As filed with the Securities and Exchange Commission on April 27, 2004.

Registration No. 333-111812

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4

to

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Gaylord Entertainment Company

(Exact name of registrant as specified in its charter)

Delaware	**7011**	**73-0664379**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

One Gaylord Drive

Nashville, TN 37214
(615) 316-6000
(Address, including ZIP code, and telephone number, including area code, of registrant's principal executive offices)

Carter R. Todd, Esq.

Senior Vice President, Secretary and General Counsel
Gaylord Entertainment Company
One Gaylord Drive
Nashville, TN 37214
(615) 316-6000
(Name, address, including ZIP code, and telephone number, including area code, of agent for service)

Copies to:

F. Mitchell Walker, Jr., Esq.

Bass, Berry & Sims PLC
315 Deaderick Street, Suite 2700
Nashville, Tennessee 37238
Phone: (615) 742-6200
Fax: (615) 742-6293

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this Registration Statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration for the same offering. o

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The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Exact Name of Registrant as Specified in its Charter or Organizational Document*	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	IRS Employer Identification Number
CCK Holdings, LLC	Delaware	7990	02-0689400
Corporate Magic, Inc.	Texas	7990	75-2620110
Gaylord Creative Group, Inc.	Delaware	7990	62-1673308
Gaylord Hotels, LLC	Delaware	7011	11-3689948
Gaylord Investments, Inc.	Delaware	7990	62-1619801
Gaylord Program Services, Inc.	Delaware	7990	92-2767112
Grand Ole Opry Tours, Inc.	Tennessee	7990	62-0882286
OLH, G.P	Tennessee	7990	62-1586927
OLH Holdings, LLC	Delaware	7990	11-3689947
Opryland Attractions, Inc.	Delaware	7990	62-1618413
Opryland Hospitality, LLC	Tennessee	7011	62-1586924
Opryland Hotel-Florida Limited Partnership	Florida	7011	62-1795659
Opryland Hotel-Texas Limited Partnership	Delaware	7011	62-1798694
Opryland Hotel-Texas, LLC	Delaware	7011	11-3689950
Opryland Productions, Inc.	Tennessee	7990	62-1048127
Opryland Theatricals, Inc.	Delaware	7990	62-1664967
Wildhorse Saloon Entertainment Ventures, Inc.	Tennessee	7990	62-1706672
ResortQuest International, Inc.	Delaware	7990	62-1750352
Abbott & Andrews Realty, LLC	Florida	6531-08	65-1176006
Abbott Realty Services, Inc.	Florida	6531-08	58-1775514
Abbott Resorts, LLC	Florida	6531-08	65-1176000
Accommodations Center, Inc.	Colorado	6531-08	84-1204561
Advantage Vacation Homes by Styles, LLC	Florida	6431-08	14-1873132
B&B on the Beach, Inc.	North Carolina	6531-08	56-1802086
Base Mountain Properties, Inc.	Delaware	6531-08	82-0534961
Bluebill Properties, LLC	Florida	6531-08	65-1175994
Brindley & Brindley Realty & Development, Inc.	North Carolina	6531-08	56-1491059
Coastal Real Estate Sales, LLC	Florida	6531-08	33-1047660
Coastal Resorts Management, Inc.	Delaware	6531-08	51-0377887
Coastal Resorts Realty, L.L.C	Delaware	6531-08	51-6000279
Coates, Reid & Waldron, Inc.	Delaware	6531-08	84-1509467
Collection of Fine Properties, Inc.	Colorado	6531-08	84-1288764
Columbine Management Company	Colorado	6531-08	84-0912550
Cove Management Services, Inc.	California	6531-08	95-3866031
CRW Property Management, Inc.	Delaware	6531-08	84-1509471
Exclusive Vacation Properties, Inc.	Delaware	6531-08	84-1569208
First Resort Software, Inc.	Colorado	6531-08	84-0996530
High Country Resorts, Inc.	Delaware	6531-08	84-1509478
Houston and O'Leary Company	Colorado	6531-08	84-1035054
K-T-F Acquisition Co.	Delaware	6531-08	75-3013706
Maui Condominium and Home Realty, Inc.	Hawaii	6531-08	99-0266391
Mountain Valley Properties, Inc.	Delaware	6531-08	62-1863208
Office and Storage LLC	Hawaii	6531-08	22-0558755

Exact Name of Registrant as Specified in its Charter or Organizational Document*	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	IRS Employer Identification Number
Peak Ski Rentals LLC	Colorado	6531-08	84-1248929
Plantation Resort Management, Inc.	Delaware	6531-08	63-1209112
Priscilla Murphy Realty, LLC	Florida	6531-08	14-1873125
R&R Resort Rental Properties, Inc.	North Carolina	6531-08	56-1555074
REP Holdings, Ltd.	Hawaii	6531-08	99-0335453
Resort Property Management, Inc.	Utah	6531-08	87-0411513
Resort Rental Vacations, LLC	Tennessee	6531-08	71-0896813
ResortQuest Hawaii, LLC	Hawaii	6531-08	13-4207830
ResortQuest Hilton Head, Inc.	Delaware	6531-08	57-0755492
ResortQuest Southwest Florida, LLC	Delaware	6531-08	62-1856796
Ridgepine, Inc.	Delaware	6531-08	93-1260694
RQI Holdings, Ltd.	Hawaii	6531-08	03-0530842
Ryan’s Golden Eagle Management, Inc.	Montana	6531-08	81-0392778
Scottsdale Resort Accommodations, Inc.	Delaware	6531-08	86-0960835
Steamboat Premier Properties, Inc.	Delaware	6531-08	84-1591074
Styles Estates, LLC	Florida	6531-08	14-1873135
Telluride Resort Accommodations, Inc.	Colorado	6531-08	84-1262479
Ten Mile Holdings, Ltd.	Colorado	6531-08	84-1225208
THE Management Company	Georgia	6531-08	58-1710389
The Maury People, Inc.	Massachusetts	6531-08	22-3079376
The Tops’l Group, Inc.	Florida	6531-08	59-3450553
Tops’l Club of NW Florida, LLC	Florida	6531-08	65-1176005
Trupp-Hodnett Enterprises, Inc.	Georgia	6531-08	58-1592548

* Address and telephone numbers of principal executive offices of each of the registrants listed above are the same as that of Gaylord.

The information in this prospectus is not complete and may be changed. We may not exchange for these securities until the registration statement filed with the Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 27, 2004

PROSPECTUS

$350,000,000

GAYLORD ENTERTAINMENT™

Gaylord Entertainment Company

8% Senior Notes due 2013

Terms of the new 8% senior notes offered in the exchange offer:

- The terms of the new notes are identical to the terms of the outstanding notes, which were issued in a private placement on November 12, 2003, except that the new notes have been registered under the Securities Act of 1933 and will not contain restrictions on transfer, or certain registration rights or liquidated damages provisions.

- The outstanding notes and the new notes are fully and unconditionally guaranteed, jointly and severally by all of our existing domestic subsidiaries that are borrowers or guarantors under our new revolving credit facility. Each such guarantee is a general unsecured obligation of the guarantor, is effectively subordinated to any secured indebtedness of each guarantor, is equal in right of payment with any unsecured, unsubordinated indebtedness of each guarantor, and is senior in right of payment to any subordinated indebtedness of each guarantor.

- We do not intend to list the new notes on any national securities exchange or the Nasdaq Stock Market.

- Approximately $250.0 million of the Company's secured debt and our non-guarantor subsidiaries' debt and liabilities (excluding intercompany liabilities) will rank senior to the new notes.

Terms of the exchange offer:

- We are offering to exchange up to $350,000,000 of our outstanding 8% senior notes due 2013 for new notes with materially identical terms that have been registered under the Securities Act and are generally freely tradable.

- We will exchange all outstanding notes that you validly tender and do not validly withdraw before the exchange offer expires for an equal principal amount of new notes.

- The exchange offer expires at 12:00 midnight, Eastern time, on , 2004, unless extended.

- Tenders of outstanding notes may be withdrawn at any time prior to the expiration of the exchange offer.

- The exchange of new notes for outstanding notes will not be a taxable event for U.S. federal income tax purposes.

You should carefully consider the Risk Factors beginning on page 20 of this prospectus before participating in the exchange offer.

Any broker-dealer who holds outstanding notes acquired for its own account as a result of market-making activities or other trading activities, and who receives the new notes in exchange for the outstanding notes in the exchange offer, may be deemed a statutory underwriter. Additionally, a broker-dealer:

- that receives new notes pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the new notes;

- that acquired the outstanding notes as a result of market making or other trading activities, may use this prospectus, as supplemented or amended, in connection with resales of the new notes; and

- that acquired the outstanding notes directly from us in the initial offering must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act of 1933 in connection with the secondary resales and cannot rely on the position of the Securities and Exchange Commission staff enunciated in Exxon Capital Holdings Corporation, SEC No-Action Letter (April 13, 1989).

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the new notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

, 2004

You should rely only on the information contained in or incorporated by reference in this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus. See "Where You Can Find Additional Information" and "Incorporation of Certain Documents by Reference." This information, excluding exhibits to the information unless the exhibits are specifically incorporated by reference into the information, is available without charge to any holder or beneficial owner of outstanding notes upon written or oral request to Gaylord Entertainment Company, One Gaylord Drive, Nashville, Tennessee 37214, Attn: Corporate Secretary, Telephone: (615) 316-6000. To obtain timely delivery of this information, you must request this information no later than five business days before the expiration of the exchange offer. Therefore, you must request information on or before , 2004.

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SUMMARY

This summary highlights the information contained elsewhere in this prospectus. Because this is only a summary, it does not contain all the information that may be important to you. For a more complete understanding of this exchange offer, we encourage you to read this entire prospectus, the documents incorporated by reference into this prospectus and the documents to which we refer you. You should read the following summary together with the more detailed information and consolidated financial statements and the notes to those statements included elsewhere in this prospectus. You should also carefully consider the matters discussed in "Risk Factors." References to "notes" means both the outstanding notes and the new notes unless the context otherwise requires. References to the "Company," "Gaylord," "we," "us" and "our" refer to Gaylord Entertainment Company and its subsidiaries.

The Exchange Offer

On November 12, 2003, we completed a private offering of the outstanding notes. We entered into a registration rights agreement with the initial purchasers of the outstanding notes in which we agreed to deliver you this prospectus.

The new notes will be identical to the outstanding notes except that the new notes have been registered under the Securities Act and will not have restrictions on transfer or certain registration rights. The new notes will evidence the same debt as the outstanding notes, and the same indenture will govern the new notes and the outstanding notes. The exchange offer will not have any impact on the amount or the accounting treatment of the indebtedness outstanding under the notes.

The following summary contains basic information about the new notes. For a more complete understanding of the new notes, see "Description of Notes."

Issuer	Gaylord Entertainment Company.
Securities	$350.0 million in principal amount of senior notes due 2013.
Maturity	November 15, 2013.
Interest	Annual rate: 8%. Payment frequency: every six months on May 15 and November 15. First payment: May 15, 2004.
Outstanding Notes	8% senior notes due 2013, which were issued on November 12, 2003.
New Notes	8% senior notes due 2013, which have been registered under the Securities Act.
Registration Rights Agreement	You are entitled under the registration rights agreement to exchange your outstanding notes for new registered notes with substantially identical terms. The exchange offer is intended to satisfy these rights. After the exchange offer is complete, except as set forth in the next paragraph, you will no longer be entitled to any exchange or registration rights with respect to your outstanding notes. The registration rights agreement requires us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for your benefit if you would not receive freely tradeable registered notes in the exchange offer or you are ineligible to participate in the exchange offer and indicate that you wish to have your outstanding notes registered

	under the Securities Act. See “The Exchange Offer — Procedures for Tendering.”
Exchange Offer	We are offering to exchange new notes for outstanding notes. The exchange offer is not conditioned on a minimum aggregate principal amount of the outstanding notes being tendered.
Resales of the New notes	We believe that the new notes to be issued in the exchange offer may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act if you meet the following conditions: (1) the new notes are acquired by you in the ordinary course of your business; (2) you are not engaging in and do not intend to engage in a distribution of the new notes; (3) you do not have an arrangement or understanding with any person to participate in the distribution of the new notes; and (4) you are not an affiliate of ours, as that term is defined in Rule 405 under the Securities Act. Our belief is based on interpretations by the staff of the Commission, as set forth on no-action letters issued to third parties unrelated to us. The staff has not considered this exchange offer in the context of a no-action letter, and we cannot assure you that the staff would make a similar determination with respect to this exchange offer. If you do not meet the above conditions, you may incur liability under the Securities Act if you transfer any registered note without delivering a prospectus meeting the requirements of the Securities Act. We do not assume or indemnify you against that liability. Each broker-dealer that is issued new notes in the exchange offer for its own account in exchange for old notes which were acquired by that broker-dealer as a result of market-making activities or other trading activities must agree to deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the new notes. A broker-dealer may use this prospectus for an offer to resell or to otherwise transfer these new notes. For more information on resales of the new notes, see “Exchange Offer — Resale of the New Notes.”
Expiration Date	The exchange offer will expire at 12:00 midnight, Eastern time, on , 2004, unless we decide to extend it.
Conditions to the Exchange Offer	The only material conditions to our consummating the exchange offer are that the exchange offer not violate applicable law or interpretations of the Commission staff and that no injunction, order or decree has been issued which would prohibit, prevent or materially impair our ability to proceed with the exchange offer. See “The Exchange Offer — Conditions to the Exchange Offer.”

	There are no federal or state regulatory requirements that we must comply with in connection with the exchange offer, other than our obligations in connection with this prospectus.
Procedures for Tendering Outstanding Notes	To participate in the exchange offer, you must complete, sign and date the letter of transmittal and send it, together with all other documents required by the letter of transmittal, including the outstanding notes that you wish to exchange, to U.S. Bank National Association, as exchange agent, at the address indicated on the cover page of the letter of transmittal. In the alternative, you can tender your outstanding notes by following the procedures for book-entry transfer described in this prospectus. If your outstanding notes are held through The Depository Trust Company, or DTC, and you wish to participate in the exchange offer, you may do so through the automated tender offer program of DTC. If you tender under this program, you will agree to be bound by the letter of transmittal that we are providing with this prospectus as though you had signed the letter of transmittal. If a broker, dealer, commercial bank, trust company or other nominee is the registered holder of your outstanding notes, we urge you to contact that person promptly to tender your outstanding notes in the exchange offer. For more information on tendering your outstanding notes, see “Exchange Offer — Terms of the Exchange Offer,” “— Procedures for Tendering” and “— Book-Entry Transfer.”
Guaranteed Delivery Procedures	If you wish to tender your outstanding notes and you cannot get your required documents to the exchange agent on time, you may tender your outstanding notes according to the guaranteed delivery procedures described in “Exchange Offer — Guaranteed Delivery Procedures.”
Withdrawal of Tenders	You may withdraw your tender of outstanding notes at any time prior to the expiration date of the exchange offer. To withdraw, you must deliver a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated on the cover page of the letter of transmittal before 12:00 midnight, Eastern time, on the expiration date of the exchange offer.
Acceptance of Outstanding Notes and Delivery of New Notes	If you fulfill all conditions required for proper acceptance of outstanding notes, we will accept any and all outstanding notes that you properly tender in the exchange offer on or before 12:00 midnight, Eastern time, on the expiration date. We will return any outstanding notes that we do not accept for exchange to you as promptly as practicable after the expiration date and acceptance of the outstanding notes for exchange. See “Exchange Offer — Terms of the Exchange Offer.”
Broker-Dealers	Each broker-dealer registered as such under the Exchange Act that receives new notes for its own account in exchange for outstanding notes, when such outstanding notes were acquired by such broker-dealer as a result of market-making activities or

	other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of those new notes. See “Plan of Distribution.”
Fees and Expenses	We will bear all expenses related to the exchange offer. See “Exchange Offer — Fees and Expenses.”
Federal and State Regulatory Requirements	No regulatory approvals are being sought in connection with the exchange offer.
Use of Proceeds	We will not receive any proceeds from the issuance of the new notes. We are making this exchange offer solely to satisfy our obligations under the registration rights agreement.
Consequences of Failure to Exchange Outstanding Notes	If you do not exchange your outstanding notes in this exchange offer, you will no longer be able to require us to register the outstanding notes under the Securities Act, except in the limited circumstances provided under the registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer the outstanding notes unless we have registered the outstanding notes under the Securities Act, or unless you resell, offer to resell or otherwise transfer the outstanding notes under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.
U.S. Federal Income Tax Considerations	The exchange of the new notes for the outstanding notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. See “Material U.S. Federal Income Tax Considerations.”
Exchange Agent and Trustee	We have appointed U.S. Bank National Association as exchange agent for the exchange offer. U.S. Bank National Association also serves as the trustee under the indenture governing the notes. You should direct questions and requests for assistance, requests for additional copies of this prospectus or the letter of transmittal and requests for the notice of guaranteed delivery to the exchange agent addressed as follows: U.S. Bank National Association, 60 Livingston Avenue, St. Paul, MN 55107-2292, Attention: Specialized Finance, (800) 934-6802. Eligible institutions may make requests by facsimile at (651) 495-8097.
Registration Rights	Pursuant to the terms of the registration rights agreement among us, the guarantors and the initial purchasers of the outstanding notes, we and the guarantors have agreed:
	• to file a registration statement on or prior to 60 days after the date of issuance of the outstanding notes with respect to an offer to exchange the outstanding notes for new registered notes with substantially identical terms to the outstanding notes, except that the new notes will not contain terms with respect to transfer restrictions;

	• to use our best efforts to cause the registration statement to be declared effective under the Securities Act within 230 days after the date of the issuance of the outstanding notes; and • upon the exchange offer registration statement being declared effective, to offer the new notes in exchange for surrender of the outstanding notes. In the event that the exchange offer is not permitted by applicable law or Commission policy or any holder notifies us prior to the 20th day following the consummation of the exchange offer that such holder (i) is prohibited by law or Commission policy from participating in the exchange offer, (ii) may not resell the new notes acquired in the exchange offer to the public without delivering a prospectus and this prospectus is not appropriate or available for such resales, or (iii) is a broker-dealer who holds notes acquired directly from us or any of our affiliates, we and the guarantors will also be required to provide a shelf registration statement to cover resales of the notes by the holders thereof.
Guarantees	All of our subsidiaries that have guaranteed borrowings under our old 2003 Florida/Texas senior secured credit facility and our revolving credit facility will fully and unconditionally and jointly and severally guarantee the new notes on a senior unsecured basis.
Ranking	The new notes will be unsecured unsubordinated debt of Gaylord Entertainment Company. Accordingly, they will rank: • equally with all of its existing and future unsecured unsubordinated debt; • effectively subordinated to its existing and future secured debt to the extent of the assets securing such debt, including our new revolving credit facility; • ahead of any of its existing and future subordinated debt; and • structurally behind all of the existing and future liabilities of its subsidiaries that are not guarantors, including the Nashville hotel loan and trade payables. The guarantees will be general unsecured unsubordinated obligations of the guarantors. Accordingly, they will rank equally with all unsecured unsubordinated debt of the guarantors, effectively behind all secured debt of the guarantors to the extent of the assets securing such debt, ahead of all future subordinated debt of the guarantors and behind all debt and other liabilities of our non-guarantor subsidiaries. As of December 31, 2003, our non-guarantor subsidiaries had $249.1 million of indebtedness and other liabilities (excluding intercompany liabilities). The Company’s ability to incur additional indebtedness, including additional senior indebtedness, is limited as described in “— Incurrence of Indebtedness.” As of December 31, 2003, we had $548.8 million of debt outstanding, $200.1 million of which

	was secured debt. This significant amount of debt could prevent us from satisfying our obligations under the new notes.
Optional Redemption	We may redeem the new notes, in whole or in part, at any time on or after November 15, 2008, at the redemption prices described in the section “Description of Notes — Optional Redemption,” plus accrued and unpaid interest.
	In addition, on or before November 15, 2006, we may redeem up to 35% of the notes with the net cash proceeds from certain equity offerings at the redemption price listed in “Description of Notes — Optional Redemption.” However, we may only make such redemptions if at least 65% of the aggregate principal amount of notes issued under the indenture remains outstanding immediately after the occurrence of such redemption.
Change of Control	If we experience specific kinds of changes in control, we must offer to purchase the new notes at 101% of their face amount, plus accrued interest. Such offer to purchase may be prohibited by our new revolving credit facility if we fail to obtain the consent of our lenders thereunder. In such event, our failure to purchase the notes would be an event of default under the indenture. For more detail, see “Description of Notes — Repurchase at the Option of Holders — Change of Control.” Our ability to enter into mergers, consolidations or asset sale transactions is restricted as described below in “— Merger, Consolidation or Sale of Assets.”
Certain Covenants	The indenture governing the notes, among other things, limits our ability and the ability of our restricted subsidiaries to:
	• borrow money or sell preferred stock;
	• create liens;
	• pay dividends on or redeem or repurchase stock;
	• make certain types of investments;
	• sell stock in our restricted subsidiaries;
	• restrict dividends or other payments from subsidiaries;
	• enter into transactions with affiliates;
	• issue guarantees of debt; and
	• sell assets or merge with other companies.
	These covenants contain important exceptions, limitations and qualifications. For more details, see “Description of Notes.”
Incurrence of Indebtedness	Other than certain types of permitted indebtedness, the indenture governing the notes restricts us and our restricted subsidiaries from incurring any additional indebtedness, including the issuance of any senior indebtedness, and restricts our restricted subsidiaries from issuing any preferred stock, unless we have a fixed charge coverage ratio for our four most recent fiscal quarters of at least 2.0 to 1, determined as if the additional indebtedness was outstanding for the four quarter period. For more details, see “Description of Notes — Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock.”

Merger, Consolidation or Sale of Assets	Under the indenture governing the notes, we are not permitted to consolidate or merge with another company or sell substantially all of our assets unless certain conditions are met, including (a) the surviving corporation assumes all obligations under the notes and (b) immediately after giving effect to such transaction on a pro forma basis the surviving corporation would be permitted to incur $1.00 of additional indebtedness under the fixed charge coverage test described above. For more details, see "Description of Notes — Certain Covenants — Merger, Consolidation or Sale of Assets."
Restricted Payments	Generally, unless permitted as specified below, we are restricted from • declaring or paying dividends (other than certain dividends payable in our equity securities); • purchasing, redeeming or otherwise acquiring any of our equity interests; • with certain exceptions, making any payment on, or purchasing, redeeming, defeasing or otherwise acquiring any indebtedness that is subordinated to the notes; • making certain payments, repurchases, redemptions or defeasances of our obligations under the SAILS forward exchange contract; and • making any investment that is not of a type permitted under the indenture. Notwithstanding the foregoing, we may make a payment described above if, after giving effect to such payment, we are not in default, would be permitted to incur $1.00 of additional indebtedness under the fixed charge coverage test described above and such payment (together with the amount of all other restricted payments made by us since the date of the indenture) is less than the sum of • an amount equal to our consolidated cash flow (from the beginning of the first fiscal quarter after the indenture to the end of the most recent fiscal quarter) less the product of 2.0 times our fixed charges for the same period; plus • 100% of the aggregate net cash proceeds received by us since the date of the indenture as contribution to our common equity capital or from the issue or sale of our equity securities; plus • the net reduction in our investments resulting from repayment of loans or advances or other transfers of assets or from the sale of any such investment. For more details, see "Description of Notes — Certain Covenants — Restricted Payments."

Events of Default	Generally, the following constitute events of default with respect to the notes: • default for 30 days in the payment of interest; • default in the payment of principal when due; • a failure by us to comply with certain repurchase requirements triggered by a change of control and provisions relating to mergers, consolidations or asset sales as described above; • a failure by us to comply for 30 days, after written notice from the trustee or holders representing 25% or more of the principal amount outstanding, with any other agreements in the indenture; • certain defaults by us under any other debt instruments representing more than $20.0 million in indebtedness; and • other defaults related to the failure to pay final judgments, any guarantee being held in a judicial proceeding to be unenforceable and certain events of bankruptcy. We are required to deliver to the trustee a statement regarding compliance with the terms of the indenture (a) within 90 days after the end of each fiscal year and (b) upon becoming aware of any event of default. For more details, see "Description of Notes — Events of Default and Remedies."
Amendment, Supplement and Waiver	Generally, we may amend or supplement the indenture governing the notes, and certain events of default may be waived, with the consent of the holders of at least a majority in principal amount of the notes then outstanding. In some circumstances we may not amend the indenture, and certain events of default may not be waived, without the consent of each holder. These circumstances include, among others, reduction of principal and changing the maturity of the notes. Additionally, in some circumstances we may amend or supplement the indenture without the consent of the holders, such as to evidence a successor trustee, cure any ambiguity, provide for uncertificated notes, or make any change that would provide any additional rights or benefits to the holders of notes or that does not adversely affect the legal rights under the indenture of such holders. For more details, see "Description of Notes — Amendment, Supplement and Waiver."
Covenant Suspension	If the notes are rated investment grade by Moody's Investors Service, Inc. and Standard & Poor's Rating Services and we are not in default under the indenture, most of the covenants contained in the indenture will be subject to suspension. We currently do not meet the conditions for covenant suspension.
Transfer Restrictions	The new notes have been registered under the Securities Act and generally will be freely transferable. We do not intend to list the notes on any securities exchange.

Our Company

We are the only hospitality company whose stated primary focus is the large group meetings segment of the lodging market. Our hospitality business includes our Gaylord branded hotels consisting of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee, the Gaylord Palms Resort & Convention Center near Orlando, Florida and the Gaylord Texan Resort & Convention Center near Dallas, Texas. Driven by our “All-in-One-Place” strategy, our award-winning Gaylord branded hotels incorporate not only high quality lodging, but also significant meeting, convention and exhibition space, superb food and beverage options and retail facilities within a single self-contained property. As a result, our properties provide a convenient and entertaining environment for our convention guests. In addition, our custom-tailored, all-inclusive solutions cater to the unique needs of meeting planners.

In order to strengthen and diversify our hospitality business, on November 20, 2003, we acquired ResortQuest International, Inc. in a stock-for-stock transaction. ResortQuest is a leading provider of vacation condominium and home rental property management services in premier destination resort locations in the United States and Canada (based on the number of units it manages), with a branded network of vacation rental properties. We refer to ResortQuest and its subsidiaries in this prospectus as “ResortQuest.”

We also own and operate several attractions in Nashville, including the Grand Ole Opry, a live country music variety show, which is the nation’s longest running radio show and an icon in country music. Our local Nashville attractions provide entertainment opportunities for Nashville-area residents and visitors, including our Nashville hotel and convention guests, while adding to our destination appeal.

Our operations are organized into four principal business segments: (i) Hospitality, which includes our hotel operations; (ii) Opry and Attractions Group, which includes our Nashville attractions and assets related to the Grand Ole Opry; (iii) Corporate and Other, which includes corporate expenses and results from our minority investments and (iv) ResortQuest, which is our newly acquired provider of vacation and home rental property management services. On a pro forma basis reflecting the November Transactions (as defined below) for the year ended December 31, 2003, our total revenues and operating loss were $618.7 million and $10.1 million, respectively.

Our operations are administered through 83 wholly-owned subsidiaries, 52 of which were recently acquired in connection with the ResortQuest acquisition. Sixty-nine of our 83 wholly-owned subsidiaries are guarantors of the notes and our new revolving credit facility, including the two subsidiaries which own our Gaylord Palms and Gaylord Texan hotels. Four of the remaining 14 subsidiaries participate in our Nashville hotel loan, including the subsidiary that operates our Gaylord Opryland hotel. The remaining ten subsidiaries have little or no operations or assets.

Hospitality

Our Gaylord branded hotels target the large group meetings segment of the lodging market and are designed to minimize the logistical and organizational challenges typically associated with planning and hosting a large group meeting. To accommodate large group meetings, our Gaylord branded hotels feature among the highest ratios of meeting space per guest room among convention hotels in the United States and include our award-winning food and beverage offerings and a variety of entertainment options. Each of our Gaylord branded hotels offers the following: lodging, banquet and meeting facilities, exhibition space, restaurants, bars, shopping, recreational facilities and other resort amenities. For the year ended December 31, 2003, our revenues and operating income, excluding preopening costs, for our Hospitality segment were $369.3 million and $42.3 million, respectively.

Gaylord Opryland Resort & Convention Center — Nashville, Tennessee. Our flagship resort, the Gaylord Opryland in Nashville, is one of the leading convention destinations in the United States based upon number of rooms, exhibit space and conventions held, and is the largest hotel in terms of the number of guest rooms in the continental United States outside of Las Vegas. For the year ended December 31, 2003, Gaylord Opryland revenues, occupancy and RevPAR were $215.3 million, 72.4% and $99.59, respectively. As used throughout this prospectus, “RevPAR” refers to room revenues divided by room nights available to guests for the applicable period.

Gaylord Palms Resort & Convention Center — Kissimmee, Florida. In January 2002, we opened our Gaylord Palms Resort & Convention Center on a 65-acre site in Osceola County, Florida, approximately 5 minutes’ drive from the main gate of the Walt Disney World® Resort complex. For the year ended December 31, 2003, Gaylord Palms revenues, occupancy and RevPAR were $146.8 million, 72.3% and $119.87, respectively.

Gaylord Texan Resort & Convention Center — Grapevine, Texas. We opened our new Gaylord branded hotel in Grapevine, Texas, in April 2004 on the schedule and budget developed by our current management. The Gaylord Texan has already attracted significant demand as evidenced by its advanced bookings. As of December 31, 2003, approximately 639,000 group room nights have been booked for future periods. In addition, we expect the hotel’s proximity to the Dallas/ Fort Worth International Airport will attract business travelers.

Radisson Hotel at Opryland. We own and operate the Radisson Hotel at Opryland in Nashville, Tennessee, a Radisson franchise hotel which is located across the street from the Gaylord Opryland.

Opry and Attractions Group

Our Opry and Attractions Group segment assets include the Grand Ole Opry, General Jackson Showboat, Ryman Auditorium, Springhouse Golf Club and the Wildhorse Saloon. It also includes the operations of our radio station, WSM-AM, and Corporate Magic, our corporate events production business. For the year ended December 31, 2003, our total Opry and Attractions Group segment revenues and operating loss were $61.4 million and $0.6 million, respectively.

Corporate and Other

Our Corporate and Other segment includes our corporate activities, plus our 19.1% minority investment in Bass Pro, Inc., which owns and operates Bass Pro Shops, a retailer of premium outdoor sporting goods and fishing tackle, and our 10.5% minority investment in the Nashville Hockey Club Limited Partnership, which owns the Nashville Predators National Hockey League franchise. For the year ended December 31, 2003, our total Corporate and Other segment revenues and operating loss were $0.2 million and $43.4 million, respectively.

ResortQuest

ResortQuest is a leading provider of vacation condominium and home rental property management services in premier destination resort locations in the United States and Canada. ResortQuest has developed a branded network of vacation rental properties and currently provides management services to approximately 19,300 vacation rental properties, approximately 17,800 of which are under exclusive management contracts and approximately 1,500 of which are under non-exclusive management contracts. ResortQuest’s operations are located in more than 50 premier beach, mountain, desert and tropical resort locations. We completed the ResortQuest acquisition in November 2003. For the year ended December 31, 2003 (the period from November 20 to December 31, 2003), our ResortQuest segment had total revenues and operating loss of $17.9 million and $2.6 million, respectively.

Competitive Strengths

Strong Revenue and Cash Flow Visibility. We have significant visibility with regards to our future revenues and cash flows. Approximately 80% of our total room nights occupied in 2003 were related to large group meetings. In 2003, these large groups accounted for only 11% of the total number of our group customers but represented 81% of our occupied room nights. In order to reserve the required capacity, our large group clients typically contract room nights several years in advance. Approximately 47.5% of our group room nights in 2003 were generated by associations, which typically have more attendees, longer advance booking periods, more consistent booking cycles, longer stays and a pattern of rotating meetings through locations around the country. As of December 31, 2003, advanced bookings at the Gaylord Opryland and Gaylord Palms for 2004 through 2005 represented approximately 44% of our total available room nights at these hotels for that period.

Superior Business Model. We believe that through a combination of excellent customer service, a unique product offering and an entertaining environment, we are able to provide our customers with a one-of-a-kind experience that distinguishes our hotels from those of our competitors. Our properties have gained significant industry recognition, as evidenced by Gaylord Opryland receiving the prestigious 2002 Gold Key Elite Award from *Meeting & Conventions* magazine, and the Gaylord Palms receiving the AAA Four Diamond Award 2003 and *Successful Meeting's* Pinnacle Award 2003.

Solid Brand Recognition. An American icon with a 75-year legacy, the Grand Ole Opry is a unique asset that provides us with a significant competitive advantage as it appeals to the "country lifestyle" consumer, which we estimate to number approximately 70 million in the United States. Since 1925, when WSM-AM broadcast the first radio show which became the Grand Ole Opry, the Grand Ole Opry has entertained, and continues to entertain, millions of country-music lovers both nationally and abroad. In addition to significant brand awareness of the Grand Ole Opry name, we also enjoy a high level of brand name awareness among meeting planners with our Gaylord hotels brand.

Experienced and Proven Management. Our senior management team has substantial experience in the lodging industry. In April 2001, Michael Rose, Chairman, and Colin Reed, President and CEO, joined us with a combined 56 years of industry experience. Upon joining Gaylord, Mr. Rose and Mr. Reed significantly improved the management team by replacing nine out of ten senior managers. On average, our new senior management team has approximately 13 years of experience in the hospitality industry.

Business Strategy

Our goal is to become the nation's premier hotel brand serving the meetings and conventions sector and to enhance our business by offering additional vacation and entertainment opportunities to our guests and target consumers. Our Gaylord branded hotels focus on the $86 billion large group meetings market. Our properties and service are designed to appeal to meeting planners who arrange these large group meetings. As a result of the ResortQuest acquisition, we now operate a leading provider of vacation condominium and home rental management services with approximately 19,300 vacation rental properties under management. The Grand Ole Opry is one of the brands best-known by the "country lifestyle" consumer, which we estimate to number approximately 70 million in the United States. Country lifestyle consumers are persons who have recently participated in one or more of a number of activities identified by our management. These activities include listening to country music, buying country music recordings, attending country music concerts or reading country-themed publications.

"All-in-One-Place" Product Offering. Through our "All-in-One-Place" strategy, our Gaylord branded hotels incorporate meeting and exhibition space, signature guest rooms, award-winning food and beverage offerings, fitness facilities and other attractions within a large hotel property so our attendees' needs are met in one location. This strategy creates a better experience for both meeting planners and our guests, allows us to capture a greater share of their event spending, and has led to our Gaylord Opryland hotel in Nashville and our Gaylord Palms hotel in Florida claiming a place among the leading convention hotels in the country.

Create Customer Rotation Between Our Hotels. In order to further capitalize on our success in Nashville, we opened our Gaylord Palms hotel in January 2002 and our new Gaylord Texan hotel in April 2004. In 2001, we refocused the efforts of our sales force to capitalize on our expansion and the desires of some of our large group meeting clients to meet in different parts of the country each year and to establish relationships with new customers as we increase our geographic reach. There is a significant opportunity to establish strong relationships with new customers and rotate them to our other properties.

Leverage Brand Name Awareness. We believe that the Grand Ole Opry is one of the most recognized entertainment brands within the United States. We promote the Grand Ole Opry name through a number of media including our WSM-AM radio station, the internet, television and performances by the Grand Ole Opry's members, many of whom are renowned country music artists and we believe that significant growth opportunities exist through leveraging and extending the Grand Ole Opry brand into other products and markets. As such, we have alliances in place with multiple distribution partners in an effort to foster brand extension. We are currently exploring additional products, such as television specials and retail products, through which we can capitalize on our brand affinity and awareness. We believe that licensing our brand for products may provide an opportunity to increase revenues and cash flow with relatively little capital investment.

Capitalize on the ResortQuest Acquisition. We believe the combination of Gaylord and ResortQuest formed a stronger, more diversified hospitality company with the ability to offer a broader range of accommodations to existing and potential customers. We believe that there are significant opportunities to cross-sell hospitality products by offering ResortQuest's vacation properties to our "country lifestyle" consumers and introducing our hotels and "country lifestyle" offerings to ResortQuest's customers. Drawing upon the experience of our combined management teams, we believe that we can more fully develop the ResortQuest brand and take advantage of future growth opportunities through increased scale, improved operational efficiency and access to additional sources of capital. In addition, we have identified a number of cost saving opportunities and synergies, including the elimination of redundant functions and optimization of the combined company's infrastructure.

Material Risk Factors

In considering our competitive strengths and business strategy, you should also be aware that we face risks to our business which may adversely affect our competitive position and our ability to achieve our business strategy. These include the following factors:

- We have a substantial amount of indebtedness. As of December 31, 2003, we had approximately $548.8 million of debt outstanding, exclusive of our $613.1 million secured forward exchange contract, and our substantial indebtedness could hinder our ability to satisfy our obligations under the notes.

- Gaylord Entertainment Company is a holding company. The primary source of our funds will be distributions of cash flow from our subsidiaries and a significant portion of our assets are held by our subsidiaries, which assets are subject to restrictions under the new revolving credit facility and other contractual restrictions.

- The agreements governing our debt, including the notes and our senior secured loans, contain various covenants that limit our discretion to operate our business and could lead to acceleration of debt.

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

- We have recently refocused our business strategy on the development of additional resort and convention center hotels and on the management of rental vacation properties, and the successful implementation of our strategy depends on our ability to generate cash flows from our new Texas hotel and our existing operations and other factors.

- We may not be able to successfully integrate our recent and future acquisitions, including our recent acquisition of ResortQuest, and may be unable to achieve the anticipated cost savings and other benefits from these acquisitions, which may weaken our competitive position.

- Our hotel development is subject to timing and budgeting risks, including without limitation construction delays or cost overruns, that may increase project costs.

- The regional concentration of our hotels may subject us to economic downturns in the southeastern United States, which may reduce our revenues and operating income.

- Hospitality companies have been the target of class actions and other lawsuits alleging violations of federal and state law, and damages and expenses from lawsuits of this type could reduce our operating income and profits.

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

- Any failure to attract, retain and integrate senior and managerial level executives could negatively impact our operations and development of our properties.

- We have certain minority equity interests over which we have no significant control, to or for which we may owe significant obligations and for which there is no liquid market, and these investments may not be profitable.

- The Commission staff is currently conducting a formal investigation in connection with our restatement of our historical financial statements for 2000, 2001 and the first nine months of 2002, which could lead to significant liability.

Additionally, in considering whether to participate in the exchange offer, you should be aware of the following risks related to an investment in the exchange notes:

- The notes are unsecured and therefore will be effectively subordinated to our secured debt and the debt and other liabilities of our non-guarantor subsidiaries. As of December 31, 2003, our non-guarantor subsidiaries had approximately $249.1 million of indebtedness and other liabilities (excluding intercompany liabilities).

- In the event of a change of control or a sale of assets, we must offer to purchase the notes, but our new revolving credit facility prohibits a repurchase of the notes without lender consent.

The November Transactions

We acquired ResortQuest International, Inc. on November 20, 2003. Based on an exchange ratio of 0.275 share of Gaylord common stock issued as consideration for each outstanding share of ResortQuest common stock, we issued 5,318,363 shares of Gaylord common stock as consideration for the ResortQuest acquisition plus options to purchase 573,863 shares of Gaylord common stock in exchange for outstanding ResortQuest options. In this prospectus we refer to this transaction as the “ResortQuest acquisition.” For a more detailed description of ResortQuest and the ResortQuest acquisition, see “Business — ResortQuest.”

The net proceeds from the offering of the outstanding notes, together with approximately $22.5 million of cash on hand, were used as follows:

- $275.5 million was used to repay the term loan portion of our 2003 Florida/Texas senior secured credit facility, our subordinated term loan and our Nashville mezzanine loan and to pay certain fees and expenses related to the ResortQuest acquisition; and

- $79.2 million was used, together with $8.2 million of available cash, to repay ResortQuest’s senior notes and its credit facility.

In connection with the notes offering and the ResortQuest acquisition, we amended our 2003 Florida/ Texas senior secured credit facility, to, among other things, permit the ResortQuest acquisition and the issuance of the notes, retire the term loan portion of our 2003 Florida/Texas senior secured credit facility and make certain other amendments. We also replaced our revolving credit facility with a new $65.0 million revolving credit facility, which was increased to $100.0 million (which we refer to as our “new revolving credit facility”). See “Description of Certain Indebtedness” for a more detailed description of the amendment to our 2003 Florida/Texas senior secured credit facility and our new revolving credit facility.

We refer in this prospectus to the ResortQuest acquisition, the offering of the outstanding notes, the application of the offering proceeds, the amendment of our 2003 Florida/Texas senior secured credit facility as the “November Transactions.”

Recent Developments

Gaylord Texan

Our new Gaylord Texan Resort & Convention Center opened on schedule and on budget on April 2, 2004.

Expected First Quarter 2004 Results

Our first quarter ended on March 31, 2004. For that period, we expect our revenues to be in the range of $158 million to $160 million; Adjusted EBITDA to be in the range of $5.6 million to $6.5 million; net loss to be in the range of $20.5 million to $19.5 million; and net loss per diluted share to be in the range of $0.52 to $0.49. Pre-opening costs for the recently opened Gaylord Texan are estimated to be $10.7 million to $10.8 million for the quarter. Our anticipated results reflect an improving travel environment during the quarter. We also expect hospitality RevPAR for the first quarter of 2004 compared to the same period in the prior year to decline approximately 8.5 percent, which is ahead of our previously stated guidance range of a decline of 10 to 12 percent. This performance is due to better than expected group attendance and transient demand at our Gaylord Hotels. In addition, our Gaylord Hotels booked 262,000 net definite room nights for future periods, an increase of 40 percent over the same period last year. We calculate RevPAR (revenue per available room) by dividing room sales for comparable properties by room nights available to guests for the period. Although we have not completed all of the procedures that we normally follow to present a completed quarter’s financial results, the estimated results presented represent our good faith assessment of the results we will report for the first quarter based upon the work we have performed to date in preparing those results. Our assessment is based upon the preliminary financial information assembled by our management, which has not been finalized. We currently expect that we will announce our first quarter results on May 4, 2004.

Adjusted EBITDA (defined as earnings before interest, taxes, depreciation, amortization, as well as certain unusual items) is presented herein because we believe it allows for a more complete analysis of operating performance by presenting an analysis of operations separate from the earnings impact of capital transactions and without certain items that do not impact our ongoing operations such as the effect of the Viacom stock we own and our secured forward exchange contract, restructuring charges, gains on the sale of assets, and impairment and other charges. The calculation of Adjusted EBITDA excludes the net impact related to changes in fair value of the Viacom stock we own as well as the changes in fair value of the derivatives associated with the secured forward exchange contract relating to that stock. In accordance with generally accepted accounting principles, these changes are not included in determining our operating income (loss). Although we recognize changes in the fair value of these items on an ongoing basis in our income statement, the secured forward exchange contract protects us against decreases in the fair market value of the Viacom stock. The information presented should not be considered as an alternative to any measure of performance as promulgated under accounting principles generally accepted in the United States (such as operating income, net income or cash from operations), nor should it be considered as an indicator of overall financial performance. Adjusted EBITDA does not fully consider the impact of investing or financing transactions, as it specifically excludes depreciation and interest charges, which should also be considered in the overall evaluation of our results of operations. Our method of calculating

Adjusted EBITDA may be different from the method used by other companies and therefore comparability may be limited. A reconciliation of Adjusted EBITDA to net income is presented below:

Reconciliation Of Estimated Adjusted EBITDA To Estimated Net Income

(in millions)

	Quarter Ended March 31, 2004 Estimated	
	Low	High
Estimated Revenue	$158.0	$160.0
Estimated Net Loss	$ (20.5)	$ (19.5)
Estimated Provision (benefit) for income taxes	(11.9)	(11.6)
Estimated Other (gains) and losses	(0.9)	(0.9)
Estimated Unrealized (gain) loss on Viacom Stock	56.9	56.9
Estimated Unrealized (gain) loss on derivatives	(44.4)	(44.4)
Estimated Interest expense	10.2	9.7
Estimated Interest income	(0.4)	(0.4)
Estimated Operating Loss	(11.0)	(10.2)
Estimated depreciation & amortization	16.6	16.7
Estimated Adjusted EBITDA	$ 5.6	$ 6.5

New Revolving Credit Facility

On November 20, 2003, we entered into a new $65.0 million revolving credit facility. On December 17, 2003, we amended the facility to increase the borrowing capacity to $100.0 million. The new revolving credit facility, which replaced the revolving credit portion under the 2003 Florida/Texas senior secured credit facility, matures in May 2006 and borrowings thereunder bear interest at a rate of either LIBOR plus 3.50% or the lending banks' base rate plus 2.25%. The new revolving credit facility is guaranteed by our subsidiaries that were guarantors or borrowers under our 2003 Florida/Texas senior secured credit facility and is secured by a leasehold mortgage on the Gaylord Palms Resort & Convention Center.

Sale of Radio Stations

On July 21, 2003, we completed the sale of WSM-FM and WWTN(FM) to Cumulus Broadcasting, Inc. for $62.5 million in cash. Net cash proceeds of $50.2 million from this sale were designated as restricted cash for completion of our Gaylord Texan hotel and the remaining net cash proceeds of $10.8 million were designated as unrestricted cash. We also entered into a joint sales agreement pursuant to which we received an initial payment of $2.5 million and Cumulus will sell airtime on our remaining radio station, WSM-AM.

Sale of Oklahoma Redhawks Interest

We sold our interest in the Oklahoma Redhawks Class AAA baseball franchise for approximately $6.0 million in November 2003.

Board of Directors

On April 5, 2004, we announced that we had elected Michael I. Roth as a new member of our board of directors and that Christine Gaylord Everest and Martin C. Dickinson resigned from their board duties effective immediately. Mr. Roth serves as the chairman of the board and chief executive officer of Mutual of New York Group Inc., a financial services holding company.

Our principal executive offices are located at One Gaylord Drive, Nashville, Tennessee 37214. Our telephone number is (615) 316-6000 and our website address is www.gaylordentertainment.com (information set forth in our website is not incorporated herein by reference). Our common stock is listed on the New York Stock Exchange under the symbol "GET."

SUMMARY HISTORICAL AND PRO FORMA COMBINED CONDENSED

CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth, for the periods and as of the dates indicated, summary historical consolidated financial information for Gaylord Entertainment Company. The summary historical consolidated financial information as of December 31, 2003, 2002 and 2001 and for each of the three years in the period ended December 31, 2003 was derived from our audited consolidated financial statements.

