (30) days after such termination (the "Purchase Notice"), Executive (and, if applicable as provided herein, E. Michael Blanton,) shall have the right to purchase the artist management business of WEG (subject to assumption of its liabilities) (the "Management Business") for one hundred dollars ($100).

(b) It shall be a "Qualifying Reason" for Executive and E. Michael Blanton to have the right to purchase the Management Business if both Executive and E. Michael Blanton cease employment with WEG for any reason specified under Section 6(c) or 6(d) hereunder and under the Blanton Employment Agreement. It shall be a Qualifying Reason for purposes of this subsection (b) even if the reason for termination of Executive hereunder differs from the reason for termination of E. Michael Blanton under the Blanton Employment Agreement.

(c) It shall be a "Qualifying Reason" for Executive to have the right to purchase the Management Business without E. Michael Blanton if:

(i) Executive's employment is terminated for Cause as a result of a Co-President Termination (pursuant to Section 6(b)(vi)); or

(ii) Following the termination of E. Michael Blanton's employment for any reason:

(x) Executive shall have terminated employment with WEG for Good Reason (pursuant to Section 6(c)(i) or (ii));

(y) Executive shall have terminated employment with WEG upon a Change of Control pursuant to Section 6(c)(iii); or

(z) The Company or WEG shall have terminated Executive's employment with WEG Without Cause (pursuant to Section 6(d)).

(d) Within sixty (60) days following receipt of the Purchase Notice, the Company shall deliver to the Executive and E. Michael Blanton (i) a balance sheet, dated as of a recent date, of the Management Business, prepared in accordance with generally accepted accounting principles, and (ii) a proposed assignment and assumption agreement executed by WEG and providing for the sale of the Management Business for the above purchase price and containing such other terms as are reasonably required by WEG to effect the sale of the Management Business without liability, cost or expense to WEG (the "Assumption").

(e) Closing of the purchase of the Management Business shall occur on a date selected by Executive and E. Michael Blanton not more than thirty (30) days following receipt of the documents provided in Section 8(d). At the Closing, Executive, (and, if applicable, E. Michael Blanton) shall execute and deliver the Assumption to WEG.

(f) This Section shall not be amended if, at the time, E.

Michael Blanton is employed by WEG, without (i) E. Michael Blanton's written consent and (ii) simultaneous identical amendment to Section 8 of the Blanton Employment Agreement.

9. Confidential Information.

(a) Executive agrees that he will not commit any act, or in any way assist others to commit any act, which could reasonably be expected to injure WEG, the Company or any of their businesses. Without limiting the generality of the foregoing, Executive recognizes and acknowledges that all information about WEG and the Company or relating to any of their respective products, services or any phase of their operations, business or financial affairs which is not a matter of public record, including without limitation, trade secrets, customers, suppliers, inventions, computer programs, price and rate information, plans and strategies ("Confidential Information"), is not generally known to WEG's or the Company's competitors and is valuable, special and unique to the business of WEG and the Company. Accordingly, Executive will not, directly or indirectly, use any such Confidential Information for his own benefit, divulge, disclose or make accessible any such Confidential Information or any part thereof to any person, firm, corporation, association or other entity for any reason or purpose whatsoever (other than in the course of carrying out his duties hereunder) or render any services to any person, firm, corporation, association or other entity to whom any such Confidential Information, in whole or in part, has been disclosed or is threatened to be disclosed by or at the instance of Executive. Confidential Information shall not include any information which is or becomes generally available to the public other than as a result of disclosure in violation of this Agreement.

(b) All memoranda, notes, lists, records and other documents (and all copies thereof) constituting Confidential Information made or compiled by Executive or made available to Executive shall be WEG's or the Company's property, as the case may be, shall be

kept confidential in accordance with the provisions of this Section 9 and shall be delivered to WEG or the Company, as appropriate, at any time on request and in any event upon the termination of Executive's employment with WEG for any reason.