The following table also sets forth summary unaudited pro forma combined condensed consolidated financial information for the year ended December 31, 2003. The summary unaudited pro forma combined condensed consolidated financial information has been prepared to give effect to the ResortQuest acquisition, the issuance of the outstanding notes and the application of the net proceeds from the issuance of the outstanding notes, together with cash on hand, to retire our senior term loan, our Nashville mezzanine loan, ResortQuest's credit facility, ResortQuest's senior notes, and our subordinated term loan, and to pay fees and expenses related to the ResortQuest acquisition and in connection with the repayment of indebtedness and is based upon the assumptions and adjustments described in the notes to the unaudited pro forma combined condensed consolidated financial statements included elsewhere in this prospectus. The summary unaudited pro forma combined condensed consolidated financial information was prepared as if the November Transactions had been completed on January 1, 2003. The unaudited pro forma combined condensed consolidated financial information presented below is not necessarily indicative of either future results or the results that might have been recorded if such transactions had been consummated on such dates.

The table below should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this prospectus, "Selected Historical Financial Information," "Unaudited Pro Forma Combined Condensed Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Pro Forma, Year Ended December 31, 2003	Years Ended December 31, 2003	2002	2001
		(In thousands)		
Income Statement Data:				
Revenues:				
Hospitality	$369,263	$369,263	$339,380	$228,712
Opry and Attractions	61,433	61,433	65,600	67,064
ResortQuest	187,836	17,920	—	—
Corporate and Other	184	184	272	290
Total revenues	618,716	448,800	405,252	296,066
Operating expenses:				
Operating costs	384,525	276,937	254,583	201,299
Selling, general and administrative	164,298	117,178	108,732	67,212
Preopening costs(1)	11,562	11,562	8,913	15,927
Gain on sale of assets(2)	—	—	(30,529)	—
Impairment and other charges	856	856(6)	—	14,262(6)
Restructuring charges	—	—	(17)(4)	2,182(4)
Depreciation and amortization	67,533	58,950	56,480	38,405
Total operating expenses	628,774	465,483	398,162	339,287
Operating income (loss)	(10,058)	(16,683)	7,090	(43,221)
Interest expense, net of amounts capitalized	(64,650)	(52,804)	(46,960)	(39,365)
Interest income	2,750	2,461	2,808	5,554
Unrealized gain (loss) on Viacom stock	39,831	39,831	(37,300)	782
Unrealized gain (loss) on derivatives, net	(33,228)	(33,228)	86,476	54,282
Other gains and (losses)	1,377	2,209	1,163	2,661
Income (loss) from continuing operations before income taxes	(63,978)	(58,214)	13,277	(19,307)
Provision (benefit) for income taxes	(28,543)	(24,669)	1,318	(9,142)
Income (loss) from continuing operations	$ (35,435)	(33,545)	11,959	(10,165)
Gain (loss) from discontinued operations, net of taxes(3)		34,371	85,757	(48,833)
Cumulative effect of accounting change, net of taxes		—	(2,572)(5)	11,202(7)
Net income (loss)		$ 826	$ 95,144	$ (47,796)

See footnotes beginning on page 18

	As of December 31,		
	2003	2002	2001
		(In thousands)	
Balance Sheet Data:			
Cash and cash equivalents:			
Unrestricted	$ 120,965	$ 98,632	$ 9,194
Restricted(8)	37,723	19,323	64,993
Total assets(9)	2,577,263	2,178,691	2,177,644
Total debt(10)	548,759	340,638	468,997
Secured forward exchange contract(9)	613,054	613,054	613,054
Total stockholders' equity	904,509	787,579	696,988

The ratio of earnings to fixed charges below is computed by dividing (a) the sum of income from continuing operations before income taxes, plus fixed charges, plus amortization of capitalized interest, less interest capitalized, by (b) fixed charges. Fixed charges consist of interest expense, including capitalized interest, amortization of debt issuance costs and a portion of operating lease rental expense deemed to be representative of the interest factor. For the years ended December 31, 2003, 2001 and 2000, earnings were insufficient to cover fixed charges. The amount of earnings needed to cover fixed charges were $71.8 million for the year ended December 31, 2003 and $37.8 million and $167.3 million for the years ended December 31, 2001 and 2000, respectively. On a pro forma basis for the year ended December 31, 2003, earnings would have been insufficient to cover fixed charges. The pro forma amount of earnings needed to cover pro forma fixed charges would have been $77.5 million for the year ended December 31, 2003.

	Years Ended December 31,				
	2003	2002	2001	2000	1999
Other Financial Data					
Ratio of earnings to fixed charges	—	1.12x	—	—	28.03x

	Years Ended December 31,		
	2003	2002	2001
Operating Data:			
Gaylord Nashville:			
Occupancy	72.4%	68.6%	70.3%
ADR(11)	$137.47	$142.58	$140.33
RevPAR	$ 99.59	$ 97.80	$ 98.65
Total RevPAR(12)	$204.75	$195.97	$211.01
Gaylord Palms(13):			
Occupancy	72.3%	64.8%	—
ADR(11)	$165.79	$168.65	$ —
RevPAR	$119.87	$109.37	$ —
Total RevPAR(12)	$286.05	$251.26	$ —

(1) Preopening costs are the costs associated with preopening expenses related to the construction of new hotels, start-up activities and organization costs related to the Gaylord Palms Resort & Convention Center hotel in Kissimmee, Florida and the new Gaylord Texan Resort & Convention Center in Grapevine, Texas. Gaylord Palms opened in January 2002 and the Gaylord Texan opened in April 2004.

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

(3) In August 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets.” In accordance with the provisions of SFAS No. 144, we have presented the operating results and financial position of the following businesses as discontinued operations: WSM-FM and WWTN(FM); Acuff-Rose Music Publishing; Oklahoma RedHawks; Word Entertainment; GET Management, our artist management business; the international cable networks; the businesses sold to affiliates of The Oklahoma Publishing Company in 2001 consisting of Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television and Gaylord Production Company; and the water taxis.

(4) Related primarily to employee severance and contract termination costs. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

(5) Reflects the cumulative effect of the change in accounting method related to adopting the provisions of SFAS No. 142, “Goodwill and Other Intangible Assets.” We recorded an impairment loss related to impairment of the goodwill of the Radisson Hotel at Opryland. The impairment loss was $4.2 million, less taxes of approximately $1.6 million.

(6) Reflects the divestiture of certain businesses and reduction in the carrying values of certain assets. The components of the impairment and other charges related to continuing operations for the years ended December 31 are as follows:

	2003	2001
Programming, film and other content	$856	$ 6,858
Gaylord Digital and other technology investments	—	4,576
Property and equipment	—	2,828
Orlando-area Wildhorse Saloon	—	—
Other	—	—
Total impairment and other charges	$856	$14,262

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

(8) Cash and cash equivalents — restricted for Gaylord represent cash held in escrow for required capital expenditures, property taxes, insurance payments and other reserves required pursuant to the terms of credit agreements. For ResortQuest, this primarily represents guest advance deposits held in escrow for lodging reservations and deposits on real estate transactions.

(9) Total assets include the Viacom, Inc. Class B common stock at its market values of $488.3 million, $448.5 million and $485.8 million at December 31, 2003, 2002, and 2001, respectively. During 2000, we entered into a seven-year secured forward exchange contract for a notional amount of $613.1 million with respect to 10,937,900 shares of the Viacom, Inc. Class B common stock. Prepaid interest related to the secured forward exchange contract of $91.2 million, $118.1 million and $145.0 million was included in total assets at December 31, 2003, 2002, and 2001, respectively.

(10) Total debt includes both short-term and long-term debt and is related primarily to the construction of our Gaylord Palms and Gaylord Texan hotels and refinancing ResortQuest’s indebtedness.

(11) “ADR” refers to average daily rate per room in dollars.

(12) “Total RevPAR” is calculated by dividing the sum of room sales, food and beverage sales, and other ancillary services revenue (which equals hospitality segment revenues) by room nights available to guests for the period. Total Revenue per Available Room is not comparable to similarly titled measures such as revenues.

(13) Gaylord Palms opened in February 2002.

RISK FACTORS

Participating in the exchange offer involves a number of risks. You should carefully consider the factors described and referred to below in addition to the other information set forth in this prospectus and the documents incorporated by reference into this prospectus before deciding whether to participate in the exchange offer.

Risks Relating to the Notes

If you do not properly tender your outstanding notes, you will continue to hold unregistered outstanding notes and you may not be able to transfer your outstanding notes.

We will only issue new notes in exchange for outstanding notes that you timely and properly tender. Therefore, you should allow sufficient time to ensure timely delivery of the outstanding notes and you should carefully follow the instructions on how to tender your outstanding notes. Neither we nor the exchange agent is required to tell you of any defects or irregularities with respect to your tender of outstanding notes.

If you do not exchange your outstanding notes for new notes pursuant to the exchange offer, the outstanding notes you hold will continue to be subject to the existing transfer restrictions. In general, you may not offer or sell the outstanding notes except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not plan to register outstanding notes under the Securities Act unless our registration rights agreement with the initial purchasers of the outstanding notes requires us to do so. Further, if you continue to hold any outstanding notes after the exchange offer is consummated, you may be unable to sell them because there will be fewer of these notes outstanding.

Our substantial debt could reduce our cash flow and limit our future business activities and prevent us from fulfilling our obligations under the notes.

We have now, and will continue to have after the exchange offer, a significant amount of debt. As of December 31, 2003, we had $548.8 million of total debt, exclusive of our $613.1 million secured forward exchange contract, and stockholders' equity of $904.5 million.

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

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

In addition, the terms of our Nashville hotel loan, our new revolving credit facility and the indenture governing the notes allow us to incur substantial amounts of additional debt subject to certain limitations. Any such additional debt could increase the risks associated with our substantial leverage. Our substantial leverage is evidenced by our earnings being insufficient to cover fixed charges for certain periods on an actual basis and pro forma for the November Transactions. Our earnings were insufficient to cover fixed charges by $71.8 million, $37.8 million and $167.3 for the years ended December 31, 2003, 2001 and 2000, respectively. In addition, pro forma for the November Transactions, for the year ended December 31, 2003, earnings would have been insufficient to cover fixed charges by $77.5 million.

Although the notes are referred to as senior notes, they are effectively subordinated to our and the subsidiary guarantors' secured debt and the liabilities of our non-guarantor subsidiaries.

The notes, and each guarantee of the notes, are unsecured and therefore will be effectively subordinated to any secured debt we, or the relevant guarantor, may incur to the extent of the assets securing such debt. In the event of a bankruptcy or similar proceeding involving us or a guarantor, the assets which serve as collateral for any secured debt will be available to satisfy the obligations under the secured debt before any payments are made on the notes. As of December 31, 2003, we had $548.8 million of debt outstanding (exclusive of our $613.1 million secured forward exchange contract), $200.1 million of which was secured debt effectively senior to the notes, and up to $88.7 million of additional availability under our new revolving credit facility. The notes are effectively subordinated to our Nashville hotel loan and any borrowings under our new revolving credit facility (which currently has approximately $89.7 million of availability) and our other secured debt. The terms of the indenture governing the notes allows us to incur substantial amounts of additional secured debt. See "Description of Certain Indebtedness." In addition, the notes are effectively subordinated to the liabilities of our non-guarantor subsidiaries.

Not all of our subsidiaries have guaranteed the notes, the assets of our non-guarantor subsidiaries may not be available to make payments on the notes and the notes are effectively subordinated to the debt and other liabilities of our non-guarantor subsidiaries, which amount was $249.1 million at December 31, 2003.

Not all of our subsidiaries have guaranteed the notes. In particular, our subsidiary that incurred our Nashville hotel loan, and certain affiliates thereof have not guaranteed, and all of our future unrestricted subsidiaries will not guarantee, the notes. Payments on the notes are only required to be made by us and the subsidiary guarantors. As a result, no payments are required to be made from assets of subsidiaries that do not guarantee the notes, unless those assets are transferred by dividend or otherwise to us or a subsidiary guarantor. In 2003, our non-guarantor subsidiaries had revenues of $215.3 million, or 48.0% of our consolidated 2003 revenues, and a loss from continuing operations before income taxes of $8.8 million. Similarly, at December 31, 2003, our non-guarantor subsidiaries had total assets of $511.4 million.

In the event that any non-guarantor subsidiary becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, holders of its debt and its trade creditors generally will be entitled to payment on their claims from the assets of that subsidiary before any of those assets are made available to us. Consequently, your claims in respect of the notes are effectively subordinated to all of the liabilities of our non-guarantor subsidiaries, including trade payables. As of December 31, 2003, our non-guarantor subsidiaries had $249.1 million of debt and other liabilities (excluding intercompany liabilities).

Gaylord Entertainment Company is a holding company and depends upon its subsidiaries' cash flow to meet its debt service obligations.

Gaylord Entertainment Company is a holding company, and it conducts a substantial portion of its operations through its subsidiaries. As a result, its ability to meet its debt service obligations, including its obligations under the notes, substantially depends upon its subsidiaries' cash flow and payment of funds to it by its subsidiaries as dividends, loans, advances or other payments. In addition, the payment of dividends or the making of loans, advances or other payments to Gaylord Entertainment Company may be subject to regulatory or contractual restrictions.

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

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

Prior to the repayment of the notes, we will be required to refinance our Nashville hotel loan and our new revolving credit facility, which may hinder our ability to repay the notes.

Prior to the repayment of the notes, we will be required to refinance our Nashville hotel loan ($199.2 million outstanding as of December 31, 2003), which matures in 2005, subject to extension to 2006, and our new revolving credit facility which matures in 2006. We cannot assure you that we will be able to refinance any of our debt, including our Nashville hotel loan or our new revolving credit facility on commercially reasonable terms or at all. If we were unable to make payments or refinance our debt or obtain new financing under these circumstances, we would have to consider other options, such as:

- sales of assets;
- sales of equity; and/or
- negotiations with our lenders to restructure the applicable debt.

Our credit agreements and the indenture governing the notes may restrict, or market or business conditions may limit, our ability to do some of these things.

In addition, our Nashville hotel loan contains a cash management restriction that is triggered if the debt service coverage ratio for cash flow from our Nashville hotel operations falls below 1.25:1. If the cash management restriction is triggered, our liquidity would be affected, as all excess cash from the Nashville hotel property, defined as cash after payment of principal and interest, certain reserves, and cash sufficient to cover operating expenses, would be applied to repay principal on the Nashville hotel loan. In such event, we would not have access to this cash amount to use for other purposes, such as payment of interest on the notes. In addition, our Nashville hotel loan requires that the debt service coverage ratio be at a minimum 1.49:1 to allow us to exercise our option to extend the maturity of the loan to March 2006. There can be no assurance that we will meet that ratio at December 31, 2004 to enable us to exercise the second extension of the maturity of the loan to March 2006.

Prior to the repayment of the notes, we may be required to incur additional debt to pay deferred taxes relating to shares of Viacom stock that we own, which could hinder our ability to repay the notes.

During May 2000, we entered into a secured forward exchange contract with an affiliate of Credit Suisse First Boston with respect to 10.9 million shares of Viacom stock. At the expiration of the secured forward exchange contract in May of 2007, we will be required to incur additional debt or use cash on hand to pay the deferred tax payable at that time, which we estimate to be $156.0 million. If we are unable to finance the deferred taxes on the Viacom stock on commercially reasonable terms and if there is insufficient cash on hand, we would have to consider other options, such as:

- sales of assets;
- sales of equity; and/or
- negotiations with our lenders to restructure our other indebtedness.

Our credit agreements and the indenture governing the notes may restrict, or market or business conditions may limit, our ability to do some of these things.

The agreements governing our debt, including the notes and our senior secured loans, contain various covenants that limit our discretion in the operation of our business and could lead to acceleration of debt.

Our existing agreements, including our new revolving credit facility, our Nashville hotel loan and the notes, impose, and future financing agreements are likely to impose, operating and financial restrictions on our activities. These restrictions require us to comply with or maintain certain financial tests and ratios, including minimum consolidated net worth, minimum interest coverage ratio and maximum leverage ratios, and limit or prohibit our ability to, among other things:

- incur additional debt and issue preferred stock;
- create liens;
- redeem and/or prepay certain debt;
- pay dividends on our stock to our stockholders or repurchase our stock;
- make certain investments;
- enter new lines of business;
- engage in consolidations, mergers and acquisitions;
- make certain capital expenditures; and
- pay dividends and make other distributions from our subsidiaries to us.

These restrictions on our ability to operate our business could seriously harm our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition and other corporate opportunities. See "Description of Certain Indebtedness."

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

The subsidiary guarantees may not be enforceable because of fraudulent conveyance laws or state corporate laws prohibiting shareholder distributions by an insolvent subsidiary.

The subsidiary guarantors' guarantees of the notes may be subject to review under U.S. federal bankruptcy law or relevant state fraudulent conveyance laws or state laws prohibiting subsidiary guarantees or other shareholder distributions by an insolvent subsidiary if a bankruptcy lawsuit or other action is commenced by or on behalf of our or the guarantors' unpaid creditors.

Under these laws, if in such a lawsuit a court were to find that, at the time a guarantor incurred debt (including debt represented by the guarantee), such guarantor:

- incurred this debt with the intent of hindering, delaying or defrauding current or future creditors; or
- received less than reasonably equivalent value or fair consideration for incurring this debt and the guarantor:
  - was insolvent or was rendered insolvent by reason of the related financing transactions;
  - was engaged, or about to engage, in a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business;

- intended to incur, or believed that it would incur, debts beyond its ability to pay these debts as they mature; or

- in some states, had assets valued at less than its liabilities, or would not be able to pay its debts as they become due in the usual course of business (regardless of the consideration for incurring the debt);

as all of the foregoing terms are defined in or interpreted under the relevant fraudulent transfer or conveyance statutes or shareholder distribution statute, then the court could void the guarantee or subordinate the amounts owing under the guarantee to the guarantor’s presently existing or future debt or take other actions detrimental to you.

In addition, the subsidiary guarantors may be subject to the allegation that, since they incurred their guarantees for our benefit, they incurred the obligations under the guarantees for less than reasonably equivalent value or fair consideration.

The measure of insolvency for purposes of the foregoing considerations will vary depending upon the law of the jurisdiction that is being applied in any such proceeding. Generally, a company would be considered insolvent if, at the time it incurred the debt or issued the guarantee:

- it could not pay its debts or contingent liabilities as they become due;

- the sum of its debts, including contingent liabilities, is greater than its assets, at fair valuation; or

- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing debts and liabilities, including contingent liabilities, as they become absolute and mature.

If a guarantee is voided as a fraudulent conveyance, is a prohibited distribution to the parent shareholder or found to be unenforceable for any other reason, you will not have a claim against that obligor and will only be Gaylord Entertainment Company’s creditor or that of any guarantor whose obligation was not set aside or found to be unenforceable. In addition, the loss of a guarantee will constitute a default under the indenture, which default would cause all outstanding notes to become immediately due and payable.

We may be unable to make a change of control offer required by the indenture governing the notes, which would cause defaults under the indenture governing the notes, our new revolving credit facility and our other financing arrangements.

The terms of the notes require us to make an offer to repurchase the notes upon the occurrence of a change of control at a purchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest and liquidated damages, if any, to the date of the purchase. The terms of our new revolving credit facility may require, and other financing arrangements may require, repayment of amounts outstanding in the event of a change of control and limit our ability to fund the repurchase of your notes in certain circumstances. It is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes or that restrictions in our new revolving credit facility, and other financing agreements will not allow the repurchases. In addition, it is not certain whether we would be required to make a change in control offer to repurchase the notes upon certain asset sales, because the meaning of “substantially all” assets, the sale of which would constitute a change of control, is not established under applicable law. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require the company to repurchase such notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the company and its subsidiaries taken as a whole to another person or group may be uncertain. See “Description of Notes — Repurchase at the Option of Holders — Change of Control.”

There is no public trading market for the new notes and we do not know if a market will develop or, if a market does develop, whether it will be sustained.

There is no established trading market for the new notes. Although the initial purchasers of the outstanding notes have informed us that they currently intend to make a market in the new notes, they have no obligation to do so and may discontinue making a market at any time without notice. We do not intend to apply for listing of the new notes on any securities exchange or for quotation through The Nasdaq National Market. The liquidity of any market for the new notes will depend upon the number of holders of the new notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the new notes and other factors relating to us. A liquid trading market may not develop for the new notes, which could hinder your ability to sell the notes.

Risks Relating to the Business of Gaylord

The successful implementation of our business strategy depends on our ability to generate cash flows from our existing operations and our new Texas hotel and other factors.

We have refocused our business strategy on the development of additional resort and convention center hotels in selected locations in the United States; on our attractions properties, including the Grand Ole Opry, which are focused primarily on the country music genre, as well as our recently acquired ResortQuest vacation rental and property management business. The success of our future operating results depends on our ability to implement our business strategy by successfully operating the Gaylord Opryland and the Gaylord Palms and our new Gaylord Texan hotel in Grapevine, Texas, and by further exploiting our attractions assets and our vacation rental business. Our ability to do this depends upon many factors, some of which are beyond our control. These include:

- our ability to achieve positive cash flow from operations of our new Gaylord Texan hotel within the anticipated ramp-up period;

- our ability to generate cash flows from existing operations;

- our ability to hire and retain hotel management, catering and convention-related staff for our hotels and staff for our vacation rental offices;

- our ability to capitalize on the strong brand recognition of certain of our Opry and Attractions assets; and

- the continued popularity and demand for country music.

If we are unable to successfully implement the business strategies described above, our cash flows and net income may be reduced.

Our hotel and convention business and our vacation rental and property management business are subject to significant market risks.

Our ability to continue to successfully operate the Gaylord Opryland, the Gaylord Palms and our new Gaylord Texan hotel in Grapevine, Texas, as well as our ability to operate our ResortQuest vacation rental business, is subject to factors beyond our control which could reduce the revenue and operating income of these properties. These factors include:

- the desirability and perceived attractiveness of the Nashville, Tennessee area; the Orlando, Florida area; and the Dallas, Texas area as tourist and convention destinations;

- adverse changes in the national economy and in the levels of tourism and convention business that would affect our hotels or vacation rental properties we manage;

- the hotel and convention business is highly competitive and Gaylord Palms and our new Gaylord Texan hotel are operating in extremely competitive markets for convention and tourism business;

- our group convention business is subject to reduced levels of demand during the year-end holiday periods, and we may not be able to attract sufficient general tourism guests to offset this seasonality; and
- the vacation rental and property management business is highly competitive and has low barriers to entry, and we compete primarily with local vacation rental and property management companies located in its markets, some of whom are affiliated with the owners or operators of resorts where these competitors provide their services or which may have lower cost structures and may provide their services at lower rates.

Our recent acquisition of ResortQuest International, Inc., which we completed on November 20, 2003, involves substantial risks.

The ResortQuest acquisition, which we completed on November 20, 2003, involves the integration of two companies that previously have operated independently, which is a complex, costly and time-consuming process. The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the combined company's business and the loss of key personnel. The diversion of management's attention and any delays or difficulties encountered in connection with the ResortQuest acquisition and the integration of the two companies' operations could harm the business, results of operations, financial condition or prospects of the combined company. In addition, we may be unable to achieve the anticipated cost savings from the ResortQuest acquisition for many reasons. Gaylord and ResortQuest have incurred substantial expenses, such as legal, accounting and financial advisor fees, in connection with the acquisition.

Unanticipated costs of hotels we open in new markets may reduce our operating income.

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

Our hotel development is subject to timing, budgeting and other risks.

We intend to develop additional hotel properties as suitable opportunities arise, taking into consideration the general economic climate. New project development has a number of risks, including risks associated with:

- construction delays or cost overruns that may increase project costs;
- construction defects or noncompliance with construction specifications;
- receipt of zoning, occupancy and other required governmental permits and authorizations;
- development costs incurred for projects that are not pursued to completion;
- so-called acts of God such as earthquakes, hurricanes, floods or fires that could delay the development of a project;
- the availability and cost of capital; and
- governmental restrictions on the nature or size of a project or timing of completion.

In particular, the terms of our new revolving credit facility require us to achieve substantial completion and initial opening of our Gaylord Texan hotel by June 30, 2004. The Gaylord Texan hotel opened in April of 2004. Our development projects may not be completed on time or within budget.

Our real estate investments are subject to numerous risks.

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

Our hotel and vacation rental properties are concentrated geographically and our revenues and operating income could be reduced by adverse conditions specific to our property locations.

Our existing hotel properties are located predominately in the southeastern United States. As a result, our business and our financial operating results may be materially affected by adverse economic, weather or business conditions in the Southeast. In addition, our ResortQuest vacation rental business manages properties that are significantly concentrated in beach and island resorts located in Florida and Hawaii and mountain resorts located in Colorado. Adverse events or conditions which affect these areas in particular, such as economic recession, changes in regional travel patterns, extreme weather conditions or natural disasters, may have an adverse impact on our ResortQuest operations.

Hospitality companies have been the target of class actions and other lawsuits alleging violations of federal and state law.

Our operating income and profits may be reduced by legal or governmental proceedings brought by or on behalf of our employees or customers. In recent years, a number of hospitality companies have been subject to lawsuits, including class action lawsuits, alleging violations of federal and state law regarding workplace and employment matters, discrimination and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar lawsuits have been instituted against us from time to time, and we cannot assure you that we will not incur substantial damages and expenses resulting from lawsuits of this type, which could have a material adverse effect on our business.

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

Environmental laws, ordinances and regulations of various federal, state, local and foreign governments regulate certain of our properties and could make us liable for the costs of removing or cleaning up hazardous or toxic substances on, under or in the properties we currently own or operate or those we previously owned or operated. Those laws could impose liability without regard to whether we knew of, or were responsible for, the presence of hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to properly clean up such substances when present, could jeopardize our ability to develop, use, sell or rent the real property or to borrow using the real property as collateral. If we arrange for the disposal or treatment of hazardous or toxic wastes, we could be liable for the costs of removing or cleaning up wastes at the disposal or treatment facility, even if we never owned or operated that facility. Other laws, ordinances and regulations could require us to manage, abate or remove lead- or asbestos-containing materials. Similarly, the operation and closure of storage tanks are often regulated by federal, state, local and foreign laws. Finally, certain laws, ordinances and regulations, particularly those governing the management or preservation of wetlands, coastal zones and threatened or endangered species, could limit our ability to develop, use, sell or rent our real property.

Any failure to attract, retain and integrate senior and managerial level executives could negatively impact our operations and development of our properties.

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

We have certain minority equity interests over which we have no significant control, to or for which we may owe significant obligations and for which there is no market, and these investments may not be profitable.

We have certain minority investments which are not liquid and over which we have no rights, or ability, to exercise the direction or control of the respective enterprises. These include our equity interests in Viacom, Bass Pro and the Nashville Predators. When we make these investments, we sometimes extend guarantees related to such investments. For example, in connection with our investment in the Nashville Predators, we agreed to guarantee, severally and jointly with other investors, up to $15.0 million of specified obligations. The ultimate value of each of these investments will be dependent upon the efforts of others over an extended period of time. The nature of our interests and the absence of a market for those interests restricts our ability to dispose of them. Our lack of control over the management of these businesses and the lack of a market to sell our interest in these businesses may cause us to recognize a loss on our investment in these businesses. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” In addition, we may enter into joint venture arrangements. These arrangements are subject to uncertainties and risks, including those related to conflicting joint venture partner interests and to our joint venture partners failing to meet their financial or other obligations.

We are subject to risks relating to acts of God, terrorist activity and war.

Our operating income may be reduced by acts of God, such as natural disasters or acts of terror, in locations where we own and/or operate significant properties and areas of the world from which we draw a large number of customers. Some types of losses, such as from earthquake, hurricane, terrorism and environmental hazards, may be either uninsurable or too expensive to justify insuring against. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in a hotel, as well as the anticipated future revenue from the hotel. In that event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property. Similarly, wars (including the potential for war), terrorist activity (including threats of terrorist activity), political unrest and other forms of civil strife as well as geopolitical uncertainty have caused in the past, and may cause in the future, our results to differ materially from anticipated results.

We face risks related to an SEC investigation.

In March 2003, we restated our historical financial statements for 2000, 2001 and the first nine months of 2002 to reflect certain non-cash changes, which resulted primarily from a change to our income tax accrual and a change in the manner in which we accounted for our investment in the Nashville

Predators. We have been advised by the SEC staff that it is conducting a formal investigation into the financial results and transactions that were the subject of our restatement. The SEC staff is reviewing documents provided by us and our independent accountants and has taken or will take testimony from former and current employees of the Company. We have been cooperating with the SEC staff and intend to continue to do so. Nevertheless, if the SEC makes a determination adverse to us, we may face sanctions, including, but not limited to, monetary penalties and injunctive relief.

The hospitality industry and the vacation and property management industry are heavily regulated, including with respect to food and beverage sales, real estate brokerage licensing, employee relations and construction concerns, and compliance with these regulations could increase our costs and reduce our revenues and profits.

Our hotel operations are subject to numerous laws, including those relating to the preparation and sale of food and beverages, liquor service and health and safety of premises. Our vacation rental operations are also subject to licensing requirements applicable to real estate operations, laws and regulations relating to consumer protection and local ordinances. We are also subject to laws regulating our relationship with our employees in areas such as hiring and firing, minimum wage and maximum working hours, overtime and working conditions. The success of expanding our hotel operations also depends upon our obtaining necessary building permits and zoning variances from local authorities. Compliance with these laws is time intensive and costly and may reduce our revenues and operating income.

If vacation rental property owners do not renew a significant number of property management contracts, revenues and operating income from our ResortQuest vacation rental business would be reduced.

Through our ResortQuest vacation rental business, we provide rental and property management services to property owners pursuant to management contracts, which generally have one-year terms. The majority of such contracts contain automatic renewal provisions but also allow property owners to terminate the contract at any time. If property owners do not renew a significant number of management contracts or if we are unable to attract additional property owners, revenues and operating income for our ResortQuest business may be reduced. In addition, although most of its contracts are exclusive, industry standards in certain geographic markets dictate that rental services be provided on a non-exclusive basis.

You are unlikely to be able to seek remedies against Arthur Andersen LLP, ResortQuest's former independent auditor.

ResortQuest's consolidated financial statements as of and for the fiscal years ended December 31, 2000 and December 31, 2001 were audited by Arthur Andersen LLP, ResortQuest's former independent auditor. In June 2002, Arthur Andersen was convicted of federal obstruction of justice charges in connection with its destruction of documents. As a result of its conviction, Arthur Andersen has ceased operations and is no longer in a position to reissue its audit reports or to provide consent to include financial statements reported on by it in this prospectus. Because Arthur Andersen has not reissued its reports and because ResortQuest is not able to obtain a consent from Arthur Andersen, you will be unable to sue Arthur Andersen for material misstatements or omissions, if any, in this prospectus, including the financial statements covered by its previously issued reports. Even if you have a basis for asserting a remedy against, or seeking to recover from, Arthur Andersen, we believe that it is unlikely that you would be able to recover damages from Arthur Andersen.

FORWARD-LOOKING STATEMENTS

The prospectus contains "forward-looking statements." All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws. Forward-looking statements may include the words "may," "will," "plans," "estimates," "anticipates," "believes," "expects," "intends" and similar expressions. Although we believe that such statements are based on reasonable assumptions, these forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected or assumed in our forward-looking statements. These factors, risks and uncertainties include, among others, the following:

- the potential adverse effect of our debt on our cash flow and our ability to fulfill our obligations under the notes;
- the availability of debt and equity financing on terms that are favorable to us;
- the challenges associated with the integration of ResortQuest's operations into our operations;
- general economic and market conditions and economic and market conditions related to the hotel and large group meetings and convention industry;
- the timing, budgeting and other factors and risks relating to new hotel development, including our ability to generate cash flows from our new Gaylord Texan hotel in Grapevine, Texas;
- our restatement of our financial results and the related SEC investigation;
- the possibility that an active market may not develop for the notes and therefore hinder your ability to liquidate your investment; and
- other risks that are described in "Risk Factors."

Our actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking statements. We can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition. We do not intend, and we undertake no obligation, to update any forward-looking statement. We urge you to review carefully "Risk Factors" in this prospectus for a more complete discussion of the risks of an investment in the notes.

MARKET, RANKING AND OTHER DATA

The data included in this prospectus regarding markets and ranking, including the size of certain markets and our position and the position of our competitors within these markets, are based on reports of published industry sources and our estimates based on our management's knowledge and experience in the markets in which we operate. Our estimates have been based on information obtained primarily from trade and business organizations and other contacts in the markets in which we operate. We believe these estimates to be accurate as of the date of this prospectus.

THE EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

In connection with the issuance of the outstanding notes, we entered into a registration rights agreement with the initial purchasers of the outstanding notes. The following description of the registration rights agreement is a summary only. For more information, you should review the provisions of the registration rights agreement that we filed with the Securities and Exchange Commission as an exhibit to the registration statement of which this prospectus is a part.

Under the registration rights agreement, we agreed that, promptly after the effectiveness of the registration statement of which this prospectus is a part, we would offer to the holders of outstanding notes who are not prohibited by any law or policy of the Securities and Exchange Commission from participating in the exchange offer, the opportunity to exchange their outstanding notes for a new series of notes, which we refer to as the new notes, that are identical in all material respects to the outstanding notes, except that the new notes do not contain transfer restrictions, have been registered under the Securities Act and are not subject to further registration rights. We and our subsidiary guarantors have agreed to keep the exchange offer open for not less than 20 days, or longer if required by applicable law, after the date on which notice of the exchange offer is mailed to the holders of the outstanding notes. We and our subsidiary guarantors also have agreed to use our reasonable best efforts to cause the exchange offer to be consummated on or before the date that is 30 days after the registration statement of which this prospectus is a part has become effective, or longer, if required by the federal securities laws.

If:

- we and our subsidiary guarantors are not permitted to consummate the exchange offer because the exchange offer is not permitted by applicable law or Securities and Exchange Commission policy; or
- any holder of notes notifies us prior to the 20th business day following consummation of the exchange offer that:
    - it is prohibited by law or Securities and Exchange Commission policy from participating in the exchange offer; or
    - that it may not resell the new notes acquired by it in the exchange offer to the public without delivering a prospectus and the prospectus contained in the registration statement of which this prospectus is a part is not appropriate or available for such resales; or
    - that it is a broker-dealer and owns outstanding notes acquired directly from us or one of our affiliates,

then we and the subsidiary guarantors have agreed to file with the Securities and Exchange Commission a shelf registration statement to cover resales of the outstanding notes by the holders thereof who satisfy certain conditions relating to the provision of information in connection with the shelf registration statement.

We and our subsidiary guarantors will use commercially reasonable efforts to cause the applicable registration statement to be declared effective as promptly as possible by the Commission.

We and our subsidiary guarantors also have agreed:

- to use our reasonable best efforts to have the registration statement of which this prospectus is a part declared effective by the Securities and Exchange Commission on or prior to 230 days after the closing of the sale of the outstanding notes;
- unless the exchange offer would not be permitted by applicable law or Securities and Exchange Commission policy, we and our subsidiary guarantors will commence the exchange offer; and

- we will issue new notes in exchange for all outstanding notes tendered prior thereto in the exchange offer pursuant to the requirements of the registration rights agreement; and

- if obligated to file a shelf registration statement, we will use our commercially reasonable efforts to file the shelf registration statement with the Securities and Exchange Commission on or prior to 45 days after such filing obligation arises and to cause the shelf registration to be declared effective by the Securities and Exchange Commission on or prior to 90 days after such obligation arises, but in no event prior to 230 days after the closing of the sale of the outstanding notes.

If:

- we and our subsidiary guarantors fail to file any of the registration statements required by the registration rights agreement on or before the date specified for such filing; or

- any of such registration statements is not declared effective by the Securities and Exchange Commission on or prior to the date specified for such effectiveness, also known as the effectiveness target date; or

- we and our subsidiary guarantors fail to consummate the exchange offer within 30 business days of the effectiveness target date with respect to the registration statement of which this prospectus is a part; or

- the shelf registration statement or the registration statement of which this prospectus is a part is declared effective but thereafter ceases to be effective or usable in connection with resales of transfer restricted securities during the periods specified in the registration rights agreement,

then a registration default shall be deemed to have occurred and we and our subsidiary guarantors will pay liquidated damages to each holder of outstanding notes, with respect to the first 90-day period immediately following the occurrence of the first registration default in an amount equal to a per annum rate of 0.25% per annum on the principal amount of outstanding notes held by such holder. The amount of the liquidated damages will increase by an additional per annum rate of 0.25% per annum with respect to each subsequent 90-day period until all registration defaults have been cured, up to a maximum amount of liquidated damages for all registration defaults of 1.0% per annum on the principal amount of outstanding notes constituting transfer restricted securities.

All accrued liquidated damages will be paid by us and our subsidiary guarantors on each damages payment date to the global note holder by wire transfer of immediately available funds or by federal funds check and to holders of certificated notes by wire transfer to the accounts specified by them or by mailing checks to their registered addresses if no such accounts have been specified.

Following the cure of all registration defaults, the accrual of liquidated damages will cease. Holders of outstanding notes will be required to make certain representations to us in order to participate in the exchange offer and will be required to deliver certain information to be used in connection with the shelf registration statement and to provide comments on the shelf registration statement within the time periods set forth in the registration rights agreement in order to have their outstanding notes included in the shelf registration statement and benefit from the provisions regarding liquidated damages set forth above.

By acquiring notes, a holder will be deemed to have agreed to indemnify us and our subsidiary guarantors against certain losses arising out of information furnished by such holder in writing for inclusion in any registration statement. Holders of outstanding notes will also be required to suspend their use of the prospectus included in the shelf registration statement under certain circumstances upon receipt of notice to that effect from us.

Resale of the New Notes

Based on no action letters of the Securities and Exchange Commission staff issued to third parties, we believe that new notes may be offered for resale, resold and otherwise transferred by you without further compliance with the registration and prospectus delivery provisions of the Securities Act if:

- the new notes are acquired in the ordinary course of your business;
- you have no arrangement or understanding with any person to participate in and are not engaged in, and do not intend to engage in, a distribution of the new notes; and
- you are not our affiliate (within the meaning of Rule 405 under the Securities Act) or a broker-dealer that acquired outstanding notes directly from us for its own account.

The Securities and Exchange Commission, however, has not considered the exchange offer for the new notes in the context of a no action letter, and the Securities and Exchange Commission may not make a similar determination as in the no action letters issued to these third parties.

If you tender outstanding notes in the exchange offer with the intention of participating in any manner in a distribution of the new notes or otherwise do not satisfy the foregoing criteria, you

- cannot rely on the interpretations by the Securities and Exchange Commission staff discussed above;
- will not be able to exchange your outstanding notes for new notes in the exchange offer; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the outstanding notes, unless the resale is made pursuant to an exemption from, or is otherwise not subject to, those requirements.

Unless an exemption from registration is otherwise available, any security holder intending to distribute new notes should be covered by an effective registration statement under the Securities Act. This registration statement should contain the selling security holder's information required by Item 507 of Regulation S-K under the Securities Act. This prospectus may be used for an offer to resell, resale or other transfer of new notes only as specifically described in this prospectus. Only broker-dealers that acquired the outstanding notes as a result of market-making activities or other trading activities may participate in the exchange offer. Each broker-dealer that receives new notes for its own account in exchange for outstanding notes, where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge in the letter of transmittal that it will deliver a prospectus in connection with any resale of the new notes. Please read the section captioned "Plan of Distribution" for more details regarding the transfer of new notes.

Terms of the Exchange Offer

Subject to the terms and conditions described in this prospectus and in the letter of transmittal, we will accept for exchange any outstanding notes properly tendered and not withdrawn prior to 12:00 midnight, Eastern time, on the expiration date. We will issue new notes in principal amount equal to the principal amount of outstanding notes surrendered in the exchange offer. Outstanding notes may be tendered only for new notes and only in integral multiples of $1,000.

The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered for exchange.

As of the date of this prospectus, $350.0 million in aggregate principal amount of the outstanding notes are outstanding. This prospectus and the letter of transmittal are being sent to all registered holders of outstanding notes. There will be no fixed record date for determining registered holders of outstanding notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement, the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations of the Securities and Exchange Commission. Outstanding notes that the holders thereof do not tender for exchange in the exchange offer will remain outstanding and continue to accrue interest. These outstanding notes will continue to be entitled to the rights and benefits such holders have under the indenture relating to the notes.

We will be deemed to have accepted for exchange properly tendered outstanding notes when we have given oral or written notice of the acceptance to the exchange agent and complied with the applicable provisions of the registration rights agreement. The exchange agent will act as agent for the tendering holders for the purposes of receiving the new notes from us.

If you tender outstanding notes in the exchange offer, you will not be required to pay brokerage commissions or fees or, subject to the letter of transmittal, transfer taxes with respect to the exchange of outstanding notes. We will pay all charges and expenses in connection with the exchange offer. It is important that you read the section labeled "— Fees and Expenses" for more details regarding fees and expenses incurred in the exchange offer.

We will return any outstanding notes that we do not accept for exchange for any reason to the tendering holder as promptly after the expiration or termination of the exchange offer.

Expiration Date

The exchange offer will expire at 12:00 midnight, Eastern time, on , 2004, unless, in our sole discretion, we extend it. We and our subsidiary guarantors also have agreed to use our reasonable best efforts to cause the exchange offer to be consummated on or before the date that is 30 business days after the registration statement of which this prospectus is a part has become effective, or longer, if required by the federal securities laws.

Extensions, Delays in Acceptance Termination or Amendment

We expressly reserve the right, at any time or various times, to extend the period of time during which the exchange offer is open. We may delay acceptance of any outstanding notes by giving oral or written notice of such extension to their holders. During any such extensions, all outstanding notes previously tendered will remain subject to the exchange offer, and we may accept them for exchange.

In order to extend the exchange offer, we will notify the exchange agent orally or in writing of any extension. We will notify the registered holders of outstanding notes of the extension no later than 9:00 a.m., Eastern time, on the business day after the previously scheduled expiration date.

If any of the conditions described below under "— Conditions to the Exchange Offer" have not been satisfied, we reserve the right, in our sole discretion

- to delay accepting for exchange any outstanding notes,

- to extend the exchange offer, or

- to terminate the exchange offer,

by giving oral or written notice of such delay, extension or termination to the exchange agent. Subject to the terms of and the approvals required under the registration rights agreement, we also reserve the right to amend the terms of the exchange offer in any manner.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof to the registered holders of outstanding notes. If we amend the exchange offer in a manner that we determine to constitute a material change, we will promptly disclose such amendment by means of a prospectus supplement. The supplement will be distributed to the registered holders of the outstanding notes. In addition, if the amendment constitutes a material change, including the waiver of a material condition, we are generally required to extend the exchange offer at least five business days from the date of such material amendment.

Conditions to the Exchange Offer

We will not be required to accept for exchange, or exchange any new notes for, any outstanding notes if as a result of any change in law or applicable interpretations thereof by the staff of the Securities and Exchange Commission, we determine upon advice of our outside counsel that we are not permitted to effect the exchange offer as described in this prospectus.

In addition, we will not be obligated to accept for exchange the outstanding notes of any holder that has not made to us the representations described under "— Purpose and Effect of the Exchange Offer," "— Procedures for Tendering" and "Plan of Distribution" and such other representations as may be reasonably necessary under applicable Securities and Exchange Commission rules, regulations or interpretations to allow us to use an appropriate form to register the new notes under the Securities Act.

We expressly reserve the right to extend, amend or terminate the exchange offer, and to reject for exchange any outstanding notes not previously accepted for exchange, upon the failure to be satisfied of any of the conditions to the exchange offer specified herein or in the letter of transmittal. We will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the outstanding notes as promptly as practicable.

These conditions are for our sole benefit, and, except as provided below, we may assert them or waive them in whole or in part at any time or at various times in our sole discretion. All such conditions will be satisfied or waived prior to expiration. If we fail at any time to exercise any of these rights, this failure will not mean that we have waived our rights. Each such right will be deemed an ongoing right that we may assert at any time or at various times.

In addition, we will not accept for exchange any outstanding notes tendered, and will not issue new notes in exchange for any such outstanding notes, if at such time any stop order has been threatened or is in effect with respect to the registration statement of which this prospectus is a part or the qualification of the indenture relating to the notes under the Trust Indenture Act of 1939.

Procedures for Tendering

Procedures for Tendering Generally

Only a holder of outstanding notes may tender such outstanding notes in the exchange offer. To tender in the exchange offer, a holder must:

- complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal;
- have the signature on the letter of transmittal guaranteed if the letter of transmittal so requires; and
- mail or deliver such letter of transmittal or facsimile to the exchange agent prior to 12:00 midnight, Eastern time, on the expiration date; or
- comply with the automated tender offer program procedures of DTC described below.

In addition, either:

- the exchange agent must receive outstanding notes along with the letter of transmittal;
- the exchange agent must receive, prior to 12:00 midnight, Eastern time, on the expiration date, a timely confirmation of book-entry transfer of such outstanding notes into the exchange agent's account at DTC according to the procedure for book-entry transfer described below or a properly transmitted agent's message; or
- the holder must comply with the guaranteed delivery procedures described below.

To be tendered effectively, the exchange agent must receive any physical delivery of the letter of transmittal and other required documents at its address indicated on the cover page of the letter of transmittal. The exchange agent must receive such documents prior to 12:00 midnight, Eastern time, on the expiration date.

The tender by a holder that is not withdrawn prior to 12:00 midnight, Eastern time, on the expiration date will constitute an agreement between the holder and us in accordance with the terms and subject to the conditions described in this prospectus and in the letter of transmittal.

THE METHOD OF DELIVERY OF OUTSTANDING NOTES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT YOUR ELECTION AND RISK. RATHER THAN MAIL THESE ITEMS, WE RECOMMEND THAT YOU USE AN OVERNIGHT OR HAND DELIVERY SERVICE. IN ALL CASES, YOU SHOULD ALLOW SUFFICIENT TIME TO ASSURE DELIVERY TO THE EXCHANGE AGENT BEFORE 12:00 MIDNIGHT, EASTERN TIME, ON THE EXPIRATION DATE. YOU SHOULD NOT SEND THE LETTER OF TRANSMITTAL OR OUTSTANDING NOTES TO US. YOU MAY REQUEST YOUR BROKERS, DEALERS, COMMERCIAL BANKS, TRUST COMPANIES OR OTHER NOMINEES TO EFFECT THE ABOVE TRANSACTIONS FOR YOU.

How to Tender if You are a Beneficial Owner

If you beneficially own outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender those notes, you should contact the registered holder promptly and instruct it to tender on your behalf. If you are a beneficial owner and wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either:

- make appropriate arrangements to register ownership of the outstanding notes in your name; or
- obtain a properly completed bond power from the registered holder of outstanding notes.

The transfer of registered ownership, if permitted under the indenture for the notes, may take considerable time and may not be completed prior to the expiration date.

Signatures and Signature Guarantees

You must have signatures on a letter of transmittal or a notice of withdrawal, as described below, guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc.,a commercial bank or trust company having an office or correspondent in the United States, or an “eligible guarantor institution” within the meaning of Rule 17Ad-15 under the Exchange Act. In addition, the entity must be a member of one of the recognized signature guarantee programs identified in the letter of transmittal.

When You Need Endorsements or Bond Powers

If the letter of transmittal is signed by a person other than the registered holder of any outstanding notes, the outstanding notes must be endorsed or accompanied by a properly completed bond power. The bond power must be signed by the registered holder as the registered holder’s name appears on the outstanding notes. A member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution must guarantee the signature on the bond power.

If the letter of transmittal or any outstanding notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, those persons should so indicate when signing. Unless waived by us, they should also submit evidence satisfactory to us of their authority to deliver the letter of transmittal.

Tendering Through DTC’s Automated Tender Offer Program

The exchange agent and DTC have confirmed that any financial institution that is a participant in DTC’s system may use DTC’s automated tender offer program to tender. Participants in the program may, instead of physically completing and signing the letter of transmittal and delivering it to the exchange agent, transmit their acceptance of the exchange offer electronically. They may do so by causing DTC to transfer the outstanding notes to the exchange agent in accordance with its procedures for transfer. DTC will then send an agent’s message to the exchange agent.

The term “agent’s message” means a message transmitted by DTC, received by the exchange agent and forming part of the book-entry confirmation, to the effect that:

- DTC has received an express acknowledgment from a participant in its automated tender offer program that is tendering outstanding notes that are the subject of such book-entry confirmation;
- such participant has received and agrees to be bound by the terms of the letter of transmittal or, in the case of an agent’s message relating to guaranteed delivery, that such participant has received and agrees to be bound by the applicable notice of guaranteed delivery; and
- the agreement may be enforced against such participant.

Determinations Under the Exchange Offer

We will determine in our sole discretion all questions as to the validity, form, eligibility, time of receipt, acceptance of tendered outstanding notes and withdrawal of tendered outstanding notes. Our determination will be final and binding. We reserve the absolute right to reject any outstanding notes not properly tendered or any outstanding notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defect, irregularities or conditions of tender as to particular outstanding notes. To the extent that we waive any condition of the offer, however, we will waive such condition for all holders of the outstanding notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, all defects or irregularities in connection with tenders of outstanding notes must be cured within such time as we shall determine. Although we intend to notify holders of defects or irregularities with respect to tenders of outstanding notes, neither we, the exchange agent nor any other person will incur any liability for failure to give such notification. Tenders of outstanding notes will not be deemed made until such defects or irregularities have been cured or waived. Any outstanding notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned to the tendering holder, unless otherwise provided in the letter of transmittal, as soon as practicable following the expiration date.

When We Will Issue New Notes

In all cases, we will issue new notes for outstanding notes that we have accepted for exchange in the exchange offer only after the exchange agent timely receives:

- outstanding notes or a timely book-entry confirmation of such outstanding notes into the exchange agent’s account at DTC; and
- a properly completed and duly executed letter of transmittal and all other required documents or a properly transmitted agent’s message.

Note holders should expect to receive new notes promptly after termination or expiration of the exchange offer.

Return of Outstanding Notes not Accepted or Exchanged

If we do not accept any tendered outstanding notes for exchange or if outstanding notes are submitted for a greater principal amount than the holder desires to exchange, the unaccepted or non-exchanged outstanding notes will be returned to their tendering holder. In the case of outstanding notes tendered by book-entry transfer in the exchange agent’s account at DTC according to the procedures described below, such non-exchanged outstanding notes will be credited to an account maintained with DTC. These actions will occur promptly after the expiration or termination of the exchange offer.

Your Representations to Us

By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

- you are not our affiliate (as defined in Rule 144 of the Securities Act);
- you are not engaged in, and do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the new notes to be issued in the exchange offer;
- you are acquiring the new notes in your ordinary course of business; and
- if you are a broker-dealer, that you will receive new notes for your own account in exchange for outstanding notes that were acquired as a result of market-making activities or other trading activities and that you will comply with the registration and prospectus delivery requirement of the Securities Act in connection with any resale of the new notes.

Book Entry Transfer

The exchange agent will establish an account with respect to the outstanding notes at DTC for purposes of the exchange offer promptly after the date of this prospectus. Any financial institution participating in DTC's system may make book-entry delivery of outstanding notes by causing DTC to transfer such outstanding notes into the exchange agent's account at DTC in accordance with DTC's procedures for transfer. Holders of outstanding notes who are unable to deliver confirmation of the book-entry tender of their outstanding notes into the exchange agent's account at DTC or all other documents required by the letter of transmittal to the exchange agent on or prior to 12:00 midnight, Eastern time, on the expiration date must tender their outstanding notes according to the guaranteed delivery procedures described below.

Guaranteed Delivery Procedures

If you wish to tender your outstanding notes but your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal or any other required documents to the exchange agent or comply with the applicable procedures under DTC's automated tender offer program prior to the expiration date, you may tender if:

- the tender is made through a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution;
- prior to the expiration date, the exchange agent receives from such member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., commercial bank or trust company having an office or correspondent in the United States, or eligible guarantor institution either a properly completed and duly executed notice of guaranteed delivery by facsimile transmission, mail or hand delivery or a properly transmitted agent's message and notice of guaranteed delivery:
  - setting forth your name and address, the registered number(s) of your outstanding notes and the principal amount of outstanding notes tendered,
  - stating that the tender is being made thereby, and
  - guaranteeing that, within three New York Stock Exchange trading days after the expiration date, the letter of transmittal or facsimile thereof, together with the outstanding notes or a book-entry confirmation, and any other documents required by the letter of transmittal will be deposited by the eligible guarantor institution with the exchange agent; and
- the exchange agent receives such properly completed and executed letter of transmittal or facsimile thereof, as well as all tendered outstanding notes in proper form for transfer or a book-entry

confirmation, and all other documents required by the letter of transmittal, within three New York Stock Exchange trading days after the expiration date.

Upon request to the exchange agent, a notice of guaranteed delivery will be sent you if you wish to tender your outstanding notes according to the guaranteed delivery procedures described above.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw your tender at any time prior to 12:00 midnight, Eastern time, on the expiration date.

For a withdrawal to be effective:

- the exchange agent must receive a written notice of withdrawal at the address indicated on the cover page of the letter of transmittal, or

- you must comply with the appropriate procedures of DTC's automated tender offer program system.

Any notice of withdrawal must:

- specify the name of the person who tendered the outstanding notes to be withdrawn, and

- identify the outstanding notes to be withdrawn, including the principal amount of such withdrawn outstanding notes.

If outstanding notes have been tendered under the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with withdrawn outstanding notes and otherwise comply with the procedures of DTC.

We will determine all questions as to the validity, form, eligibility and time of receipt of notice of withdrawal. Our determination shall be final and binding on all parties. We will deem any outstanding notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any outstanding notes that have been tendered for exchange but that are not exchanged for any reason will be returned to their holder without cost to the holder. In the case of outstanding notes tendered by book-entry transfer into the exchange agent's account at DTC according to the procedures described above, such outstanding notes will be credited to an account maintained with DTC for the outstanding notes. This return or crediting will take place as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. You may retender properly withdrawn outstanding notes by following one of the procedures described under "— Procedures for Tendering" above at any time on or prior to the expiration date.

Fees and Expenses

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail; however, we may make additional solicitation by facsimile, telephone, electronic mail or in person by our officers and regular employees and those of our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and reimburse it for its related reasonable out-of-pocket expenses.

We will pay the cash expenses to be incurred in connection with the exchange offer. They include:

- Securities and Exchange Commission registration fees;

- fees and expenses of the exchange agent and trustee;

- our accounting and legal fees and printing costs;

- reasonable fees and disbursements of counsel for the initial purchasers of the outstanding notes incurred in connection with the registration statement of which this prospectus is a part and, in the event of any shelf registration statement, reasonable fees and disbursements of one firm or counsel designated by the holders of a majority of the aggregate principal amount of the outstanding notes to act as counsel for the holders in connection with the shelf registration statement; and

- related fees and expenses.

Transfer Taxes

You will not be obligated to pay any transfer taxes in connection with the tender of outstanding notes unless you instruct us to register new notes in the name of, or request that outstanding notes not tendered or accepted in the exchange offer be returned to, a person other than the registered tendering holder. In those cases, you will be responsible for the payment of any applicable transfer taxes.

Consequences of Failure to Exchange

If you do not exchange new notes for your outstanding notes under the exchange offer, you will remain subject to the existing restrictions on transfer of the outstanding notes. In general, you may not offer or sell the outstanding notes unless they are registered under the Securities Act, or unless the offer or sale is exempt from the registration requirements under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding notes under the Securities Act.

Accounting Treatment

We will record the new notes in our accounting records at the same carrying value as the outstanding notes. This carrying value is the aggregate principal amount of the outstanding notes less any bond discount, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes in connection with the exchange offer.

Other Considerations

Participation in the exchange offer is voluntary, and you should carefully consider whether to accept. You are urged to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered outstanding notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any outstanding notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered outstanding notes.

Exchange Agent

We have appointed U.S. Bank National Association as exchange agent for the exchange offer. Questions, requests for assistance and requests for additional copies of the prospectus, the letter of transmittal and other related documents should be directed to the exchange agent addressed as follows:

By Mail:	*By Hand:*	*By Facsimile:*
U.S. Bank National Association 60 Livingston Avenue St. Paul, MN 55107 Attention: Specialized Finance (800) 934-6802	U.S. Bank National Association 60 Livingston Avenue St. Paul, MN 55107 Attention: Specialized Finance (800) 934-6802	(651) 495-8097 (For Eligible Institutions Only) Confirm by Telephone: (651) 495-3913

USE OF PROCEEDS

We will not receive any proceeds from the issuance of the new notes. We are making this exchange offer solely to satisfy our obligations under our registration rights agreement. In consideration for issuing the new notes as contemplated by this prospectus, we will receive outstanding notes in a like principal amount. The form and terms of the new notes are identical in all respects to the form and terms of the outstanding notes, except the new notes have been registered under the Securities Act and will not contain certain restrictions on transfer or registration rights. Outstanding notes surrendered in exchange for the new notes will be retired and canceled and will not be reissued. Accordingly, the issuance of the new notes will not result in any change in our outstanding indebtedness.

The following table summarizes our sources and uses of funds after giving effect to the offering of the outstanding notes.

Sources of Funds	Amount	Uses of Funds	Amount
	(in millions)		
Notes issued November 12, 2003	$350.0	ResortQuest credit facility(1)	$ 35.1
Cash on hand	22.5	ResortQuest senior notes(2)	50.0
		Gaylord senior term loan(3)	150.0
		Gaylord Nashville mezzanine loan(4)	66.0
		Gaylord subordinated term loan(5)	50.0
		ResortQuest acquisition fees and expenses(6)	8.0
		Other fees and expenses(7)	13.4
Total Sources of Funds	$372.5	Total Uses of Funds	$372.5

(1) Borrowings under ResortQuest's credit facility, which was scheduled to mature in January 2004, bore interest at a rate that was computed, at ResortQuest's election, on the basis of either the prime rate or the Eurodollar rate, plus a margin of 2.0% to 3.0%.

(2) The ResortQuest senior notes, which were scheduled to mature in January 2004, bore interest at a rate of 10.06%.

(3) Borrowings under the senior term loan bore interest at a rate equal to the greater of (a) LIBOR plus 3.5% and (b) 4.82%. The senior term loan was incurred in connection with the construction of our new Gaylord Texan hotel and was scheduled to mature in May 2006.

(4) Borrowings under the Nashville mezzanine loan, which was scheduled to mature in April 2004, bore interest at a rate of one-month LIBOR plus 6.0%.

(5) Borrowings under the subordinated term loan, which was scheduled to mature in May 2006, bore interest at a rate equal to the greater of: (1) LIBOR plus 8.0% and (b) 9.32%. The subordinated term loan was incurred in connection with the construction of our new Gaylord Texan hotel.

(6) Includes customary legal, accounting and investment banking fees and expenses paid by Gaylord in connection with the ResortQuest acquisition.

(7) Includes initial purchasers' discount, offering expenses and fees and expenses in connection with the repayment of indebtedness.

CAPITALIZATION

The following table sets forth cash and cash equivalents and capitalization as of December 31, 2003.

	As of December 31, 2003
	(In millions)
Unrestricted cash and cash equivalents	$ 121.0
Restricted cash and cash equivalents	37.7
Total cash and cash equivalents	$ 158.7
Secured forward exchange contract(1)	$ 613.1
Long-term debt:	
Gaylord Nashville senior secured debt due 2005(2)	199.2
Revolving credit facility(3)	—
Other debt	1.1
8% senior notes due 2013	350.0
Less marked-to-market derivatives	(1.5)
Total long-term debt	548.8
Total secured forward exchange contract and long-term debt	1,161.9
Total stockholders' equity	904.5
Total capitalization	$2,066.4

(1) The secured forward exchange contract represents an obligation, the interest on which has been prepaid and the principal obligation of which may be satisfied by delivery of shares of Viacom stock that we own.

(2) The senior loan was scheduled to mature in March 2004. At our option, the senior loan could be extended for two additional one-year terms to March 2006, subject to our Gaylord Opryland operations meeting certain financial ratios and other criteria. We satisfied those criteria and extended the loan until March 2005.

(3) Approximately $11.3 million of letters of credit are outstanding under the new revolving credit facility as of December 31, 2003.

UNAUDITED PRO FORMA COMBINED CONDENSED

CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma combined condensed consolidated statement of operations has been prepared to give effect to the issuance of the outstanding notes and the merger of Gaylord and ResortQuest using the purchase method of accounting, and are based upon the assumptions and adjustments described in the notes below. This unaudited pro forma combined condensed consolidated statement of operations was prepared as if the notes offering and related debt repayments and the ResortQuest acquisition had been completed on January 1, 2003, for statement of operations purposes.

The unaudited pro forma combined condensed consolidated statement of operations is presented for illustrative purposes only and is not necessarily indicative of the results of operations that would have actually been reported had the notes been issued, the indebtedness repaid and the ResortQuest acquisition occurred on the dates indicated, nor is it necessarily indicative of the results of operations of the combined company. The unaudited pro forma combined condensed consolidated statement of operations includes adjustments to reflect the allocation of purchase price to the acquired assets and assumed liabilities of ResortQuest. Although the ResortQuest acquisition was completed on November 20, 2003, the final allocation of the purchase price is subject to adjustments for a period not to exceed one year from the consummation date, the allocation period, in accordance with SFAS No. 141 "Business Combinations" and Emerging Issues Task Force ("EITF") Issue No. 95-3 "Recognition of Liabilities in Connection with a Purchase Business Combination." The allocation period is intended to differentiate between amounts that are determined as a result of the identification and valuation process required by SFAS No. 141 for all assets acquired and liabilities assumed and amounts that are determined because information that was not previously obtainable becomes obtainable. Any subsequent adjustments to the purchase price allocations will change the amount of the purchase price allocable to goodwill.

The unaudited pro forma combined condensed consolidated statement of operations adjustments are necessary to reflect the amortization expense related to the amortizable intangible assets, to reflect changes in depreciation and amortization expense resulting from the fair value adjustments to net tangible assets, to reflect interest expense and amortization of deferred financing cost adjustments related to the issuance of the notes, to reflect the amortization of deferred compensation for the intrinsic value of converted stock options and to reflect the income tax effect related to the pro forma adjustments.

This unaudited pro forma combined condensed consolidated statement of operations is based upon, and should be read in conjunction with, the historical consolidated financial statements of Gaylord and ResortQuest and related notes and other financial information included in this prospectus.

UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED STATEMENT

OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2003

	Historical		ResortQuest Acquisition Pro Forma		Notes Offering	
	Gaylord	ResortQuest 1/1/03-11/19/03	Adjustments	Combined	Pro Forma Adjustments	Pro Forma Combined
	(amounts in thousands, except per share data)					
Revenues	$448,800	$169,916	$ —	$618,716	$ —	$618,716
Operating Expenses:						
Operating costs	276,937	73,228	34,360(g)	384,525	—	384,525
Selling, general and administrative	117,178	50,791	537(a)	164,298	—	164,298
			(4,208)(b)			
Preopening costs	11,562	—	—	11,562	—	11,562
Other expenses from managed entities	—	34,360	(34,360)(g)	—	—	—
Gain on sale of assets	—	—	—	—	—	—
Impairment and other charges	856	—	—	856	—	856
Restructuring charges, net	—	—	—	—	—	—
Depreciation	53,941	5,491	(696)(c)	58,736	—	58,736
Amortization	5,009	—	3,788(c)	8,797	—	8,797
Operating income (loss)	(16,683)	6,046	579	(10,058)	—	(10,058)
Interest Expense, Net of Amount Capitalized	(52,804)	(7,636)	—	(60,440)	(4,210)(d)	(64,650)
Interest Income	2,461	289	—	2,750	—	2,750
Unrealized Gain on Viacom Stock	39,831	—	—	39,831	—	39,831
Unrealized Loss on Derivatives, Net	(33,228)	—	—	(33,228)	—	(33,228)
Other Gains and (Losses), Net	2,209	(832)	—	1,377	—	1,377
Income (loss) before income taxes, discontinued operations and cumulative effect of accounting change	(58,214)	(2,133)	579	(59,768)	(4,210)	(63,978)
Provision (Benefit) for Income Taxes	(24,669)	(2,458)	226(e)	(26,901)	(1,642)(e)	(28,543)
Income (loss) from continuing operations before discontinued operations and cumulative effect of accounting change	$ (33,545)	$ 325	$ 353	$ (32,867)	$(2,568)	$ (35,435)
Income (Loss) Per Share:						
Income (loss) from continuing operations before discontinued operations and cumulative effect of accounting change	$ (0.97)	$ N/A		$ (0.84)		$ (0.90)
Shares used in per share calculation — basic	34,460	—	4,707(f)	39,167	—	39,167
Income (Loss) Per Share — Assuming Dilution:						
Income (loss) from continuing operations before discontinued operations and cumulative effect of accounting change	$ (0.97)	$ N/A		$ (0.84)		$ (0.90)
Shares used in per share calculation — diluted	34,460	—	4,707(f)	39,167	—	39,167

The accompanying notes are an integral part of this unaudited pro forma

combined condensed consolidated statement of operations.

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED

FINANCIAL INFORMATION

1. Basis of Pro Forma Presentation

On November 20, 2003, pursuant to the Agreement and Plan of Merger dated as of August 4, 2003 Gaylord acquired 100% of the outstanding common shares of ResortQuest in a tax-free, stock-for-stock merger. ResortQuest is one of the nation's largest vacation rental property management companies with approximately 19,300 units under management in 50 premier destination resorts located in the continental United States and Canada. Under the terms of the agreement, ResortQuest stockholders received 0.275 shares of Gaylord common stock for each outstanding share of ResortQuest common stock, and the ResortQuest option holders received 0.275 options to purchase Gaylord common stock for each outstanding option to purchase one share of ResortQuest common stock. Based on the number of shares of ResortQuest common stock and options outstanding as of November 20, 2003, Gaylord issued 5,318,363 shares of Gaylord common stock and issued 573,863 options to purchase shares of Gaylord common stock. Together with direct merger costs, this resulted in an aggregate purchase price of $114.7 million plus the assumption of ResortQuest's outstanding debt as of November 20, 2003. Gaylord has accounted for the ResortQuest acquisition under the purchase method of accounting.

The proceeds from issuance of the notes on November 12, 2003 of $350.0 million along with certain cash on hand were used to repay the ResortQuest credit facility and senior notes, the Gaylord senior term loan, the Gaylord Nashville mezzanine loan, the Gaylord subordinated term loan, the ResortQuest acquisition fees and expenses, estimated offering costs and certain prepayment penalties.

The accompanying unaudited pro forma combined condensed consolidated statement of operations reflects Gaylord Entertainment's audited historical operating results for the year ended December 31, 2003, which include ResortQuest's actual operating results for the period from the acquisition date (November 20, 2003) through December 31, 2003. The unaudited historical operating results of ResortQuest reflect the operating results of ResortQuest for the period from January 1, 2003 through November 19, 2003 derived from the internal, unaudited records of ResortQuest.

2. Preliminary Purchase Price of ResortQuest

The unaudited pro forma combined condensed consolidated statement of operation reflects a purchase price of $114.7 million plus the assumption of ResortQuest's outstanding debt as if the ResortQuest acquisition had been completed as of January 1, 2003. The fair value of the Gaylord common stock issued was based on ResortQuest common stock outstanding as of November 20, 2003 (19,339,502 shares), the exchange ratio (0.275 Gaylord common shares for each ResortQuest common share) and the average market price of Gaylord's common stock ($19.81), which is based on an average of the closing prices from two days before, the day of, and two days after the date of the definitive agreement, August 4, 2003. Based on the total number of ResortQuest options outstanding at November 20, 2003, Gaylord exchanged ResortQuest options for options to purchase 573,863 shares of Gaylord common stock. The ResortQuest options were carried over at their vested status as of the acquisition date and are subject to vesting at their existing vesting schedules, except for 196,464 options which vested upon closing due to change in control provisions within certain employment agreements. The fair value of the option grants were calculated using the Black Scholes option pricing model and was based on the following weighted average assumptions for 2003: expected volatility — 35.5%; expected life — 4.8 years; risk-free interest rate — 2.8%; and expected dividend yield — 0%. The total purchase price of the ResortQuest acquisition is as follows (amounts in thousands):

Fair value of Gaylord common stock issued	$105,329
Fair value of Gaylord options issued	5,596
Estimated direct merger costs by Gaylord	3,773
Total	$114,698

Under the purchase method of accounting, the total purchase price was allocated to ResortQuest's net tangible and identifiable intangible assets based upon their fair value as of the date of completion of the ResortQuest acquisition. The Company determined these fair values with the assistance of a third party valuation expert. Any excess of the purchase price over the fair value of the net tangible and identifiable intangible assets was recorded as goodwill. Goodwill will not be amortized and will be tested for impairment on an annual basis and whenever events or circumstances occur indicating that the goodwill may be impaired. The final allocation of the purchase price is subject to adjustments for a period not to exceed one year from the consummation date, the allocation period, in accordance with SFAS No. 141 "Business Combinations" and EITF Issue No. 95-3 "Recognition of Liabilities in Connection with a Purchase Business Combination." The allocation period is intended to differentiate between amounts that are determined as a result of the identification and valuation process required by SFAS No. 141 for all assets acquired and liabilities assumed and amounts that are determined because information that was not previously obtainable becomes obtainable. Any subsequent adjustments to the purchase price allocations will result in a corresponding adjustment to goodwill.

The purchase price allocation as of November 20, 2003, was as follows:

	Amount (in thousands)
Cash acquired	$ 4,228
Tangible assets acquired	47,511
Amortizable intangible assets	29,718
Trade names	38,835
Goodwill	162,727
Total assets acquired	283,019
Liabilities assumed	(84,608)
Debt assumed	(85,100)
Deferred stock-based compensation	1,387
Net assets acquired	$114,698

Tangible assets acquired totaled $47.5 million included $9.8 million of restricted cash, $26.1 million of property and equipment and $7.0 million of net trade receivables.

As of November 20, 2003, goodwill totaled $162.7 million. Approximately $73.5 million of the goodwill is expected to be deductible for income tax purposes. Approximately $29.7 million of the purchase price has been allocated to amortizable intangible assets consisting primarily of existing property management contracts and ResortQuest's customer database. Property management contracts represent existing contracts with property owners, homeowner associations and other direct ancillary service contracts. Property management contracts are amortized on a straight-line basis over the remaining useful life of the existing contracts at the acquisition date. Contracts originating in Hawaii are estimated to have a remaining useful life of ten years from acquisition, while contracts in the continental United States and Canada have a remaining estimated useful life of seven years from acquisition. Gaylord is amortizing the customer database over a two-year period. Included in the tangible assets acquired is ResortQuest's vacation rental management software, First Resort Software ("FRS") which is being amortized over a remaining estimated useful life of five years.

The changes in depreciation and amortization resulting from the fair value adjustments are reflected as pro forma adjustments to the unaudited pro forma combined condensed consolidated statement of operations.

Of the total purchase price, $38.8 million has been allocated to trade names which consist primarily of the “ResortQuest” trade name. Trade names will not be amortized and will have an indefinite remaining useful life. If Gaylord should subsequently change the assumptions used in the valuation, amounts allocated to trade names may significantly decrease or be eliminated, and amounts allocated to amortizable intangible assets may increase significantly, which could result in a material increase in amortization of intangible assets.

3. Pro Forma Adjustments

Pro forma adjustments are necessary to reflect amortization expense related to the amortizable intangible assets, to reflect changes in depreciation and amortization expense resulting from the fair value adjustments to net tangible assets, to reflect interest expense and amortization of deferred financing cost adjustments related to the issuance of the notes, to reflect the amortization of deferred compensation for the intrinsic value of converted stock options and to reflect the income tax effect related to the pro forma adjustments.

The pro forma combined provision (benefit) for income taxes does not reflect the amounts that would have resulted had Gaylord and ResortQuest filed consolidated income tax returns during the periods presented.

The accompanying unaudited pro forma combined condensed consolidated statement of operations has been prepared as if the ResortQuest acquisition and the notes offering and related repayments of outstanding debt were completed as of January 1, 2003, for statement of operations purposes and reflect the following pro forma adjustments:

(a) To record the amortization of the intrinsic value of unvested options to purchase shares of Gaylord common stock that were exchanged for ResortQuest options upon the merger. For unvested awards, FASB Interpretation No. 44 requires that the intrinsic value, approximately $1.4 million, be allocated to unearned compensation and be expensed over the remaining future vesting period. The annual amortization of unearned compensation expense for 2003 determined at the date of the ResortQuest acquisition for unvested stock options as if the ResortQuest acquisition were effective January 1, 2003, totaled approximately $0.54 million.

(b) To adjust for ResortQuest’s direct merger costs aggregating approximately $4.2 million that were expensed by ResortQuest prior to the acquisition date and included in the ResortQuest historical unaudited results of operations.

(c) To adjust depreciation expense related to purchase price adjustments of ResortQuest’s property and equipment and amortization expense related to the purchase price allocations to the amortizable intangible assets.

(d) To adjust interest expense (including the amortization of deferred financing costs) for the estimated changes in interest expense resulting from the issuance of the notes offset by the debt repayments of the ResortQuest credit facility and senior notes and the Gaylord Nashville mezzanine loan, senior term loan and subordinated term loan.

(e) To record the income tax effects of the pro forma statement of operations adjustments utilizing a statutory tax rate of 39%.

(f) To adjust the number of weighted average shares outstanding as if the shares issued in connection with the ResortQuest acquisition had been issued on January 1, 2003.

(g) To reclassify other expenses to conform with Gaylord’s presentation.

4. Integration and Miscellaneous Costs Related to ResortQuest Merger

The unaudited pro forma combined condensed consolidated statement of operations does not reflect any anticipated cost savings or synergies that are anticipated to result from the ResortQuest acquisition as there can be no assurances that such cost savings or synergies will occur.

The unaudited pro forma combined condensed consolidated statement of operations does not include any adjustments for liabilities or expenses resulting from integration planning, costs of vacating some facilities of ResortQuest, or other costs associated with activities of ResortQuest that could affect amounts in the unaudited pro forma combined condensed consolidated statement of operations. In addition, Gaylord may incur significant restructuring charges as a result of the ResortQuest acquisition.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following selected historical financial information of Gaylord and its subsidiaries as of December 31, 2003, 2002 and 2001 and for each of the three years in the period ended December 31, 2003 was derived from our audited consolidated financial statements. The selected financial information as of December 31, 2000 and 1999 and for each of the two years in the period ended December 31, 2000 was derived from previously issued audited consolidated financial statements adjusted for unaudited revisions for discontinued operations. The information in the following table should be read in conjunction with our consolidated financial statements and related notes included herein.

	Years Ended December 31,				
	2003	2002	2001	2000	1999
			(In thousands)		
INCOME STATEMENT DATA:					
Revenues:					
Hospitality	$369,263	$339,380	$228,712	$ 237,260	$239,248
Opry and Attractions	61,433	65,600	67,064	69,283	97,839
ResortQuest	17,920	—	—	—	—
Corporate and Other	184	272	290	64	5,318
Total revenues	448,800	405,252	296,066	306,607	342,405
Operating expenses:					
Operating costs	276,937	254,583	201,299	210,018	220,088
Selling, general and administrative	117,178	108,732	67,212	89,052	74,004
Preopening costs(1)	11,562	8,913	15,927	5,278	1,892
Gain on sale of assets(2)	—	(30,529)	—	—	—
Impairment and other charges	856(6)	—	14,262(6)	75,660(6)	—
Restructuring charges	—	(17)(4)	2,182(4)	12,952(4)	2,786(4)
Merger costs	—	—	—	—	(1,741)(9)
Depreciation and amortization:					
Hospitality	46,536	44,924	25,593	24,447	22,828
Opry and Attractions	5,129	5,778	6,270	13,955	11,159
ResortQuest	1,186	—	—	—	—
Corporate and Other	6,099	5,778	6,542	6,257	6,870
Total depreciation and amortization	58,950	56,480	38,405	44,659	40,857
Total operating expenses	465,483	398,162	339,287	437,619	337,886
Operating income (loss):					
Hospitality	42,347	25,972	34,270	45,478	43,859
Opry and Attractions	(600)	1,596	(5,010)	(44,413)(8)	(8,183)
ResortQuest	(2,616)	—	—	—	—
Corporate and Other	(43,396)	(42,111)	(40,110)	(38,187)	(28,220)
Preopening costs(1)	(11,562)	(8,913)	(15,927)	(5,278)	(1,892)
Gain on sale of assets(2)	—	30,529	—	—	—
Impairment and other charges	(856)(6)	—	(14,262)(6)	(75,660)(6)	—
Restructuring charges	—	17(4)	(2,182)(4)	(12,952)(4)	(2,786)(4)
Merger costs	—	—	—	—	1,741(9)
Total operating income (loss)	(16,683)	7,090	(43,221)	(131,012)	4,519

see footnotes beginning on page 50

	Years Ended December 31,				
	2003	2002	2001	2000	1999
	(In thousands)				
Interest expense, net of amounts capitalized	(52,804)	(46,960)	(39,365)	(30,307)	(15,047)
Interest income	2,461	2,808	5,554	4,046	5,922
Unrealized gain (loss) on Viacom stock	39,831	(37,300)	782	—	—
Unrealized (loss) gain on derivatives, net	(33,228)	86,476	54,282	—	—
Other gains and losses	2,209	1,163	2,661	(3,514)	586,371(10)(11)
Income (loss) from continuing operations before income taxes	(58,214)	13,277	(19,307)	(160,787)	581,765
Provision (benefit) for income taxes	(24,669)	1,318	(9,142)	(52,331)	172,831
Income (loss) from continuing operations	(33,545)	11,959	(10,165)	(108,456)	408,934
Gain (loss) from discontinued operations, net of taxes(3)	34,371	85,757	(48,833)	(47,600)	(15,280)
Cumulative effect of accounting change, net of taxes	—	(2,572)(5)	11,202(7)	—	—
Net income (loss)	$ 826	$ 95,144	$(47,796)	$(156,056)	$393,654
Income (loss) per share:					
Income (loss) from continuing operations	$ (0.97)	$ 0.36	$ (0.30)	$ (3.25)	$ 12.42
Income (loss) from discontinued operations	0.99	2.54	(1.45)	(1.42)	(0.46)
Cumulative effect of accounting change	—	(0.08)	0.33	—	—
Net income (loss)	$ 0.02	$ 2.82	$ (1.42)	$ (4.67)	$ 11.96
Income (loss) per share-assuming dilution:					
Income (loss) from continuing operations	$ (0.97)	$ 0.36	$ (0.30)	$ (3.25)	$ 12.31
Income (loss) from discontinued operations	0.99	2.54	(1.45)	(1.42)	(0.46)
Cumulative effect of accounting change	—	(0.08)	0.33	—	—
Net income (loss)	$ 0.02	$ 2.82	$ (1.42)	$ (4.67)	$ 11.85
Dividends per share	$ —	$ —	$ —	$ —	$ 0.80

OTHER FINANCIAL DATA:

	Years Ended December 31,				
	2003	2002	2001	2000	1999
Ratio of earnings to fixed charges(13)	—	1.12x	—	—	28.03x

	As of December 31,				
	2003	2002	2001	2000	1999
BALANCE SHEET DATA:					
Total assets	$2,577,263	$2,178,691(10)	$2,177,644(10)	$1,930,805(10)	$1,741,215
Total debt	548,759(12)	340,638(12)	468,997(12)	175,500	297,500
Secured forward exchange contract	613,054(10)	613,054(10)	613,054(10)	613,054(10)	—
Total stockholders' equity	904,509	787,579	696,988	765,937	1,007,149

(1) Preopening costs are related to the Gaylord Palms and the new Gaylord Texan hotel in Grapevine, Texas. Gaylord Palms opened in January 2002 and the Gaylord Texan opened in April 2004.

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

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

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

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

(6) Reflects the divestiture of certain businesses and reduction in the carrying values of certain assets. The components of the impairment and other charges related to continuing operations for the years ended December 31 are as follows:

	2003	2001	2000
Programming, film and other content	$856	$ 6,858	$ 7,410
Gaylord Digital and other technology investments	—	4,576	48,127
Property and equipment	—	2,828	3,397
Orlando-area Wildhorse Saloon	—	—	15,854
Other	—	—	872
Total impairment and other charges	$856	$14,262	$75,660

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

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

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

(10) 1999 results of operations include a pretax gain of $459.3 million on the divestiture of television station KTVT in Dallas-Ft. Worth in exchange for CBS Series B preferred stock (which was later converted into 11,003,000 shares of Viacom, Inc. Class B common stock), $4.2 million of cash, and other consideration. The CBS Series B preferred stock was included in total assets at its market value of $648.4 million at December 31, 1999. The Viacom, Inc. Class B common stock was included in total assets at its market values of $488.3 million, $448.5 million, $485.8 million and $514.4 million at December 31, 2003, 2002, 2001 and 2000, respectively. During 2000, the Company entered into a seven-year forward exchange contract for a notional amount of $613.1 million with respect to 10,937,900 shares of the Viacom, Inc. Class B common stock. Prepaid interest related to the secured forward exchange contract of $91.2 million, $118.1 million, $145.0 million and $171.9 million was included in total assets at December 31, 2003, 2002, 2001 and 2000 respectively.

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

Rights. The proceeds from the note receivable prepayment and the Rights were used to reduce outstanding bank indebtedness.

(12) Related primarily to the construction of the Gaylord Palms and the new Gaylord Texan.

(13) The ratio of earnings to fixed charges below is computed by dividing (a) the sum of income from continuing operations before income taxes, plus fixed charges, plus amortization of capitalized interest, less interest capitalized, by (b) fixed charges. Fixed charges consist of interest expense, including capitalized interest, amortization of debt issuance costs and a portion of operating lease rental expense deemed to be representative of the interest factor. For the years ended December 31, 2003, 2001 and 2000, earnings were insufficient to cover fixed charges. The amount of earnings needed to cover fixed charges were $71.8 million for the year ended December 31, 2003 and $37.8 million and $167.3 million for the years ended December 31, 2001 and 2000, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations for the Three Years Ended December 31, 2003

Our Current Operations

Our operations are organized into four principal businesses:

- Hospitality, consisting of our Gaylord Opryland Resort and Convention Center, our Gaylord Palms Resort and Convention Center, our Radisson Hotel at Opryland and our new Gaylord Texan Resort and Convention Center on Lake Grapevine.

- Opry and Attractions, consisting of our Grand Ole Opry assets and our Nashville attractions.

- ResortQuest, consisting of our vacation rental property management business.

- Corporate and Other, consisting of our ownership interests in certain entities including our corporate expenses.

During 2003, 2002, and 2001, we disposed of certain businesses, which have been classified as discontinued operations and are described in more detail below.

During the third quarter of 2003, we completed a sale of the assets primarily used in the operation of WSM-FM and WWTN(FM) (collectively, the "Radio Operations"). The Radio Operations were previously included in a fourth business segment, media, along with WSM-AM. Due to the Radio Operations now being included in discontinued operations, WSM-AM is now grouped in the Opry and Attractions business segment for all periods presented.

The acquisition of ResortQuest was completed on November 20, 2003. The results of operations of ResortQuest for the period November 20, 2003 to December 31, 2003 are included in the results discussed below.

For the years ended December 31, our total revenues from continuing operations were divided among these businesses as follows:

Business	2003	2002	2001
Hospitality	82%	84%	77%
Opry and Attractions	14%	16%	23%
ResortQuest	4%	0%	0%
Corporate and Other	0%	0%	0%

We generate a significant portion of our revenues from our Hospitality business. We believe that we are the only hospitality company focused primarily on the large group meetings and conventions sector of the lodging market. Our strategy is to continue this focus by concentrating on our "All-in-One-Place" self-contained service offerings and by emphasizing customer rotation among our convention properties, while also offering additional vacation and entertainment opportunities to guests and target customers through the Opry and Attractions and ResortQuest businesses.

Our concentration in the hospitality industry, and in particular the large group meetings sector of the hospitality industry, exposes us to certain risks outside of our control. General economic conditions, particularly national and global economic conditions, can affect the number and size of meetings and conventions attending our hotels. Our business is also exposed to risks related to tourism, including terrorist attacks and other global events which affect levels of tourism in the United States and, in particular, the areas of the country in which our properties are located. Competition and the desirability of the locations in which our hotels and other vacation properties are located are also important risks to our business.

Key Performance Indicators; Hotel Industry Metrics

As a hospitality-based company, our operating results are highly dependent on the volume of customers at our hotels and the quality of the customer mix at our hotels. These factors impact the price we can charge for our hotel rooms and other amenities such as food and beverages and meeting space at the resorts. Key performance indicators related to revenue are:

- hotel occupancy (volume indicator);
- average daily rate ("ADR") (price indicator);
- Revenue per Available Room ("RevPAR") (a summary measure of hotel results calculated by dividing room sales by room nights available to guests for the period); and
- Total Revenue per Available Room ("Total RevPAR") (a summary measure of hotel results calculated by dividing the sum of room sales, food and beverage sales and other ancillary services revenue (which equals hospitality segment revenues) by room nights available to guests for the period).

We recognize revenue from rooms as earned on the close of business each day and from concessions and food and beverage sales at the time of sale. Almost all of our revenues are either cash-based or, for meeting and convention groups meeting our credit criteria, billed and collected on a short-term receivables basis. Our industry is capital intensive, and we rely on the ability of our resorts to generate operating cash flow to repay debt financing, fund maintenance capital expenditures and provide excess cash flow for future development.

Our results of operations are affected by the number and type of group meetings and conventions scheduled to attend our hotels in a given period. We attempt to offset any identified shortfalls in occupancy by creating special events at our hotels or offering incentives to groups in order to attract increased business during this period. A variety of factors can affect the results of any interim period, including the nature and quality of the group meetings and conventions attending our hotels during such period, which have often been contracted for several years in advance, and the level of transient business at our hotels during such period.

Overall Outlook

We have invested heavily in our operations in 2003 and 2002, primarily in connection with the opening of the Gaylord Palms in 2002, the continued construction of the Gaylord Texan in 2003 and the ResortQuest acquisition, which was consummated in November 2003. Subsequent to the expected completion of the Gaylord Texan in April 2004, our investments in 2004 will consist primarily of ongoing capital improvements rather than construction commitments. We believe that the Gaylord Texan will have an impact on our operating results in 2004, given that it is currently expected to be in operation for over eight months of the fiscal year.

We also believe that a full year of operations of our ResortQuest subsidiary will impact our financial results. Only the results of operations of ResortQuest from the period November 20, 2003 to December 31, 2003 have been included in our historical financial results.

As previously announced, we have plans to develop a Gaylord hotel on property to be acquired on the Potomac River in Prince George's County, Maryland (in the Washington, D.C. market), subject to the availability of financing, resolution of certain zoning issues and approval by our Board of Directors. We also are considering other potential sites. The timing and extent of any of these development projects is uncertain.

Selected Financial Information

The following table contains our selected financial information for each of the three years ended December 31, 2003, 2002 and 2001. The table also shows the percentage relationships to total revenues and, in the case of segment operating income, its relationship to segment revenues.

INCOME STATEMENT DATA:

	Years Ended December 31,					
	2003	%	2002	%	2001	%
	(In thousands, except percentages)					
REVENUES:						
Hospitality	$369,263	82.3	$339,380	83.7	$228,712	77.3
Opry and Attractions	61,433	13.7	65,600	16.2	67,064	22.6
ResortQuest	17,920	4.0	—	—	—	—
Corporate and Other	184	—	272	0.1	290	0.1
Total revenues	448,800	100.0	405,252	100.0	296,066	100.0
OPERATING EXPENSES:						
Operating costs	276,937	61.7	254,583	62.8	201,299	68.0
Selling, general and administrative	117,178	26.1	108,732	26.8	67,212	22.7
Preopening costs	11,562	2.6	8,913	2.2	15,927	5.4
Gain on sale of assets	—	—	(30,529)	(7.5)	—	—
Impairment and other charges	856	0.2	—	—	14,262	4.8
Restructuring charges	—	—	(17)	—	2,182	0.7
Depreciation and amortization:						
Hospitality	46,536	10.4	44,924	11.1	25,593	8.6
Opry and Attractions	5,129	1.1	5,778	1.4	6,270	2.1
ResortQuest	1,186	0.3	—	—	—	—
Corporate and Other	6,099	1.4	5,778	1.4	6,542	2.2
Total depreciation and amortization	58,950	13.1	56,480	13.9	38,405	13.0
Total operating expenses	465,483	103.7	398,162	98.3	339,287	114.6
OPERATING INCOME (LOSS):						
Hospitality	42,347	11.5	25,972	7.7	34,270	15.0
Opry and Attractions	(600)	(1.0)	1,596	2.4	(5,010)	(7.5)
ResortQuest	(2,616)	(14.6)	—	—	—	—
Corporate and Other	(43,396)	(A)	(42,111)	(A)	(40,110)	(A)
Preopening costs	(11,562)	(B)	(8,913)	(B)	(15,927)	(B)
Gain on sale of assets	—	(B)	30,529	(B)	—	(B)
Impairment and other charges	(856)	(B)	—	(B)	(14,262)	(B)
Restructuring charges	—	(B)	17	(B)	(2,182)	(B)
Total operating income (loss)	(16,683)	(3.7)	7,090	1.7	(43,221)	(14.6)
Interest expense, net of amounts capitalized	(52,804)	(C)	(46,960)	(C)	(39,365)	(C)
Interest income	2,461	(C)	2,808	(C)	5,554	(C)
Unrealized gain on Viacom stock and derivatives, net	6,603	(C)	49,176	(C)	55,064	(C)
Other gains and (losses), net	2,209	(C)	1,163	(C)	2,661	(C)
(Provision) benefit for income taxes	24,669	(C)	(1,318)	(C)	9,142	(C)
Gain (loss) on discontinued operations, net	34,371	(C)	85,757	(C)	(48,833)	(C)
Cumulative effect of accounting change, net	—	(C)	(2,572)	(C)	11,202	(C)
Net income (loss)	$ 826	(C)	$ 95,144	(C)	$ (47,796)	(C)

(A) These amounts have not been shown as a percentage of segment revenue because the Corporate and Other segment generates only minimal revenue.

(B) These amounts have not been shown as a percentage of segment revenue because the Company does not associate them with any individual segment in managing the Company.

(C) These amounts have not been shown as a percentage of total revenue because they have no relationship to total revenue.

Summary Financial Results

The following table summarizes our results of operations for the years ended 2003, 2002 and 2001:

	Year Ended December 31,				
	2003	Percentage Change	2002	Percentage Change	2001
	(In thousands, except percentages and per share data)				
Total revenues	$448,800	10.7%	$405,252	36.9%	$296,066
Total operating expenses	465,483	16.9%	398,162	17.4%	339,287
Operating income (loss)	(16,683)	(335.3%)	7,090	116.4%	(43,221)
Income (loss) from continuing operations	(33,545)	(380.5%)	11,959	217.6%	(10,165)
Income (loss) from continuing operations per share — fully diluted	(0.97)	(369.4%)	0.36	220.0%	(0.30)

2003 Results

The Company’s total revenues in 2003 increased 10.7% from 2002 primarily due to an increase in Hospitality revenues. The Company’s income from continuing operations during the year ended 2003 decreased from the year ended 2002 primarily as a result of a decline in operating income caused by:

- A one-time gain of $30.5 million recognized in 2002 as a result of the sale of our Opry Mills investment, which increased our 2002 operating income by a corresponding amount.

- An additional $2.6 million in preopening costs over 2002 primarily related to a $7.3 million increase in preopening costs at the Gaylord Texan and a $4.5 million decrease in preopening costs at the Gaylord Palms.

- An additional $2.5 million in our depreciation and amortization expense in 2003 due to additional capital expenditures and the acquisition of ResortQuest.

- A loss of $2.6 million from the operations of ResortQuest from the period from November 20, 2003 to December 31, 2003.

Also contributing to our loss from continuing operations in 2003 were:

- The recognition of a net unrealized gain on our investment in Viacom stock and the related secured forward exchange contract of $6.6 million in 2003, as compared to a net unrealized gain of $49.2 million in 2002.

- A $5.8 million increase in our interest expense in 2003 primarily due to the costs associated with refinancing our indebtedness and repaying the debt of ResortQuest, as well as additional amounts of debt outstanding.

Serving to lessen the impact of the items described above was an 8.8% increase in Hospitality revenue in 2003, although such increase was partially offset by an 8.8% increase in our operating costs and a 7.8% increase in our selling general and administrative expenses.