(c) Since WEG and the Company will be irreparably damaged if the provisions of this Section 9 are not specifically enforced, each of WEG and the Company shall be entitled to an injunction or any other appropriate decree of specific performance (without the necessity of posting any bond or other security in connection therewith) restraining any violation or non-fulfillment of Executive's covenants under this Section 9. Such remedies shall not be exclusive and shall be in addition to any other remedy, at law or in equity, which WEG or the Company may have for any breach or threatened breach of this Section 9 by Executive.

10. Covenant Against Competition. Executive covenants and agrees that:

(a) During the Non-Compete Period (as hereinafter defined), Executive shall not, directly or indirectly, in any Geographic Area (as hereinafter defined): (i) engage for his own account in the Company Business; (ii) render any services in any capacity to any person or entity (other than the Company or its Affiliates) engaged in the Company Business; or (iii) become interested in any person or entity engaged in the Company Business (other than the Company or its Affiliates) as a partner, shareholder, director, officer, employee, principal, member, manager, agent, trustee, consultant or in any other relationship or capacity; provided, however, Executive may own, directly or indirectly, solely as a passive investment, securities of any such entity which are traded on any national securities exchange if Executive (A) is not a controlling person of, or a member of a group which controls, such

entity, and (B) does not, directly or indirectly, own 1% or more of any class of securities of such entity.

(b) During the Non-Compete Period, Executive shall not, without the prior written consent of the Company, directly or indirectly, solicit or encourage any employee of the Company or any of its Affiliates to leave the employment of the Company or any of its Affiliates, hire any employee who has left the employment of the Company or any of its Affiliates based on or as a result of any direct or indirect, express or implied, inducements offered by Executive or anyone affiliated with Executive within one year of the termination of such employee's employment with either of WEG, the Company or any of their Affiliates; provided, however, that nothing contained herein shall prevent Executive from soliciting or hiring any individual(s) who was his personal assistant or personal secretary while an employee of WEG.

(c) During any portion of the Non-Compete Period during which Executive is not employed by WEG, Executive shall not, in any Geographic Area, directly or indirectly, knowingly solicit or encourage any customer, client or account of WEG, the Company or any of their Affiliates to engage the services of Executive or any person or entity (other than the Company or its Affiliates) in which Executive is a partner, shareholder, director, officer, employee, principal, member, manager, agent, trustee, consultant or engaged in any other relationship or capacity.

(d) Since WEG and the Company will be irreparably damaged if the provisions of this Section 10 are not specifically enforced, each of WEG and the Company shall be entitled to an injunction or any other appropriate decree of specific performance

(without the necessity of posting any bond or other security in connection therewith) restraining any violation or non-fulfillment of Executive's covenants under this Section 10. Such remedies shall not be exclusive and shall be in addition to any other remedy, at law or in equity, which WEG or the Company may have for any breach or threatened breach of this Section 10 by Executive.

(e) If any provision of this Section 10 is held to be unenforceable because of the scope, duration, area of its applicability or otherwise, it is the intention of the parties that the court making such determination shall modify such scope, duration or area, or all of them, and that such provision shall then be applicable in such modified form.

(f) As used herein:

(i) "Affiliate" shall mean any entity directly or indirectly controlling, controlled by, or under common control with the Company and any entity in which either of WEG or the Company, directly or indirectly is a general partner, member, manager or holder of greater than a 10% common equity, partnership or membership interest.

(ii) "Company Business" shall mean the business of

WEG on the date hereof, and any business which WEG is engaged in or under development or proposed to be engaged in, as set forth in the Strategic Plan, as updated and in effect, at the earlier to occur of the time of the alleged violation of this Section 10 or the termination of Executive's employment under this Agreement, whichever occurs earlier.

(iii) "Geographic Area" shall mean North America and the United Kingdom.

(iv) "Non-Compete Period" shall mean the period of Executive's employment hereunder and (other than in the event of termination for cause pursuant to Section 6(b)(vi)) additional period of one year following the termination of Executive's employment hereunder; provided, however, that, in the event Executive purchases the Management Business pursuant to Section 8, the Noncompete Period as it relates to the Management Business shall terminate on the date of such purchase.