2002 Results

In 2002, income from continuing operations increased from 2001 primarily as a result of the one-time gain from the sale of our Opry Mills investment and a significant reduction in the amount of restructuring charges and impairment and other charges as compared to 2001. However, total revenues also increased 36.9% in 2002 as a result of an increase in Hospitality revenues caused by the opening of the Gaylord Palms. This increase in total revenues was offset partially by a 17.4% increase in operating expenses in 2002, consisting primarily of increases in operating costs, selling, general and administrative expenses, and depreciation and amortization expense related to the opening of the Gaylord Palms.

Per Share Results

Results on a per share basis in 2003 were impacted by a higher weighted average number of shares outstanding, due to the issuance of 5,318,363 shares on November 20, 2003 in connection with the ResortQuest acquisition.

Operating Results

The following table includes key information about our operating results:

	Year Ended December 31,				
	2003	Percentage Change	2002	Percentage Change	2001
			(In thousands, except percentages)		
Total revenues	$448,800	10.7%	$405,252	36.9%	$296,066
Operating expenses:					
Operating costs	276,937	8.8%	254,583	26.5%	201,299
Selling, general and admin.	117,178	7.8%	108,732	61.8%	67,212
Preopening costs	11,562	29.7%	8,913	(44.0)%	15,927
Gain on sale of assets	—	—	(30,529)	—	—
Impairment and other charges	856	—	—	—	14,262
Restructuring charges	—	—	(17)	(100.8)%	2,182
Depreciation and amortization	58,950	4.4%	56,480	47.1%	38,405
Operating income (loss)	$ (16,683)	(335.3)%	$ 7,090	116.4%	$ (43,221)

The most important factors and trends contributing to our operating performance over the last three years have been:

- An improvement in the operating performance of our hotels as compared to previous periods.
- Improved food and beverage, banquet and catering services at our hotels, which have increased our Total Revenue per Available Room at our hotels.
- The impact of the opening of the Gaylord Palms in 2002 on our total revenues and the accompanying increase in our total operating expenses;
- Our ongoing assessment of operations and the related incurrence of restructuring charges to streamline those operations;
- Our re-evaluation of the carrying values of certain assets and the related incurrence of impairment charges related to these assets;
- The ResortQuest acquisition, which was completed on November 20, 2003; and
- Preopening costs associated with the Gaylord Palms and the Gaylord Texan.

The factors described above, particularly the increase in Hospitality revenues associated with improved operations at the Gaylord Palms and Gaylord Opryland, and the inclusion of ResortQuest’s revenues for the period from November 20, 2003 to December 31, 2003, led to the increase in our total revenue in 2003. The increase in total revenue in 2002 as compared to 2001 is primarily attributable to the opening of the Gaylord Palms in 2002.

Excluding the one-time $30.5 million gain recognized on the sale of our interests in Opry Mills in 2002, operating loss improved 28.8% due to the increase in our total revenues and a reduction in the rate of growth of our operating costs.

Excluding the one-time $30.5 million gain recognized on the sale of our interests in Opry Mills in 2002 and our impairment and restructuring charges our operating loss improved 12.4% from 2001 to 2002 due primarily to the opening of the Gaylord Palms. In analyzing operating loss in 2001 compared to income from operations in 2002, we believe it is appropriate to eliminate the effect of the one-time gain on sale of the Opry Mills interest because it is non-recurring, because the gain or loss on sale of discontinued operations is not included in operating income (loss) and because considering operating loss after eliminating this item gives a more accurate comparison of the operating performance of our business for the periods.

Operating Results — Detailed Revenue Information

The following presents detail of our net revenues:

	Year Ended December 31,				
	2003	Percentage Change	2002	Percentage Change	2001
	(In thousands, except percentages)				
Hospitality revenue	$369,263	8.8%	$339,380	48.4%	$228,712
Opry and Attractions revenue	61,433	(6.4)%	65,600	(2.2)%	67,064
ResortQuest revenue	17,920	—	—	—	—
Corporate and other revenue	184	(32.4)%	272	(6.2)%	290
Total revenues	$448,800	10.7%	$405,252	36.9%	$296,066

The growth in our total revenues in both 2003 and 2002 was driven primarily by a growth in Hospitality revenues during such periods. Total revenues also increased in 2003, as compared to 2002, as a result of the inclusion of the revenues of ResortQuest from the period November 20, 2003 to December 31, 2003. Detailed information with respect to the revenues of the Hospitality, the Opry and Attractions, ResortQuest and the Corporate and Other businesses are discussed in more detail below.

Hospitality Revenue

Hospitality revenue increased in 2003 as compared to 2002 due to the improved property-level performance at the Gaylord Palms and Gaylord Opryland as a result of an increase in food and beverage and other ancillary revenues, as well as a result of an increase in RevPAR due to increased occupancy levels. The term “other ancillary revenues” means non-room revenue other than food and beverage and consists primarily of revenue from banquets and other events hosted by the hotel, gift shop and other miscellaneous sales. Property-level revenue increased in 2003 as a result of changes to our group sales strategy in 2002 compared to 2001. These changes included a refocused sales effort on the defined target customer, a revamped incentive program for our sales executives, as well as a new focus on rotating group meetings between the Gaylord Palms and Gaylord Opryland. Hospitality revenue increased in 2002 as compared to 2001 primarily due to the opening of the Gaylord Palms in January 2002. The following table presents details of the revenues, and the key revenue drivers, of our Hospitality business as a whole, Gaylord Opryland and Gaylord Palms:

	Year Ended December 31,				
	2003	Percentage Change	2002	Percentage Change	2001
Hospitality Business(1):					
Total revenues (in thousands)	$369,263	8.8%	$339,380	48.4%	$228,712
Occupancy	72.2%	7.4%	67.2%	(3.3)%	69.5%
Average Daily Rate	$ 142.57	(2.4)%	$ 146.07	8.1%	$ 135.15
RevPAR(2)	$ 102.86	4.8%	$ 98.18	4.4%	$ 94.00
Total RevPAR (3)	$ 220.44	8.3%	$ 203.60	3.5%	$ 196.62
Gaylord Opryland:					
Total revenues (in thousands)	$215,265	4.4%	$206,132	(7.1)%	$221,932
Occupancy	72.4%	5.6%	68.6%	(2.4)%	70.3%
Average Daily Rate	$ 137.47	(3.6)%	$ 142.58	1.6%	$ 140.33
RevPAR(2)	$ 99.59	1.8%	$ 97.80	(0.9)%	$ 98.65
Total RevPAR (3)	$ 204.75	4.5%	$ 195.97	(7.1)%	$ 211.01
Gaylord Palms:					
Total revenues (in thousands)	$146,800	16.1%	$126,473	—	$ —
Occupancy	72.3%	11.5%	64.8%	—	—
Average Daily Rate	$ 165.79	(1.7)%	$ 168.65	—	$ —
RevPAR(2)	$ 119.87	9.6%	$ 109.37	—	$ —
Total RevPAR (3)	$ 286.05	13.8%	$ 251.26	—	$ —

(1) The results of our Hospitality business include the results of our Radisson Hotel at Opryland, located in Nashville, Tennessee.

(2) The Company calculates RevPAR by dividing room sales for comparable properties by room nights available to guests for the period. RevPAR is not comparable to similarly titled measures such as revenues.

(3) The Company calculates Total Revenue per Available Room ("Total RevPAR") by dividing the sum of room sales, food and beverage sales, and other ancillary services revenue (which equals hospitality segment revenues) by room nights available to guests for the period. Total Revenue per Available Room is not comparable to similarly titled measures such as revenues.

Gaylord Opryland. The increase in Gaylord Opryland revenue in 2003 as compared to 2002 is due to improved occupancy at the hotel. Despite rate pressure caused by customer mix, the increase in hotel occupancy led to an increase in 2003 RevPAR. In addition, favorable food and beverage and other ancillary revenue contributed to the increase in Total Revenue per Available Room in 2003. The decline in revenue at the hotel in 2002 as compared to 2001 is due to the reduced occupancy levels at the hotel throughout 2002. Despite an improved average daily rate in 2002 due to more favorable group room pricing, the decline in occupancy led to a decline in 2002 RevPAR at the hotel. In addition, this lower occupancy contributed to a decline in food and beverage and other ancillary revenue at the hotel, resulting in the decline in Total Revenue per Available Room in 2002.

Gaylord Palms. The increase in Gaylord Palms revenue in 2003 as compared to 2002, its first year of operation, is primarily due to improved occupancy at the hotel during the first half of 2003 as well as improved rates at the hotel during the first quarter of 2003. Although average daily rate decreased in 2003 due to less favorable group room pricing throughout the second half of the year, this increase in occupancy (driven by improved group bookings and an increase in transient guests) led to an increase in 2003

RevPAR at the hotel. In addition, increased customer utilization of food and beverage and other ancillary services at the hotel contributed to the increase in Total Revenue per Available Room from 2002.

Opry and Attractions Revenue

The decrease in Opry and Attractions revenues in 2003 and 2002, as compared to the previous year, was primarily a result of a decrease in the revenue of Corporate Magic, a company specializing in the production of creative events in the corporate entertainment marketplace, of $7.8 million in 2003 and $5.1 million in 2002. This reduction was caused by reduced spending by corporate customers as a result of the terrorist attacks of September 11, 2001 and the resulting downturn in the economy, which reduced demand for corporate events. The decrease in revenue of Corporate Magic was partially offset by an increase in revenues of the Grand Ole Opry of $2.3 million in 2003 (to $18.3 million) and $2.5 million (to $15.9 million) in 2002. The Grand Ole Opry revenue increase is due to an increase in popular performers appearing on the Grand Ole Opry and a resulting increase in attendance.

ResortQuest Revenue

On November 20, 2003, we completed our acquisition of ResortQuest. Accordingly, our total revenues for the year ended December 31, 2003 include the revenues of ResortQuest from the period November 20, 2003 to December 31, 2003. Our ResortQuest group receives property management fees when the properties are rented, which are generally a percentage of the rental price of the vacation property. Management fees range from approximately 3% to over 40% of gross lodging revenues collected based upon the type of services provided by us to the property owner and the type of rental units managed. We also recognize other revenues primarily related to real estate broker commissions, food & beverage sales and software and maintenance sales.

Corporate and Other Revenue

The decline in Corporate and Other revenue in 2003 and 2002, which consists of corporate sponsorships and rental income, is primarily due to reductions in sponsorship revenues from Opry Mills, which was divested in the second quarter of 2002.

Operating Results — Detailed Operating Expense Information

The 16.9% increase in total operating expenses in 2003 can be attributed to an increase in our operating costs, driven primarily by increases in our preopening costs, depreciation and amortization expense and selling, general and administrative expenses. However, despite these increases:

- Operating costs, as a percentage of revenues, decreased to 61.7% during 2003 as compared to 62.8% during 2002.

- Selling, general and administrative expenses, as a percentage of revenues, decreased to 26.1% during 2003 from 26.8% in 2002.

These decreases are primarily the result of improved operational efficiency at our hotels. Excluding the gain on sale of assets, the impairment and other charges and restructuring charges from both periods, total operating expenses increased $35.9 million, or 8.4%, to $464.6 million in 2003 as compared to 2002.

Operating Costs

Operating costs consist of direct costs associated with the daily operations of our core assets, primarily the room, food and beverage and convention costs in Hospitality. Operating costs also include the direct costs associated with the operations of our other business units. Operating costs increased in both 2003 and 2002 due to increases in Hospitality operating costs. Operating costs for each of our businesses are discussed below.

Hospitality Operating Costs. Hospitality operating costs were as follows:

	Year Ended December 31,				
	2003	Percentage Change	2002	Percentage Change	2001
	(In thousands, except percentages)				
Total Hospitality Operating Costs:	$215,900	3.5%	$208,500	49.0%	$139,900
Gaylord Opryland Operating Costs:	131,000	1.0%	129,700	(5.1)%	136,600
Gaylord Palms Operating Costs:	81,700	8.6%	75,200	—	—

Hospitality operating costs increased in 2003, as compared to 2002, primarily due to increased utilization of services at the Gaylord Opryland and the Gaylord Palms. The 2002 increase in Hospitality operating costs is primarily due to the opening of Gaylord Palms in January 2002, although such increase was partially offset by a decrease in operating costs at Gaylord Opryland due to the reduced levels of occupancy, and corresponding reductions in variable expenses, at the hotel during the year.

Opry and Attractions Operating Costs. Opry and Attractions operating costs decreased $0.2 million, or 0.5%, to $39.3 million in 2003. Although the operating costs of the Grand Ole Opry increased $2.9 million in 2003 in response to increased revenues, the operating costs of Corporate Magic decreased $5.6 million to $7.5 million in 2003, as compared to 2002. This decrease is due to Corporate Magic's lower revenue and certain cost saving measures taken by the Company during 2003.

Operating costs in the Opry and Attractions group decreased $11.2 million, or 22.0%, to $39.5 million in 2002. The operating costs of Corporate Magic decreased $7.6 million, to $13.2 million in 2002, as compared to 2001 primarily due to the lower revenue and certain cost saving measures taken by the Company during 2002. The operating costs of the Grand Ole Opry and the General Jackson Showboat decreased $1.0 million in 2002 due to cost saving measures.

ResortQuest Operating Costs. Operating costs for ResortQuest during the period from November 20, 2003 to December 31, 2003 were $13.4 million.

Corporate and Other Operating Costs. Corporate and Other operating costs increased $1.7 million, or 25.4%, to $8.3 million in 2003 as compared to 2002 due primarily to changes in our long-term incentive plan compensation program and changes to the actuarial assumptions used in our pension plan. Corporate and Other operating costs decreased $4.1 million, or 38.4%, to $6.6 million in 2002 as compared to 2001 due to the elimination of unnecessary management levels and overhead at the hotels identified in our 2001 Strategic Assessment.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of administrative and overhead costs. Selling, general, and administrative expenses increased $8.4 million, or 7.8%, to $117.2 million in 2003, primarily due to increases in Hospitality selling, general and administrative expenses described below.

Hospitality Selling, General and Administrative Expenses. Hospitality selling, general and administrative expenses were as follows:

	Year Ended December 31,				
	2003	Percentage Change	2002	Percentage Change	2001
	(In thousands, except percentages)				
Total Hospitality					
SG&A Expenses:	$64,500	7.5%	$60,000	107.6%	$28,900
Gaylord Opryland					
SG&A Expenses:	31,700	6.0%	29,900	8.3%	27,600
Gaylord Palms					
SG&A Expenses:	31,300	6.8%	29,300	—	—

The increase in Gaylord Opryland's selling, general and administrative expenses in 2003 and 2002 is due primarily to an increase in sales efforts at the hotel and advertising to promote the special events held at the hotel in these years. The increase in Gaylord Palms' selling, general and administrative expenses in 2003 is due to an increase in sales efforts at the hotel and an increase in special events advertising, while the 2002 increase is primarily due to the opening of the Gaylord Palms in January 2002.

Opry and Attractions Selling, General and Administrative Expenses. Selling, general and administrative expenses in Opry and Attractions decreased $1.1 million, or 5.9%, to $17.6 million in 2003. This decrease is primarily due to a $0.9 million decrease at Corporate Magic due to decreased revenues in 2003.

Opry and Attractions selling, general and administrative expenses increased $3.6 million, or 23.7%, to $18.7 million in 2002. This increase was partially due to increases in selling, general and administrative expenses for the General Jackson Showboat (an increase of $1.4 million, to $1.9 million) due to increased labor costs associated with additional revenue and increased management support during 2002. Also, selling, general, and administrative expenses increased $1.3 million to $5.5 million at the Grand Ole Opry due to an increase in revenue.

ResortQuest Selling, General and Administrative Expenses. Selling, general and administrative expenses for ResortQuest during the period from November 20, 2003 to December 31, 2003 were $5.9 million.

Corporate and Other Selling, General and Administrative Expenses. Corporate and Other selling, general and administrative expenses, consist primarily of the Gaylord Entertainment Center naming rights agreement, senior management salaries and benefits, legal, human resources, accounting, pension and other administrative costs. During 2003, these expenses decreased $0.8 million, or 2.7%, to $29.2 million due to decreased corporate marketing expense.

During 2002, our Corporate and Other selling, general and administrative expenses increased $6.9 million, or 29.8%, to $30.0 million as a result of amendments to our retirement plans and our retirement savings plan. As a result of these amendments, and as more fully described in Note 17 to our consolidated financial statements:

- our retirement cash balance benefit was frozen and the policy related to future contributions to our retirement savings plan was changed;
- as a result of these changes, we recorded a pretax charge of $5.7 million related to the write-off of unamortized prior service costs in selling, general, and administrative expenses;
- we amended the eligibility requirements of our postretirement benefit plans effective December 31, 2001; and
- in connection with the amendment and curtailment of the plans, we recorded a gain of $2.1 million which served to reduce our other selling, general and administrative expenses in 2002.

Other increases in Corporate and Other selling, general and administrative expenses in 2002 can be attributed to increased personnel costs related to new corporate departments that did not previously exist, new management personnel in other corporate departments, and increased corporate marketing expenses as compared to the same period in 2001.

Preopening Costs

In accordance with AICPA SOP 98-5, "Reporting on the Costs of Start-Up Activities", we expense the costs associated with start-up activities and organization costs as incurred. Preopening costs increased $2.6 million, or 29.7%, to $11.6 million in 2003. The increase in preopening costs in 2003, as compared to 2002, resulted from our hotel development activities. Preopening costs related to our Gaylord Texan hotel, scheduled to open in April 2004, totaled $11.3 million in 2003, as compared to $4.0 million in 2002. Preopening costs decreased in 2002 as compared to 2001 as a result of the opening of the Gaylord Palms in January of 2002. Gaylord Palms preopening costs decreased $8.4 million, to $4.5 million, in 2002 as compared to 2001. This decrease was partially offset by an increase in preopening costs related to the Gaylord Texan ($4.0 million in 2002, as compared to $3.1 million in 2001).

Gain on Sale of Assets

During 2003, we did not recognize any material gains or losses on the sale of assets in operating income.

In 2002, we recognized a gain of approximately $30.5 million in connection with our ownership interest in Opry Mills. We entered into a partnership in 1998 with The Mills Corporation to develop the Opry Mills Shopping Center in Nashville, Tennessee. We held a one-third interest in the partnership as well as the title to the land on which the shopping center was constructed, which was being leased to the partnership. During the second quarter of 2002, we sold our partnership share to certain affiliates of The Mills Corporation for approximately $30.8 million in cash proceeds. In accordance with the provisions of SFAS No. 66, "Accounting for Sales of Real Estate", and other applicable pronouncements, we deferred approximately $20.0 million of the gain representing the estimated fair value of the continuing land lease interest between us and the Opry Mills partnership at June 30, 2002. We recognized the remainder of the proceeds, net of certain transaction costs, as a gain of approximately $10.6 million during the second quarter of 2002. During the third quarter of 2002, we sold our interest in the land lease to an affiliate of the Mills Corporation and recognized the remaining $20.0 million deferred gain, less certain transaction costs.

Impairment and Other Charges

During 2001, we named a new Chairman and a new Chief Executive Officer, and had numerous changes in senior management. The new management team instituted a corporate reorganization and the reevaluation of our businesses and other investments (the "2001 Strategic Assessment"). As a result of the 2001 Strategic Assessment, we determined that the carrying value of certain long-lived assets were not fully recoverable and recorded pretax impairment and other charges from continuing operations during 2001 and 2003 in accordance with the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The components of the impairment and other charges related to continuing operations for the years ended December 31 are as follows (amounts in thousands):

	2003	2002	2001
Programming, film and other content	$856	$ —	$ 6,858
Gaylord Digital and other technology investments	—	—	4,576
Property and equipment	—	—	2,828
Total impairment and other charges	$856	$ —	$14,262

We began production of an IMAX movie during 2000 to portray the history of country music. As a result of the 2001 Strategic Assessment, the carrying value of the IMAX film asset was reevaluated on the basis of its estimated future cash flows, resulting in an impairment charge of $6.9 million in 2001.

At December 31, 2000, we held a minority investment in a technology start-up business. During 2001, the unfavorable environment for technology businesses created difficulty for this business to obtain adequate capital to execute its business plan and, subsequently, we were notified that this technology business had been unsuccessful in arranging financing, resulting in an impairment charge of $4.6 million. We also recorded an impairment charge related to idle real estate of $2.0 million during 2001 based upon an assessment of the value of the property. We sold this idle real estate during the second quarter of 2002. Proceeds from the sale approximated the carrying value of the property. In addition, we recorded an impairment charge for other idle property and equipment totaling $0.8 million during 2001 primarily due to the consolidation of offices resulting from personnel reductions.

In the third quarter of 2003, based on the revenues generated by the theatrical release of the IMAX movie, the asset was again reevaluated on the basis of estimated future cash flows. As a result, an additional impairment charge of $0.9 million was recorded in the third quarter of 2003. The carrying value of the asset was $1.2 million as of December 31, 2003.

Restructuring Charges

As part of the 2001 Strategic Assessment, we recognized pretax restructuring charges from continuing operations of $5.8 million related to streamlining operations and reducing layers of management. We recognized additional pretax restructuring charges from discontinued operations of $3.0 million in 2001. These restructuring charges were recorded in accordance with EITF No. 94-3. The restructuring costs from continuing operations consisted of $4.7 million related to severance and other employee benefits and $1.1 million related to contract termination costs, offset by the reversal of restructuring charges recorded in 2000 of $3.7 million primarily related to negotiated reductions in certain contract termination costs. The restructuring costs from discontinued operations in 2001 consisted of $1.6 million related to severance and other employee benefits and $1.8 million related to contract termination costs offset by the reversal of restructuring charges recorded in 2000 of $0.4 million.

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

Depreciation and Amortization

Depreciation expense increased $1.2 million, or 2.4%, to $53.9 million in 2003. The increase in 2003 is due to additional capital expenditures and the acquisition of ResortQuest in 2003. Depreciation expense increased $18.0 million, or 51.7%, to $52.7 million in 2002. The increase during 2002 is primarily attributable to the opening of Gaylord Palms in January 2002. Depreciation expense of Gaylord Palms was $18.6 million subsequent to the January 2002 opening.

Amortization expense increased by $1.2 million, or 32.3%, to $5.0 million in 2003 and increased slightly, by $0.1 million, in 2002. Amortization of software increased $1.2 million during 2003 and $0.9 million during 2002, primarily at Gaylord Opryland, Gaylord Palms and the Corporate and Other group. The 2002 increase in amortization of software was partially offset by the adoption of SFAS No. 142 on January 1, 2002, under the provisions of which we no longer amortize goodwill.

Non-Operating Results

Interest Expense

Interest expense increased $5.8 million, or 12.4%, to $52.8 million in 2003, net of capitalized interest of $14.8 million. The increase in interest expense is primarily due to the costs associated with refinancing our indebtedness and the repayment of the outstanding debt of ResortQuest, as well as additional amounts of debt outstanding during 2003. Interest expense related to the amortization of prepaid costs and interest of the secured forward exchange contract (all of which has been prepaid) was $26.9 million during 2003. Our weighted average interest rate on our borrowings, including the interest expense associated with the secured forward exchange contract and excluding the write-off of deferred financing costs during the period, was 5.3% in 2003 and 2002.

Interest expense increased $7.6 million, or 19.3%, to $47.0 million in 2002, net of capitalized interest of $6.8 million. The increase in interest expense is primarily due to the opening of the Gaylord Palms, after which interest related to the Gaylord Palms was no longer capitalized. Capitalized interest related to the Gaylord Palms hotel was $0.4 million during 2002 before its opening and was $16.4 million during 2001. The absence of capitalized interest related to Gaylord Palms was partially offset by an increase of $4.0 million of capitalized interest related to the Texas hotel. Interest expense related to the amortization of prepaid costs and interest of the secured forward exchange contract was $26.9 million during 2002 and 2001.

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

Interest Income

The decrease in interest income of $0.3 million (to $2.5 million) in 2003 and $2.7 million (to $2.8 million) in 2002 primarily relates to a decrease in interest income from invested cash balances.

Gain (Loss) on Viacom Stock and Derivatives

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

For the year ended December 31, 2003, we recorded net pretax losses of $33.2 million related to the decrease in fair value of the derivatives associated with the secured forward exchange contract. For the year ended December 31, 2003, we recorded net pretax gains of $39.8 million related to the increase in fair value of the Viacom stock. For the year ended December 31, 2002, we recorded net pretax gains of $86.5 million related to the increase in fair value of the derivatives associated with the secured forward exchange contract. For the year ended December 31, 2002, we recorded net pretax losses of $37.3 million related to the decrease in fair value of the Viacom stock. For the year ended December 31, 2001, we recorded net pretax gains of $54.3 million related to the increase in fair value of the derivatives associated with the secured forward exchange contract. Additionally, we recorded a nonrecurring pretax gain of $29.4 million on January 1, 2001, related to reclassifying our investment in Viacom stock from available-for-sale to trading as permitted by SFAS No. 115, “Accounting for Certain Investments in Debt and Equity Securities”. For the year ended December 31, 2001, we recorded net pretax losses of $28.6 million related to the decrease in fair value of the Viacom stock subsequent to January 1, 2001.

Other Gains and Losses

Other gains and losses, which consisted of dividends received on the Viacom stock and gains and losses on disposals of fixed assets, increased $1.0 million, or 89.9%, to $2.2 million in 2003. Other gains and losses decreased $1.5 million, or 56.3%, to $1.2 million in 2002. The decrease in 2002 is primarily due to the fact that during 2001, the indemnification period ended related to the sale of KTVT and we recognized a $4.6 million gain in 2001.

Income Taxes

The effective income tax rate from continuing operations was 42%, 10%, and 47% in 2003, 2002, and 2001, respectively. The effective tax rate as applied to pretax income from continuing operations differed from the statutory federal rate due to the following:

	2003	2002	2001
U.S. federal statutory rate	**35%**	35%	35%
State taxes (net of federal tax benefit and change in valuation allowance)	**8**	—	2
Effective tax law change	**—**	7	—
Previously accrued income taxes	**—**	(37)	16
Other	**(1)**	5	(6)
	42%	10%	47%

The effective income tax rate in 2003 (which was a benefit rate reflecting the 2003 loss) increased from 2002 primarily due to the impact in 2002 of previously recorded income taxes. The previously recorded income taxes relate to the favorable resolution of issues which were either settled with taxing authorities or had statutes of limitations expire. In addition, the rate increased due to the current year state tax benefit and the release of a portion of the state valuation allowance. The Company released valuation allowance of $2.4 million due to the utilization of state net operating loss carryforwards from the sale of Radio Operations. As a result, the Company increased the deferred tax asset by $2.4 million and increased the 2003 tax benefit by $2.4 million.

The effective income tax rate in 2002 decreased from 2001 primarily due to the impact in 2002 of previously recorded income taxes. In addition, the Tennessee legislature increased the corporate income tax rate from 6% to 6.5% during 2002. As a result, the Company increased the deferred tax liability by $1.3 million and increased 2002 tax expense by $1.3 million.

Gain (Loss) from Discontinued Operations

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

WSM-FM and WWTN(FM). During the first quarter of 2003, the Company committed to a plan of disposal of WSM-FM and WWTN(FM). Subsequent to committing to a plan of disposal during the first quarter of 2003, the Company, through a wholly-owned subsidiary, entered into an agreement to sell the assets primarily used in the operations of WSM-FM and WWTN(FM) to Cumulus Broadcasting, Inc. (“Cumulus”) in exchange for approximately $62.5 million in cash. In connection with this agreement, the Company also entered into a local marketing agreement with Cumulus pursuant to which, from April 21, 2003 until the closing of the sale of the assets, the Company, for a fee, made available to Cumulus substantially all of the broadcast time on WSM-FM and WWTN(FM). In turn, Cumulus provided programming to be broadcast during such broadcast time and collected revenues from the advertising that it sold for broadcast during this programming time. On July 22, 2003, the Company finalized the sale of WSM-FM and WWTN(FM) for approximately $62.5 million, at which time, net proceeds of approximately $50 million were placed in an escrow account for completion of the Texas hotel. Concurrently, the Company also entered into a joint sales agreement with Cumulus for WSM-AM in exchange for $2.5 million in cash. The Company will continue to own and operate WSM-AM, and under the terms of the joint sales agreement with Cumulus, Cumulus will be responsible for all sales of commercial advertising on WSM-AM and provide certain sales promotion, billing and collection services relating to WSM-AM, all for a specified commission. The joint sales agreement has a term of five years.

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

Oklahoma RedHawks. During 2002, the Company committed to a plan of disposal of its ownership interests in the RedHawks, a minor league baseball team based in Oklahoma City, Oklahoma. During the fourth quarter of 2003, the Company sold its interests in the RedHawks and received cash proceeds of approximately $6.0 million. The Company recognized a loss of $0.6 million, net of taxes, related to the sale in discontinued operations in the accompanying consolidated statement of operations.

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

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

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

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

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

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

	2003	2002	2001
REVENUES:			
Radio Operations	$ 3,703	$ 10,240	$ 8,207
Acuff-Rose Music Publishing	—	7,654	14,764
RedHawks	5,034	6,289	6,122
Word Entertainment	—	2,594	115,677
International cable networks	—	744	5,025
Businesses sold to OPUBCO	—	—	2,195
Other	—	—	609
Total revenues	$ 8,737	$ 27,521	$152,599
OPERATING INCOME (LOSS):			
Radio Operations	$ 615	$ 1,305	$ 2,184
Acuff-Rose Music Publishing	16	933	2,119
RedHawks	436	841	363
Word Entertainment	22	(917)	(5,710)
International cable networks	—	(1,576)	(6,375)
Businesses sold to OPUBCO	(620)	—	(1,816)
Other	—	—	(383)
Impairment and other charges	—	—	(53,716)
Restructuring charges	—	(20)	(2,959)
Total operating income (loss)	469	566	(66,293)
INTEREST EXPENSE	(1)	(81)	(797)
INTEREST INCOME	8	81	199
OTHER GAINS AND (LOSSES)			
Radio Operations	54,555	—	—
Acuff-Rose Music Publishing	450	130,465	(11)
RedHawks	(1,159)	(193)	(134)
Word Entertainment	1,503	1,553	(1,059)
International cable networks	497	3,617	(1,002)
Businesses sold to OPUBCO	—	—	(1,674)
Other	—	—	(251)
Total other gains and (losses)	55,846	135,442	(4,131)
Income (loss) before provision (benefit) for income taxes	56,322	136,008	(71,022)
PROVISION (BENEFIT) FOR INCOME TAXES	21,951	50,251	(22,189)
Net income (loss) from discontinued operations	$34,371	$ 85,757	$ (48,833)

Included in other gains and losses in 2003 is a pre-tax gain of $54.6 million on the sale of the Radio Operations and a pre-tax loss of $1.0 million on the sale of the RedHawks. Included in other gains and losses in 2002 are pre-tax gains of $130.6 million on the sale of Acuff-Rose Music Publishing, $0.5 million on the sale of Word Entertainment, and $3.8 million on the sale of International Cable Networks. Included in other gains and losses in 2001 is a pretax loss of $1.7 million on the sale of businesses sold to OPUBCO. The remaining gains and losses in 2003, 2002, and 2001 are primarily comprised of gains and losses on the sale of fixed assets and the subsequent reversal of liabilities accrued at the time of disposal of these businesses for various contingent items.

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

	2003	2002
CURRENT ASSETS:		
Cash and cash equivalents	$ 19	$ 1,812
Trade receivables, less allowance of $0 and $2,938, respectively	—	1,954
Inventories	—	163
Prepaid expenses	—	97
Other current assets	—	69
Total current assets	19	4,095
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	—	5,157
GOODWILL	—	3,527
INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	—	3,942
MUSIC AND FILM CATALOGS	—	—
OTHER LONG-TERM ASSETS	—	702
Total long-term assets	—	13,328
Total assets	$ 19	$17,423
CURRENT LIABILITIES:		
Current portion of long-term debt	$ —	$ 94
Accounts payable and accrued liabilities	2,930	6,558
Total current liabilities	2,930	6,652
LONG-TERM DEBT, NET OF CURRENT PORTION	—	—
OTHER LONG-TERM LIABILITIES	825	789
Total long-term liabilities	825	789
Total liabilities	3,755	7,441
MINORITY INTEREST OF DISCONTINUED OPERATIONS	—	1,885
TOTAL LIABILITIES AND MINORITY INTEREST OF DISCONTINUED OPERATIONS	$3,755	$ 9,326

Cumulative Effect of Accounting Change

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

On January 1, 2001, we recorded a gain of $11.2 million, net of taxes of $7.1 million, as a cumulative effect of accounting change to record the derivatives associated with the secured forward exchange contract on our Viacom stock at fair value as of January 1, 2001, in accordance with the provisions of SFAS No. 133.

Liquidity and Capital Resources

Cash Flows—Summary

Our cash flows consisted of the following during the years ended December 31 (amounts in thousands):

	2003	2002	2001
Operating Cash Flows:			
Net cash flows provided by operating activities — continuing operations	$ 63,916	$ 83,829	$ 15,122
Net cash flows provided by operating activities — discontinued operations	2,890	3,451	368
Net cash flows provided by operating activities	66,806	87,280	15,490
Investing Cash Flows:			
Purchases of property and equipment	(223,720)	(175,404)	(280,921)
Other	12,075	29,920	3,033
Net cash flows (used in) investing activities — continuing operations	(211,645)	(145,484)	(277,888)
Net cash flows provided by investing activities — discontinued operations	65,354	232,570	17,794
Net cash flows provided by (used in) investing activities	(146,291)	87,086	(260,094)
Financing Cash Flows:			
Repayment of long-term debt	(425,104)	(214,846)	(241,503)
Proceeds from issuance of long-term debt	550,000	85,000	535,000
Other	(22,984)	46,589	(69,360)
Net cash flows provided by (used in) financing activities - continuing operations	101,912	(83,257)	224,137
Net cash flows provided by (used in) financing activities - discontinued operations	(94)	(1,671)	2,904
Net cash flows provided by (used in) financing activities	101,818	(84,928)	227,041
Net change in cash and cash equivalents	$ 22,333	$ 89,438	$ (17,563)

Cash Flow From Operating Activities

Cash flow from operating activities is the principal source of cash used to fund our operating expenses, interest payments on debt, and maintenance capital expenditures. During 2003, our net cash flows provided by operating activities — continuing operations were $63.9 million, reflecting primarily our income from continuing operations before non-cash depreciation, amortization, income tax and interest expenses of approximately $30.0 million, as well as favorable changes in working capital of approximately $33.9 million. The favorable changes in working capital primarily resulted from improved collection of trade receivables due to increased emphasis on timely collections, the timing of payment of various liabilities, including accrued interest, taxes, salaries and benefits, and advertising expenses, and an increase in deferred revenues due to increased receipts of deposits on advance bookings of rooms (primarily related to advance bookings at the recently constructed Gaylord Texan which opened in April 2004 and the timing of deposits received by the Gaylord Opryland hotel for large group meetings occurring in early 2004) and an increase in the volume of events occurring in early 2004 managed by our Corporate Magic business that require advance deposits. During 2002, our net cash flows provided by operating activities — continuing operations were $83.8 million, reflecting primarily our income from continuing operations before non-cash depreciation, amortization, income tax and interest expenses.

Cash Flow From Investing Activities

During 2003, our primary uses of funds and investing activities were the purchases of property and equipment which totaled $223.7 million. These capital expenditures include continuing construction at the new Gaylord hotel in Grapevine, Texas of $193.3 million, approximately $1.3 million related to the possible development of a new Gaylord hotel in Prince George's County, Maryland and approximately $11.2 million related to Gaylord Opryland. In addition, there were approximately $7.3 million of capital expenditures related to the Grand Ole Opry in 2003. We also collected a $10.0 million note receivable from Bass Pro and received proceeds from the sale of assets and the sale of discontinued operations totaling approximately $64.7 million in 2003. During 2002, our primary uses of funds and investing activities were the purchases of property and equipment for the Gaylord Palms and Gaylord Texan which totaled $148.3 million. We received proceeds from the sale of assets and the sale of discontinued operations totaling approximately $263.4 million in 2002.

Cash Flow From Financing Activities

The Company's cash flows from financing activities reflect primarily the issuance of debt and the repayment of long-term debt. During 2003, the Company's net cash flows provided by financing activities were approximately $101.9 million, reflecting the issuance of $550.0 million in debt, which consisted of the issuance of $350 million in Senior Notes and additional borrowings under our 2003 Florida/ Texas senior secured credit facility, and the repayment of $425.1 million in debt. During 2002, the Company's net cash flows used in financing activities were approximately $83.3 million, reflecting the issuance of $85.0 million in debt and the repayment of $214.8 million in debt. The Company also experienced a decrease in restricted cash and cash equivalents of $45.7 million which was used to repay debt.

On January 9, 2004 we filed a Registration Statement on Form S-3 with the SEC pursuant to which we may sell from time to time, once the Registration Statement is declared effective by the SEC, up to $500 million of our debt or equity securities. Except as otherwise provided in the applicable prospectus supplement at the time of sale of the securities, we may use the net proceeds from the sale of the securities for general corporate purposes, which may include reducing our outstanding indebtedness, increasing our working capital, acquisitions and capital expenditures.

Principal Debt Agreements

New Revolving Credit Facility. On November 20, 2003, we entered into a new $65.0 million revolving credit facility, which has been increased to $100.0 million. The new revolving credit facility, which replaces our old revolving credit portion of our 2003 Florida/Texas senior secured credit facility discussed below, matures in May 2006. The new revolving credit facility has an interest rate, at our election, of either LIBOR plus 3.50% (subject to a minimum LIBOR of 1.32%) or the lending banks' base rate plus 2.25%. Interest on our borrowings is payable quarterly, in arrears, for base rate loans and at the end of each interest rate period for LIBOR rate-based loans. Principal is payable in full at maturity. The new revolving credit facility is guaranteed on a senior unsecured basis by our subsidiaries that are guarantors of our new notes (consisting generally of our active domestic subsidiaries that are not parties to our Nashville hotel loan arrangements) and is secured by a leasehold mortgage on the Gaylord Palms Resort & Convention Center. We are required to pay a commitment fee equal to 0.5% per year of the average daily unused revolving portion of the new revolving credit facility.

The provisions of the new revolving credit facility contain a covenant requiring us to achieve substantial completion and initial opening of the Gaylord Texan by June 30, 2004. We opened the Gaylord Texan on April 2, 2004.

In addition, the new revolving credit facility contains certain covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, capital expenditures, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements. The material financial covenants, ratios or tests contained in the new revolving credit facility are as follows:

- a maximum total leverage ratio requiring that at the end of each fiscal quarter, our ratio of consolidated indebtedness minus unrestricted cash on hand to consolidated EBITDA for the most recent four fiscal quarters, subject to certain adjustments, not exceed a range of ratios (decreasing from 7.5 to 1.0 for early 2004 to 5.0 to 1.0 for 2005 and thereafter) for the recent four fiscal quarters;

- a requirement that the adjusted net operating income for the Gaylord Palms Resort and Convention Center be at least $25,000,000 at the end of each fiscal quarter ending December 31, 2003, through December 31, 2004, and $28,000,000 at the end of each fiscal quarter thereafter, in each case based on the most recent four fiscal quarters; and

- a minimum fixed charge coverage ratio requiring that, at the end of each fiscal quarter, our ratio of consolidated EBITDA for the most recent four fiscal quarters, subject to certain adjustments, to the sum of (i) consolidated interest expense and capitalized interest expense for the previous fiscal quarter, multiplied by four, and (ii) required amortization of indebtedness for the most recent four fiscal quarters, be not less than 1.5 to 1.0.

As of December 31, 2003, we were in compliance with the foregoing covenants. As of December 31, 2003, no borrowings were outstanding under the new revolving credit facility, but the lending banks had issued $11.3 million of letters of credit under the credit facility for us. The revolving credit facility is cross-defaulted to our other indebtedness.

Nashville Hotel Loan. On March 27, 2001, we, through wholly owned subsidiaries, entered into a $275.0 million senior secured loan with Merrill Lynch Mortgage Lending, Inc. At the same time, we entered into a $100.0 million mezzanine loan which was repaid in November 2003 with the proceeds of the outstanding senior notes (as defined below). The senior and mezzanine loan borrower and its member were subsidiaries formed for the purposes of owning and operating the Nashville hotel and entering into the loan transaction and are special-purpose entities whose activities are strictly limited. We fully consolidate these entities in our consolidated financial statements. The senior loan is secured by a first mortgage lien on the assets of Gaylord Opryland and is due in March 2004. At our option, the senior loan may be extended for two additional one-year terms to March 2006, subject to our Gaylord Opryland operations meeting certain financial ratios and other criteria. We have given notice to exercise our option to extend the loan until March 2005. Amounts outstanding under the senior loan bear interest at one-month LIBOR plus 1.02%. The senior loan requires monthly principal payments of $0.7 million in addition to monthly interest payments. The terms of the senior loan required us to purchase interest rate hedges in notional amounts equal to the outstanding balances of the senior loan in order to protect against adverse changes in one-month LIBOR. Pursuant to the senior loan agreement, we had purchased instruments that cap our exposure to one-month LIBOR at 7.5%. We used $235.0 million of the proceeds from the senior loan and the mezzanine loan to refinance an existing interim loan incurred in 2000. The net proceeds from the senior loan and the mezzanine loan, after refinancing the existing interim loan and paying required escrows and fees, were approximately $97.6 million. The weighted average interest rates for the senior loan for the years ended December 31, 2003 and 2002, including amortization of deferred financing costs, were 4.2% and 4.5%, respectively.

The terms of the senior loan impose and the old mezzanine loan imposed limits on transactions with affiliates and incurrence of indebtedness by the subsidiary borrower. Our senior loan also contains a cash management restriction that is triggered if a minimum debt service coverage ratio is not met. This provision has never been triggered. Upon a determination as of the end of any quarter that the debt service coverage ratio of the Nashville hotel (which is the ratio of net operating income from the Nashville hotel to principal and interest under the senior loan, all for the preceding 12-month period, subject to certain adjustments) is less than 1.25 to 1.0, excess cash flow from the Nashville hotel must thereafter be deposited in a reserve account with the lender (subject to the borrower's right to make a principal prepayment in amount necessary to cure). Depending upon the debt service coverage ratio level as of the beginning of each subsequent month, amounts in the reserve account are either released to the borrower or held by the lender as collateral and, at the lender's option, applied to the loan at the third payment date following deposit into the account.

In addition, prior to its repayment in 2003, the old mezzanine loan contained financial covenants that were structured such that noncompliance at one level triggered certain cash management restrictions and noncompliance at a second level results in an event of default. Based upon the financial covenant calculations at December 31, 2002, the mezzanine loan's cash management restrictions were in effect which required that all excess cash flows, as defined, be escrowed and be used only to repay principal amounts owed on the senior loan. As of June 30, 2003, the noncompliance level which triggered cash management restrictions was cured and the cash management restrictions were lifted. During 2002, we negotiated certain revisions to the financial covenants under the mezzanine loan. After these revisions, we were in compliance with the covenants under the senior loan and the mezzanine loan for which the failure to comply would result in an event of default at December 31, 2002. We were also in compliance with all applicable covenants under the senior loan at December 31, 2003. An event of default under our other indebtedness does not cause an event of default under the Nashville hotel loan.

Senior Notes. On November 12, 2003, we completed our offering of $350 million in aggregate principal amount of senior notes due 2013 (the "Senior Notes") in an institutional private placement. The interest rate of the Senior Notes is 8%, although we have entered into interest rate swaps with respect to $125 million principal amount of the Senior Notes which results in an effective interest rate of LIBOR plus 2.95% with respect to that portion of the Senior Notes. The Senior Notes, which mature on November 15, 2013, bear interest semi-annually in cash in arrears on May 15 and November 15 of each year, starting on May 15, 2004. The Senior Notes are redeemable, in whole or in part, at any time on or after November 15, 2008 at a designated redemption amount, plus accrued and unpaid interest. In addition, we may redeem up to 35% of the Senior Notes before November 15, 2006 with the net cash proceeds from certain equity offerings. The Senior Notes rank equally in right of payment with our other unsecured unsubordinated debt, but are effectively subordinated to all of our secured debt to the extent of the assets securing such debt. The Senior Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of our subsidiaries that was a borrower or guarantor under the 2003 Florida/Texas loans discussed below, and as of November 2003, of the new revolving credit facility. In connection with the offering of the Senior Notes, we paid approximately $9.4 million in deferred financing costs. The net proceeds from the offering of the Senior Notes, together with $22.5 million of our cash on hand, were used as follows:

- $275.5 million was used to repay our $150 million senior term loan portion and the $50 million subordinated term loan portion of the 2003 loans discussed below, as well as the remaining $66 million of our $100 million mezzanine loan and to pay certain fees and expenses related to the ResortQuest acquisition; and

- $79.2 million was placed in escrow pending consummation of the ResortQuest acquisition. As of November 20, 2003, the $79.2 million together with $8.2 million of the available cash, was used to repay ResortQuest's senior notes and its credit facility, the principal amount of which aggregated $85.1 million at closing, and a related prepayment penalty.

In addition, the Senior Notes indenture contains certain covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, capital expenditures, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements. The Senior Notes are cross-defaulted to our other indebtedness.

Prior Indebtedness. Prior to the closing of the notes offering and establishment of our new revolving credit facility, we had in place our 2003 Florida/Texas senior secured credit facility, consisting of a $150 million term loan, a $50 million subordinated term loan and a $25 million revolving credit facility, outstanding amounts of which were repaid with proceeds of the Senior Notes offering. When the 2003 loans were first established, proceeds were used to repay 2001 term loans incurred in connection with the development of the Gaylord Palms.

Future Developments

As previously announced, we have plans to develop a Gaylord hotel on property to be acquired on the Potomac River in Prince George's County, Maryland (in the Washington, D.C. market), subject to the availability of financing, resolution of certain zoning issues and approval by our Board of Directors. We also are considering other potential sites. The timing and extent of any of these development projects is uncertain.

Commitments and Contractual Obligations

The following table summarizes our significant contractual obligations as of December 31, 2003, including long-term debt and operating and capital lease commitments (amounts in thousands):

	Total amounts committed	Less than 1 year	1-3 years	3-5 years	After 5 years
Contractual obligations					
Long-term debt	$ 549,381	$ 8,104	$191,277	$ —	$ 350,000
Capital leases	992	553	370	69	—
Construction commitments	104,615	94,368	10,247	—	—
Arena naming rights	57,703	2,554	5,497	6,061	43,591
Operating leases	734,855	11,350	17,475	13,335	692,695
Other	4,828	322	644	644	3,218
Total contractual obligations	$1,452,374	$117,251	$225,510	$20,109	$1,089,504

The total operating lease commitments of $734.9 million above includes the 75-year operating lease agreement the Company entered into during 1999 for 65.3 acres of land located in Osceola County, Florida where Gaylord Palms is located.

During 2002 and 2001, the Company entered into certain agreements related to the construction of the new Gaylord hotel in Grapevine, Texas. At December 31, 2003, the Company had paid approximately $355.3 million related to these agreements, which is included as construction in progress in property and equipment in the consolidated balance sheets.

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

At the expiration of the secured forward exchange contract relating to the Viacom stock owned by the Company which is scheduled for May 2007, the Company will be required to pay the deferred taxes relating thereto. A complete description of the secured forward exchange contract and this deferred tax liability is contained in Notes 10 and 13 to the Company's Consolidated Financial Statements for the year-ended December 31, 2003 included herewith.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. Accounting estimates are an integral part of the preparation of the consolidated financial statements and the financial reporting process and are based upon current judgments. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Certain accounting estimates are particularly sensitive because of their complexity and the possibility that future events affecting them may differ materially from the Company's current judgments and estimates.

This listing of critical accounting policies is not intended to be a comprehensive list of all of the Company's accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles, with no need for management's judgment regarding accounting policy. The Company believes that of its significant accounting policies, as discussed in Note 1 to the consolidated financial statements, the following may involve a higher degree of judgment and complexity.

Revenue Recognition. The Company recognizes revenue from its rooms as earned on the close of business each day. Revenues from concessions and food and beverage sales are recognized at the time of the sale. The Company recognizes revenues from the Opry and Attractions segment when services are provided or goods are shipped, as applicable.

The Company earns revenues from ResortQuest through property management fees, service fees, and other sources. The Company receives property management fees when the properties are rented, which are generally a percentage of the rental price of the vacation property. Management fees range from approximately 3% to over 40% of gross lodging revenues collected based upon the type of services provided to the property owner and the type of rental units managed. Revenues are recognized ratably over the rental period based on the Company's proportionate share of the total rental price of the vacation condominium or home. The Company provides or arranges through third parties certain services for property owners or guests. Service fees include reservations, housekeeping, long-distance telephone, ski rentals, lift tickets, beach equipment and pool cleaning. Internally provided services are recognized as service fee revenue when the service is provided. Services provided by third parties are generally billed directly to property owners and are not included in the accompanying consolidated financial statements. The Company recognizes other revenues primarily related to real estate broker commissions and software and maintenance sales. The Company recognizes revenues on real estate sales when the transactions are complete, and such revenue is recorded net of the related agent commissions. The Company also sells a fully integrated software package, First Resort Software, specifically designed for the vacation property management business, along with ongoing service contracts. Software and maintenance revenues are recognized when the systems are installed and ratably over the service period, respectively, in accordance with SOP 97-2, "Software Revenue Recognition." Provision for returns and other adjustments are provided for in the same period the revenue was recognized. The Company defers revenues related to deposits on advance bookings of rooms and vacation properties and advance ticket sales at the Company's tourism properties.

Impairment of Long-Lived Assets and Goodwill. In accounting for the Company's long-lived assets other than goodwill, the Company applies the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Under SFAS No. 144, the Company assesses its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable. Recoverability of long-lived assets that will continue to be used is measured by comparing the carrying amount of the asset or asset group to the related total future undiscounted net cash flows. If an asset or asset group's carrying value is not recoverable through those cash flows, the asset group is considered to be impaired. The impairment is measured by the difference between the assets' carrying amount and their fair value, based on the best information available, including market prices or discounted cash flow analysis.

Effective January 1, 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets." Under SFAS No. 142, goodwill and other intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually and whenever events or circumstances occur indicating that these intangibles may be impaired. The Company performs its review of goodwill for impairment by comparing the carrying value of the applicable reporting unit to the fair value of the reporting unit. If the fair value is less than the carrying value then the Company measures potential impairment by allocating the fair value of the reporting unit to the tangible assets and liabilities of the reporting unit in a manner similar to a business combination purchase price allocation. The remaining fair value of the reporting unit after assigning fair values to all of the reporting unit's assets and liabilities represents the implied fair value of goodwill of the reporting unit. The impairment is measured by the difference between the carrying value of goodwill and the implied fair value of goodwill.

As a result of lower than expected revenues associated with its IMAX movie, the Company recognized an impairment charge of approximately $0.9 million in 2003. The key assumptions used to determine the fair value of the Company's IMAX movie included (a) a cash flow period of four years, (b) a nominal terminal value, and (c) a discount rate of 12%, which was based on the Company's weighted average cost of capital adjusted for the risks associated with the operations. A change in any of these assumptions would have had an impact on the amount of the impairment charge recorded. For example, a 1% increase or decrease in the discount rate used in the impairment loss calculation would have caused an increase or decrease in the impairment charge of $0.02 million.

The key assumptions used to determine the fair value of the Company's reporting units for purposes of evaluating goodwill for impairment included (a) a perpetuity cash flow period, (b) a nominal terminal value, and (c) a discount rate of approximately 10%, which was based on the Company's weighted average cost of capital adjusted for the risks associated with the operations. These assumptions and judgments are subject to change, which could cause a different conclusion regarding impairment or a different calculation of an impairment loss. There were no goodwill impairment charges recorded in 2003.

Restructuring Charges. The Company has recognized restructuring charges in accordance with Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)", in its consolidated financial statements. Restructuring charges are based upon certain estimates of liabilities related to costs to exit an activity. Liability estimates may change as a result of future events, including negotiation of reductions in contract termination liabilities and expiration of outplacement agreements.

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

The Company obtains valuations of its derivative assets and liabilities from counterparties and records changes in the derivative assets and liabilities based on those valuations. The derivative assets and liabilities held by the Company at December 31, 2003 include a secured forward exchange contract with respect to 10,937,900 shares of Viacom stock, a fixed to variable interest rate swap, and two interest rate caps. The measurement of these derivatives' fair values requires the use of estimates and assumptions.

The key assumption used to determine the fair value of the Company's secured forward exchange contract was the underlying value of the Viacom stock. Changes in this assumption could materially impact the determination of the fair value of the secured forward exchange contract and the related net gain or loss on the investment in Viacom stock and related derivatives. For example, a 5% increase in the value of the Viacom stock at December 31, 2003 would have resulted in an increase of $8.7 million in the 2003 net pre-tax gain on the investment in Viacom stock and related derivatives. Likewise, a 5% decrease in the value of the Viacom stock at December 31, 2003 would have resulted in a decrease of $7.3 million in the 2003 net pre-tax gain on the investment in Viacom stock and related derivative. The key assumption used to determine the fair value of the Company's fixed to variable interest rate swap and two interest rate caps included changes in LIBOR and Eurodollar interest rates. Changes in these assumptions could materially impact the determination of the fair value of these derivatives and the related charge to 2003 interest expense. For example, if LIBOR and Eurodollar rates were to increase by 100 basis points each, our annual net interest cost on debt amounts outstanding at December 31, 2003 would increase by approximately $3.3 million.

Income Taxes. The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Under SFAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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

The Company has federal and state net operating loss and tax credit carryforwards for which management believes it is more-likely-than-not that future taxable income will be sufficient to realize the recorded deferred tax assets. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies, which involve estimates and uncertainties, in making this assessment. Projected future taxable income is based on management's forecast of the operating results of the Company. Management periodically reviews such forecasts in comparison with actual results and expected trends. The Company has established valuation allowances for deferred tax assets primarily associated with certain subsidiaries with state operating loss carryforwards and tax credit carryforwards. At December 31, 2003, the Company had federal net operating loss carryforwards of $28.3 million, federal tax credits of $6.2 million, state net operating loss carryforwards of $349.8 million, and foreign net operating loss carryforwards of $0.2 million. A valuation allowance of $9.9 million has been provided for certain state and foreign deferred tax assets, including loss carryforwards, as of December 31, 2003. In the event management determines that sufficient future taxable income, in light of tax planning strategies, may not be generated to fully recover net deferred tax assets, the Company will be required to adjust its deferred tax valuation allowance in the period in which the Company determines recovery is not probable.

In addition, the Company must deal with uncertainties in the application of complex tax regulations in the calculation of tax liabilities and is subject to routine income tax audits. The Company estimates the contingent income tax liabilities that may result from these audits based on its assessment of potential income tax-related exposures and the relative probabilities of those exposures translating into actual future liabilities. Probabilities are estimated based on the likelihood that the taxing authority will disagree with a tax position that will negatively affect the amount of taxes previously paid or currently due. If payment of the accrued amounts ultimately proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period when the Company determines the liabilities are no longer necessary. If the Company's estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to the Company's tax provision would result.

Retirement and Postretirement Benefits Other than Pension Plans. The calculations of the costs and obligations of the Company's retirement and postretirement benefits other than pension plans are dependent on significant assumptions, judgments, and estimates. These assumptions, judgments, and estimates are evaluated at each annual measurement date (September 30) and include discount rates, expected return on plan assets, and health care cost trend rates. The discount rate reflects the market rate for high-quality fixed income debt securities on the Company's annual measurement date and is subject to change each year. The Company determines the expected return on plan assets based on its estimate of the return that plan assets will provide over the period that benefits are expected to be paid out. In preparing this estimate, the Company considers its targeted allocation of plan assets among securities with various risk and return profiles, as well as the actual returns provided by plan assets in prior periods. The expected return on plan assets is a long-term assumption and generally does not change annually. In estimating the health care cost trend rate, the Company considers its actual health care cost experience, industry trends, and advice from its third-party actuary. The Company assumes that the relative increase in health care costs will generally trend downward over the next several years, reflecting assumed increases in efficiency in the health care system and industry-wide cost containment initiatives.

While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the Company's pension and postretirement benefit obligations and expense. For example, holding all other assumptions constant, a 1% increase or decrease in the assumed discount rate related to the retirement plan would decrease or increase, respectively, 2003 net period pension expense by approximately $0.9 million and $1.0 million, respectively. Likewise, a 1% increase or decrease in the assumed rate of return on plan assets would decrease or increase, respectively, 2003 net periodic pension expense by approximately $0.4 million and $0.4 million, respectively.

A 1% increase or decrease in the assumed discount rate related to the postretirement benefit plan would decrease or increase, respectively, 2003 net postretirement benefit expense by approximately $0.008 million and $0.5 million, respectively. Finally, a 1% increase in the assumed health care cost trend rate each year would increase the aggregate of the service and interest cost components of net postretirement benefit expense by $0.2 million. Conversely, a 1% decrease in the assumed health care cost trend rate each year would decrease the aggregate of the service and interest cost components of net postretirement benefit expense by approximately $0.2 million.

Recently Issued Accounting Standards

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 replaces Emerging Issues Task Force ("EITF") No. 94-3. SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred, whereas EITF No. 94-3 required recognition of the liability at the commitment date to an exit plan. The Company adopted the provisions of SFAS No. 146 effective for exit or disposal activities initiated after December 31, 2002 and the adoption did not have a material effect on the Company's consolidated results of operations or financial position.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others" ("FIN No. 45"). FIN No. 45 elaborates on the disclosures to be made by a guarantor in its financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. Certain guarantee contracts are excluded from both the disclosure and recognition requirements of FIN No. 45, including, among others, residual value guarantees under capital lease arrangements and loan commitments. The disclosure requirements of FIN No. 45 were effective as of December 31, 2002. The recognition requirements of FIN No. 45 are to be applied prospectively to guarantees issued or modified after December 31, 2002. The adoption of FIN No. 45 did not have a material impact on the Company's consolidated results of operations, financial position, or liquidity.

In January 2003, the FASB issued FASB Interpretation 46, “Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51” (“FIN No. 46”). In December 2003, the FASB modified FIN No. 46 to make certain technical corrections and address certain implementation issues that had arisen. FIN No. 46 provides a new framework for identifying variable interest entities (“VIEs”) and determining when a company should include the assets, liabilities, noncontrolling interests and results of activities of a VIE in its consolidated financial statements. FIN No. 46 requires a VIE to be consolidated if a party with an ownership, contractual or other financial interest in the VIE (a variable interest holder) is obligated to absorb a majority of the risk of loss from the VIE’s activities, is entitled to receive a majority of the VIE’s residual returns (if no party absorbs a majority of the VIE’s losses), or both. A variable interest holder that consolidates the VIE is called the primary beneficiary. Upon consolidation, the primary beneficiary generally must initially record all the VIE’s assets, liabilities and noncontrolling interests at fair value and subsequently account for the VIE as if it were consolidated based on majority voting interest. FIN No. 46 also requires disclosures about VIEs that the variable interest holder is not required to consolidate but in which it has a significant variable interest.

FIN No. 46 was effective immediately for VIEs created after January 31, 2003. The provisions of FIN No. 46, as revised, were adopted as of December 31, 2003 for the Company’s interests in VIEs that are special purposes entities (“SPEs”). The adoption of FIN No. 46 for interests in SPEs on December 31, 2003 did not have a material effect on the Company’s consolidated balance sheet. The Company expects to adopt the provisions of FIN No. 46 for the Company’s variable interests in all VIEs as of March 31, 2004. The effect of adopting the provisions of FIN No. 46 for all the Company’s variable interests is not expected to have a material impact on the Company’s consolidated balance sheet at March 31, 2004.

In May 2003, the FASB issued SFAS No. 150, “Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity.” SFAS No. 150 requires issuers to classify as liabilities (or assets in some circumstances) three classes of freestanding financial instruments that embody obligations for the issuer. Generally, SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003 and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. The Company adopted the provisions of SFAS No. 150 on July 1, 2003. The Company did not enter into any financial instruments within the scope of SFAS No. 150 after May 31, 2003. Adoption of this statement did not have any effect on the Company’s consolidated financial statements.

In December 2003, the FASB issued a revision to SFAS 132, “Employer’s Disclosure about Pension and Other Postretirement Benefits.” This revised statement requires that companies provide more detailed disclosures about the plan assets, benefit obligations, cash flows, benefit costs, and investment policies of their pension and postretirement benefit plans. This statement is effective for financial statements with fiscal years ending after December 15, 2003. The Company adopted the provisions of this statement on December 31, 2003.

Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is from changes in the value of our investment in Viacom stock and changes in interest rates.

Risk Related to a Change in Value of our Investment in Viacom Stock

At December 31, 2003, we held an investment of 11.0 million shares of Viacom stock, which was received as the result of the sale of television station KTVT to CBS in 1999 and the subsequent acquisition of CBS by Viacom in 2000. We entered into a secured forward exchange contract related to 10.9 million shares of the Viacom stock in 2000. The secured forward exchange contract protects the Company against decreases in the fair market value of the Viacom stock, while providing for participation in increases in the fair market value. At December 31, 2003, the fair market value of our investment in the 11.0 million shares of Viacom stock was $488.3 million, or $44.38 per share. The secured forward exchange contract protects us against decreases in the fair market value of the Viacom stock by way of a put option at a strike price below $56.05 per share, while providing for participation in increases in the fair market value by way of a call option at a strike price of $75.30 per share, as of December 31, 2003. Future dividend distributions received from Viacom may result in an adjusted call strike price. Changes in the market price of the Viacom stock could have a significant impact on future earnings. For example, a 5% increase in the value of the Viacom stock at December 31, 2003 would have resulted in an increase of $8.7 million in the 2003 net pre-tax gain on the investment in Viacom stock and related derivatives. Likewise, a 5% decrease in the value of the Viacom stock at December 31, 2003 would have resulted in a decrease of $7.3 million in the 2003 net pre-tax gain on the investment in Viacom stock and related derivatives.

Risks Related to Changes in Interest Rates

Interest Rate Risk Related to Our Indebtedness. We have exposure to interest rate changes primarily relating to outstanding indebtedness under the Senior Notes, our Nashville hotel loan and our new revolving credit facility.

In conjunction with our offering of the Senior Notes, we terminated our variable to fixed interest rate swaps with an original notional value of $200 million related to the senior term loan and the subordinated term loan portions of the 2003 Florida/ Texas senior secured credit facility which were repaid for a net benefit aggregating approximately $242,000.

We also entered into a new interest rate swap with respect to $125 million aggregate principal amount of our Senior Notes. This interest rate swap, which has a term of ten years, effectively adjusts the interest rate of that portion of the Senior Notes to LIBOR plus 2.95%. The interest rate swap and the Senior Notes are deemed effective and therefore the hedge has been treated as an effective fair value hedge under SFAS No. 133. If LIBOR were to increase by 100 basis points, our annual interest cost would increase by approximately $1.3 million.

The terms of the Nashville hotel loan required the purchase of interest rate hedges in notional amounts equal to the outstanding balances of the Nashville hotel loans in order to protect against adverse changes in one-month LIBOR. Pursuant to these agreements, we have purchased instruments that cap its exposure to one-month LIBOR at 7.50%. If LIBOR and Eurodollar rates were to increase by 100 basis points each, our annual interest cost under the Nashville hotel loan based on debt amounts outstanding at December 31, 2003 would increase by approximately $2.0 million.

Cash Balances. Certain of our outstanding cash balances are occasionally invested overnight with high credit quality financial institutions. We do not have significant exposure to changing interest rates on invested cash at December 31, 2003. As a result, the interest rate market risk implicit in these investments at December 31, 2003, if any, is low.

Risks Related to Foreign Currency Exchange Rates

Substantially all of our revenues are realized in U.S. dollars and are from customers in the United States. Although we own certain subsidiaries who conduct business in foreign markets and whose transactions are settled in foreign currencies, these operations are not material to our overall operations. Therefore, we do not believe we have any significant foreign currency exchange rate risk. We do not hedge against foreign currency exchange rate changes and do not speculate on the future direction of foreign currencies.

Summary

Based upon our overall market risk exposures at December 31, 2003, we believe that the effects of changes in the stock price of our Viacom stock or interest rates could be material to our consolidated financial position, results of operations or cash flows. However, we believe that the effects of fluctuations in foreign currency exchange rates on our consolidated financial position, results of operations or cash flows would not be material.

BUSINESS

Our Company

We are the only hospitality company whose stated primary focus is the large group meetings segment of the lodging market. Our hospitality business includes our Gaylord branded hotels consisting of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee, the Gaylord Palms Resort & Convention Center near Orlando, Florida and the Gaylord Texan Resort & Convention Center near Dallas, Texas. We also own and operate the Radisson Hotel at Opryland in Nashville, Tennessee. Driven by our "All-in-One-Place" strategy, our award-winning Gaylord branded hotels incorporate not only high quality lodging, but also significant meeting, convention and exhibition space, superb food and beverage options and retail facilities within a single self-contained property. As a result, our properties provide a convenient and entertaining environment for our convention guests. In addition, our custom-tailored, all-inclusive solutions cater to the unique needs of meeting planners.

In order to strengthen and diversify our hospitality business, on November 20, 2003, we acquired ResortQuest in a stock-for-stock transaction. ResortQuest is a leading provider of vacation condominium and home rental property management services in premier destination resort locations in the United States and Canada (based on the number of units it manages). This branded network of vacation rental properties currently offers management services to approximately 19,300 vacation rental properties, approximately 17,800 of which are under exclusive management contracts and approximately 1,500 of which are under non-exclusive management contracts.

We also own and operate several attractions in Nashville, including the Grand Ole Opry, a live country music variety show, which is the nation's longest running radio show and an icon in country music. Our local Nashville attractions provide entertainment opportunities for Nashville-area residents and visitors, including our Nashville hotel and convention guests, while adding to our destination appeal.

Our operations are organized into four principal business segments: (i) Hospitality, which includes our hotel operations; (ii) Opry and Attractions, which includes our Nashville attractions and assets related to the Grand Ole Opry; (iii) ResortQuest, which provides vacation condominium and home rental management services and (iv) Corporate and Other, which includes corporate expenses and results from our minority investments. On a pro forma basis reflecting the November Transactions for the year ended December 31, 2003, our total revenues and operating loss were $618.7 million and $10.1 million, respectively.

Competitive Strengths

Strong Revenue and Cash Flow Visibility. We have significant visibility with regards to our future revenues and cash flows. Approximately 80% of our total room nights occupied in 2003 were related to large group meetings. Within the group meetings segment, we identify and market to meeting planners for large group clients who reserve more than 200 peak room nights per group event and typically hold meetings on an annual basis. In 2003, these large groups accounted for only 11% of the total number of our group customers but represented 81% of our occupied room nights. In order to reserve the required capacity, our large group clients typically contract room nights several years in advance. As of December 31, 2003, we have events booked as far into the future as 2021, with the median large group client contracting 3.3 years in advance. The terms of our contracts typically specify total number and average daily rates of reserved rooms and minimum food and beverage spending requirements, and often contain mechanisms to increase rates based on increases in hotel occupancy or on inflation measures and impose significant cancellation penalties. Approximately 47.5% of our group room nights in 2003 were generated by associations, which typically have more attendees, longer advance booking periods, longer stays and a pattern of rotating meetings through locations around the country. In addition, as their meetings are an integral part of the associations' business, these clients tend to exhibit more consistent booking cycles that are less influenced by economic downturns. As a result of the implementation of cross-marketing plans among our three Gaylord branded hotels, we have created further visibility into our future results as large group clients often arrange multiple meetings at our properties. Many associations are required by their charter to rotate their meetings among different locations, and we are well positioned to capture their business. As of December 31, 2003, advanced bookings at the Gaylord Opryland and Gaylord Palms for 2004 through 2005 represented approximately 44% of our total available room nights at these hotels for that period.

Superior Business Model. We believe that through a combination of excellent customer service, a unique product offering and an entertaining environment, we are able to provide our customers with a one-of-a-kind experience that distinguishes our hotels from those of our competitors. Our properties have gained significant industry recognition, as evidenced by Gaylord Opryland receiving the prestigious 2002 Gold Key Elite Award from *Meeting & Conventions* magazine, and the Gaylord Palms receiving the AAA Four Diamond Award 2003 and *Successful Meeting's* Pinnacle Award 2003. Our superior business model is characterized by the following:

Excellent Customer Service. We strive to provide our hotel guests with a level of service that ranks among the highest in the industry. Through the Gaylord University training program, we instill our "Consider it Done" service philosophy in each employee. In order to maintain the highest levels of customer service and employee morale, we provide all property-level employees with financial incentives based on feedback received from our guests and the financial performance of their individual hotel. We strive to provide excellent service to all of our customers, and we also offer more specialized services that cater to the needs of the meeting planners who coordinate large group events. These services are designed to facilitate the entire process of an event from the initial planning and booking to its consummation.

Examples of such services include providing a single contact to plan the event, constructing a marketing toolkit to attract attendees and assigning a customer service representative at the hotel during the event to assist with smooth execution.

Unique Product Offering. Our hotels combine significant scale with an "All-in-One-Place" approach to create a product which we believe is unique in our industry. With some of the highest ratios of meeting space per room in our industry, our resort properties have the capability to accommodate multiple large groups simultaneously on a regular basis. Through our "All-in-One-Place" approach, we incorporate meeting and exhibition space, signature guest rooms, award-winning food and beverage offering, fitness facilities and other attractions within a single, self-contained location which provides our guests with a convenient and entertaining environment. This approach allows meeting planners to avoid local travel logistics issues, improves the attendees' experience by enhancing interaction and allows us to gain a larger amount of our customers' business than a traditional hotel. Capitalizing on this approach, our Gaylord branded hotels generally derive as much food, beverage and other revenues as room revenues. Finally, our Gaylord branded hotels offer state-of-the-art meeting facilities, a proprietary advanced meeting planner communication system, express check-out and customizable meeting room set-up, all of which provide maximum convenience to meeting planners and reduce administrative functions related to the organization of an event.

Entertaining Environment. In an effort to provide the best all around experience to our guests, we offer unique entertainment options inside each of our resort hotels. Each of these hotels offers a series of expansive atriums themed to capture geographical and cultural aspects of the region in which the property is located. These properties also offer a wide range of restaurants, bars, shopping and other options to meet the varying preferences of individual guests. Our in-house entertainment amenities are complemented by local attractions which add to our destination appeal. Our properties are strategically located in close proximity to a wide range of attractions which include the Grand Ole Opry and Ryman Auditorium in Nashville, Tennessee, Universal Studios® and Walt Disney World® in Orlando, Florida and Lake Grapevine and the Dallas Cowboys® Golf Club in Grapevine, Texas. Our attractions provide an advantage when we compete for large contracts as we are able to offer attractive entertainment rates as an incentive to book with us. We also opportunistically leverage our attractions by creating promotional packages which combine hotel stays with offerings of local attractions to drive leisure room night demand. These packages generate incremental business for our properties by attracting additional guests from the leisure travel segment as well as convincing convention attendees to return for leisure stays.

Solid Brand Recognition. An American icon with a 75-year legacy, the Grand Ole Opry is a unique asset that provides us with a significant competitive advantage. The Grand Ole Opry appeals to the "country lifestyle" consumer, of which there is estimated to be approximately 70 million in the United States. The Grand Ole Opry has an 84% brand awareness among consumers in the U.S. and a 92% brand awareness among consumers in the "country lifestyle" demographic. Since 1925, when WSM-AM broadcast the first radio show which became the Grand Ole Opry, the Grand Ole Opry has entertained, and continues to entertain, millions of country-music lovers both nationally and abroad. With its high level of brand name awareness, the Grand Ole Opry provides us opportunities to leverage and extend its brand equity into other products and markets. In addition to significant brand awareness of the Grand Ole Opry name, we also enjoy a high level of brand name awareness among meeting planners with our Gaylord hotels brand.

Experienced and Proven Management. Our senior management team has substantial experience in the lodging industry. In April 2001, Michael Rose, Chairman, and Colin Reed, President and CEO, joined us with a combined 56 years of industry experience. Mr. Rose was previously Chairman of the Board of Promus Hotel Corporation and Chairman of the Board of Harrah's Entertainment, Inc. Prior to joining us, Mr. Reed was a member of the three-executive office of the President of Harrah's Entertainment, Inc. During 2001, Mr. Rose and Mr. Reed applied their industry experience to refocus Gaylord as the only hospitality company with a primary emphasis on the large group meetings segment. Upon joining Gaylord, Mr. Rose and Mr. Reed significantly improved the management team by replacing nine out of ten senior managers. On average, our new senior management team has approximately 13 years of experience in the hospitality industry.

Since early 2002, we identified and divested a number of non-core assets at attractive valuations. These divestitures resulted in cash proceeds in excess of $340 million, which we subsequently employed to repay existing debt and to partially fund the construction of our new Gaylord Texan hotel. In addition, our management team has implemented measures to improve customer satisfaction and employee morale and enacted cost-cutting measures aimed at improving operating performance and cash flow.

Business Strategy

Our goal is to become the nation's premier hotel brand serving the meetings and conventions sector and to enhance our business by offering additional vacation and entertainment opportunities to our guests and target consumers. Our Gaylord branded hotels focus on the $86 billion large group meetings market. Our properties and service are designed to appeal to meeting planners who arrange these large group meetings. As a result of the ResortQuest acquisition, we now operate a leading provider of vacation condominium and home rental management services with approximately 19,300 vacation rental properties under management. The Grand Ole Opry is one of the brands best-known by the "country lifestyle" consumer, which we estimate to be approximately 70 million people in the United States.

"All-in-One-Place" Product Offering. Through our "All-in-One-Place" strategy, our Gaylord branded hotels incorporate meeting and exhibition space, signature guest rooms, award-winning food and beverage offerings, fitness facilities and other attractions within a large hotel property so our attendees' needs are met in one location. This strategy creates a better experience for both meeting planners and our guests, while at the same time allowing us to capture a greater share of their event spending. It is through this strategy of a self-contained destination dedicated primarily to the meetings industry that our Gaylord Opryland hotel in Nashville and our Gaylord Palms hotel in Florida claim a place among the leading convention hotels in the country.

Create Customer Rotation Between Our Hotels. In order to further capitalize on our success in Nashville, we opened our Gaylord Palms hotel in January 2002 and our new Gaylord Texan hotel in April 2004. In 2001, we refocused the efforts of our sales force to capitalize on our expansion and the desires of some of our large group clients to meet in different parts of the country each year. In addition, we establish relationships with new customers as we increase our geographic reach. For example, upon opening the Gaylord Palms, we added new association clients such as the North American Veterinarian Association. There is a significant opportunity to establish strong relationships with new customers and rotate them to our other properties. For example, the National Collegiate Athletic Association (“NCAA”) has contracted for approximately 25,000 room nights among our Gaylord branded hotels over the next 5 years.

Leverage Brand Name Awareness. We believe that the Grand Ole Opry is one of the most recognized entertainment brands within the United States. We promote the Grand Ole Opry name through a number of media including our WSM-AM radio station, the internet, television and performances by the Grand Ole Opry’s members, many of whom are renowned country music artists. In addition to these long-standing promotion media, we believe that significant growth opportunities exist through leveraging and extending the Grand Ole Opry brand into other products and markets. As such, we have alliances in place with multiple distribution partners such as Great American Country (GAC) cable television channel, Westwood One Radio Network and Sirius Satellite Radio in an effort to foster brand extension. We are currently exploring additional products, such as television specials and retail products, through which we can capitalize on our brand affinity and awareness. We believe that licensing our brand for products may provide an opportunity to increase revenues and cash flow with relatively little capital investment.

Capitalize on the ResortQuest Acquisition. We believe the combination of Gaylord and ResortQuest has formed a stronger, more diversified hospitality company with the ability to offer a broader range of accommodations to existing and potential customers. We believe that there are significant opportunities to cross-sell hospitality products by offering ResortQuest’s vacation properties to our “country lifestyle” consumers and introducing our hotels and “country lifestyle” offerings to ResortQuest’s customers. Drawing upon the experience of our combined management teams, we believe that we can more fully develop the ResortQuest brand and take advantage of future growth opportunities through increased scale, improved operational efficiency and access to additional sources of capital. In addition, we have identified a number of cost saving opportunities and synergies, including eliminating redundant functions and optimizing the combined company’s infrastructure.

Industry Description

According to *Tradeshow Week*, the large group meetings market generated approximately $86 billion of revenues for the companies that provide services to it. The convention hotel industry is estimated to have generated approximately $15 billion of these revenues. These revenues include event producer total gross sales (which includes exhibitor and sponsor expenditures) and attendee “economic impact” (which includes spending on lodging, meals, entertainment and in-city transportation), not all of which we capture. The convention hotels that attract these group meetings typically have at least 25,000 square feet of exhibit space, often have more than 1,000 guest rooms and, on average, contain approximately 119,000 square feet of exhibit space, 94,000 square feet of meeting space and 40 meeting rooms.

The large group meetings market is comprised of approximately one million events annually, of which approximately 80% are corporate meetings and 18% are association meetings. The large majority of these events require less than 250,000 square feet of exhibit or meeting space, with only 8% requiring over 500,000 square feet. Examples of industries participating in these meetings include health care, home furnishings, computers, sporting goods and recreation, education, building and construction, industrial, agriculture, food and beverage, boats and automotive. Association-sponsored events, which draw a large number of attendees requiring extensive meeting space and room availability, account for over half of total group spending and economic impact. Because associations and trade shows generally select their sites 2 to 5 years in advance, thereby increasing earnings visibility, the convention hotel segment of the lodging industry is more predictable and less susceptible to economic downturns than the general lodging industry.

A number of factors contribute to the success of a convention center hotel, including the following: the availability of sufficient meeting and exhibit space to satisfy large group users; the availability of rooms at competitive prices; access to quality entertainment and food & beverage venues; destination appeal; appropriate regional professional and consumer demographics; adequate loading docks, storage facilities and security; ease of site access via air and ground transportation; and the quality of service provided by hotel staff and event coordinators. The ability to offer as many of these elements within close proximity of each other is important in order to reduce the organizational and logistical planning efforts of the meeting planner. The meeting planner, who acts as an intermediary between the hotel event coordinator and the group scheduling the event, is typically a convention hotel's direct customer. Effective interaction and coordination with meeting planners is key to booking events and generating repeat customers.

Largest Hotel Exhibit Hall Rankings 2003

Facility	City	Total Exhibit Space (sq. ft.)	Number of Meeting Rooms	Total Meeting Space (sq. ft.)
Sands Expo	Las Vegas, NV	1,125,600	146	231,477
Mandalay Bay Resort & Casino	Las Vegas, NV	934,731	121	360,924
Walt Disney World Swan and Dolphin	Lake Buena Vista, FL	329,000	84	248,655
Wyndham Anatole Hotel	Dallas, TX	315,000	73	187,000
Gaylord Opryland Resort & Convention Center	Nashville, TN	288,972	85	300,000
Hyatt Regency Chicago's Riverside Center	Chicago, IL	225,000	71	115,000
MGM Grand Hotel & Conference Center	Las Vegas, NV	210,000	60	315,000
The Westin Diplomat Resort & Spa	Hollywood, FL	209,000	39	60,000
Reno Hilton	Reno, NV	190,000	40	110,000
Gaylord Texan Resort & Convention Center*	Grapevine, TX	179,800	69	180,000
Gaylord Palms Resort & Convention Center	Kissimmee, FL	178,500	61	200,000

Source: the Company; *Tradeshow Week Major Exhibit Hall Directory 2003*

* Opened April 2, 2004.

Hospitality

Gaylord Hotels — Strategic Plan. Our goal is to become the nation's premier brand in the meetings and convention sector. To accomplish this, our business strategy is to develop resorts and convention centers in desirable event destinations that are created based in large part on the needs of meeting planners and attendees. Using the slogan "All-in-One-Place," our hotels incorporate meeting, convention and exhibition space with a large hotel property so the attendees never have to leave the location during their meetings. This concept of a self-contained destination dedicated primarily to the meetings industry has made Gaylord Opryland in Nashville one of the leading convention hotels in the country. In addition to operating Gaylord Opryland, we opened Gaylord Palms in Kissimmee, Florida in January 2002 and our new Gaylord Texan hotel in Grapevine, Texas on April 2, 2004, and have a contract to purchase land for the development of a hotel in the Washington, D.C. area. We believe that our new convention hotels will enable us to capture additional convention business from groups that currently utilize Gaylord Opryland but must rotate their meetings to other locations due to their attendees' desires to visit different areas. Gaylord also anticipates that our new hotels will capture new group business that currently do not come to the Nashville market and will seek to gain additional business at Gaylord Opryland in Nashville once these groups have experienced a Gaylord hotel in other markets.

Gaylord Opryland Resort and Convention Center — Nashville, Tennessee. Our flagship resort, Gaylord Opryland in Nashville, is one of the leading convention destinations in the United States based upon number of rooms, exhibit space and conventions held. Designed with the lavish gardens and magnificent charm of a glorious Southern mansion, the resort is situated on approximately 172 acres in the Opryland complex. Gaylord Opryland is one of the largest hotels in the continental United States in terms of number of guest rooms. It also serves as a destination resort for vacationers due to its proximity to the Grand Ole Opry, the General Jackson Showboat, the Springhouse Golf Club (Gaylord's 18-hole championship golf course), and other attractions in the Nashville area. Gaylord Opryland has 2,881 guest rooms, four ballrooms with approximately 121,000 square feet, 85 banquet/meeting rooms, and total dedicated exhibition space of approximately 289,000 square feet. Total meeting, exhibit and pre-function space in the hotel is approximately 600,000 square feet. The Gaylord Opryland has been recognized by many industry and commercial publications, receiving the *Meeting News'* Planners Choice Award, *Travel & Leisure's* World's Best Award and *Meeting & Convention's* Gold Key Elite Award.

Gaylord Palms Resort and Convention Center — Kissimmee, Florida. We opened Gaylord Palms in January 2002. Gaylord Palms has 1,406 signature guest rooms and approximately 360,000 square feet of total meeting and exhibit space. The hotel is situated on a 65-acre site in Osceola County, Florida and is approximately 5 minutes from the main gate of the Walt Disney World® Resort complex. Gaylord Palms has a full-service spa, with 20,000-square feet of dedicated space and 15 treatment rooms. Hotel guests also have golf privileges at the world class Falcon's Fire Golf Club, located a half-mile from the property. The Gaylord Palms has been recognized by many publications and was named Best Florida Resort by *Florida Monthly* for 2003.

Gaylord Texan Resort and Convention Center — Grapevine, Texas. We began construction on our new Gaylord Texan hotel in June 2000, and the hotel opened on April 2, 2004. The 1,511 room hotel and convention center is located eight minutes from the Dallas/Fort Worth International Airport. Like its sister property in Kissimmee, Florida, the Gaylord Texan features a grand atrium enclosing several acres as well as over 360,000 square feet of pre-function, meeting and exhibition space all under one roof. The property also includes a number of themed restaurants with an additional restaurant located on the point overlooking Lake Grapevine.

Gaylord Hotels Development Plan. In January 2000, we announced plans to develop a Gaylord hotel on property to be acquired on the Potomac River in Prince George's County, Maryland (in the Washington, D.C. market). We have entered into a purchase agreement with respect to the site of our proposed development. The purchase agreement is subject to designated closing conditions and provides for liquidated damages, currently in the amount of $1.0 million, in the event we elect not to purchase the property once the closing conditions have been satisfied. This project is subject to the availability of financing and resolution of certain zoning issues and final approval of Gaylord's board of directors. Gaylord's management is also considering other sites to locate future Gaylord Hotel properties.

Radisson Hotel at Opryland. We also own and operate the Radisson Hotel at Opryland, a Radisson franchise hotel which is located across the street from Gaylord Opryland. The hotel has 303 rooms and approximately 14,000 square feet of meeting space. In March 2000, we entered into a 20-year franchise agreement with Radisson in connection with the operation of this hotel.

Opry and Attractions Group

The Grand Ole Opry. The Grand Ole Opry, which celebrated its 75th anniversary in 2000, is one of the most widely known platforms for country music in the world. The Opry features a live country music show with performances every Friday and Saturday night, as well as a Tuesday Night Opry on a seasonal basis. The Opry House, home of the Grand Ole Opry, is located in the Opryland complex. The Grand Ole Opry moved to the Opry House in 1974 from its most famous home in the Ryman Auditorium in downtown Nashville.

Each week the Grand Ole Opry is broadcast live to millions of country lifestyle consumers on terrestrial radio via Westwood One, and WSM-AM, worldwide on the Armed Forces Radio Network, on satellite radio via Sirius Satellite Radio and on television via the Great American Country network and CMT-Canada. The broadcast of the Opry is also streamed on the Internet via www.opry.com and www.wsmonline.com. The show has been broadcast since 1925 on WSM-AM, making it the longest running live radio program in the United States. The television broadcast schedule on the Great American Country network will include 52 weekly telecasts airing on Saturday nights at 8 p.m. EST and repeating three times on weekends and twice on Tuesday evenings. The Grand Ole Opry is also re-aired on 205 radio stations across the country through syndication of "America's Grand Ole Opry Weekend," which is distributed by Westwood One. In addition to performances by members, the Grand Ole Opry presents performances by many other country music artists.

Ryman Auditorium. The Ryman Auditorium, which was built in 1892 and seats approximately 2,300, was recently designated as a National Historic Landmark. The former home of the Grand Ole Opry, the Ryman Auditorium was renovated and re-opened in 1994 for concerts and musical productions. The Grand Ole Opry returns to the Ryman Auditorium periodically, most recently from November 2003 to January 2004.

The General Jackson Showboat. We operate the General Jackson Showboat, a 300-foot, four-deck paddle wheel showboat, on the Cumberland River, which flows past the Gaylord Opryland complex in Nashville. Its Victorian Theatre can seat 620 people for banquets and 1,000 people for theater-style presentations. The showboat stages Broadway-style shows and other theatrical productions. The General Jackson is one of many sources of entertainment that Gaylord makes available to conventions held at Gaylord Opryland. During the day it operates cruises, primarily serving tourists visiting the Opryland complex and the Nashville area.

The Springhouse Golf Club. Home to a Senior PGA Tour event from 1994 to 2003 and minutes from Gaylord Opryland, the Springhouse Golf Club was designed by former U.S. Open and PGA Champion Larry Nelson. The 40,000 square-foot antebellum-style clubhouse offers meeting space for up to 450 guests.

The Wildhorse Saloon. Since 1994, we have owned and operated the Wildhorse Saloon, a country music performance venue on historic Second Avenue in downtown Nashville. The three story facility includes a dance floor of approximately 2,500 square feet, a restaurant and banquet facility that can accommodate up to 2,000 guests.

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

WSM-AM. WSM-AM commenced broadcasting in 1925. The involvement of Gaylord's predecessors with country music dates back to the creation of the radio program that became The Grand Ole Opry, which has been broadcast live on WSM-AM since 1925. WSM-AM is broadcast from the Gaylord Opryland complex in Nashville and has a country music format. WSM-AM went on the air in 1925 and is one of the nation's "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.

On July 21, 2003, we, through our wholly-owned subsidiary Gaylord Investments, Inc., sold the assets primarily used in the operations of WSM-FM and WWTN(FM) to Cumulus Broadcasting, Inc. for $62.5 million in cash, and Gaylord entered into a joint sales agreement with Cumulus for WSM-AM in exchange for approximately $2.5 million in cash. Under the joint sales agreement with Cumulus, Cumulus will sell all of the commercial advertising on WSM-AM and provide certain sales promotion and billing and collection services relating to WSM-AM, all for a specified fee. The joint sales agreement has a term of five years.

Corporate and Other

Bass Pro Shops. We own a 19.1% interest in Bass Pro, Inc. Bass Pro, Inc. owns and operates Bass Pro Shops, a retailer of premium outdoor sporting goods and fishing tackle. Bass Pro Shops serves its customers through an extensive mail order catalog operation, a retail center in Springfield, Missouri, and additional retail stores at Opry Mills in Nashville and in various other U.S. locations.

Nashville Predators. As of December 31, 2003, we own a 10.5% interest in the Nashville Hockey Club Limited Partnership, a limited partnership that owns the Nashville Predators, a National Hockey League franchise that begins its sixth season in the fall of 2003. In July of 2002 and 2003 respectively, we exercised the first two of our three put options, each of which gives us the right to require that the Predators repurchase one-third of its interest in the partnership. To date, the Predators have not completed this repurchase. In August 1999, we entered into a Naming Rights Agreement with the limited partnership whereby we purchased the right to name the Nashville Arena the “Gaylord Entertainment Center” and to place certain advertising within the arena. Under the agreement, which has a 20-year term, we are required to make annual payments, beginning at $2,050,000 in the first year and with a 5% escalation each year thereafter, and to purchase a minimum number of tickets to Predators games each year. We contend that we made the payment due under the Naming Rights Agreement by way of set off against obligations owed pursuant to the put option. We are currently in litigation with the Nashville Hockey Club Limited Partnership to resolve the disputes regarding the team ownership and the naming rights for the Gaylord Entertainment Center. See “— Legal Proceedings” below.

Viacom. We hold an investment of approximately 11 million shares of Viacom Class B common stock (“Viacom stock”), which was received as the result of the sale of television station KTVT to CBS in 1999 and the subsequent acquisition of CBS by Viacom in 2000. We entered into a secured forward exchange contract related to 10.9 million shares of the Viacom stock in 2000. The secured forward exchange contract protects us against decreases in the fair market value of the Viacom stock, while providing for participation in increases in the fair market value. At December 31, 2003, the fair market value of our investment in the shares of Viacom stock was $488.3 million, or $44.38 per share. The secured forward exchange contract protects the Company against decreases in the fair market value of the Viacom stock by way of a put option at a strike price below $56.05 per share, while providing for participation in increases in the fair market value by way of a call option at a strike price of $75.30 per share, as of December 31, 2003. Future dividend distributions received from Viacom may result in an adjusted call strike price. For any appreciation above $75.30 per share, the Company will participate in the appreciation at a rate of 25.93%. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

ResortQuest

ResortQuest is a leading provider of vacation condominium and home rental property management services in premier destination resort locations in the United States and Canada. ResortQuest has developed a branded network of vacation rental properties and currently offers management services to approximately 19,300 vacation rental properties, approximately 17,800 of which are under exclusive management contracts and 1,500 of which are under non-exclusive management contracts. ResortQuest’s operations are located in more than 50 premier beach, mountain, desert and tropical resort locations.

Terms of the ResortQuest Acquisition

Under the terms of the ResortQuest acquisition, GET Merger Sub, Inc., a wholly owned subsidiary of Gaylord formed for the purpose of the ResortQuest acquisition, merged with and into ResortQuest. As a result, ResortQuest survived the merger and became a wholly owned subsidiary of Gaylord. ResortQuest stockholders received 0.275 shares of Gaylord common stock for each share of ResortQuest common stock they hold. Gaylord stockholders owned approximately 86% of the combined company and former ResortQuest stockholders owned approximately 14% of the combined company, on a fully diluted basis immediately following the merger. The combined company incurred fees and expenses related to the ResortQuest acquisition, including employee severance costs, at the time of the merger, certain of which will be reflected in the combined company’s financial results for the period in which the merger was consummated. See Notes 3 and 4 to the Unaudited Pro Forma Combined Condensed Consolidated Financial Information.

Implementation of Strategic Direction

During the second quarter of 2001, we hired a new Chairman of the Board and a new Chief Executive Officer. Once the new senior management team was in place, they devoted a significant portion of 2001 to reviewing the many different businesses they inherited when they joined the Company. After significant review, it was determined that, while we had four business segments for financial reporting purposes (Hospitality, Opry and Attractions Group, Media (consisting of our radio stations and other media assets) and Corporate and Other), the future direction of the Company would be based on two core asset groups, which were aligned as follows: (i) Hospitality Core Asset Group: consisting of the Gaylord Hotels and the various attractions that provide entertainment to guests of the hotels and (ii) Opry Core Asset Group: consisting of the Grand Ole Opry, WSM-AM radio, and the Ryman Auditorium.

As a result, it was determined that Acuff-Rose Music Publishing, Word Entertainment, Music Country/ CMT International, Oklahoma RedHawks, Opry Mills, GET Management, WSM-FM and WWTN(FM) were not core assets of the Company, and as a result each has either been sold or otherwise disposed of by the Company as reflected in the following table.

Business Sold	Date	Proceeds From Sale (Cash and Other)
		(In millions)
Interest in Oklahoma RedHawks	November 20, 2003	$ 6.0
WSM-FM and WWTN(FM)	July 21, 2003	62.5
Acuff-Rose Music Publishing	August 27, 2002	157.0
Opry Mills 33.3% Partnership Interest	June 28, 2002	30.8
Music Country/CMT International	February 25, 2002	3.7
Word Entertainment	January 4, 2002	84.1
Gaylord Production Company, Gaylord Films, Pandora Films, Gaylord Sports Management Group and Gaylord Event Television	March 9, 2001	41.3(1)

(1) Shortly after the closing, the Oklahoma Publishing Company (“OPUBCO”), which purchased these assets, asserted that the Company breached certain representations and warranties in the purchase agreement. The Company entered into settlement negotiations pursuant to which the Company paid OPUBCO an aggregate of $825,000.