(g) Notwithstanding any other provision of this Section 10, if Executive's employment terminates at the end of the Employment Period then, for the remainder of the Non-Compete Period, (i) the provisions of Section 10(a) shall be inapplicable, (ii) Executive may provide management services to Amy Grant, Michael W. Smith, Gary Chapman, Frank Peretti and Wayne Kirkpatrick so long as Executive has not directly solicited such clients of WEG, and (iii) Executive may hire any personnel primarily responsible for the management of the foregoing artists even though they may be employed by the Company or an Affiliate at the time, so long as Executive has not directly solicited such employees.

11. Executive's Representations and Warranties.

(a) Executive represents and warrants that no lawsuits or claims are pending or, to Executive's knowledge, threatened against Executive.

(b) Executive represents and warrants that he (i) has not committed any acts inconsistent with the moral or ethical standards expected of senior executives in the

Christian music business in the United States, (ii) has never been subject to bankruptcy, insolvency or similar proceedings, (iii) has never been convicted of a felony; and (iv) has never been subject to an investigation or proceeding by or before the Securities and Exchange Commission or any state securities commission.

12. Notices. Any and all notices or other communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or mailed by first class registered mail, return receipt requested, or by commercial courier or delivery service, or by facsimile, addressed to the parties at the addresses set forth below (or at such other address as any party may specify by notice to all other parties given as aforesaid):

(a) if to the Company or WEG, to them at:

Gaylord Entertainment Company
One Gaylord Drive
Nashville, Tennessee 37214
Attention: F.M. Wentworth, Jr., Esq.
Senior Vice President,
Legal Counsel and Secretary
Telecopier Number: (615) 316 6530

(b) if to Executive, to:

Dan E. Harrell
4411 Truxton
Nashville, Tennessee

With a copy to:

Manatt, Phelps & Phillips
1233 17th Avenue South
Nashville, Tennessee 37212
Attention: Kenneth L. Kraus, Esq.
Telecopier Number: (615) 327-2044

and/or to such other persons and addresses as any party shall have specified in writing to the other by notice as aforesaid.

13. Mediation and Arbitration.

(a) If a dispute or controversy arises out of or in any way relates to this Agreement or the breach hereof ("Dispute"), the Dispute shall be settled exclusively through the mediation and binding arbitration provisions of this Section 13. If the Dispute cannot be settled through direct discussions, the parties agree to endeavor to settle the Dispute through mediation administered by the American Arbitration Association ("AAA") under the AAA's National Rules for the Resolution of Employment Disputes ("AAA Rules"). If the Dispute is not resolved in mediation pursuant to the AAA Rules and the further provisions of this Section, the Dispute shall be submitted to and settled through binding arbitration administered by the AAA in accordance with the AAA Rules, and judgment upon the arbitration award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(b) Any party hereto may initiate a mediation proceeding or, following mediation, an arbitration proceeding by serving a written mediation or arbitration request to the AAA in conformity with the AAA Rules and tendering the appropriate administrative fee. Copies of the mediation or arbitration request shall be served on all other

parties to the Dispute. The mediation or arbitration request shall describe the nature of the dispute, the amount involved, if any, and in the case of arbitration, the remedy sought. The AAA shall review the mediation or arbitration request and appoint a mediator or arbitrator, as applicable, pursuant to the AAA Rules.

(c) In the event of a mediation request, the mediator selected will schedule the mediation conference between the parties within thirty (30) days of the date it receives the mediation request.

(d) A party who has previously submitted a Dispute to mediation as set forth in this Section 13 may initiate arbitration proceedings under the AAA Rules before a single arbitrator within nine (9) months of the date of the event which gave rise to the Dispute or nine (9) months of the date the party became aware or should have been aware of the event that gave rise to the Dispute. Failure of a party to timely initiate a proceeding hereunder shall bar the party from any relief, and any such Dispute shall be deemed to have been finally and completely resolved.

(e) The parties on whom the arbitration notice is served shall file an answering statement within twenty-one (21) days of receiving notice of intent to arbitrate or a specification of claims, which shall include any counter-claims and any request that the arbitrator (if any) prepare a statement of reasons for the award.