Gaylord Digital, Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television, Gaylord Production Company, Z Music and the Opryland River Taxis, also not core assets of the Company, had previously been sold or otherwise disposed of by the Company. Remaining businesses to be sold include the Company’s interests in the Nashville Predators and certain miscellaneous real estate holdings. Management has yet to make a final decision as to whether to sell its minority interest in Bass Pro Shops, which it has determined to be a non-core asset. Following the decision to divest certain businesses, we restructured the corporate organization to streamline operations and remove duplicative costs. The Opryland Hospitality management group was combined with the Corporate management group and all Nashville management employees were consolidated into the Company’s Wendell Office Building.

Employees

As of December 31, 2003, we had approximately 7,200 full-time and 2,650 part-time and temporary employees. Of these, approximately 3,650 full-time and 1,020 part-time employees were employed in Hospitality; approximately 300 full-time and 560 part-time employees were employed in Opry and Attractions Group; approximately 3,000 full-time and 1,000 part-time employees were employed in ResortQuest; and approximately 250 full-time and 70 part-time employees were employed in Corporate and Other. After the opening of the Gaylord Texan in April of 2004, it is anticipated that an additional

1,450 employees will be employed in Hospitality. The Company believes its relations with its employees are good.

Competition

Hospitality

The Gaylord Hotel properties compete with numerous other hotels throughout the United States and abroad, particularly the approximately 84 convention hotels located outside of Las Vegas, Nevada that have more than 800 rooms each, and a significant amount of meeting and exhibit space. Many of these hotels are operated by companies with greater financial, marketing, and human resources than the Company. We believe that competition among convention hotels is based on, among other things: (i) the hotel’s reputation, (ii) the quality of the hotel’s facility, (iii) the quality and scope of a hotel’s meeting and convention facilities and services, (iv) the desirability of a hotel’s location, (v) travel distance to a hotel for meeting attendees, (vi) a hotel facility’s accessibility to a recognized airport, (vii) the amount of entertainment and recreational options available in and in the vicinity of the hotel, and (viii) price. Our hotels also compete against municipal convention centers. These include the largest convention centers (e.g., Orlando, Chicago and Atlanta) as well as, for Gaylord Opryland, mid-size convention centers (between 100,000 and 500,000 square feet of meeting space located in second-tier cities).

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

Opry and Attractions

The Grand Ole Opry and other attractions businesses compete with all other forms of entertainment and recreational activities. The success of the Opry and Attractions group is dependent upon certain factors beyond our control including economic conditions, the amount of available leisure time, transportation cost, public taste, and weather conditions. Our radio station competes with numerous other types of entertainment businesses, and success is often dependent on taste and fashion, which may fluctuate from time to time. WSM-AM competes for advertising revenues with other radio stations in the Nashville market on the basis of formats, ratings, market share, and the demographic makeup of their audience. Advertising rates of WSM-AM are based principally on the size, market share, and demographic profile of its listening audiences. WSM-AM primarily competes for both audience share and advertising revenues and also competes with the Internet, newspapers, billboards, cable networks, local cable channels, and magazines for advertising revenues. Management competence and experience, station frequency signal coverage, network affiliation, effectiveness of programming format, sales effort, and level of customer service are all important factors in determining competitive position. Under a joint sales agreement with Cumulus, we continue to own and operate WSM-AM, and Cumulus sells all commercial advertising on WSM-AM and provides certain sales promotion and billing and collection services for a specified fee.

ResortQuest

The vacation rental and property management industry is highly competitive and has low barriers to entry. The industry has two distinct customer groups: vacation property renters and vacation property owners. We believe that the principal competitive factors in attracting vacation property renters are:

- market share and visibility;
- quality, cost and breadth of services and properties provided; and
- long-term customer relationships.

The principal competitive factors in attracting vacation property owners are the ability to generate higher rental income and the ability to provide comprehensive management services at competitive prices.

ResortQuest competes for vacationers and property owners primarily with over 4,000 individual vacation rental and property management companies that typically operate in a limited geographic area. Some of our competitors are affiliated with the owners or operators of resorts in which such competitors provide their services. Certain of these smaller competitors may have lower overhead cost structures and may be able to provide their services at lower rates.

ResortQuest also competes for vacationers with large hotel and resort companies. Many of these competitors have greater financial resources than we have, enabling them to finance acquisition and development opportunities, to pay higher prices for the same opportunities or to develop and support their own operations. In addition, many of these companies can offer vacationers services not provided by vacation rental and property management companies, and they may have greater name recognition among vacationers. These companies might be willing to sacrifice profitability to capture a greater portion of the market for vacationers or pay higher prices than we would for the same acquisition opportunities. Consequently, we may encounter significant competition in our efforts to achieve our internal and acquisition growth objectives as well as our operating strategies focused on increasing the profitability of our existing and subsequent acquisitions.

Regulation and Legislation

Hospitality

The Gaylord Hotels and the Radisson Hotel at Opryland are subject to certain federal, state, and local governmental regulations including, without limitation, health, safety, and environmental regulations applicable to hotel and restaurant operations. We believe that we are in substantial compliance with such regulations. In addition, the sale of alcoholic beverages by a hotel requires a license and is subject to regulation by the applicable state and local authorities. The agencies involved have the power to limit, condition, suspend, or revoke any such license, and any disciplinary action or revocation could have an adverse effect upon the results of operations of the Company’s Hospitality segment.

Opry and Attractions

WSM-AM is subject to regulation under the Communications Act of 1934, as amended (the “Communications Act”). Under the Communications Act, the Federal Communications Commission, or FCC, among other things, assigns frequency bands for broadcasting; determines the frequencies, location, and signal strength of stations; issues, renews, revokes, and modifies station licenses; regulates equipment used by stations; and adopts and implements regulations and policies that directly or indirectly affect the ownership, operation, and other practices of broadcasting stations.

Licenses issued for radio stations have terms of eight years. Radio broadcast licenses are renewable upon application to the FCC and in the past have been renewed except in rare cases. Competing applications will not be accepted at the time of license renewal, and will not be entertained at all unless the FCC first concludes that renewal of the license would not serve the public interest. A station will be entitled to renewal in the absence of serious violations of the Communications Act or the FCC regulations or other violations which constitute a pattern of abuse. The Company is not aware of any reason why its radio station license should not be renewed.

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

ResortQuest

The operations of ResortQuest are subject to various federal, state, local and foreign laws and regulations, including licensing requirements applicable to real estate operations and the sale of alcoholic beverages, laws and regulations relating to consumer protection and local ordinances. Many states have adopted specific laws and regulations which regulate our activities, such as:

- anti-fraud laws;
- real estate and travel services provider license requirements;
- environmental laws;
- telemarketing and consumer privacy laws; and
- the Fair Housing Act.

The agencies involved in enforcing these laws and regulations have the power to limit, condition, suspend, or revoke any such license or activity by ResortQuest, and any disciplinary action or revocation affecting a significant portion of the operations of ResortQuest could have an adverse effect upon the results of operations of ResortQuest.

Properties

We own our 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. We own the land and improvements that comprise the Opryland complex in Nashville, Tennessee which are composed of the properties described below. We also own the former offices and television studios of TNN and CMT, all of which are located within the Opryland complex and contain approximately 84,000 square feet of space. These facilities were previously leased to CBS through September 30, 2002. Gaylord believes that its present facilities for each of its business segments are generally well maintained.

Hospitality

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

Opry and Attractions

We own the General Jackson Showboat's docking facility and the Opry House, both of which are located within the Opryland complex. We also own the Springhouse Golf Club, an 18-hole golf course situated on over 200 acres and the 6.7-acre site of the Radisson Hotel at Opryland, both located near the Opryland complex. In downtown Nashville, we own the Ryman Auditorium and the Wildhorse Saloon dance hall and production facility. We own WSM Radio's offices and studios, which are also located within the Opryland complex.

ResortQuest

ResortQuest has approximately 200 properties in over 50 locations in 17 states in the U.S. and one province in Canada. These properties consist principally of offices and maintenance, laundry and storage facilities. We own approximately 40 of these facilities and lease approximately 160 properties. We consider all of these owned and leased properties to be suitable and adequate for the conduct of our business.

Legal Proceedings

We are a party to the lawsuit styled *Nashville Hockey Club Limited Partnership v. Gaylord Entertainment Company,* Case No. 03-1474, now pending in the Chancery Court for Davidson County, Tennessee. In its complaint for breach of contract, Nashville Hockey Club Limited Partnership alleged that we failed to honor our payment obligation under a Naming Rights Agreement for the multi-purpose arena in Nashville known as the Gaylord Entertainment Center. Specifically, Plaintiff alleged that we failed to make a semi-annual payment to Plaintiff in the amount of $1,186,565.50 when due on January 1, 2003 and in the amount of $1,245,894 when due on July 1, 2003. We contended that we effectively fulfilled our obligations due under the Naming Rights Agreement by way of set off against obligations owed by Plaintiff to CCK Holdings, LLC ("CCK") under a "put option" CCK exercised pursuant to the Partnership Agreement between CCK and Plaintiff. CCK has assigned the proceeds of its put option to us. We vigorously contested this case by filing an answer and counterclaim denying any liability to Plaintiff, specifically alleging that all payments due to Plaintiff under the Naming Rights Agreement had been paid in full and asserting a counterclaim for amounts owing on the put option under the Partnership Agreement. Plaintiff filed a motion for summary judgment which was argued on February 6, 2004, and on March 10, 2004 the Chancellor granted the Plaintiff's motion, requiring us to make payments (including $4.1 million payable to date) under the Naming Rights Agreement in cash and finding that conditions to the satisfaction of our put option have not been met. Gaylord intends to appeal this decision and continue to vigorously assert its rights in this litigation. Because we continued to recognize the expense under the Naming Rights Agreement, payment of the accrued amounts under the Naming Rights Agreement will not affect our results of operation.

One of our ResortQuest subsidiaries is a party to the lawsuit styled *Awbrey et al. v. Abbott Realty Services, Inc.*, Case No. 02-CA-1203, now pending in the Okaloosa County, Florida Circuit Court. The plaintiffs are owners of 16 condominium units at the Jade East condominium development in Destin, Florida, and they have filed suit alleging, among other things, nondisclosure and misrepresentation by our real estate sales agents in the sale of Plaintiffs' units. Plaintiffs seek unspecified damages and a jury trial. We have filed pleadings denying the Plaintiffs' allegations and asserting several affirmative defenses, among them that the claims of the Plaintiffs have been released in connection with the April 2001 settlement of a 1998 lawsuit filed by the Jade East condominium owners association against the original condominium's developer. We have also filed a motion for summary judgment which has been set for hearing in May 2004. At this stage it is difficult to ascertain the likelihood of an unfavorable outcome. The damages sought by each Plaintiff are in excess of $200,000, making the total exposure to the sixteen unit owners in excess of $3.2 million. Those damages are disputed by the Company as overstated and unproven, and we intend to vigorously defend this case.

We maintain various insurance policies, including general liability and property damage insurance, as well as workers' compensation, business interruption, and other policies, which we believe provide adequate coverage for the risks associated with our range of operations. Various of our subsidiaries 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. We believe that we are adequately insured against these claims by our existing insurance policies and that the outcome of any pending claims or proceedings will not have a material adverse effect on our financial position or results of operations.

We 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 our predecessor. In 1991, OPUBCO assumed these liabilities and agreed to indemnify us for any losses, damages, or other liabilities incurred by it in connection with these matters. We believe that OPUBCO's indemnification will fully cover our Superfund liabilities, if any, and that, based on our current estimates of these liabilities, OPUBCO has sufficient financial resources to fulfill its indemnification obligations.

DESCRIPTION OF CERTAIN INDEBTEDNESS

New Revolving Credit Facility

On November 20, 2003, we entered into a new $65.0 million revolving credit facility, which has been increased to $100.0 million. The new revolving credit facility, which replaces our old revolving credit portion of our 2003 Florida/Texas senior secured credit facility discussed below, matures in May 2006. The new revolving credit facility has an interest rate, at our election, of either LIBOR plus 3.50% (subject to a minimum LIBOR of 1.32%) or the lending banks' base rate plus 2.25%. Borrowings may be made with interest periods ranging from one to three months, at our election. Interest on our borrowings is payable quarterly, in arrears, for base rate loans and at the end of each interest rate period for LIBOR rate-based loans. Principal is payable in full at maturity and may be prepaid without penalty. The new revolving credit facility is guaranteed on a senior unsecured basis by our subsidiaries that are guarantors of our new notes (consisting generally of our active domestic subsidiaries that are not parties to our Nashville hotel loan arrangements) and is secured by a leasehold mortgage on the Gaylord Palms Resort & Convention Center. The Company is required to pay a commitment fee equal to 0.5% per year of the average daily unused revolving portion of the new revolving credit facility.

In addition, the new revolving credit facility contains certain covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, capital expenditures, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements.

The material financial covenants, ratios or tests contained in the new revolving credit facility are as follows:

- a maximum total leverage ratio requiring that at the end of each fiscal quarter, our ratio of consolidated indebtedness minus unrestricted cash on hand to consolidated EBITDA for the most recent four fiscal quarters, subject to certain adjustments, not exceed a range of ratios (decreasing from 7.5 to 1.0 for early 2004 to 5.0 to 1.0 for 2005 and thereafter) for the recent four fiscal quarters;

- a requirement that the adjusted net operating income for the Gaylord Palms Resort and Convention Center be at least $25,000,000 at the end of each fiscal quarter ending December 31, 2003, through December 31, 2004, and $28,000,000 at the end of each fiscal quarter thereafter, in each case based on the most recent four fiscal quarters; and

- a minimum fixed charge coverage ratio requiring that at the end of each fiscal quarter, our ratio of consolidated EBITDA for the most recent four fiscal quarters, subject to certain adjustments, to the sum of (i) consolidated interest expense and capitalized interest expense for the previous fiscal quarter, multiplied by four, and (ii) required amortization of indebtedness for the most recent four fiscal quarters, be not less than 1.5 to 1.0.

As of December 31, 2003, we were in compliance with the foregoing covenants. As of December 31, 2003, no borrowings were outstanding under the new revolving credit facility, but the lending banks had issued $11.3 million of letters of credit under the credit facility for us. The revolving credit facility is cross-defaulted to our other indebtedness.

Nashville Hotel Loan

On March 27, 2001, we, through wholly owned subsidiaries, entered into a $275.0 million senior secured loan with Merrill Lynch Mortgage Lending, Inc. At the same time, we entered into a $100.0 million mezzanine loan which was repaid in November 2003 with the proceeds of the outstanding senior notes (as defined below). The senior and mezzanine loan borrower and its member were subsidiaries formed for the purposes of owning and operating the Nashville hotel and entering into the loan transaction and are special-purpose entities whose activities are strictly limited. We fully consolidate these entities in our consolidated financial statements. The senior loan is secured by a first mortgage lien on the assets of Gaylord Opryland and is due in March 2004. At our option, the senior loan may be extended for two additional one-year terms to March 2006, subject to our Gaylord Opryland operations meeting certain financial ratios and other criteria. We have given notice to exercise our option to extend the loan until March 2005. Amounts outstanding under the senior loan bear interest at one-month LIBOR plus 1.02%. The senior loan requires monthly principal payments of $0.7 million in addition to monthly interest payments. The terms of the senior loan required us to purchase interest rate hedges in notional amounts equal to the outstanding balances of the senior loan in order to protect against adverse changes in one-month LIBOR. Pursuant to the senior loan agreement, we had purchased instruments that cap our exposure to one-month LIBOR at 7.5%. We used $235.0 million of the proceeds from the senior loan and the mezzanine loan to refinance an existing interim loan incurred in 2000. The net proceeds from the senior loan and the mezzanine loan, after refinancing the existing interim loan and paying required escrows and fees, were approximately $97.6 million. The weighted average interest rates for the senior loan for the years ended December 31, 2003 and 2002, including amortization of deferred financing costs, were 4.2% and 4.5%, respectively.

The terms of the senior loan impose and the old mezzanine loan imposed limits on transactions with affiliates and incurrence of indebtedness by the subsidiary borrower. Our senior loan also contains a cash management restriction that is triggered if a minimum debt service coverage ratio is not met. This provision has never been triggered. Upon a determination as of the end of any quarter that the debt service coverage ratio of the Nashville hotel (which is the ratio of net operating income from the Nashville hotel to principal and interest under the senior loan, all for the preceding 12-month period, subject to certain adjustments) is less than 1.25 to 1.0, excess cash flow from the Nashville hotel must thereafter be deposited in a reserve account with the lender (subject to the borrower's right to make a principal prepayment in amount necessary to cure). Depending upon the debt service coverage ratio level as of the beginning of each subsequent month, amounts in the reserve account are either released to the borrower or held by the lender as collateral and, at the lender's option, applied to the loan at the third payment date following deposit into the account.

In addition, prior to its repayment in 2003, the old mezzanine loan contained financial covenants that were structured such that noncompliance at one level triggered certain cash management restrictions and noncompliance at a second level results in an event of default. Based upon the financial covenant calculations at December 31, 2002, the mezzanine loan's cash management restrictions were in effect which required that all excess cash flows, as defined, be escrowed and be used only to repay principal amounts owed on the senior loan. As of June 30, 2003, the noncompliance level which triggered cash management restrictions was cured and the cash management restrictions were lifted. During 2002, we negotiated certain revisions to the financial covenants under the mezzanine loan. After these revisions, we were in compliance with the covenants under the senior loan and the mezzanine loan for which the failure to comply would result in an event of default at December 31, 2002. We were also in compliance with all applicable covenants under the senior loan at December 31, 2003. An event of default under our other indebtedness does not cause an event of default under the Nashville hotel loan.

Prior Indebtedness

Prior to the closing of the notes offering and establishment of our new revolving credit facility, the Company had in place its 2003 Florida/ Texas senior secured credit facility, consisting of a $150 million term loan, a $50 million subordinated term loan and a $25 million revolving credit facility, outstanding amounts of which were repaid with proceeds of the notes offering. When the 2003 loans were first established, proceeds were used to repay 2001 term loans incurred in connection with the development of the Gaylord Palms.

Proceeds of the notes offering were also used, together with available cash, to repay outstanding ResortQuest debt upon consummation of the ResortQuest acquisition and to repay $66 million remaining outstanding under the mezzanine loan related to our senior Nashville hotel loan.

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

DESCRIPTION OF NOTES

The Company will issue the new notes under an Indenture (the “Indenture”) among itself, the Guarantors and U.S. Bank National Association, as trustee (the “Trustee”). This is the same Indenture pursuant to which we issued the outstanding notes. The terms of the new notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”).

The following description is a summary of the material provisions of the Indenture and the Registration Rights Agreement. It does not restate those agreements in their entirety. We urge you to read the Indenture and the Registration Rights Agreement because they, and not this description, define your rights as holders of the new notes. Copies of the Indenture and the Registration Rights Agreement are filed as exhibits to the registration statement of which this prospectus is a part.

You can find the definitions of certain terms used in this description under the subheading “Certain Definitions.” Certain defined terms used in this description but not defined below under “— Certain Definitions” have the meanings assigned to them in the Indenture. In this description, the word “Company” refers only to Gaylord Entertainment Company and not to any of its subsidiaries.

If the exchange offer contemplated by this prospectus is consummated, holders of outstanding notes who do not exchange outstanding notes for new notes in the exchange offer will vote together with holders of new notes for all relevant purposes under the indenture. In that regard, the indenture requires that certain actions by the holders thereunder must be taken, and certain rights must be exercised, by specified minimum percentages of the aggregate principal amount of the outstanding securities issued under the indenture. In determining whether holders of the requisite percentage in principal amount have given any notice, consent or waiver or taken any other action permitted under the indenture, any outstanding unregistered notes that remain outstanding after the exchange offer will be aggregated with the new notes, and the holders of such outstanding unregistered notes and the new notes will vote together as a single class for all such purposes. Accordingly, all references herein to specified percentages in aggregate principal amount of the notes outstanding shall be deemed to mean, at any time after the exchange offer is consummated, such percentages in aggregate principal amount of the outstanding unregistered notes and the new notes then outstanding.

The registered Holder of a note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the indenture.

Brief Description of the New Notes

The new notes:

- are general unsecured obligations of the Company;
- are effectively subordinated to any secured Indebtedness of the Company, including the Indebtedness of the Company under the Credit Agreement, and any liabilities of the Company’s subsidiaries that are not Guarantors;
- are *pari passu* in right of payment with any unsecured, unsubordinated Indebtedness of the Company;
- are senior in right of payment to any subordinated Indebtedness of the Company; and
- are fully and unconditionally and jointly and severally guaranteed by the Guarantors.

After the November Transactions, as of December 31, 2003, we and our subsidiaries, on a consolidated basis, had $548.8 million of indebtedness outstanding, $200.1 million of which was secured indebtedness and none of which was subordinated to the notes. As of December 31, 2003, our subsidiaries that are not Guarantors had $249.1 million of debt and other liabilities (excluding intercompany liabilities).

As of the date of the Indenture, all of our subsidiaries will be “Restricted Subsidiaries.” However, under the circumstances described below under the subheading “— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries,” we will be permitted to designate certain of our subsidiaries as “Unrestricted Subsidiaries.” Any Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes. As of the date of the Indenture, each of our subsidiaries that is a borrower or guarantor under the Credit Agreement will guarantee the Notes.

Principal, Maturity and Interest

The Indenture provides for the issuance by the Company of Notes with an unlimited principal amount, of which $350.0 million will be issued in this offering in exchange for the outstanding Notes. The Company may issue additional notes (the “Additional Notes”) from time to time after this offering. Any offering of Additional Notes is subject to the covenant described below under the caption “— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock.” The Notes and any Additional Notes subsequently issued under the Indenture would be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Company will issue Notes in denominations of $1,000 and integral multiples of $1,000. The Notes will mature on November 15, 2013.

Interest on the Notes will accrue at the rate of 8% per annum and will be payable semi-annually in arrears on May 15 and November 15, commencing on May 15, 2004. The Company will make each interest payment to the Holders of record on the immediately preceding May 1 and November 1.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to the Company, the Company will pay all principal, interest and premium and Liquidated Damages, if any, on that Holder’s Notes in accordance with those instructions. All other payments on Notes will be made at the office or agency of the Paying Agent and Registrar within the City and State of New York unless the Company elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders.

Paying Agent and Registrar for the Notes

The Trustee will initially act as Paying Agent and Registrar. The Company may change the Paying Agent or Registrar without prior notice to the Holders, and the Company or any of its Subsidiaries may act as Paying Agent or Registrar.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company is not required to transfer or exchange any Note selected for redemption. Also, the Company is not required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

The registered Holder of a Note will be treated as the owner of it for all purposes.

Note Guarantees

The Notes are fully and unconditionally guaranteed, jointly and severally, by all of our existing Domestic Subsidiaries that are borrowers or guarantors under our Credit Agreement. Each Note Guarantee:

- is a general unsecured obligation of the Guarantor;
- is effectively subordinated to any secured Indebtedness of the Guarantor, including the Guarantee of the Guarantor under the Credit Agreement;
- is *pari passu* in right of payment with any unsecured, unsubordinated Indebtedness of the Guarantor; and
- is senior in right of payment to any subordinated Indebtedness of the Guarantor.

The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable state law or a violation of state law prohibiting shareholder distributions by an insolvent subsidiary. See “Risk Factors — Risks Related to the Notes — The subsidiary guarantees may not be enforceable because of fraudulent conveyance laws or state corporate laws prohibiting shareholder distributions by an insolvent subsidiary.” After we completed the offering of the outstanding Notes, completed the ResortQuest acquisition and applied the proceeds of the notes offering, as of December 31, 2003, the Guarantors had $348.7 million of indebtedness outstanding (which includes the Guarantors’ guarantees of the $350.0 million principal amount of the Notes and the mark-to-market of the interest rate swap derivative), none of which was secured indebtedness. Our subsidiaries that will not guarantee the Notes had total assets of $511.4 million as of December 31, 2003 and had total revenues of $215.3 million for the year ended December 31, 2003.

Optional Redemption

At any time prior to November 15, 2006, the Company may redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) at a redemption price of 108.000% of the principal amount thereof, plus accrued and unpaid interest and Liquidated Damages, if any, to the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

(1) at least 65% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries); and

(2) the redemption must occur within 45 days of the date of the closing of such Equity Offering.

Except pursuant to the preceding paragraph, the Notes will not be redeemable at the Company’s option prior to November 15, 2008.

On or after November 15, 2008, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days’ notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Liquidated Damages, if any, thereon, to the applicable redemption date, if redeemed during the twelve-month period beginning on November 15 of the years indicated below:

Year	Percentage
2008	104.000%
2009	102.667%
2010	101.333%
2011 and thereafter	100.000%

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows:

(1) if the Notes are listed, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or

(2) if the Notes are not so listed, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate.

No Notes of $1,000 or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Mandatory Redemption

Special Redemption

$75.0 million aggregate principal amount of the Notes was subject to mandatory redemption (the “Special Redemption”) at 101% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages, if any, to the date of redemption in the event that the Merger was not consummated on or prior to May 31, 2004 (the “Termination Date”).

On November 20, 2003, the Company completed its acquisition of ResortQuest, and the provisions relating to the Special Redemption no longer apply. Immediately prior to the issuance of the Notes in the November 12, 2003 notes offering, the Company entered into a pledge agreement (the “Pledge Agreement”) with U.S. Bank National Association, as collateral agent (in such capacity, the “Collateral Agent”), pursuant to which the Company, on the date of the issuance of the Notes, deposited with the Collateral Agent $79.2 million of the net proceeds from the offering of the Notes, which was pledged to the Collateral Agent for the benefit of the Holders to secure the payment of principal, interest and Liquidated Damages, if any, on the Notes. These funds were released to the Company in connection with the Merger.

Other Mandatory Redemption

Except as set forth above under “— Special Redemption,” the Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders

The Company may be required to repurchase notes in the event of a change of control or an asset sale where sale proceeds are not used for permitted purposes, as described below.

Change of Control

Changes of Control Offer

If a Change of Control occurs, each Holder of Notes will have the right to require the Company to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of that Holder’s Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Company will offer a Change of Control Payment in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Liquidated Damages, if any, thereon, to the date of purchase. Within ten days following any Change of Control, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice. The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

Procedures

On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company.

The Paying Agent will promptly mail or wire transfer to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount of $1,000 or an integral multiple thereof.

The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

Restrictions on our Ability to Repurchase

The Credit Agreement will prohibit the Company from purchasing any Notes, and will also provide that certain change of control events with respect to the Company would constitute a default under the Credit Agreement. Any future credit agreements or other similar agreements to which the Company becomes a party may contain similar restrictions and provisions. In the event a Change of Control occurs at a time when the Company is prohibited from purchasing Notes, the Company could seek the consent of its lenders to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such a consent or repay such borrowings, the Company will remain prohibited from purchasing Notes. In such case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture which would, in turn, constitute a default under such other agreements.

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control will be applicable regardless of whether any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Third Party Offer

The Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Uncertainty about a Disposition of "Substantially All" Assets

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Company and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of Notes to require the Company to repurchase such Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Asset Sales

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless the transaction meets each of the three criteria below:

(1) fair value: the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) board determination: such fair market value is determined by the Company's Board of Directors and evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate delivered to the Trustee; and

(3) 75% cash or Replacement Assets: at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary is in the form of cash or Replacement Assets or a combination of both. For purposes of this provision, each of the following shall be deemed to be cash:

(a) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet) of the Company or any Restricted Subsidiary (other than contingent liabilities, Indebtedness that is *pari passu* with the Notes or any Note Guarantee (other than (x) Indebtedness under Credit Facilities and (y) Indebtedness secured by the assets subject to such Asset Sale), Indebtedness that is subordinated to the Notes or any Note Guarantee and liabilities to the extent owed to the Company or any Affiliate of the Company) that are assumed by the transferee of any such assets pursuant to a customary written novation agreement that releases the Company or such Restricted Subsidiary from further liability; and

(b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash (to the extent of the cash received in that conversion) within 90 days of the applicable Asset Sale.

Application of Net Proceeds

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company may apply such Net Proceeds at its option:

(1) to repay (A) Indebtedness of the Company or any Restricted Subsidiary thereof under Credit Facilities, (B) Indebtedness of the Company or any Restricted Subsidiary thereof secured by such assets or (C) Indebtedness of any Restricted Subsidiary of the Company that is not a

Guarantor, and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto; or

(2) to purchase Replacement Assets or make a capital expenditure in or that is used or useful in a Permitted Business (or enter into a binding agreement to purchase such assets or make such capital expenditure; *provided* that if such binding agreement ceases to be in full force and effect during such 360-day period, the Company may enter into another such binding agreement; *provided* further that if such binding agreement ceases to be in full force and effect after such 360-day period, any portion of the Net Proceeds of such Asset Sale not applied or invested pursuant to such binding agreement shall constitute Excess Proceeds).

Pending the final application of any such Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by the Indenture.

Excess Proceeds Used to Repurchase Notes

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute "Excess Proceeds." Within 10 days after the aggregate amount of Excess Proceeds exceeds $15.0 million, the Company will make an Asset Sale Offer to all Holders of Notes and, at the Company's option, all holders of other Indebtedness that is *pari passu* with the Notes or any Note Guarantee containing provisions similar to those set forth in the Indenture with respect to offers to purchase with the proceeds of sales of assets, to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount of the Notes and such other *pari passu* Indebtedness plus accrued and unpaid interest and Liquidated Damages, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and such other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes and such other *pari passu* Indebtedness shall be purchased on a pro rata basis based on the principal amount of Notes and such other *pari passu* Indebtedness tendered. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

Legal Compliance

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sales provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such compliance.

Restrictions on our Ability to Repurchase

The Credit Agreement will prohibit the Company from purchasing any Notes, and will also provide that certain asset sale events with respect to the Company would constitute a default under the Credit Agreement. Any future credit agreements or other similar agreements to which the Company becomes a party may contain similar restrictions and provisions. In the event an Asset Sale occurs at a time when the Company is prohibited from purchasing Notes, the Company could seek the consent of its lenders to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such a consent or repay such borrowings, the Company will remain prohibited from purchasing Notes. In such case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture which would, in turn, constitute a default under such other agreements.

Suspension Condition

During any period of time that the Notes are rated Investment Grade by both Rating Agencies (both Standard & Poor's Rating Services and Moody's Investor Service, Inc.) and no Default (meaning any event that is, or with the passage of time or the giving of notice or both would be, designated as an Event of Default) or Event of Default shall have occurred and then be continuing (the foregoing conditions being referred to collectively as the "Suspension Condition"), the Company and its Restricted Subsidiaries will not be subject to the covenants described under "— Certain Covenants — Restricted Payments," "— Incurrence of Indebtedness and Issuance of Preferred Stock," clause (3) of "— Merger, Consolidation or Sale of Assets," "— Transactions with Affiliates," clauses (1) and (3) of "— Sale and Leaseback Transactions" and will not be subject to the provisions of the Indenture described under "— Repurchase at the Option of the Holders — Asset Sales" (collectively, the "Suspended Covenants"). As a result, if and while the Company meets the Suspension Condition, the Notes will be entitled to substantially less covenant protection. If the Company and its Restricted Subsidiaries are not subject to the Suspended Covenants with respect to the Notes for any period of time as a result of the foregoing and, subsequently, one or both Rating Agencies withdraw their Investment Grade rating or downgrade the Investment Grade rating assigned to the Notes such that the Notes are no longer rated Investment Grade by both Rating Agencies, then the Company and each of its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants. Compliance with the Suspended Covenants with respect to Restricted Payments made after the time of such withdrawal or downgrade will be calculated in accordance with the terms of the covenant described below under "— Certain Covenants — Restricted Payments" as if such covenant had been in effect during the entire period of time from the date of the Indenture.

So long as the Notes are outstanding, including while the Company meets the Suspension Condition, the Company and its Restricted Subsidiaries will be subject to the provisions of the Indenture described under "— Repurchase at the Option of the Holders — Change of Control" and the covenants described under: "— Certain Covenants — Liens," "— Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries," "— Merger, Consolidation or Sale of Assets" (other than clause (3)), "— Guarantees," "— Designation of Restricted and Unrestricted Subsidiaries," "— Sale and Leaseback Transactions" (other than clauses (1) and (3)), "— Business Activities," "— Payments for Consent" and "— Reports."

Material Covenants

Restricted Payments

(A) Generally, the Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make certain types of payments described below:

(1) dividends: declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends, payments or distributions payable in Equity Interests (other than Disqualified Stock) of the Company or to the Company or a Restricted Subsidiary of the Company);

(2) repurchase equity: purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or of any Restricted Subsidiaries of the Company held by Persons other than the Company or any of its Restricted Subsidiaries;

(3) certain payments on subordinated debt: make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Notes or the Note Guarantees, except (a) a payment of interest or principal at the Stated Maturity thereof or (b) the purchase, repurchase or other acquisition of any such Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition;

(4) certain payments on SAILS contract: make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value the Company's obligations under the SAILS Forward Exchange Contracts (other than through delivery of some or all of the Viacom Stock (meaning the Company's 10,937,900 shares of Class B Stock of Viacom Inc. and other securities into which they may be converted or reclassified or that may be issued in stock splits, dividends, distributions, mergers or other like events) securing such contracts or through Permitted SAILS Refinancing Indebtedness); or

(5) certain investments: make any Restricted Investment (all such payments and other actions set forth in clauses (1) through (5) above being collectively referred to as "Restricted Payments"),

Such restricted payments are permitted, however, if at the time of and after giving effect to such Restricted Payment, all of the following apply:

(1) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(2) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "— Incurrence of Indebtedness and Issuance of Preferred Stock;" and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the date of the Indenture (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (7), (8), (9), (10) and (11) of the next succeeding paragraph (B)), is less than the sum, without duplication, of:

(a) an amount equal to the Company's Consolidated Cash Flow for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of the Indenture to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (the "Basket Period") less the product of 2.0 times the Company's Fixed Charges for the Basket Period, *plus*

(b) 100% of the aggregate net cash proceeds received by the Company since the date of the Indenture as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company), *plus*

(c) with respect to Restricted Investments made by the Company and its Restricted Subsidiaries after the date of the Indenture, an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) in any Person resulting from repayments of loans or advances, or other transfers of assets, in each case to the Company or any Restricted Subsidiary or from the net cash proceeds from the sale of any such Investment (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), from the release of any Guarantee (except to the extent any amounts are paid under such Guarantee) or from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Person or Unrestricted Subsidiary.

(B) Some payments specifically permitted: so long as no Default has occurred and is continuing or would be caused thereby, the preceding provisions will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of the Indenture;

(2) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness of the Company or any Guarantor or of any Equity Interests of the Company or any Guarantor (including payment of accrued and unpaid dividends on any such Equity Interests) in exchange for, or out of the net cash proceeds of a contribution to the common equity of the Company or a substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock); *provided* that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clause (3)(b) of the preceding paragraph (A);

(3) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness of the Company or any Guarantor with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(4) the payment of any dividend by a Restricted Subsidiary of the Company to the holders of its common Equity Interests on a pro rata basis;

(5) Investments acquired as a capital contribution to, or in exchange for, or out of the net cash proceeds of a substantially concurrent offering of, Equity Interests (other than Disqualified Stock) of the Company; *provided* that the amount of any such net cash proceeds that are utilized for any such acquisition or exchange shall be excluded from clause (3)(b) of the preceding paragraph (A);

(6) the repurchase of Capital Stock deemed to occur upon the exercise of options or warrants if such Capital Stock represents all or a portion of the exercise price thereof;

(7) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Company;

(8) the repayment of subordinated Indebtedness with the proceeds of the Notes issued on the date of the Indenture;

(9) the declaration or payment of dividends on Disqualified Stock the issuance of which was permitted by the Indenture;

(10) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company held by any current or former employee or director of the Company (or any of its Restricted Subsidiaries) pursuant to the terms of any employee equity subscription agreement, stock option agreement or similar agreement entered into in the ordinary course of business; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests in any calendar year shall not exceed $2.0 million; *provided further* that, to the extent that such aggregate price paid under this clause (10) in any calendar year is less than $2.0 million, any unused amount may be used to make such repurchases, redemptions or other acquisition or retirement only in the immediately succeeding twelve-month period; or

(11) other Restricted Payments in an amount, when taken together with all other Restricted Payments made pursuant to this clause (11) since the date of the Indenture, not to exceed $25.0 million.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued to or by the Company or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant shall be determined by the Board of Directors whose resolution with respect thereto shall be delivered to the Trustee. The Board of Directors' determination must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if the fair market value exceeds $15.0 million. Not later than the date of making any Restricted Payment, the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "Restricted Payments" covenant were computed, together with a copy of any opinion or appraisal required by the Indenture.

Incurrence of Indebtedness and Issuance of Preferred Stock

Fixed Charge Coverage Incurrence Test

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness (including Acquired Debt and Construction Indebtedness), and the Company will not permit any of its Restricted Subsidiaries to issue any preferred stock; *provided*, *however*, that the Company or any Restricted Subsidiary thereof may incur Indebtedness (including Acquired Debt) or issue shares of preferred stock, if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred would have been at least 2.0 to 1, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred at the beginning of such four-quarter period.

Certain Debt Permitted

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness under Credit Facilities (including the Credit Agreement and the Nashville Senior Loan) in an aggregate principal amount at any one time outstanding pursuant to this clause (1) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) not to exceed $300.0 million, *less* the aggregate amount of all Net Proceeds of Asset Sales applied by the Company or any Restricted Subsidiary thereof to permanently repay any such Indebtedness (and, in the case of any revolving credit Indebtedness, to effect a corresponding commitment reduction thereunder) pursuant to the covenant "— Repurchase at the Option of Holders — Asset Sales;"

(2) the incurrence of Existing Indebtedness;

(3) the incurrence by the Company and the Guarantors of (a) Indebtedness represented by the Notes and the related Note Guarantees to be issued on the date of the Indenture, (b) Indebtedness represented by the Exchange Notes and the related Note Guarantees to be issued pursuant to the Registration Rights Agreement and (c) Indebtedness to the extent the net proceeds are promptly used to defease the Notes as described under "— Legal Defeasance and Covenant Defeasance;"

(4) the incurrence by the Company or any Restricted Subsidiary of the Company of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (4), not to exceed $30.0 million at any time outstanding;

(5) the incurrence by the Company or any Restricted Subsidiary of the Company of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by the Indenture to be incurred under the first paragraph of this covenant or clauses (2), (3), (4), (5), (9) or (12) of this paragraph;

(6) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness owing to and held by the Company or any of its Restricted Subsidiaries; *provided, however,* that:

(a) if the Company or any Guarantor is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of the Company, or the Note Guarantee, in the case of a Guarantor;

(b) Indebtedness owed to the Company or any Guarantor must be evidenced by an unsubordinated promissory note, unless the obligor under such Indebtedness is the Company or a Guarantor; and

(c) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary thereof and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the Guarantee, defined under the indenture to include by way of pledge of assets, letters of credit or reimbursement agreements by the Company or any Restricted Subsidiary thereof of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this covenant;

(8) the incurrence by the Company or any Guarantor of Indebtedness represented by the SAILS Forward Exchange Contracts and any Permitted SAILS Refinancing Indebtedness;

(9) the incurrence by the Company or any Restricted Subsidiary thereof of Indebtedness to the extent the net proceeds are used to pay the Company's tax liability with respect to its sale of the Viacom Stock pursuant to the SAILS Forward Exchange Contracts or any Permitted SAILS Refinancing Indebtedness;

(10) upon consummation of the Merger, the 10.06% Guaranteed Senior Secured Notes due June 16, 2004 of ResortQuest International, Inc.; *provided* that such notes are repaid within 35 days of the date of consummation of the Merger;

(11) the issuance of preferred stock by a Restricted Subsidiary of the Company to the Company or to a Wholly Owned Restricted Subsidiary thereof; *provided* that (i) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Company or a Wholly Owned Restricted Subsidiary thereof or (ii) any sale or other transfer of any such preferred stock to a Person that is not the Company or a Wholly Owned Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an issuance of preferred stock by such Restricted Subsidiary that was not permitted by this clause (11); or

(12) the incurrence by the Company or any Restricted Subsidiary thereof of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (12), not to exceed $50.0 million.

Compliance with Covenant

For purposes of determining compliance with this "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, in the event that any proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (12) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify at the time of its incurrence such item of Indebtedness in any manner that complies with this covenant. In addition, the Company may at any time change the classification of an item of Indebtedness, or any portion thereof, to any other clause or to the first paragraph of this covenant provided that the Company or its Restricted Subsidiary, as the case may be, would be permitted to incur the item of Indebtedness, or portion of the item of Indebtedness, under such new clause or the first paragraph of this covenant, as the case may be, at the time of such reclassification.

Notwithstanding any other provision of this "Limitation on Indebtedness" covenant, the maximum amount of Indebtedness that may be incurred pursuant to this "Limitation on Indebtedness" covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies.

Subordinated Indebtedness

The Company will not incur any Indebtedness that is subordinate or junior in right of payment to any other Indebtedness of the Company unless it is subordinate in right of payment to the Notes to the same extent. The Company will not permit any Guarantor to incur any Indebtedness that is subordinate or junior in right of payment to any other Indebtedness of such Guarantor unless it is subordinate in right of payment to such Guarantor's Note Guarantee to the same extent. For purposes of the foregoing, no Indebtedness will be deemed to be subordinated or junior in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured or by virtue of the fact that the holders of any secured Indebtedness have entered into intercreditor agreements giving one or more of such holders priority over the other holders in the collateral held by them.

Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, unless all payments due under the Indenture and the Notes are secured on an equal and ratable basis with the obligations so secured until such time as such obligations are no longer secured by a Lien.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on its Capital Stock (or with respect to any other interest or participation in, or measured by, its profits) to the Company or any of its Restricted Subsidiaries or pay any liabilities owed to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(3) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions:

(1) existing under, by reason of or with respect to the Credit Agreement, the SAILS Forward Exchange Contracts, the Nashville Senior Loan, Existing Indebtedness or any other agreements in effect on the date of the Indenture and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof; *provided* that the

encumbrances and restrictions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacement or refinancings are not materially more restrictive, taken as a whole, than those contained in the Credit Agreement, Existing Indebtedness or such other agreements as in effect on the date of the Indenture;

(2) existing under, by reason of, or with respect to, the Indenture, the Notes or the Note Guarantees;

(3) existing under, by reason of or with respect to applicable law;

(4) with respect to any Person or the property or assets of a Person acquired by the Company or any of its Restricted Subsidiaries existing at the time of such acquisition and not incurred in connection with or in contemplation of such acquisition, which encumbrance or restriction is not applicable to any Person or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof; *provided* that the encumbrances and restrictions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacement or refinancings are not materially more restrictive, taken as a whole, than those in effect on the date of the acquisition;

(5) existing under, by reason of or with respect to Indebtedness of any Restricted Subsidiary of the Company if the encumbrance or restriction applies only upon a payment or financial covenant default or event of default contained in such Indebtedness; *provided* that (A) such encumbrances or restrictions are not materially more adverse to the Holders of the Notes than is customary for comparable financings (as determined in good faith by the Board of Directors) and (B) the Company delivers an Officers' Certificate to the Trustee evidencing the Company's determination that the imposition of such encumbrances or restrictions will not materially impair the Company's ability to make payments when due with respect to the Notes;

(6) in the case of clause (3) of the first paragraph of this covenant:

(A) that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset,

(B) existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, or lease of, any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or

(C) arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

(7) existing under, by reason of or with respect to any agreement for the sale or other disposition of all or substantially all of the capital stock of, or property and assets of, a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending such sale or other disposition;

(8) restrictions on cash or other deposits or net worth imposed by customers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(9) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced; and

(10) customary supermajority voting provisions and customary provisions with respect to the disposition or distribution of assets or property, in each case contained in joint venture agreements.

Merger, Consolidation or Sale of Assets

The Company will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving corporation) or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person or Persons, unless:

(1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made (i) is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia and (ii) assumes all the obligations of the Company under the Notes, the Indenture and the Registration Rights Agreement pursuant to agreements reasonably satisfactory to the Trustee;

(2) immediately after giving effect to such transaction no Default or Event of Default exists;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition shall have been made will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, either (a) be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "— Incurrence of Indebtedness and Issuance of Preferred Stock" or (b) have a Fixed Charge Coverage Ratio that exceeds the Company's Fixed Charge Coverage Ratio (determined without giving effect to such transaction) for such applicable four-quarter period; and

(4) each Guarantor, unless such Guarantor is the Person with which the Company has entered into a transaction under this "Consolidation, Merger or Sale of Assets" covenant, shall have by amendment to its Note Guarantee confirmed that its Note Guarantee shall apply to the obligations of the Company or the surviving Person in accordance with the Notes and the Indenture.

In addition, the Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, lease all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to any other Person. Clause (3) above of this "Merger, Consolidation or Sale of Assets" covenant will not apply to any merger, consolidation or sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of its Restricted Subsidiaries.

Transactions with Affiliates

Restricted Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into, make, amend, renew or extend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each, an "Affiliate Transaction"), unless:

(1) such Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction by the Company or such Restricted Subsidiary with a Person that is not an Affiliate of the Company; and

(2) the Company delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $5.0 million, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with this covenant and that such Affiliate Transaction or series of related Affiliate Transactions has been approved by a majority of the disinterested members of the Board of Directors; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $20.0 million, an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction or series of related Affiliate Transactions from a financial point of view issued by an independent accounting, appraisal or investment banking firm of national standing.

Unrestricted Transactions

The following items shall not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) transactions between or among the Company and/or its Restricted Subsidiaries;

(2) payment (a) of reasonable and customary fees to, and reasonable and customary indemnification and similar payments on behalf of, directors of the Company, or (b) pursuant to any employment agreement or other employee compensation arrangements entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(3) Permitted Investments and Restricted Payments that are permitted by the provisions of the Indenture described above under the caption "—Restricted Payments;"

(4) any issuance or sale of Equity Interests (other than Disqualified Stock) of the Company;

(5) transactions with a Person that is an Affiliate of the Company solely because the Company or any of its Restricted Subsidiaries owns Capital Stock in, or controls, such Person; and

(6) transactions entered into pursuant to any agreement existing on the date of the Indenture.

Designation of Restricted and Unrestricted Subsidiaries

Designation to be Unrestricted Subsidiary

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that:

(1) any Guarantee by the Company or any Restricted Subsidiary of any Indebtedness of the Subsidiary being so designated will be deemed to be an incurrence of Indebtedness by the Company or such Restricted Subsidiary (or both, if applicable) at the time of such designation, and such incurrence of Indebtedness would be permitted under the covenant described above under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock;"

(2) the aggregate fair market value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary being so designated (including any Guarantee by the Company or any Restricted Subsidiary of any Indebtedness of such Subsidiary) will be deemed to be a Restricted Investment made as of the time of such designation and that such Investment would be permitted under the covenant described above under the caption "— Certain Covenants — Restricted Payments;"

(3) such Subsidiary does not own any Equity Interests of, or hold any Liens on any Property of, the Company or any Restricted Subsidiary;

(4) the Subsidiary being so designated:

(a) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(b) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (x) to subscribe for additional Equity Interests or (y) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results;

(c) has not Guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries, except to the extent such Guarantee or credit support would be released upon such designation; and

(d) has at least one director on its Board of Directors that is not a director or officer of the Company or any of its Restricted Subsidiaries and has at least one executive officer that is not a director or officer of the Company or any of its Restricted Subsidiaries; and

(5) no Default or Event of Default would be in existence following such designation.

Any designation of a Restricted Subsidiary of the Company as an Unrestricted Subsidiary shall be evidenced to the Trustee by filing with the Trustee a certified copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by the Indenture. If, at any time, any Unrestricted Subsidiary would (x) fail to meet any of the preceding requirements described in subclauses (a), (b) and (c) of clause (4) above, or (y) fails to meet the requirement described in subclause (d) of clause (4) above and such failure continues for a period of 30 days, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness, Investments, or Liens on the property, of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness, Investments or Liens are not permitted to be incurred as of such date under the Indenture, the Company shall be in default under the Indenture.

Designation to be Restricted Subsidiary

The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that:

(1) such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if such Indebtedness is permitted under the covenant described under the caption "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock," calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period;

(2) all outstanding Investments owned by such Unrestricted Subsidiary will be deemed to be made as of the time of such designation and such Investments shall only be permitted if such Investments would be permitted under the covenant described above under the caption "— Certain Covenants — Restricted Payments;"

(3) all Liens upon property or assets of such Unrestricted Subsidiary existing at the time of such designation would be permitted under the caption "— Certain Covenants — Liens;" and

(4) no Default or Event of Default would be in existence following such designation.

Sale and Leaseback Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; *provided* that the Company or any Restricted Subsidiary may enter into a sale and leaseback transaction if:

(1) the Company or that Restricted Subsidiary, as applicable, could have incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction under the Fixed Charge Coverage Ratio test in the first paragraph of the covenant described above under the caption "— Incurrence of Indebtedness and Issuance of Preferred Stock;"

(2) the gross cash proceeds of that sale and leaseback transaction are at least equal to the fair market value, as determined in good faith by the Board of Directors and set forth in an Officers' Certificate delivered to the Trustee, of the property that is the subject of that sale and leaseback transaction; and

(3) the transfer of assets in that sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, the covenant described above under the caption "— Repurchase at the Option of Holders — Asset Sales."

Guarantees

The Company caused ResortQuest and its Domestic Subsidiaries to execute a supplemental indenture providing for the Guarantee of the payment of the Notes within 35 days after consummation of the Merger. The Company will not permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee or pledge any assets to secure the payment of any other Indebtedness of the Company or any Guarantor unless such Restricted Subsidiary is a Guarantor or simultaneously executes and delivers a supplemental indenture providing for the Guarantee of the payment of the Notes by such Restricted Subsidiary, which Guarantee shall be senior to or *pari passu* with such Subsidiary's Guarantee of such other Indebtedness. The form of the Note Guarantee will be attached as an exhibit to the Indenture.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than the Company or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than the Guarantor) is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia and assumes all the obligations of that Guarantor under the Indenture, its Note Guarantee and the Registration Rights Agreement pursuant to a supplemental indenture satisfactory to the Trustee; or

(b) such sale or other disposition or consolidation or merger complies with the covenant described above under the caption "— Repurchase at the Option of Holders — Asset Sales."

The Note Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all of the Capital Stock of a Guarantor to a Person that is not (either before or after giving effect to such transaction) an Affiliate of the Company, if the sale of all such Capital Stock of that Guarantor complies with the covenant described above under the caption "— Repurchase at the Option of Holders — Asset Sales;"

(2) if the Company properly designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary under the Indenture; or

(3) solely in the case of a Note Guarantee created pursuant to the second sentence of the first paragraph of this covenant, upon the release or discharge of the Guarantee which resulted in the creation of such Note Guarantee pursuant to this covenant, except a discharge or release by or as a result of payment under such Guarantee.

Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Payments for Consent

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Reports

Whether or not required by the Commission, the Company will file a copy of all of the information and reports referred to in clauses (1) and (2) below with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and, upon request furnish such information to the Holders of the Notes and prospective investors:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Company's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports.

If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by this covenant shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

In addition, the Company and the Guarantors have agreed that, for so long as any Notes remain outstanding, they will furnish to the Holders and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Events of Default and Remedies

Each of the following is an Event of Default:

(1) default for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the Notes;

(2) default in payment when due (whether at maturity, upon acceleration, redemption or otherwise) of the principal of, or premium, if any, on the Notes;

(3) failure by the Company or any of its Restricted Subsidiaries to comply with the provisions described under the captions "— Repurchase at the Option of Holders — Change of Control," "— Mandatory Redemption — Special Redemption" or "— Certain Covenants — Merger, Consolidation or Sale of Assets";

(4) failure by the Company or any of its Restricted Subsidiaries for 30 days after written notice by the Trustee or Holders representing 25% or more of the aggregate principal amount of Notes outstanding to comply with any of the other agreements in the Indenture;

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the date of the Indenture, if that default:

(a) is caused by a failure to make any payment when due at the final maturity of such Indebtedness (a "Payment Default"); or

(b) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $20.0 million or more;

(6) failure by the Company or any of its Restricted Subsidiaries to pay final judgments aggregating in excess of $20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(7) except as permitted by the Indenture, any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Note Guarantee;

(8) the Pledge Agreement shall cease to be in full force and effect or enforceable in accordance with its terms (other than in accordance with its terms) or the Company denies or disaffirms its obligations under the Pledge Agreement or the obligations under the Pledge Agreement cease to be secured by a perfected first priority security interest in any portion of the collateral purported to be pledged under the Pledge Agreement (other than in accordance with its terms); and

(9) certain events of bankruptcy or insolvency with respect to the Company, any Guarantor or any Significant Subsidiary of the Company (or any Restricted Subsidiaries that together would constitute a Significant Subsidiary).

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, any Guarantor or any Significant Subsidiary of the Company (or any Restricted Subsidiaries that together would constitute a Significant Subsidiary), all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest or Liquidated Damages) if it determines that withholding notice is in their interest.

The Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of

Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or Liquidated Damages on, or the principal of, the Notes. The Holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders of Notes not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders of Notes. A Holder may not pursue any remedy with respect to the Indenture or the Notes unless:

(1) the Holder gives the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder of a Note to receive payment of the principal of, premium or Liquidated Damages, if any, or interest on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

In the case of any Event of Default occurring by reason of any willful action or inaction taken or not taken by or on behalf of the Company with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Notes pursuant to the optional redemption provisions of the Indenture, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Notes. If an Event of Default occurs during any time that the Notes are outstanding, by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding the prohibition on redemption of the Notes, then the premium specified in the first paragraph under "— Optional Redemption" shall also become immediately due and payable to the extent permitted by law upon the acceleration of the Notes.

The Company is required to deliver to the Trustee annually within 90 days after the end of each fiscal year a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Company is required to deliver to the Trustee a statement specifying such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, the Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Legal Defeasance and Covenant Defeasance

The Company may, at its option and at any time, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to their Note Guarantees ("Legal Defeasance") except for:

(1) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and Liquidated Damages, if any, on such Notes when such payments are due from the trust referred to below;

(2) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Company's and the Guarantor's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have the obligations of the Company and the Guarantors released with respect to certain covenants that are described in the Indenture ("Covenant Defeasance") and thereafter any omission to comply with those covenants shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "Events of Default" will no longer constitute Events of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, or interest and premium and Liquidated Damages, if any, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of the Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing either: (a) on the date of such deposit; or (b) or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 123rd day after the date of deposit;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must have delivered to the Trustee an Opinion of Counsel to the effect that, (1) assuming no intervening bankruptcy of the Company or any Guarantor between the date of deposit and the 123rd day following the deposit and assuming that no Holder is an "insider" of the Company under applicable bankruptcy law, after the 123rd day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, including Section 547 of the United States Bankruptcy Code, and (2) the creation of the defeasance trust does not violate the Investment Company Act of 1940;

(7) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of Notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others;

(8) if the Notes are to be redeemed prior to their stated maturity, the Company must deliver to the Trustee irrevocable instructions to redeem all of the Notes on the specified redemption date; and

(9) the Company must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, the Pledge Agreement or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of each Holder affected, an amendment or waiver may not (with respect to any Notes held by a non-consenting Holder):

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter the provisions, or waive any payment, with respect to the redemption of the Notes;

(3) reduce the rate of or change the time for payment of interest on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Liquidated Damages, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than U.S. dollars;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest or premium or Liquidated Damages, if any, on the Notes;

(7) release any Guarantor from any of its obligations under its Note Guarantee or the Indenture or release any collateral under the Pledge Agreement, except in accordance with the terms of the Indenture or the Pledge Agreement, respectively;

(8) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes or the Note Guarantees;

(9) amend, change or modify the obligation of the Company to make and consummate an Asset Sale Offer with respect to any Asset Sale in accordance with the "Repurchase at the Option of Holders — Asset Sales" covenant after the obligation to make such Asset Sale Offer has arisen or the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with the "Repurchase at the Option of Holders — Change of Control" covenant after such Change of Control has occurred, including, in each case, amending, changing or modifying any definition relating thereto;

(10) except as otherwise permitted under the "Merger, Consolidation and Sale of Assets" and "Guarantees" covenants, consent to the assignment or transfer by the Company or any Guarantor of any of their rights or obligations under the Indenture; or

(11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of Notes, the Company, the Guarantors and the Trustee may amend or supplement the Indenture or the Notes:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Company's or any Guarantor's obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets;

(4) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not adversely affect the legal rights under the Indenture of any such Holder;

(5) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;

(6) to comply with the provision described under "Certain Covenants — Guarantees;"

(7) to evidence and provide for the acceptance of appointment by a successor Trustee; or

(8) to provide for the issuance of Additional Notes in accordance with the Indenture.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company) have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Liquidated Damages, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(3) the Company or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Company must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Concerning the Trustee

If the Trustee becomes a creditor of the Company or any Guarantor, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue or resign.

The Indenture provides that in case an Event of Default shall occur and be continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of Notes, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense. For example, the Trustee may require a Holder to post a bond or other security if a Holder requests that the Trustee file a lawsuit against the Company, as the Trustee is not required to expend or risk its own funds or incur any liability pursuant to the indenture.

Book-Entry, Delivery and Form

The outstanding Notes were offered and sold on November 12, 2003 to qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes"). Outstanding Notes also were offered and sold in offshore transactions in reliance on Regulation S ("Regulation S Notes"). Except as set forth below, both new Notes and outstanding Notes will be issued in registered, global form in minimum denominations of $1,000 and integral multiples of $1,000 in excess thereof.

Rule 144A Notes initially were represented by one or more Notes in registered, global form without interest coupons (collectively, the "Rule 144A Global Notes"). Regulation S Notes initially were represented by one or more Notes in registered, global form without interest coupons (collectively, the "Regulation S Global Notes"). The new Notes will initially be represented by one or more new Notes, in registered, global form without interest coupons (collectively the "Exchange Global Notes" and together with the 144A Global Notes and the Regulation S Global Notes, the "Global Notes"). The Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("DTC"), in New York, New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of the offering of the outstanding notes and the closing of the offering of the outstanding notes (such period through and including such 40th day, the "Restricted Period"), beneficial interests in the Regulation S Global Notes may be held only through the Euroclear System ("Euroclear"), Clearstream Banking, S.A. ("Clearstream") or DTC, if they are participants in such systems, or indirectly through organizations which are participants in such systems. However, upon the issuance of the Notes, we intend to deliver interests in the Regulation S Global Note solely through Euroclear and Clearstream. Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See "— Exchanges between Regulation S Notes and Rule 144A Notes."

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for Notes in certificated form except in the limited circumstances described below. See "— Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Company takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Company that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Company that, pursuant to procedures established by it:

ownership of interests in the Global Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Rule 144A Global Notes and the Exchange Global Notes who are Participants in DTC's system may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes and the Exchange Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants in such system. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. After the expiration of the Restricted Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Morgan Guaranty Trust Company of New York, Brussels office, as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interest in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or "Holders" thereof under the Indenture for any purpose.

Payments in respect of the principal of, and interest and premium and Liquidated Damages, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the Indenture. Under the terms of the Indenture, the Company and the Trustee will treat the Persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Company, the Trustee nor any agent of the Company or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Company that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Company. Neither the Company nor the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the Notes, and the Company and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions applicable to interests in Rule 144A Global Notes and Regulation S Global Notes transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the outstanding Notes, cross-market transfers between the Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised the Company that it will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for legended Notes in certificated form, and to distribute such Notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither the Company nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for definitive Notes in registered certificated form ("Certificated Notes") if:

(1) DTC (a) notifies the Company that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act, and in each case the Company fails to appoint a successor depositary;

(2) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Certificated Notes; or

(3) there shall have occurred and be continuing a Default or Event of Default with respect to the Notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the Indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear any applicable restrictive legend referred to in "Notice to Investors," unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

Certificated Notes may be exchanged for beneficial interests in a Global Note in compliance with the Indenture.

Same Day Settlement and Payment

The Company will make payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, interest and Liquidated Damages, if any) by wire transfer of immediately available funds to the accounts specified by the Global Note Holder. The Company will make all payments of principal, interest and premium and Liquidated Damages, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders thereof or, if no such account is specified, by mailing a check to each such Holder's registered address. The Notes represented by the Global Notes are expected to be eligible to trade in the Portal market and to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds.

The Company expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Company that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Registration Rights; Liquidated Damages

The following description is a summary of the material provisions of the Registration Rights Agreement. It does not restate that agreement in its entirety. We urge you to read the Registration Rights Agreement in its entirety because it, and not this description, defines your registration rights as Holders of these Notes.

The Company, the Guarantors and the Initial Purchasers entered into the Registration Rights Agreement on the closing of the offering of the outstanding notes on November 12, 2003. Pursuant to the Registration Rights Agreement, the Company and the Guarantors have filed with the Commission this Exchange Offer Registration Statement under the Securities Act with respect to the Exchange Notes. Upon the effectiveness of this Exchange Offer Registration Statement, the Company and the Guarantors will offer to the Holders of Notes pursuant to the Exchange Offer who are able to make certain representations the opportunity to exchange their Notes for Exchange Notes.

If:

(1) the Company and the Guarantors are not permitted to consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or Commission policy; or

(2) any Holder of Notes notifies the Company prior to the 20th day following consummation of the Exchange Offer that:

(a) it is prohibited by law or Commission policy from participating in the Exchange Offer; or

(b) it may not resell the Exchange Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales; or

(c) it is a broker-dealer and owns Notes acquired directly from the Company or an affiliate of the Company,

the Company and the Guarantors will file with the Commission a Shelf Registration Statement to cover resales of the Notes by the Holders thereof who satisfy certain conditions relating to the provision of information in connection with the Shelf Registration Statement.

The Company and the Guarantors will use their reasonable best efforts to cause the applicable registration statement to be declared effective as promptly as possible by the Commission.

The Registration Rights Agreement provides:

(1) the Company and the Guarantors will file an Exchange Offer Registration Statement with the Commission on or prior to 60 days after the closing of offering of the outstanding notes;

(2) the Company and the Guarantors will use their reasonable best efforts to have the Exchange Offer Registration Statement declared effective by the Commission on or prior to 230 days after the closing of the offering of the outstanding notes;

(3) unless the Exchange Offer would not be permitted by applicable law or Commission policy, the Company and the Guarantors will

(a) commence the Exchange Offer; and

(b) issue Exchange Notes in exchange for all Notes tendered prior thereto in the Exchange Offer; and

(4) if obligated to file the Shelf Registration Statement, the Company and the Guarantors will file the Shelf Registration Statement with the Commission on or prior to 45 days after such filing obligation arises and use their best efforts to cause the Shelf Registration to be declared effective by the Commission on or prior to 90 days after such obligation arises, but in no event prior to 230 days after the closing of offering of the outstanding notes.

If:

(1) the Company and the Guarantors fail to file any of the registration statements required by the Registration Rights Agreement on or before the date specified for such filing; or

(2) any of such registration statements is not declared effective by the Commission on or prior to the date specified for such effectiveness (the “Effectiveness Target Date”); or

(3) the Company and the Guarantors fail to consummate the Exchange Offer within 30 business days of the Effectiveness Target Date with respect to the Exchange Offer Registration Statement; or

(4) the Shelf Registration Statement or the Exchange Offer Registration Statement is declared effective but thereafter ceases to be effective or usable in connection with resales or exchanges of Notes during the periods specified in the Registration Rights Agreement (each such event referred to in clauses (1) through (4) above, a “Registration Default”),

then the Company and the Guarantors will pay Liquidated Damages to each Holder of Notes, with respect to the first 90-day period immediately following the occurrence of the first Registration Default in an amount equal to one-quarter of one percent (0.25%) per annum on the principal amount of Notes held by such Holder.

The amount of the Liquidated Damages will increase by an additional one-quarter of one percent (0.25%) per annum on the principal amount of Notes with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of Liquidated Damages for all Registration Defaults of 1.0% per annum.

All accrued Liquidated Damages will be paid by the Company and the Guarantors on each interest payment date to the Global Note Holder by wire transfer of immediately available funds or by federal funds check and to Holders of Certificated Notes by wire transfer to the accounts specified by them or by mailing checks to their registered addresses if no such accounts have been specified.

Following the cure of all Registration Defaults, the accrual of Liquidated Damages will cease.

Holders of Notes will be required to make certain representations to the Company (as described in the Registration Rights Agreement) in order to participate in the Exchange Offer and will be required to deliver certain information to be used in connection with the Shelf Registration Statement and to provide comments on the Shelf Registration Statement within the time periods set forth in the Registration Rights Agreement in order to have their Notes included in the Shelf Registration Statement and benefit from the provisions regarding Liquidated Damages set forth above. By acquiring Notes, a Holder will be deemed to have agreed to indemnify the Company and the Guarantors against certain losses arising out of information furnished by such Holder in writing for inclusion in any Shelf Registration Statement. Holders of Notes will also be required to suspend their use of the prospectus included in the Shelf Registration Statement under certain circumstances upon receipt of written notice to that effect from the Company.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"*Acquired Debt*" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into, or becomes a Subsidiary of, such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" shall have correlative meanings.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any property or assets; *provided* that the sale, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "— Repurchase at the Option of Holders — Change of Control" and/or the provisions described above under the caption "— Certain Covenants —Merger, Consolidation or Sale of Assets" and not by the provisions of the Asset Sale covenant; and

(2) the issuance of Equity Interests by any of the Company's Restricted Subsidiaries or the sale by the Company or any Restricted Subsidiary of Equity Interests in any of its Subsidiaries.

Notwithstanding the preceding, the following items shall be deemed not to be Asset Sales:

(1) any single transaction or series of related transactions that involves assets having a fair market value of less than $5.0 million;

(2) a transfer of assets between or among the Company and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Company or to another Restricted Subsidiary;

(4) (a) the sale or lease of equipment, inventory, accounts receivable or other assets in the ordinary course of business and (b) leases which are ancillary to the operations of the Company and its Restricted Subsidiaries;

(5) the sale or other disposition of Cash Equivalents;

(6) a Permitted Investment or a Restricted Payment that is permitted by the covenant described above under the caption "— Certain Covenants —Restricted Payments;"

(7) any sale or disposition of the Company's interests in the Nashville Hockey Club Limited Partnership, Bass Pro, Inc. or the Oklahoma City Athletic Club, Inc.;

(8) the disposition of all or some of the Viacom Stock in satisfaction of the Company's Obligations under the SAILS Forward Exchange Contracts or any Permitted SAILS Refinancing Indebtedness;

(9) any sale or disposition of any property or equipment that has become damaged, worn out obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements; and

(11) any sale or disposition deemed to occur in connection with creating or granting a Permitted Lien.

"*Attributable Debt*" in respect of a sale and leaseback transaction by the Company or any of its Restricted Subsidiaries means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP, Generally Accepted Accounting Principles as in effect on the date of the Indenture.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" shall be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "Beneficially Owns" and "Beneficially Owned" shall have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership; and

(3) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Capital Lease Obligation*" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Cash Equivalents*" means:

(1) United States dollars and, to the extent received by the Company or any of its Subsidiaries in the ordinary course of business, foreign currency;

(2) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than six months from the date of acquisition;

(3) certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any domestic commercial bank having capital and surplus in excess of $500.0 million;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper having a rating of P-2 or better from Moody's or A-2 or better from S&P and in each case maturing within six months after the date of acquisition;

(6) securities issued and fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, rated at least "A" by Moody's or S&P and having maturities of not more than six months from the date of acquisition; and

(7) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the ultimate Beneficial Owner, directly or indirectly, of 50% or more of the voting power of the Voting Stock of the Company;

(4) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or

(5) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where (A) the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and (B) immediately after such transaction, no "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Exchange Act) becomes, directly or indirectly, the ultimate Beneficial Owner of 50% or more of the voting power of the Voting Stock of the surviving or transferee Person.

"*Consolidated Cash Flow*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period *plus*:

(1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(2) Fixed Charges of such Person and its Restricted Subsidiaries for such period and any interest on the SAILS Forward Exchange Contracts or on any Permitted SAILS Refinancing Indebtedness for such period (to the extent any such interest on the SAILS Forward Exchange Contracts or on any Permitted SAILS Refinancing Indebtedness was excluded from Fixed Charges), to the extent that any such Fixed Charges or interest were deducted in computing such Consolidated Net Income; *plus*

(3) depreciation, amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (including the non-cash portion of (A) ground rents expense and (B) expense with respect to the Naming Rights Agreement dated November 24, 1999 between Nashville Hockey Club Limited Partnership and the Company; *provided* that in the case of clause (A) and (B) the cash portion of each such expense not deducted in computing the Consolidated Net Income of such Person in any future period shall be deducted in computing the Consolidated Cash Flow of such Person for such future period, but excluding any other such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period, (C) non-cash write-offs of goodwill, intangibles and long-lived assets and (D) the amortization of prepaid deferred finance charges on the SAILS Forward Exchange Contracts) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*

(4) preopening costs relating to the operations of such Person and its Restricted Subsidiaries for such period as calculated and presented in accordance with GAAP on the face of such Person's consolidated statements of operations, to the extent deducted in computing such Consolidated Net Income; *plus*

(5) any extraordinary loss for such period, together with any related provision for taxes on such extraordinary loss; *minus*

(6) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue consistent with past practice, in each case, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, the Fixed Charges of and the depreciation and amortization and other non-cash expenses of a Restricted Subsidiary of the Company shall be added to Consolidated Net Income to compute Consolidated Cash Flow of the Company (A) in the same proportion that the Net Income of such Restricted Subsidiary was added to compute such Consolidated Net Income of the Company and (B) only to the extent that a corresponding amount would be permitted at the date of determination to be dividended or distributed to the Company by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and without direct or indirect restriction pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Subsidiary or its stockholders.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided* that:

(1) the Net Income of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary thereof;

(2) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its equityholders;

(3) the Net Income of any Person acquired during the specified period for any period prior to the date of such acquisition shall be excluded;

(4) the cumulative effect of a change in accounting principles shall be excluded; and

(5) notwithstanding clause (1) above, the Net Income (but not loss) of any Unrestricted Subsidiary shall be excluded, whether or not distributed to the specified Person or one of its Subsidiaries.

"*Construction Indebtedness*" means, with respect to any Person, any Indebtedness incurred to finance the cost of design, development, construction and opening of new or redeveloped assets that will be used or useful in a Permitted Business, including the cost of acquisition of related property, plant or equipment, to be owned by such Person or any of its Restricted Subsidiaries.

"*Continuing Directors*" means, as of any date of determination, any member of the Board of Directors of the Company who:

(1) was a member of such Board of Directors on the date of the Indenture; or

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination or election.

"*Credit Agreement*" means that certain Credit Agreement, dated as of May 22, 2003, by and among Opryland Hotel — Florida Limited Partnership, Opryland Hotel — Texas Limited Partnership, the Company, Deutsche Bank Trust Company Americas, as Administrative Agent, Deutsche Bank Securities, Inc., Banc of America Securities LLC and CIBC World Markets Corp., as Joint Book Running Managers and Co-Lead Arrangers, and the other Lenders named therein providing for up to $25.0 million of revolving credit borrowings, including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, modified, renewed, refunded, replaced or refinanced from time to time.

"*Credit Facilities*" means one or more debt facilities (including, without limitation, the Credit Agreement and the Nashville Senior Loan) or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "— Certain Covenants — Restricted Payments." The term "Disqualified Stock" shall also include any options, warrants or other rights that are convertible into Disqualified Stock or that are redeemable at the option of the holder, or required to be redeemed, prior to the date that is 91 days after the date on which the Notes mature.

"*Domestic Subsidiary*" means any Restricted Subsidiary of the Company other than a Restricted Subsidiary that is (1) a "controlled foreign corporation" under Section 957 of the Internal Revenue Code or (2) a Subsidiary of any such controlled foreign corporation.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means a public or private offer and sale of Capital Stock (other than Disqualified Stock) of the Company.

"*Existing Indebtedness*" means Indebtedness of the Company and its Subsidiaries (other than (i) Indebtedness under the Credit Agreement, (ii) Indebtedness represented by the SAILS Forward Exchange Contracts and (iii) Indebtedness under the Nashville Senior Loan) in existence on the date of the Indenture after giving effect to the application of the proceeds of the Notes (when such proceeds are applied) and any Indebtedness borrowed on the date of the Indenture, until such amounts are repaid.

"*Fair market value*" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs (other than as specified below) and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations, but excluding (a) any interest expense under the SAILS Forward Exchange Contracts to the extent paid prior to the date of the Indenture, (b) any non-cash interest expense under any Permitted SAILS Refinancing Indebtedness to the extent that (x) the obligation with respect to such expense may be satisfied in full by delivery of some or all of the Viacom Stock and (y) the Company does not sell, dispose of or otherwise convey any interest in the Viacom Stock owned by the Company on the date of the Indenture other than pursuant to such Permitted SAILS Refinancing Indebtedness, (c) the amortization of prepaid deferred finance charges on the SAILS Forward Exchange Contracts and (d) amortization of debt issuance costs for Indebtedness outstanding on the date of the Indenture; *plus*

(2) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Disqualified Stock or preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of the Company (other than Disqualified Stock) or to the Company or a Restricted Subsidiary of the Company, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

"*Fixed Charge Coverage Ratio*" means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases or redeems any Indebtedness or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions and dispositions of business entities or property and assets constituting a division or line of business of any Person that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated on a pro forma basis in accordance with Regulation S-X under the Securities Act, but without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income;

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP shall be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP shall be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Subsidiaries following the Calculation Date; and

(4) consolidated interest expense attributable to interest on any Indebtedness (whether existing or being incurred or, in the case of Construction Indebtedness, committed but undrawn) computed (i) with respect to all Indebtedness other than the committed but undrawn portion of any Construction Indebtedness, on a *pro forma* basis and bearing a floating interest rate shall be computed as if the rate in effect on the Calculation Date (taking into account any interest rate option, swap, cap or similar agreement applicable to such Indebtedness if such agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period and (ii) with respect to the committed but undrawn portion of any Construction Indebtedness, on a *pro forma* basis shall be computed as if the rate in effect on the drawn portion of such Construction Indebtedness on the Calculation Date (taking into account any interest rate option, swap, cap or similar agreement applicable to such Indebtedness if such agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period.

"*Guarantors*" means:

(1) Gaylord Program Services, Inc., Grand Ole Opry Tours, Inc., Wildhorse Saloon Entertainment Ventures, Inc., Gaylord Investments, Inc., OLH Holdings, LLC, OLH, G.P., Opryland Hotel-Florida Limited Partnership, Gaylord Hotels, LLC, Opryland Hospitality, LLC, Opryland Hotel-Texas, LLC, Opryland Hotel-Texas Limited Partnership, Opryland Productions Inc., Opryland Theatricals Inc., Corporate Magic, Inc., Opryland Attractions, Inc., Gaylord Creative Group, Inc. and CCK Holdings, LLC; and

(2) any other subsidiary that executes a Note Guarantee in accordance with the provisions of the Indenture;

and their respective successors and assigns until released from their obligations under their Note Guarantees and the Indenture in accordance with the terms of the Indenture.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and other agreements or arrangements designed for the purpose of fixing, hedging or swapping interest rate risk;

(2) commodity swap agreements, commodity option agreements, forward contracts and other agreements or arrangements designed for the purpose of fixing, hedging or swapping commodity price risk; and

(3) foreign exchange contracts, currency swap agreements and other agreements or arrangements designed for the purpose of fixing, hedging or swapping foreign currency exchange rate risk.

"*Incur*" means, with respect to any Indebtedness, to incur, create, issue, assume, Guarantee or otherwise become directly or indirectly liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness; *provided* that (1) the committed but undrawn portion of any Construction Indebtedness available to any Person will be deemed to be incurred by such Person at the time of such commitment and will not be deemed to be incurred upon being subsequently drawn, (2) any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary of the Company will be deemed to be incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary of the Company and (3) neither the accrual of interest nor the accretion of original issue discount nor the payment of interest in the form of additional Indebtedness with the same terms and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock (to the extent provided for when the Indebtedness or Disqualified Stock on which such interest or dividend is paid was originally issued) shall be considered an incurrence of Indebtedness; *provided* that in each case the amount thereof is for all other purposes included in the Fixed Charges and Indebtedness of the Company or its Restricted Subsidiary as accrued.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money including, without limitation, obligations under the SAILS Forward Exchange Contracts, any prepaid forward contract relating to the Viacom Stock or any Permitted SAILS Refinancing Indebtedness;

(2) evidenced by bonds, notes, debentures or similar instruments;

(3) evidenced by letters of credit (or reimbursement agreements in respect thereof), but excluding obligations with respect to letters of credit (including trade letters of credit) securing obligations (other than obligations described in clauses (1) or (2) above or clauses (5), (6) or (8) below) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the third Business Day following receipt by such Person of a demand for reimbursement;

(4) in respect of banker’s acceptances;

(5) in respect of Capital Lease Obligations and Attributable Debt;

(6) in respect of the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable;

(7) representing Hedging Obligations, other than Hedging Obligations that are incurred for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder; or

(8) representing Disqualified Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends.

In addition, the term “Indebtedness” includes (x) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), *provided* that the amount of such Indebtedness shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness, (y) to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person and (z) the committed but undrawn portion of any Construction Indebtedness of such Person. For purposes hereof, the “maximum fixed repurchase price” of any Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and, if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market shall be determined in good faith by the Board of Directors of the issuer of such Disqualified Stock.

The amount of any Indebtedness outstanding as of any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, and shall be:

(1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount;

(2) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness; and

(3) in the case of Construction Indebtedness, the committed but undrawn portion thereof;

provided that Indebtedness shall not include:

(i) any liability for federal, state, local or other taxes,

(ii) performance, surety or appeal bonds provided in the ordinary course of business or

(iii) agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds securing any obligations of the Company or any of its Restricted Subsidiaries pursuant to such agreements, in any case incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than Guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition), so long as the principal amount does not exceed the gross proceeds actually received by the Company or any Restricted Subsidiary in connection with such disposition.

“Investment Grade” means (1) BBB- or above, in the case of S&P (or its equivalent under any successor Rating Categories of S&P) and Baa3 or above, in the case of Moody’s (or its equivalent under

any successor Rating Categories of Moody's), or (2) the equivalent in respect of the Rating Categories of any Rating Agencies.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans or other extensions of credit (including Guarantees, but excluding advances to customers or suppliers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the Company or its Restricted Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business), advances (excluding commission, payroll, travel and similar advances to officers and employees made consistent with past practices), capital contributions (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Wholly Owned Restricted Subsidiary of the Company or any Guarantor such that, after giving effect to any such sale or disposition, such Person is no longer a Wholly Owned Restricted Subsidiary of the Company or a Guarantor, the Company shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Investment in such Restricted Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "— Certain Covenants — Restricted Payments." The acquisition by the Company or any Restricted Subsidiary of the Company of a Person that holds an Investment in a third Person shall be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the fair market value of the Investment held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under the caption "— Certain Covenants — Restricted Payments."

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"*Merger*" means the merger of GET Merger Sub, Inc. and ResortQuest International, Inc. pursuant to the terms of the Merger Agreement.

"*Merger Agreement*" means the Agreement and Plan of Merger, dated as of August 4, 2003, among the Company, GET Merger Sub, Inc. and ResortQuest International, Inc.

"*Nashville Senior Loan*" means the loan in the original principal amount of $275.0 million made as of March 27, 2001 by Merrill Lynch Mortgage Lending, Inc. to Opryland Hotel Nashville, LLC, secured by, among other things, a first priority deed of trust encumbering Opryland Nashville, as in effect on the date of the Indenture.

"*Net Income*" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (a) any sale of assets outside the ordinary course of business of such Person; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries;

(2) any realized or unrealized gains or losses from the SAILS Forward Exchange Contracts, Permitted SAILS Refinancing Indebtedness or the Viacom stock;

(3) one-time nonrecurring costs and expenses of the Company and its Restricted Subsidiaries incurred in connection with the Merger in an aggregate amount since the date of the Indenture not to exceed $10.0 million; and

(4) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

"*Net Proceeds*" means the aggregate cash proceeds, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not the interest component, thereof) received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of (1) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result thereof, (2) taxes paid or payable as a result thereof, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, (3) amounts required to be applied to the repayment of Indebtedness or other liabilities, secured by a Lien on the asset or assets that were the subject of such Asset Sale, or required to be paid as a result of such sale, (4) any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP and (5) appropriate amounts to be provided by the Company or its Restricted Subsidiaries as a reserve against liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in accordance with GAAP.

"*Net Tangible Assets*" means the total amount of assets of the Company and its Restricted Subsidiaries (less applicable depreciation, amortization and other valuation reserves), except to the extent resulting from write-ups of capital assets (excluding write-ups in connection with accounting for acquisitions in conformity with GAAP), after deducting therefrom (1) all current liabilities of the Company and its Restricted Subsidiaries (excluding intercompany items) and all liabilities under the SAILS Forward Exchange Contracts and Permitted SAILS Refinancing Indebtedness and (2) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent quarterly or annual consolidated balance sheet of the Company and its Restricted Subsidiaries, prepared in conformity with GAAP.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Permitted Business*" means any business conducted or proposed to be conducted by the Company and its Restricted Subsidiaries or by ResortQuest International, Inc. and its Subsidiaries on the date of the Indenture and other businesses reasonably related, ancillary or complementary thereto.

"*Permitted Investments*" means:

(1) any Investment in the Company, in a Wholly Owned Restricted Subsidiary of the Company or in a Guarantor;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

(a) such Person becomes a Wholly Owned Restricted Subsidiary of the Company or a Guarantor; or

(b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company, a Wholly Owned Restricted Subsidiary of the Company or a Guarantor;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "— Repurchase at the Option of Holders — Asset Sales;"

(5) Hedging Obligations that are incurred for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnifies and compensation payable thereunder;

(6) stock, obligations or securities received in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement under the bankruptcy or insolvency of any debtor;

(7) Investments by the Company or any of its Restricted Subsidiaries in Bass Pro, Inc. or the Oklahoma City Athletic Club, Inc. to the extent received in consideration for the Company's or its Restricted Subsidiaries' Investments in Bass Pro, Inc. or the Oklahoma City Athletic Club, Inc., respectively, to the extent such Investments were permitted under the Indenture;

(8) Investments by the Company to the extent received (a) in consideration for the Company's Investments in the Nashville Hockey Club Limited Partnership permitted under the Indenture or (b) in satisfaction of obligations pursuant to the Agreement of Limited Partnership of Nashville Hockey Club Limited Partnership dated as of June 25, 1997 between and among Leipold Hockey Holdings, LLC, Craig Leipold, Helen P. Johnson-Leipold, Samuel C. Johnson, CCK, Inc. and Nashville Hockey Club Limited Partnership or the Naming Rights Agreement dated as of November 24, 1999 by and between Nashville Hockey Club Limited Partnership and the Company;

(9) loans by the Company or any of its Restricted Subsidiaries to ResortQuest International, Inc. pursuant to arrangements in existence on the date of the Indenture;

(10) the Viacom Stock and any other Investments in existence on the date of the Indenture;

(11) any Investment by the Company deemed to be made by its incurrence of any Permitted SAILS Refinancing Indebtedness;

(12) loans or advances to employees made in the ordinary course of business of the Company or any Restricted Subsidiary thereof in an amount, together with all other loans or advances made pursuant to this clause (12), not to exceed $500,000 at any time outstanding;

(13) loans to ResortQuest International, Inc. in an amount, together with all other loans to ResortQuest International, Inc. pursuant to this clause (13), not to exceed $20.0 million at any time outstanding;

(14) Investments of ResortQuest International, Inc. in existence as of the date of the Indenture;

(15) Investments in any Person in an aggregate amount (measured on the date such Investments were made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (15) since the date of the Indenture (but, to the extent that any Investment made pursuant to this clause (15)since the date of the Indenture is sold or otherwise liquidated for cash, minus the lesser of (a) the cash return of capital with respect to such Investment (less the cost of disposition, if any) and (b) the initial amount of such Investment), not to exceed 10% of the Company's Net Tangible Assets; *provided* that, if such Person is not a Restricted Subsidiary of the Company, the Company or a Restricted Subsidiary thereof has entered or, concurrently with any such Investment, enters into a long-term management contract with respect to assets of such Person that are used or useful in a Permitted Business; *provided further* that the aggregate amount (measured on the date such Investments were made and without giving effect to subsequent changes in value) of Investments made in Persons that are not

Restricted Subsidiaries of the Company do not exceed 5% of the Company's Net Tangible Assets; and

(16) other Investments in any Person having an aggregate value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (16) since the date of the Indenture, not to exceed $5.0 million.

"*Permitted Liens*" means:

(1) Liens on the assets of the Company or any Restricted Subsidiary thereof securing Indebtedness in an amount not to exceed the sum of (A) the amount of secured Indebtedness in existence on the date of the Indenture after giving effect to the application of the proceeds of the Notes, *plus* (B) the amount of Indebtedness available for incurrence under the Credit Agreement on the date of the Indenture after giving effect to the application of the proceeds of the Notes, *plus* (C) up to $100.0 million of additional Indebtedness incurred by the Company or any Guarantor after the date of the Indenture under Credit Facilities, *plus* (D) (x) the amount of committed but undrawn Construction Indebtedness incurred after the date of the Indenture, *minus* (y) the amount of such Construction Indebtedness drawn after the date of the Indenture, *plus* (E) 75% of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or any Restricted Subsidiary thereof purchased or constructed after the date of the Indenture, including any funds in restricted accounts to be used for the sole purpose of financing such purchase price or cost of construction or improvement, *minus* (F) the aggregate amount of all Net Proceeds of Asset Sales applied by the Company or any Restricted Subsidiary to permanently repay any Indebtedness in the foregoing clauses (A), (B), (C), (D) or (E) (and, in the case of any revolving credit Indebtedness, to effect a corresponding commitment reduction thereunder) pursuant to the covenant "— Repurchase at the Option of Holders — Asset Sales;"

(2) Liens in favor of the Company or any Restricted Subsidiary

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Restricted Subsidiary (and additions and accessions thereto);

(4) Liens on property existing at the time of acquisition thereof by the Company or any Restricted Subsidiary of the Company, *provided* that such Liens were in existence prior to the contemplation of such acquisition and do not extend to any property other than the property so acquired by the Company or the Restricted Subsidiary (and additions and accessions thereto);

(5) Liens existing on the date of the Indenture;

(6) Liens with respect to obligations that do not exceed $15.0 million at any one time outstanding;

(7) Liens to secure Indebtedness (including Capital Lease Obligations) permitted by clause (4) of the second paragraph of the covenant entitled "— Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock" covering only the assets acquired with such Indebtedness;

(8) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(9) Liens on cash or Cash Equivalents securing Hedging Obligations of the Company or any of its Restricted Subsidiaries that do not constitute Indebtedness or securing letters of credit that support

such Hedging Obligations and Liens securing Hedging Obligations of the Company that do not constitute Indebtedness and that fix, hedge or swap interest rate risk on the Notes;

(10) Liens securing Permitted Refinancing Indebtedness (and all Obligations related thereto) and Permitted SAILS Refinancing Indebtedness; *provided* that such Liens do not extend to or cover any property or assets other than the property or assets that secure the Indebtedness being refinanced (and additions and accessions to such property or assets);

(11) Liens for taxes, assessments and governmental charges not yet delinquent or being contested in good faith and for which adequate reserves have been established to the extent required by GAAP;

(12) carriers, warehousemen's, mechanics', worker's, materialmen's, operators', landlords' or similar Liens arising in the ordinary course of business;

(13) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other social security obligations;

(14) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of Indebtedness), leases, or other similar obligations arising in the ordinary course of business;

(15) survey exceptions, encumbrances, easements or reservations of, or rights of other for, rights of way, zoning or other restrictions as to the use of properties, and defects in title which, in the case of any of the foregoing, were not incurred or created to secure the payment of Indebtedness, and which in the aggregate do no materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any of its Restricted Subsidiaries;

(16) judgment and attachment Liens not giving rise to an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(17) Liens, deposits or pledges to secure public or statutory obligations, surety, stay, appeal, indemnity, performance or other similar bonds or obligations; and Liens, deposits or pledges in lieu of such bonds or obligations, or to secure such bonds or obligations, or to secure letters of credit in lieu of or supporting the payment of such bonds or obligations;

(18) Liens on property or assets used to defease Indebtedness that was not incurred in violation of the Indenture;

(19) Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Company or any Subsidiary thereof on deposit with or in possession of such bank;

(20) any interest or title of a lessor, licensor or sublicensor in the property subject to any lease, license or sublicense;

(21) Liens created under the Pledge Agreement;

(22) Liens arising from precautionary UCC financing statements regarding operating leases or consignments; and

(23) Liens of franchisors in the ordinary course of business not securing Indebtedness.

"*Permitted Refinancing Indebtedness*" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest thereon and the amount of any reasonably determined premium necessary to accomplish such refinancing and such reasonable expenses incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date the same as or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes or the Note Guarantees, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(4) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is *pari passu* in right of payment with the Notes or any Note Guarantees, such Permitted Refinancing Indebtedness is *pari passu* with, or subordinated in right of payment to, the Notes or such Note Guarantees; and

(5) such Indebtedness is incurred by the Company, any Guarantor or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"*Permitted SAILS Refinancing Indebtedness*" means any Indebtedness (including any related options on some or all of the Viacom Stock, whether in one or more separate agreements) of the Company issued in exchange for, or the net proceeds of which are used solely to offset, purchase, redeem, extend, refinance, renew, replace, defease, refund or otherwise acquire or retire the Company's Indebtedness represented by the SAILS Forward Exchange Contracts as in effect on the date of the Indenture or any Permitted SAILS Refinancing Indebtedness; *provided* that, (i) on the date of its incurrence, the purchase price or principal amount of such Permitted SAILS Refinancing Indebtedness does not exceed the fair market value of the Viacom Stock on such date and (ii) the Company's obligations with respect to the purchase price or principal amount of such Permitted SAILS Refinancing Indebtedness (x) may be satisfied in full by delivery of the Viacom Stock and any related options on the Viacom Stock or any proceeds received by the Company on account of such options (provided that, in the case of the Viacom Stock, such delivery need not be the exclusive method of satisfying the Company's obligations thereunder); *provided* that if the Company no longer owns sufficient Viacom Stock and/or related options on Viacom Stock to satisfy in full the Company's Obligations under such Permitted SAILS Refinancing Indebtedness, such Indebtedness shall no longer be deemed to be Permitted SAILS Refinancing Indebtedness, and (y) are not secured by any Liens on any of the Company's or its Subsidiaries' assets other than the Viacom Stock and the related options on such Viacom Stock.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Rating Agencies*" means (1) S&P and Moody's or (2) if S&P or Moody's or both of them are not making ratings publicly available, a nationally recognized U.S. rating agency or agencies, as the case may be, selected by the Company, which will be substituted for S&P or Moody's or both, as the case may be.

"*Rating Category*" means (1) with respect to S&P, any of the following categories (any of which may include a "+" or "-": AAA, AA, A, BBB, BB, B, CCC, CC, C and D (or equivalent successor categories), (2) with respect to Moody's, any of the following categories: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C and D (or equivalent successor categories), and (3) the equivalent of any such categories of S&P or Moody's used by another Rating Agency, if applicable.

"*Replacement Assets*" means (1) non-current tangible assets that will be used or useful in a Permitted Business, (2) substantially all the assets of a Permitted Business or the Voting Stock of any Person engaged in a Permitted Business that will become on the date of acquisition thereof a Wholly Owned Restricted Subsidiary or (3) Investments to the extent permitted under the covenant described above under the caption "— Certain Covenants — Restricted Payments" (other than Investments permitted by clause (4) of Permitted Investments).

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

"*SAILS Forward Exchange Contracts*" means, collectively, the SAILS Mandatorily Exchangeable Securities Contract dated May 22, 2000, among the Company, OLH, G.P., Credit Suisse First Boston International and Credit Suisse First Boston Corporation, as Agent, together with the SAILS Pledge Agreement dated as of May 22, 2000, among the Company, Credit Suisse First Boston International and Credit Suisse First Boston Corporation, as Agent, as amended by the letter dated October 6, 2000 by Credit Suisse First Boston International and Credit Suisse First Boston Corporation to OLH, G.P. and Merrill Lynch Mortgage Capital, Inc., each as in effect on the date of the Indenture.

"*sale and leaseback transaction*" means, with respect to any Person, any transaction involving any of the assets or properties of such Person whether now owned or hereafter acquired, whereby such Person sells or transfers such assets or properties and then or thereafter leases such assets or properties or any part thereof or any other assets or properties which such Person intends to use for substantially the same purpose or purposes as the assets or properties sold or transferred.