(f) Each party shall bear its or his own fees and expenses in connection with any mediation or arbitration. The fees and expenses of the AAA and the cost of any transcripts incurred in connection with any arbitration shall be borne by the parties in such manner as the arbitrator shall determine in proportion to the relative liability or fault of

the parties in the Dispute, as determined by the arbitrator. Any mediation or arbitration to resolve a Dispute shall be held in the City of Nashville, Tennessee.

14. Company Obligations. Promptly following completion of the Merger and the Distribution, WEG shall cause Gaylord to execute an instrument agreeing to be bound by the provisions of this Agreement relating to the Annual Options and the Mega-Grant and the provisions of Section 15. In the event that the Merger and the Distribution shall not occur and the Merger Agreement shall terminate, WEG shall cause Gaylord Entertainment to execute an instrument agreeing to be bound by the provisions of this Agreement relating to the Annual Options, the Mega-Grant and the provisions of Section 15.

15. Miscellaneous.

(a) This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be modified, amended or terminated except by a written agreement signed by all of the parties hereto.

(b) This Agreement shall not be assignable by Executive, but it shall be binding upon, and shall inure to the benefit of, his heirs, executors, administrators and legal representatives. This Agreement shall be binding upon WEG and inure to the benefit of WEG, Gaylord and Gaylord Entertainment and their respective successors and permitted assigns. This Agreement may only be assigned by WEG, Gaylord or Gaylord Entertainment to any entity controlling, controlled by or under common control with the Company in connection with an assignment of WEG's business to such other entity.

(c) No waiver of any breach or default hereunder shall be considered valid unless in writing, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

(d) If any provision of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained herein, unless the invalidity or unenforce-ability of such provision substantially impairs the benefits of the remaining portions of this Agreement.

(e) The section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections.

(f) This Agreement may be executed in two or more counterparts, all of which taken together shall be deemed one original.

(g) The parties agree that the terms of this Agreement as they relate to compensation, benefits, termination, and repurchase of the Management Business, shall, unless otherwise required by law (including, in the Company's reasonable judgment, as required by federal and state securities laws), be kept confidential; provided, however, that any party hereto shall be permitted to disclose this Agreement or the terms hereof with any of its legal, accounting or financial advisors provided that such party ensures that the recipient will comply with the provisions of this Section 15(g).

(h) This Agreement shall be deemed to be a contract under the laws of the State of Tennessee and for all purposes shall be construed and enforced in accordance with the internal laws of said state.

(i) This Agreement shall not confer any rights or remedies upon any person or entity other than the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

WORD ENTERTAINMENT GROUP, INC.

By:

Terry E. London
Chairman

EXECUTIVE:

Dan E. Harrell

EXHIBIT 10.18

March 26, 1998

Jerry Bradley, President
Opryland Music Group
65 Music Square West
Nashville, TN 37203

Dear Jerry:

This letter agreement (the "Agreement"), dated as of the date above, is between Gaylord Entertainment Company (the "Company"), a Delaware corporation, and you. Upon the terms and conditions of this Agreement, the Company will employ you and you accept employment with the Company and agree to perform the duties required of you to the best of your ability. The term of this Agreement will begin on the date above and will terminate at the close of business on February 28, 2003, unless otherwise extended or earlier terminated (the "Employment Period").

1. In return for the services rendered by you, you will be entitled to the following compensation:

(a) A base salary of $200,000 per annum (the "Base Salary"), subject to such increases as may from time to time be determined by the Board of Directors and/or the Chief Executive Officer of the Company, payable in monthly installments in accordance with the ordinary payroll payment schedule of the Company. Your Base Salary will be subject to all applicable withholding and payroll taxes plus other withholdings authorized by you.

(b) A cash bonus payable annually in the amount of 3% of the three-year average of the net publishers' share of Opryland Music Group, Inc. to be calculated in a manner consistent with previous computations by the Company of the net publishers' share.

(c) A cash bonus payable annually in the discretion of the Company and at such time and upon such terms and conditions as that paid to other key executives of the Company not to exceed nine percent (9%) of Base Salary.

(d) Options to acquire 25,000 shares of Gaylord Entertainment Company common stock under the Company's 1997 Stock Option and Incentive Plan, with an exercise price equal to the closing price of the Company's stock on February 19, 1998, to vest over three (3) years in increments on each date set forth below on which you are an employee of the Company:

33 1/3% on February 28, 2001
33 1/3% on February 28, 2002
33 1/3% on February 28, 2003.

Notwithstanding the foregoing, 100% of such options shall vest immediately upon your death or Disability (as defined in Section 2 of this Agreement), or upon termination of employment with the Company pursuant to the terms of the Severance Agreement between you and the Company dated August 8, 1994.

(e) Use of a luxury automobile provided by the Company.

(f) All other benefits and perquisites as are customarily provided to other executive officers of the Company.

In return for the compensation and benefits described above (the "Compensation"), you agree that you will provide substantially all of your working time, attention and energies to the business of the Company in your position as President, Opryland Music Group, and will perform services at the request of the Chief Executive Officer or the Board of Directors of the Company; you will use your best efforts to advance the best interests of the Company; and you will not engage in outside business activities which would interfere with the performance of your duties. Notwithstanding the foregoing, it is acknowledged by the Company that you may continue your association with Forrest Hills Music and Bradley's Barn, and that such continued involvement in a manner and extent consistent with previous involvement will not be deemed to interfere with the duties described in this letter. You will not be required at any time as a condition of continued employment to relocate your domicile from Nashville, Tennessee, to any other location.

2. Your employment with the Company may be terminated before the end of the Employment Period, as follows:

(a) You may be terminated by the Company for cause upon oral notification by the Company. If you are terminated for cause, you will not be entitled to receive any Compensation beyond the date of your termination for cause. Termination for cause, as used here, means termination of your employment by the Company because: (i) you are convicted of or plead guilty or nolo contendere to any felony or any misdemeanor involving moral turpitude, (ii) you engage in self-dealing or fraud with respect to the Company, (iii) you engage in competition with the Company. To engage in competition means to own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as an officer, employee, consultant, partner, director or otherwise with, or have any financial interest in, or aid or assist anyone else in the conduct of, any business engaged in music publishing or any similar or related business. Ownership of one percent or less of the voting stock of any publicly held corporation or involvement with Forrest Hills Music or Bradley's Barn will not be a violation of this noncompetition covenant.

(b) You may be terminated by the Company without cause upon oral notification by the Company. If you are terminated without cause, you will be entitled to receive your Base Salary and bonuses for the period prior to termination, the Company will continue to pay your Base Salary and bonuses for the balance of the Employment Period, and the

unvested options provided to you under paragraph 1(d) above and all other unvested options shall vest upon the date of such termination. For purposes of this Section 2(b), the bonus of net publishers' share payable to you for each year (including any partial year) during the balance of the Employment Period shall be identical to the bonus of net publishers' share actually paid to you for 1997 (prorated for any partial year). You will not be entitled to any other Compensation beyond the date of such termination.

(c) You may be terminated by the Company on account of disability upon oral notification by the Company. Disability means your absence from or inability to perform your duties on a full-time basis for ninety (90) consecutive days due to physical or mental illness, as determined by the Company. If the Company terminates this Agreement due to Disability, you will not be entitled to Compensation except amounts you are entitled to receive under the Company's long term disability benefits plan (payable in accordance with the terms of that plan as of the date of your Disability) and except as set forth in Sections 1(d) and 2(f) of this Agreement.

(d) If you should die during the Employment Period, the Company will pay an amount equal to three (3) monthly installments of your Base Salary in effect at the time of your death directly to your Beneficiary (as set forth on the attached Designation of Beneficiary form). Neither your Beneficiary nor your estate will be entitled to any other Compensation beyond the date of your death except as set forth in Sections 1(d) and 2(f) of this Agreement.

(e) You may resign at any time upon ninety (90) days prior written notice to the Company. If you resign, you will be entitled only to the payment of your Base Salary up to and including the date of your resignation. You will not be entitled to any other Compensation except as set forth in Section 2(f) of this Agreement.

(f) Upon termination of your employment for any reason, you (or your beneficiary) will be entitled to receive any Company retirement benefits from employee benefit plans sponsored by the Company to which you are entitled by virtue of your age and length of service under the terms of those employee benefit plans. Those benefits include: Retirement Plan and 401(k) Savings Plan benefits; nonqualified plan benefits from those plans in which you participate at the time of your termination of employment; and retiree medical benefits. These benefits are fully described in the employee benefit plan documents and, where applicable, in the summary plan descriptions for those plans.

You also agree to keep confidential all trade secrets, proprietary information, and confidential information (the "Confidential Information") which you have learned during your employment with the Company, which you acknowledge to be the property of the Company. You will use your best efforts and utmost diligence to guard and protect the Confidential Information. Furthermore, you agree that you will not take with you but will leave with the Company all records

and papers on all matter of whatever kind which bear on this Confidential Information, regardless of the reason your employment is terminated.

3. There are also several miscellaneous matters in connection with this Agreement to which you and the Company agree. They are as follows:

(a) During the Employment Period, you will be eligible for and entitled to participate in all employee benefit plans that are provided to other key executives of the Company.

(b) You may incur reasonable expenses for promoting the Company's business, including expenses for entertainment, travel and similar items. The Company will reimburse you for all such expenses upon your periodic presentation of an itemized account or voucher of such expenditures consistent with Company policy.

(c) The validity, interpretation, construction and performance of this Agreement (and every other issue arising under it) will be governed by the laws of the State of Tennessee, without giving effect to the principles of conflict of laws of such State. Since the Agreement is made, negotiated and executed between you, a resident of Davidson County, Tennessee, and the Company which has its principal executive offices located in Davidson County, Tennessee, you and the Company each agree and consent to the jurisdiction of, and agree that any controversy between you and the Company arising out of this Agreement will be brought in: the United States District Court for the Middle District of Tennessee, Nashville Division; the Davidson County, Tennessee Circuit Court; or such other court located within Davidson County, Tennessee, as may have subject matter jurisdiction over the controversy.

(d) You acknowledge that the services to be rendered by you are unique and personal and therefore may not be assigned or delegated. The rights and duties of the Company under this Agreement will inure to the benefit of and will be binding upon the successors and assigns of the Company.

(e) You and the Company entered into a Severance Agreement dated August 8, 1994. As a result of the Merger Agreement between Westinghouse Electric Corporation and the Company dated February 9, 1997, which merger was consummated on September 30, 1997, the Severance Agreement provides to you certain rights and benefits for a period of two years ending on September 30, 1999. The Severance Agreement shall remain in full force and effect in accordance with its terms. You will be entitled to the benefits of this letter agreement and the Severance Agreement; provided that any monetary payments to be made to you pursuant to Sections 2(b) or 2(d) of this letter agreement shall offset or be offset by any Severance Compensation payable to you under the Severance Agreement.

(f) You acknowledge and agree that there are no agreements, representations or other promises about employment that are not set forth in this Agreement, and that this Agreement embodies the entire Agreement between you and the Company on this subject. This Agreement may be amended only by a subsequent agreement in writing signed by you and the Company.

I apologize for the length of this letter agreement, but I wanted to make sure that it is clear about everything. If this satisfactorily expresses our agreement, please sign both of the originals I have enclosed. Keep one for your files and send the second to my attention.

I look forward to our continued working relationship for at least the next five years.

Sincerely,

Terry E. London
President and Chief Executive Officer

I, Jerry Bradley, by signing below, signify that I have read this letter agreement, understand its terms and conditions, and agree to be bound.

- -------------------------------
Jerry Bradley

- -------------------------------
Date

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports dated February 6, 1998 included in this Form 10-K into the Company's previously filed Registration Statement File Numbers 333-37051 and 333-37053.

ARTHUR ANDERSEN LLP

Nashville, Tennessee
March 26, 1998

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF GAYLORD ENTERTAINMENT COMPANY FOR THE YEAR ENDED DECEMBER 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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