"*Significant Subsidiary*" means any Subsidiary that would constitute a "significant subsidiary" within the meaning of Article 1 of Regulation S-X of the Securities Act; *provided, however,* that for purposes of the Indenture and the Notes, 5% shall be substituted for 10% in each place that it appears in such definition.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are such Person or one or more Subsidiaries of such Person (or any combination thereof).

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution in compliance with the covenant described under the caption "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries," and any Subsidiary of such Subsidiary.

“*Voting Stock*” of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“*Weighted Average Life to Maturity*” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

“*Wholly Owned Restricted Subsidiary*” of any specified Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors’ qualifying shares or Investments by foreign nationals mandated by applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

Overview

The following is a summary of the material U.S. federal income tax considerations relating to the exchange of the outstanding notes by an initial beneficial owner of the outstanding notes. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed Treasury Regulations and judicial decisions and administrative interpretations thereunder, as of the date hereof, all of which are subject to change or to differing interpretation, possibly with retroactive effect. Prospective investors should note that any such change or interpretation with retroactive effect could result in federal income tax consequences different from those discussed below. This summary does not purport to address all tax considerations that may be important to a particular holder in light of the holder's circumstances or to certain categories of investors (such as certain financial institutions, insurance companies, tax-exempt organizations, dealers in securities or foreign currency, controlled foreign corporations, passive foreign investment companies, foreign personal holding companies, persons who hold the outstanding notes through partnerships or other pass-through entities, U.S. expatriates, persons who hold the outstanding notes as part of a hedge, conversion, straddle or other risk reduction transaction or U.S. Holders (as defined below) that have a "functional currency" other than the U.S. dollar) that may be subject to special rules. This discussion also does not deal with purchasers of subsequent offerings under the same Indenture or subsequent holders of the outstanding notes. This summary assumes the holders hold the outstanding notes as "capital assets" within the meaning of Section 1221 of the Code. This discussion does not address the tax considerations arising under the laws of any foreign, state or local jurisdiction or the applicability of U.S. federal gift or estate taxation.

This summary discusses the federal income tax considerations applicable to the initial owners of the outstanding notes who are beneficial owners of the outstanding notes and who purchased the outstanding notes for cash at their "issue price" as defined in Section 1273 of the Code and the regulations thereunder and does not discuss the tax considerations applicable to subsequent purchasers of the outstanding notes. We have not sought any ruling from the Internal Revenue Service, or IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with those statements and conclusions. In addition, those statements and conclusions do not preclude the IRS from successfully asserting, or a court from adopting, a contrary position.

The following discussion constitutes the opinion of Bass, Berry & Sims PLC, tax counsel to the Company, as to the material U.S. federal income tax consequences generally applicable to purchasers of the new notes. Investors considering the exchange of the outstanding notes for the new notes should consult their own tax advisers with respect to the application of the United States federal income tax laws to their particular situations, as well as any tax consequences arising under the federal estate or gift tax rules or under the laws of any state, local or foreign taxing jurisdiction or under any applicable tax treaty.

As used herein, the term "U.S. Holder" means a beneficial owner of an outstanding note that is:

- an individual citizen or resident of the U.S.;
- a corporation (including any entity treated as a corporation for U.S. tax purposes) created or organized in or under the laws of the U.S. or of any political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of the source of the income; or
- a trust subject to the primary supervision of a U.S. court and the control of one or more U.S. persons, or a trust in existence on August 20, 1996 that has elected to continue to be treated as a U.S. person.

If a partnership (including for this purpose any entity treated as a partnership for U.S. tax purposes) is a beneficial owner of outstanding notes, the U.S. tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Both a partnership holding outstanding notes and the partners in that partnership should consult their tax advisors about the U.S. federal income tax consequences of participating in this exchange offer.

As used herein, the term “Non-U.S. Holder” means a beneficial owner of an outstanding note that is not a U.S. Holder.

The exchange of an outstanding note for a new note pursuant to the exchange offer will not constitute a “significant modification” of the outstanding note for U.S. federal income tax purposes, and accordingly, the new note received will be treated as a continuation of the outstanding note in the hands of such holder. As a result, there will be no U.S. federal income tax consequences to a U.S. Holder or Non-U.S. Holder who exchanges an outstanding note for a new note pursuant to the exchange offer and any such U.S. Holder or Non-U.S. Holder will have the same adjusted tax basis and holding period in the new note as he had in the outstanding note immediately prior to the exchange, and the U.S. Holder or Non-U.S. Holder will continue to take into account income in respect of a new note in the same manner as before the exchange.

THE PRECEDING DISCUSSION OF MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS GENERAL IN NATURE. ACCORDINGLY, EACH BENEFICIAL OWNER OF OUTSTANDING NOTES SHOULD CONSULT ITS TAX ADVISOR AS TO THE PARTICULAR U.S. FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF PARTICIPATING IN THE EXCHANGE OFFER, AND THE FOREIGN TAX CONSEQUENCES OF PARTICIPATING IN THE EXCHANGE OFFER, AS WELL AS THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

PLAN OF DISTRIBUTION

Each broker-dealer that receives new notes in the exchange offer for its own account must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the notes. We reserve the right in our sole discretion to purchase or make offers for, or to offer new notes for, any outstanding notes that remain outstanding subsequent to the expiration of the exchange offer pursuant to this prospectus or otherwise and, to the extent permitted by applicable law, purchase outstanding notes in the open market, in privately negotiated transactions or otherwise. This prospectus, as it may be amended or supplemented from time to time, may be used by all persons subject to the prospectus delivery requirements of the Securities Act, including broker-dealers in connection with resales of new notes received in the exchange offer, where the notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 180 days after the effectiveness of the registration statement of which the prospectus is a part, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with such a resale.

We will not receive any proceeds from any sale of new notes by broker-dealers. New notes received by broker-dealers in the exchange offer for their own account may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the new notes or a combination of those methods of resale, at market prices prevailing at the time of resale, at prices related to the prevailing market prices or negotiated prices. Such a resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from such a broker-dealer and/or the purchasers of any of the new notes. Any broker-dealer that resells new notes that were received by it in the exchange offer for its own account and any broker or dealer that participates in a distribution of the notes may be deemed to be an “underwriter” within the meaning of the Securities Act and any profit on such a resale of the notes and any commissions or concessions received by those persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus meeting the requirements of the Securities Act, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

For a period ending on the earlier of (i) 180 days after the effectiveness of the registration statement of which this prospectus is a part and (ii) the date on which a broker-dealer is no longer required to deliver a prospectus in connection with market-making or other trading activities, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests these documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer, including the reasonable fees and expenses of counsel to the initial purchasers of the outstanding notes, other than commissions or concessions of any brokers or dealers, and will indemnify holders of the notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

The legality of the securities offered in this exchange offer has been passed upon for the Company by Bass, Berry & Sims PLC, Nashville, Tennessee and Carter R. Todd, Senior Vice President, General Counsel and Secretary of the Company, who has provided a legal opinion for certain subsidiary guarantors. In addition, Bass, Berry & Sims PLC has passed upon the legality of certain material U.S. Tax consequences applicable to the exchange offer.

EXPERTS

Ernst & Young LLP, independent auditors, have audited Gaylord's consolidated financial statements as of December 31, 2003, 2002 and 2001 and for each of the three years in the period ended December 31, 2003, included in this Amendment No. 3 to the Registration Statement (Form S-4) and included in Gaylord's Amendment No. 2 to its Annual Report on Form 10-K filed April 20, 2004 as set forth in their report dated February 9, 2004, except for the ninth paragraph of Note 16, as to which the date is March 10, 2004, which is included and incorporated by reference in this Amendment No. 3 to the Registration Statement (Form S-4). Ernst & Young LLP, independent auditors, have also audited certain Gaylord financial statement schedules included in Gaylord's Amendment No. 2 to its Annual Report on Form 10-K for the year ended December 31, 2003, as set forth in their report dated February 9, 2004, which is incorporated by reference in this Amendment No. 3 to the Registration Statement (Form S-4). Our financial statements and schedules are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

The consolidated financial statements of ResortQuest International, Inc. as of December 31, 2002 and for the year then ended, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report (which report expresses an unqualified opinion and includes three explanatory paragraphs relating to the application of procedures relating to certain disclosures and reclassifications of financial statement amounts related to the 2001 and 2000 financial statements that were audited by other auditors who have ceased operations and for which they have expressed no opinion or other form of assurance other than with respect to such disclosures and reclassifications and also includes an explanatory paragraph relating to ResortQuest changing its method of accounting for goodwill and other intangible assets to conform with Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets"), which is included in this registration statement (Form S-4), and has been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of ResortQuest International, Inc. as of December 31, 2001 and 2000, and for the years then ended, included in this prospectus have been audited by Arthur Andersen LLP, independent public accountants, as stated in their report appearing herein. See "Risk Factors — Risks Relating to the Business of ResortQuest — You are unlikely to be able to seek remedies against Arthur Andersen LLP, ResortQuest's former independent auditor."

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarterly and special reports and other information with the Securities and Exchange Commission. You can read and copy any materials we file with the SEC at its Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can obtain information about the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a Web site that contains information we file electronically with the SEC, which you can access over the Internet at http://www.sec.gov. In addition, you can obtain information about us at the offices of the New York

Stock Exchange, 20 Broad Street, New York, New York 10005. You may request a copy of our filings at no cost, by writing or telephoning us at the following address:

Gaylord Entertainment Company

One Gaylord Drive
Nashville, Tennessee 37214
Attn: Corporate Secretary
Telephone: (615) 316-6000

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Securities and Exchange Commission allows us to "incorporate by reference" information into this prospectus, meaning that we can disclose important information by referring to another document filed separately with the Securities and Exchange Commission. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information in, or incorporated by reference in, this prospectus. This prospectus incorporates by reference the documents set forth below that we have previously filed with the Securities and Exchange Commission. These documents contain important information about our companies and their finances.

- Gaylord's annual report on Form 10-K for the fiscal year ended December 31, 2003, filed with the SEC on March 12, 2004, as amended by Forms 10-K/A, filed with the SEC on April 7, 2004 and April 20, 2004

We are also incorporating by reference additional documents that we file with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of the initial filing of the registration statement of which this prospectus is a part and the effectiveness of the registration statement, as well as between the date of this prospectus and the date the exchange offer is terminated.

All information contained or incorporated by reference in this prospectus relating to Gaylord has been supplied by Gaylord.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of

Gaylord Entertainment Company

We have audited the accompanying consolidated balance sheets of Gaylord Entertainment Company and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gaylord Entertainment Company and subsidiaries at December 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States.

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

/s/ ERNST & YOUNG LLP

Nashville, Tennessee

February 9, 2004, except for the
ninth paragraph of Note 16,
as to which the date is March 10, 2004

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2003, 2002 and 2001
(Amounts in thousands, except per share data)

	2003	2002	2001
REVENUES	**$448,800**	$405,252	$296,066
OPERATING EXPENSES:			
Operating costs	**276,937**	254,583	201,299
Selling, general and administrative	**117,178**	108,732	67,212
Preopening costs	**11,562**	8,913	15,927
Gain on sale of assets	**—**	(30,529)	—
Impairment and other charges	**856**	—	14,262
Restructuring charges	**—**	(17)	2,182
Depreciation	**53,941**	52,694	34,738
Amortization	**5,009**	3,786	3,667
Operating (loss) income	**(16,683)**	7,090	(43,221)
INTEREST EXPENSE, NET OF AMOUNTS CAPITALIZED	**(52,804)**	(46,960)	(39,365)
INTEREST INCOME	**2,461**	2,808	5,554
UNREALIZED GAIN (LOSS) ON VIACOM STOCK	**39,831**	(37,300)	782
UNREALIZED (LOSS) GAIN ON DERIVATIVES	**(33,228)**	86,476	54,282
OTHER GAINS AND (LOSSES)	**2,209**	1,163	2,661
Income (loss) before provision (benefit) for income taxes, discontinued operations and cumulative effect of accounting change	**(58,214)**	13,277	(19,307)
PROVISION (BENEFIT) FOR INCOME TAXES	**(24,669)**	1,318	(9,142)
Income (loss) from continuing operations before discontinued operations and cumulative effect of accounting change	**(33,545)**	11,959	(10,165)
GAIN (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAXES	**34,371**	85,757	(48,833)
CUMULATIVE EFFECT OF ACCOUNTING CHANGE, NET OF TAXES	**—**	(2,572)	11,202
Net income (loss)	**$ 826**	$ 95,144	$ (47,796)
INCOME (LOSS) PER SHARE:			
Income (loss) from continuing operations	**$ (0.97)**	$ 0.36	$ (0.30)
Gain (loss) from discontinued operations, net of taxes	**0.99**	2.54	(1.45)
Cumulative effect of accounting change, net of taxes	**—**	(0.08)	0.33
Net income (loss)	**$ 0.02**	$ 2.82	$ (1.42)
INCOME (LOSS) PER SHARE — ASSUMING DILUTION:			
Income (loss) from continuing operations	**$ (0.97)**	$ 0.36	$ (0.30)
Gain (loss) from discontinued operations, net of taxes	**0.99**	2.54	(1.45)
Cumulative effect of accounting change, net of taxes	**—**	(0.08)	0.33
Net income (loss)	**$ 0.02**	$ 2.82	$ (1.42)

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2003 and 2002
(Amounts in thousands, except per share data)

	2003	2002
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents — unrestricted	**$ 120,965**	$ 98,632
Cash and cash equivalents — restricted	**37,723**	19,323
Trade receivables, less allowance of $1,805 and $467, respectively	**26,101**	22,374
Deferred financing costs	**26,865**	26,865
Deferred income taxes	**8,753**	7,048
Other current assets	**20,121**	25,889
Current assets of discontinued operations	**19**	4,095
Total current assets	**240,547**	204,226
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	**1,297,528**	1,110,163
INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	**29,505**	240
GOODWILL	**169,642**	6,915
INDEFINITE LIVED INTANGIBLE ASSETS	**40,591**	1,756
INVESTMENTS	**548,911**	509,080
ESTIMATED FAIR VALUE OF DERIVATIVE ASSETS	**146,278**	207,727
LONG-TERM DEFERRED FINANCING COSTS	**75,154**	100,933
OTHER ASSETS	**29,107**	24,323
LONG-TERM ASSETS OF DISCONTINUED OPERATIONS	**—**	13,328
Total assets	**$2,577,263**	$2,178,691
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt and capital lease obligations	**$ 8,584**	$ 8,526
Accounts payable and accrued liabilities	**154,952**	80,685
Current liabilities of discontinued operations	**2,930**	6,652
Total current liabilities	**166,466**	95,863
SECURED FORWARD EXCHANGE CONTRACT	**613,054**	613,054
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, NET OF CURRENT PORTION	**540,175**	332,112
DEFERRED INCOME TAXES	**251,039**	230,867
ESTIMATED FAIR VALUE OF DERIVATIVE LIABILITIES	**21,969**	48,647
OTHER LIABILITIES	**79,226**	67,895
LONG-TERM LIABILITIES OF DISCONTINUED OPERATIONS	**825**	789
MINORITY INTEREST OF DISCONTINUED OPERATIONS	**—**	1,885
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, 39,403 and 33,780 shares issued and outstanding, respectively	**394**	338
Additional paid-in capital	**639,839**	520,796
Retained earnings	**283,624**	282,798
Unearned compensation	**(2,704)**	(1,018)
Accumulated other comprehensive loss	**(16,644)**	(15,335)
Total stockholders' equity	**904,509**	787,579
Total liabilities and stockholders' equity	**$2,577,263**	$2,178,691

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2003, 2002 and 2001
(Amounts in thousands)

	2003	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	**$ 826**	$ 95,144	$ (47,796)
Amounts to reconcile net income (loss) to net cash flows provided by operating activities:			
(Gain) loss from discontinued operations, net of taxes	**(34,371)**	(85,757)	48,833
Impairment and other charges	**856**	—	14,262
Cumulative effect of accounting change, net of taxes	**—**	2,572	(11,202)
Unrealized gain on Viacom stock and related derivatives	**(6,603)**	(49,176)	(55,064)
Depreciation and amortization	**58,950**	56,480	38,405
Gain on sale of assets	—	(30,529)	—
Provision (benefit) for deferred income taxes	**(24,871)**	64,582	(11,428)
Amortization of deferred financing costs	**35,219**	36,164	35,987
Changes in (net of acquisitions and divestitures):			
Trade receivables	**3,242**	(8,924)	5,273
Accounts payable and accrued liabilities	**17,808**	(336)	(16,773)
Other assets and liabilities	**12,860**	3,609	14,625
Net cash flows provided by operating activities — continuing operations	**63,916**	83,829	15,122
Net cash flows provided by operating activities — discontinued operations	**2,890**	3,451	368
Net cash flows provided by operating activities	**66,806**	87,280	15,490
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	**(223,720)**	(175,404)	(280,921)
Cash of business acquired	**4,228**	—	—
Proceeds from sale of assets	**175**	30,875	—
Collection of note receivable	**10,000**	—	—
Other investing activities	**(2,328)**	(955)	3,033
Net cash flows used in investing activities — continuing operations	**(211,645)**	(145,484)	(277,888)
Net cash flows provided by investing activities — discontinued operations	**65,354**	232,570	17,794
Net cash flows provided by (used in) investing activities	**(146,291)**	87,086	(260,094)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of debt	**550,000**	85,000	535,000
Repayment of long-term debt	**(425,104)**	(214,846)	(241,503)
Deferred financing costs paid	**(18,289)**	—	(19,582)
(Increase) decrease in cash and cash equivalents — restricted	**(8,560)**	45,670	(52,326)
Proceeds from exercise of stock options and stock purchase plans	**4,459**	919	2,548
Other financing activities	**(594)**	—	—
Net cash flows provided by (used in) financing activities — continuing operations	**101,912**	(83,257)	224,137
Net cash flows provided by (used in) financing activities — discontinued operations	**(94)**	(1,671)	2,904
Net cash flows provided by (used in) financing activities	**101,818**	(84,928)	227,041
NET CHANGE IN CASH AND CASH EQUIVALENTS — UNRESTRICTED	**22,333**	89,438	(17,563)
CASH AND CASH EQUIVALENTS — UNRESTRICTED, BEGINNING OF YEAR	**98,632**	9,194	26,757
CASH AND CASH EQUIVALENTS — UNRESTRICTED, END OF YEAR	**$ 120,965**	$ 98,632	$ 9,194

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the Years Ended December 31, 2003, 2002 and 2001
(Amounts in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Unearned Compensation	Other Comprehensive Income (Loss)	Total Stockholders' Equity
BALANCE, December 31, 2000	$334	$513,779	$235,450	$ (80)	$ 16,454	$765,937
COMPREHENSIVE LOSS:						
Net loss	—	—	(47,796)	—	—	(47,796)
Reclassification of gain on marketable securities	—	—	—	—	(17,957)	(17,957)
Unrealized loss on interest rate caps	—	—	—	—	(213)	(213)
Minimum pension liability, net of deferred income taxes	—	—	—	—	(7,672)	(7,672)
Foreign currency translation	—	—	—	—	711	711
Comprehensive loss						(72,927)
Exercise of stock options	2	2,327	—	—	—	2,329
Tax benefit on stock options	—	720	—	—	—	720
Employee stock plan purchases	—	219	—	—	—	219
Issuance of restricted stock	1	3,664	—	(3,665)	—	—
Cancellation of restricted stock	—	(928)	—	928	—	—
Compensation expense	—	(86)	—	796	—	710
BALANCE, December 31, 2001	337	519,695	187,654	(2,021)	(8,677)	696,988
COMPREHENSIVE INCOME:						
Net income	—	—	95,144	—	—	95,144
Unrealized loss on interest rate caps	—	—	—	—	(161)	(161)
Minimum pension liability, net of deferred income taxes	—	—	—	—	(7,252)	(7,252)
Foreign currency translation	—	—	—	—	755	755
Comprehensive income						88,486
Exercise of stock options	1	660	—	—	—	661
Tax benefit on stock options	—	28	—	—	—	28
Employee stock plan purchases	—	206	—	—	—	206
Modification of stock plan	—	52	—	—	—	52
Issuance of restricted stock	—	115	—	(115)	—	—
Issuance of stock warrants	—	40	—	—	—	40
Cancellation of restricted stock	—	(32)	—	32	—	—
Compensation expense	—	32	—	1,086	—	1,118
BALANCE, December 31, 2002	**338**	**520,796**	**282,798**	**(1,018)**	**(15,335)**	**787,579**
COMPREHENSIVE LOSS:						
Net income	**—**	**—**	**826**	**—**	**—**	**826**
Unrealized gain on interest rate derivatives	**—**	**—**	**—**	**—**	**498**	**498**
Minimum pension liability, net of deferred income taxes	**—**	**—**	**—**	**—**	**(1,774)**	**(1,774)**
Foreign currency translation	**—**	**—**	**—**	**—**	**(33)**	**(33)**
Comprehensive loss						**(483)**
Acquisition of business	**53**	**105,276**	**—**	**—**	**—**	**105,329**
Conversion of stock options of acquired business	**—**	**5,596**	**—**	**(1,387)**	**—**	**4,209**
Exercise of stock options	**2**	**4,187**	**—**	**—**	**—**	**4,189**
Tax benefit on stock options	**—**	**881**	**—**	**—**	**—**	**881**
Employee stock plan purchases	**—**	**270**	**—**	**—**	**—**	**270**
Shares issued to employees	**—**	**24**	**—**	**—**	**—**	**24**
Issuance of restricted stock	**1**	**1,237**	**—**	**(1,238)**	**—**	**—**
Cancellation of restricted stock	**—**	**(43)**	**—**	**43**	**—**	**—**
Compensation expense	**—**	**1,615**	**—**	**896**	**—**	**2,511**
BALANCE, December 31, 2003	**$394**	**$639,839**	**$283,624**	**$(2,704)**	**$(16,644)**	**$904,509**

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

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

Gaylord Entertainment Company (the “Company”) is a diversified hospitality and entertainment company operating, through its subsidiaries, principally in four business segments: Hospitality; ResortQuest; Opry and Attractions; and Corporate and Other. During the third quarter of 2003, the Company completed a sale of the assets primarily used in the operation of WSM-FM and WWTN(FM) (collectively, the “Radio Operations”). The Radio Operations, along with other businesses with respect to which the Company pursued plans of disposal in 2002 and prior periods, have been presented as discontinued operations as described in more detail below and in Note 5. The Radio Operations were previously included in a separate business segment, Opry and Media, along with WSM-AM. Due to the Radio Operations being included in discontinued operations, WSM-AM is now grouped in the Opry and Attractions business segment for all periods presented.

Business Segments

Hospitality

The Hospitality segment includes the operations of Gaylord Hotels(TM) branded hotels and the Radisson Hotel at Opryland. At December 31, 2003, the Company owns and operates the Gaylord Opryland Resort and Convention Center (“Gaylord Opryland” and formerly known as the “Opryland Hotel Nashville”), the Gaylord Palms Resort and Convention Center (“Gaylord Palms”) and the Radisson Hotel at Opryland. Gaylord Opryland and the Radisson Hotel at Opryland are both located in Nashville, Tennessee. Gaylord Opryland is owned and operated by Opryland Hotel Nashville, LLC, a consolidated wholly-owned subsidiary of the Company incorporated in Delaware. The Gaylord Palms in Kissimmee, Florida opened in January 2002. The Company is developing a Gaylord hotel in Grapevine, Texas, the Gaylord Texan Resort & Convention Center (“Gaylord Texan”), which is expected to open in April 2004. The Company has entered into a purchase agreement with respect to a tract of land for the development of a hotel in the Washington, D.C. area. The purchase agreement is subject to designated closing conditions and provides for liquidated damages, currently in the amount of $1.0 million, in the event the Company elects not to purchase the property once the closing conditions have been satisfied. This project is subject to the availability of financing, resolution of certain zoning issues and approval of the Company’s Board of Directors.

ResortQuest

The ResortQuest segment includes the operations of our vacation property management services subsidiaries. This branded network of vacation properties currently offers management services to approximately 19,300 properties in 50 premier beach, mountain, desert, and tropical resort locations. The acquisition of ResortQuest International, Inc. (“ResortQuest”) was completed on November 20, 2003 as further discussed in Note 6. The results of operations of ResortQuest for the period November 20, 2003 to December 31, 2003 are included in these consolidated financial statements.

Opry and Attractions

The Opry and Attractions segment includes all of the Company’s Nashville-based tourist attractions. At December 31, 2003, these include the Grand Ole Opry, the General Jackson Showboat, the Wildhorse Saloon, the Ryman Auditorium and the Springhouse Golf Club, among others. The Opry and Attractions segment also includes Corporate Magic, which specializes in the production of creative events in the corporate entertainment marketplace, and WSM-AM.

TM A registered trademark of Gaylord Entertainment Company

Corporate and Other

Corporate and Other includes salaries and benefits of the Company's executive and administrative personnel and various other overhead costs. This segment also includes the expenses and activities associated with the Company's ownership of various investments, including Bass Pro, Inc. ("Bass Pro"), the Nashville Predators, the naming rights agreement related to the Nashville Predators and Opry Mills. The Company owns minority interests in Bass Pro, a leading retailer of premium outdoor sporting goods and fishing products, and the Nashville Predators, a National Hockey League professional team. Until the second quarter of 2002, the Company owned a minority interest in a partnership with The Mills Corporation that developed Opry Mills, a Nashville entertainment and retail complex, which opened in May 2000. The Company sold its interest in Opry Mills during 2002 to certain affiliates of The Mills Corporation, as further discussed in Note 7. The Company also sold its majority interest in the Oklahoma RedHawks, a minor league baseball team, during the fourth quarter of 2003. During the first quarter of 2002, the Company disclosed that it intended to dispose of its investment in the Nashville Predators.

Principles of Consolidation

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

Cash and Cash Equivalents — Unrestricted

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

Cash and Cash Equivalents — Restricted

Restricted cash and cash equivalents represent cash held in escrow for required capital expenditures, property taxes, insurance payments and other reserves required pursuant to the terms of the Company's debt agreements, as further described in Note 12, as well as guest advance deposits held in escrow for lodging reservations and deposits held on real estate transactions.

Supplemental Cash Flow Information

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

	2003	2002	2001
Debt interest paid	**$ 20,638**	$17,749	$ 23,405
Deferred financing costs paid	**18,289**	—	19,582
Capitalized interest	**(14,810)**	(6,825)	(18,781)
Cash paid for interest, net of capitalized interest	**$ 24,117**	$10,924	$ 24,206

Net cash refunds for income taxes were $1.0 million, $63.2 million and $21.7 million for the years ended December 31, 2003, 2002 and 2001, respectively.

The Company's net cash flows provided by investing activities — discontinued operations in 2003, 2002, and 2001 primarily consist of cash proceeds received from the sale of discontinued operations.

On November 20, 2003, the Company acquired 100% of the outstanding common shares of ResortQuest in a tax-free stock for stock merger for a total purchase price of $114,698. The total purchase price of the ResortQuest acquisition was comprised of the following:

Fair value of common stock issued	$105,329
Fair value of stock options issued	5,596
Direct merger costs	3,773
Total	$114,698

The purchase price was allocated as follows:

Assets acquired, including cash acquired of $4,228	$ 283,019
Liabilities assumed	(169,708)
Deferred stock-based compensation	1,387
Net assets acquired	$ 114,698

Accounts Receivable

The Company's accounts receivable are primarily generated by meetings and convention attendees' room nights, as well as vacation rental property management fees. Receivables arising from these sales are not collateralized. Credit risk associated with the accounts receivable is minimized due to the large and diverse nature of the customer base. No customers accounted for more than 10% of the Company's trade receivables at December 31, 2003.

Allowance for Doubtful Accounts

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

Deferred Financing Costs

Deferred financing costs consist of prepaid interest, loan fees and other costs of financing that are amortized over the term of the related financing agreements, using the effective interest method. For the years ended December 31, 2003, 2002 and 2001, deferred financing costs of $35.2 million, $36.2 million and $36.0 million, respectively, were amortized and recorded as interest expense in the accompanying consolidated statements of operations. The current portion of deferred financing costs at December 31, 2003 represents the amount of prepaid contract payments related to the secured forward exchange contract discussed in Note 10 that will be amortized in the coming year.

Property and Equipment

Property and equipment are stated at cost. Improvements and significant renovations that extend the lives of existing assets are capitalized. Interest on funds borrowed to finance the construction of major capital additions is included in the cost of the applicable capital addition. Maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Land improvements	20 years
Attractions-related equipment	16 years
Furniture, fixtures and equipment	3-8 years
Leasehold improvements	The shorter of the lease term or useful life

Impairment of Long-Lived Assets

In accounting for the Company's long-lived assets other than goodwill, the Company applies the provisions of Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The Company adopted the provisions of SFAS No. 144 during 2001 with an effective date of January 1, 2001. Under SFAS No. 144, the Company assesses its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable. Recoverability of long-lived assets that will continue to be used is measured by comparing the carrying amount of the asset or asset group to the related total future undiscounted net cash flows. If an asset or asset group's carrying value is not recoverable through those cash flows, the asset group is considered to be impaired. The impairment is measured by the difference between the assets' carrying amount and their fair value, based on the best information available, including market prices or discounted cash flow analyses.

Goodwill and Intangibles

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations", and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 supersedes Accounting Principles Board ("APB") Opinion No. 16, "Business Combinations", and requires the use of the purchase method of accounting for all business combinations prospectively. SFAS No. 141 also provides guidance on recognition of intangible assets apart from goodwill. The Company adopted the provisions of SFAS No. 141 in June of 2001.

SFAS No. 142 supercedes APB Opinion No. 17, "Intangible Assets", and changes the accounting for goodwill and intangible assets. Effective January 1, 2002, the Company adopted SFAS No. 142. Under SFAS No. 142, goodwill and other intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually and whenever events or circumstances occur indicating that these intangibles may be impaired. The Company performs its review of goodwill for impairment by comparing the carrying value of the applicable reporting unit to the fair value of the reporting unit. If the fair value is less than the carrying value then the Company measures potential impairment by allocating the fair value of the reporting unit to the tangible assets and liabilities of the reporting unit in a manner similar to a business combination purchase price allocation. The remaining fair value of the reporting unit after assigning fair values to all of the reporting unit's assets and liabilities represents the implied fair value of goodwill of the reporting unit. The impairment is measured by the difference between the carrying value of goodwill and the implied fair value of goodwill. The Company's goodwill and intangibles are discussed further in Note 19.

Leases

The Company is leasing a 65.3 acre site in Osceola County, Florida on which the Gaylord Palms is located and a 23 acre site in Grapevine, Texas on which the Gaylord Texan will be located and has various other leasing arrangements, including leases for office space and office equipment. The Company accounts for lease obligations in accordance with SFAS No. 13, "Accounting for Leases", and related interpretations. The Company's leases are discussed further in Note 16.

Investments

The Company owns investments in marketable securities and has minority interest investments in certain businesses. Marketable securities are accounted for in accordance with the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Generally, non-marketable investments (excluding limited partnerships) in which the Company owns less than 20 percent are accounted for using the cost method of accounting and investments in which the Company owns between 20 percent and 50 percent and limited partnerships are accounted for using the equity method of accounting.

Other Assets

Other current and long-term assets of continuing operations at December 31 consist of (amounts in thousands):

	2003	2002
Other current assets:		
Other current receivables	**$ 6,716**	$ 5,916
Note receivable — current portion	**—**	10,000
Inventories	**4,828**	3,900
Prepaid expenses	**7,596**	3,850
Current income tax receivable	**—**	1,478
Other current assets	**981**	745
Total other current assets	**$20,121**	$25,889
Other long-term assets:		
Notes receivable	**$ 7,535**	$ 7,500
Deferred software costs, net	**15,904**	11,101
Other long-term assets	**5,668**	5,722
Total other long-term assets	**$29,107**	$24,323

Other current assets

Other current receivables result primarily from non-operating income and are due within one year. Inventories consist primarily of merchandise for resale and are carried at the lower of cost or market. Cost is computed on an average cost basis. Prepaid expenses consist of prepayments for insurance and contracts that will be expensed during the subsequent year.

Other long-term assets

Long-term notes receivable primarily consists of an unsecured note receivable from Bass Pro. This long-term note receivable bears interest at a variable rate which is payable quarterly and matures in 2009.

During 1998, ResortQuest recorded a note receivable of $4.0 million as a result of cash advances made to a primary stockholder ("Debtor") of the predecessor company who is no longer an affiliate of ResortQuest. The note is collateralized by a third mortgage on residential real estate owned by the Debtor. Due to the failure to make interest payments, the note receivable is now in default. The Company has accelerated the note and demanded payment in full, although the Company has agreed to forebear collection until July 2004. The Company also contracted an independent external third party to appraise the property by which the note is secured, confirm the outstanding senior claims on the property and assess the associated credit risk. Based on this assessment, the Company recognized a valuation allowance of $4.0 million against the note receivable which was recorded as an adjustment of the purchase price allocation.

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

The Company accounts for the costs of computer software developed or obtained for internal use that is also sold or otherwise marketed in accordance with FASB Statement No. 86 “Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed.”

These costs are being amortized on a straight-line basis over the estimated useful lives of the related projects ranging from three to ten years. In accordance with Statement No. 86, the Company periodically, or upon the occurrence of certain events, reviews these capitalized software cost balances for impairment.

Preopening Costs

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

Accounts Payable and Accrued Liabilities

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

	2003	2002
Trade accounts payable	**$ 9,737**	$ 7,524
Accrued construction in progress	**18,993**	17,484
Property and other taxes payable	**19,820**	15,854
Deferred revenues	**60,271**	11,879
Accrued salaries and benefits	**16,860**	7,679
Restructuring accruals	**289**	701
Accrued self-insurance reserves	**3,683**	3,755
Accrued interest payable	**3,232**	554
Accrued advertising and promotion	**7,422**	4,206
Other accrued liabilities	**14,645**	11,049
Total accounts payable and accrued liabilities	**$154,952**	$80,685

Deferred revenues consist primarily of deposits on advance bookings of rooms and vacation properties and advance ticket sales at the Company’s tourism properties. The increase in deferred revenues from 2002 is due to the acquisition of ResortQuest. The Company is self-insured up to a stop loss for certain losses relating to workers’ compensation claims, employee medical benefits and general liability claims. The

Company recognizes self-insured losses based upon estimates of the aggregate liability for uninsured claims incurred using certain actuarial assumptions followed in the insurance industry or the Company's historical experience.

Income Taxes

In accordance with SFAS No. 109, "Accounting for Income Taxes", the Company establishes deferred tax assets and liabilities based on the difference between the financial statement and income tax carrying amounts of assets and liabilities using existing tax laws and tax rates. See Note 13 for more detail on the Company's income taxes.

Minority Interests of Discontinued Operations

Minority interests of discontinued operations relate to the interests in consolidated companies that the Company does not wholly own. The Company allocates income or loss to the minority interests based on the percentage ownership not owned by the Company as it may change throughout the year. As of December 31, 2003, the Company has no minority interests recorded on its consolidated balance sheet due to the sale of the Company's interest in the Oklahoma RedHawks.

Revenue Recognition

Revenues from rooms are recognized as earned on the close of business each day. Revenues from concessions and food and beverage sales are recognized at the time of the sale. The Company recognizes revenues from the Opry and Attractions segment when services are provided or goods are shipped, as applicable.

The Company earns revenues from the ResortQuest segment through property management fees, service fees, and other sources. The Company receives property management fees when the properties are rented, which are generally a percentage of the rental price of the vacation property. Management fees range from approximately 3% to over 40% of gross lodging revenues collected based upon the type of services provided to the property owner and the type of rental units managed. Revenues are recognized ratably over the rental period based on the Company's proportionate share of the total rental price of the vacation condominium or home. The Company provides or arranges through third parties certain services for property owners or guests. Service fees include reservations, housekeeping, long-distance telephone, ski rentals, lift tickets, beach equipment and pool cleaning. Internally provided services are recognized as service fee revenue when the service is provided. Services provided by third parties are generally billed directly to property owners and are not included in the accompanying consolidated financial statements. The Company recognizes other revenues primarily related to real estate broker commissions and software and maintenance sales. The Company recognizes revenues on real estate sales when the transactions are complete, and such revenue is recorded net of the related agent commissions. The Company also sells a fully integrated software package, First Resort Software, specifically designed for the vacation property management business, along with ongoing service contracts. Software and maintenance revenues are recognized when the systems are installed and ratably over the service period, respectively, in accordance with SOP 97-2, "Software Revenue Recognition." Provision for returns and other adjustments are provided for in the same period the revenue was recognized.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs from continuing operations were $17.5 million, $22.8 million and $25.7 million for the years ended December 31, 2003, 2002 and 2001, respectively.

Stock-Based Compensation

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

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

	2003	2002	2001
NET INCOME (LOSS):			
As reported	**$ 826**	$95,144	$(47,796)
Stock-based employee compensation, net of tax effect	**3,067**	3,190	2,412
Pro forma	**$(2,241)**	$91,954	$(50,208)
INCOME (LOSS) PER SHARE:			
As reported	**$ 0.02**	$ 2.82	$ (1.42)
Pro forma	**$ (0.07)**	$ 2.72	$ (1.50)
INCOME (LOSS) PER SHARE — ASSUMING DILUTION:			
As reported	**$ 0.02**	$ 2.82	$ (1.42)
Pro forma	**$ (0.07)**	$ 2.72	$ (1.50)

The Company’s stock-based compensation is further described in Note 15.

Discontinued Operations

In August 2001, the FASB issued SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets”. SFAS No. 144 superseded SFAS No. 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of” and the accounting and reporting provisions for the disposal of a segment of a business of APB Opinion No. 30, “Reporting the Results of Operations — Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions”.

SFAS No. 144 retained the requirements of SFAS No. 121 for the recognition and measurement of an impairment loss and broadened the presentation of discontinued operations to include a component of an entity (rather than a segment of a business). The Company adopted the provisions of SFAS No. 144 during 2001 with an effective date of January 1, 2001.

In accordance with the provisions of SFAS No. 144, the Company has presented the operating results, financial position and cash flows of the following businesses as discontinued operations in the accompanying consolidated financial statements as of December 31, 2003 and 2002 and for each of the three years in the period ended December 31, 2003: WSM-FM and WWTN(FM); Word Entertainment ("Word"), the Company's contemporary Christian music business; the Acuff-Rose Music Publishing entity; GET Management, the Company's artist management business which was sold during 2001; the Company's ownership interest in the Oklahoma RedHawks, a minor league baseball team based in Oklahoma City, Oklahoma; the Company's international cable networks; the businesses sold to affiliates of The Oklahoma Publishing Company ("OPUBCO") in 2001 consisting of Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television and Gaylord Production Company; and the Company's water taxis that were sold in 2001. The results of operations of these businesses, including impairment and other charges, restructuring charges and any gain or loss on disposal, have been reflected as discontinued operations, net of taxes, in the accompanying consolidated statements of operations and the assets and liabilities of these businesses are reflected as discontinued operations in the accompanying consolidated balance sheets, as further described in Note 5.

Income (Loss) Per Share

SFAS No. 128, "Earnings Per Share", established standards for computing and presenting earnings per share. Under the standards established by SFAS No. 128, earnings per share is measured at two levels: basic earnings per share and diluted earnings per share. Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed by dividing net income by the weighted average number of common shares outstanding after considering the effect of conversion of dilutive instruments, calculated using the treasury stock method. Income per share amounts are calculated as follows for the years ended December 31 (income and share amounts in thousands):

	2003		
	Income	Shares	Per Share
Net income	**$826**	**34,460**	**$0.02**
Effect of dilutive stock options	—	—	—
Net income — assuming dilution	**$826**	**34,460**	**$0.02**

	2002		
	Income	Shares	Per Share
Net income	$95,144	33,763	$2.82
Effect of dilutive stock options	—	31	—
Net income — assuming dilution	$95,144	33,794	$2.82

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

For the years ended December 31, 2003 and 2001, the effect of dilutive stock options was the equivalent of approximately 74,000 and 99,000 shares of common stock outstanding, respectively. Because the Company had a loss from continuing operations in the years ended December 31, 2003 and 2001, these incremental shares were excluded from the computation of diluted earnings per share for those years as the effect of their inclusion would be anti-dilutive.

Comprehensive Income

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

Financial Instruments

The Company has issued $350.0 million in aggregate principal amount of Senior Notes due 2013, which are discussed further in Note 12. These Senior Notes accrue interest at a fixed rate of 8%. The Company has entered into fixed to variable interest rate swaps with respect to $125.0 million principal amount of the Senior Notes. The carrying value of $125.0 million of the Senior Notes covered by this interest rate swap approximates fair value based upon the variable nature of this financial instrument's interest rate. However, the $225.0 million carrying value of the remaining Senior Notes does not approximate fair value. The fair value of this financial instrument, based upon quoted market prices, was $237.9 million as of December 31, 2003. The carrying value of the Senior Loan, which is also discussed in Note 12, approximates fair value based upon the variable nature of this financial instrument's interest rate. The carrying value of the Company's long-term notes receivable approximates fair value based upon the variable nature of these financial instruments' interest rates. Certain of the Company's investments are carried at fair value determined using quoted market prices as discussed further in Note 9. The carrying amount of short-term financial instruments (cash, trade receivables, accounts payable and accrued liabilities) approximates fair value due to the short maturity of those instruments. The concentration of credit risk on trade receivables is minimized by the large and diverse nature of the Company's customer base.

Derivatives and Hedging Activities

The Company utilizes derivative financial instruments to reduce interest rate risks and to manage risk exposure to changes in the value of certain owned marketable securities as discussed in Note 11 and portions of its fixed rate debt as discussed in Note 12. Effective January 1, 2001, the Company records derivatives in accordance with the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which was subsequently amended by SFAS No. 138 and SFAS No. 149. SFAS No. 133, as amended, established accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires all derivatives to be recognized in the statement of financial position and to be measured at fair value. Changes in the fair value of those instruments are reported in earnings or other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the 2003 financial statement presentation.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Newly Issued Accounting Standards

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 replaces Emerging Issues Task Force ("EITF") No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred, whereas EITF No. 94-3 required recognition of the liability at the commitment date to an exit plan. The Company adopted the provisions of SFAS No. 146 effective for exit or disposal activities initiated after December 31, 2002 and the adoption did not have a material effect on the Company's consolidated results of operations or financial position.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others" ("FIN No. 45"). FIN No. 45 elaborates on the disclosures to be made by a guarantor in its financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. Certain guarantee contracts are excluded from both the disclosure and recognition requirements of FIN No. 45, including, among others, residual value guarantees under capital lease arrangements and loan commitments. The disclosure requirements of FIN No. 45 were effective as of December 31, 2002. The recognition requirements of FIN No. 45 are to be applied prospectively to guarantees issued or modified after December 31, 2002. The adoption of FIN No. 45 did not have a material impact on the Company's consolidated results of operations, financial position, or liquidity.

In January 2003, the FASB issued FASB Interpretation 46, "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" ("FIN 46"). In December 2003, the FASB modified FIN No. 46 to make certain technical corrections and address certain implementation issues that had arisen. FIN No. 46 provides a new framework for identifying variable interest entities ("VIEs") and determining when a company should include the assets, liabilities, noncontrolling interests and results of activities of a VIE in its consolidated financial statements. FIN No. 46 requires a VIE to be consolidated if a party with an ownership, contractual or other financial interest in the VIE (a variable interest holder) is obligated to absorb a majority of the risk of loss from the VIE's activities, is entitled to receive a majority of the VIE's residual returns (if no party absorbs a majority of the VIE's losses), or both. A variable interest holder that consolidates the VIE is called the primary beneficiary. Upon consolidation, the primary beneficiary generally must initially record all of the VIE's assets, liabilities and noncontrolling interests at fair value and subsequently account for the VIE as if it were consolidated based on majority voting interest. FIN No. 46 also requires disclosures about VIEs that the variable interest holder is not required to consolidate but in which it has significant variable interest.

FIN No. 46 was effective immediately for VIEs created after January 31, 2003. The provisions of FIN No. 46, as revised, were adopted as of December 31, 2003 for the Company's interests in VIEs that are special purpose entities ("SPEs"). The adoption of FIN No. 46 for interests in SPEs on December 31, 2003 did not have a material effect on the Company's consolidated balance sheet. The Company expects to adopt the provisions of FIN No. 46 for the Company's variable interests in all VIEs as of March 31,

2004. The effect of adopting the provisions of FIN No. 46 for all the Company's variable interests is not expected to have a material impact on the Company's consolidated balance sheet at March 31, 2004.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity". SFAS No. 150 requires issuers to classify as liabilities (or assets in some circumstances) three classes of freestanding financial instruments that embody obligations for the issuer. Generally, SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003 and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. The Company adopted the provisions of SFAS No. 150 on July 1, 2003. The Company did not enter into any financial instruments within the scope of SFAS No. 150 after May 31, 2003. Adoption of this statement did not have any effect on the Company's consolidated financial statements.

In December 2003, the FASB issued a revision to SFAS No. 132, "Employer's Disclosure about Pension and Other Postretirement Benefits". This revised statement requires that companies provide more detailed disclosures about the plan assets, benefit obligations, cash flows, benefit costs, and investment policies of their pension and postretirement benefit plans. This statement is effective for financial statements with fiscal years ending after December 15, 2003. The Company adopted the provisions of this statement on December 31, 2003 and the information contained in this report reflects the disclosures required under the revised standard.

2. Construction Funding Requirements

As of December 31, 2003, the Company had $121.0 million in unrestricted cash, $88.7 million available under its revolving line of credit, and the net cash flows from certain operations to fund its cash requirements including the Company's 2004 construction commitments related to its hotel construction projects. The Company believes that these resources are adequate to fund all of the Company's 2004 construction commitments. The Company has entered into a purchase agreement with respect to a tract of land for the development of a hotel in the Washington, D.C. area. The purchase agreement is subject to designated closing conditions and provides for liquidated damages, currently in the amount of $1.0 million, in the event the Company elects not to purchase the property once the closing conditions have been satisfied. If the Company elects to purchase the property and develop the hotel, the Company would be required to obtain additional long term financing to fund the construction costs.

3. Impairment and Other Charges

During 2001, the Company named a new chairman and a new chief executive officer, and had numerous changes in senior management. The new management team instituted a corporate reorganization and the reevaluation of the Company's businesses and other investments (the "2001 Strategic Assessment"). As a result of the 2001 Strategic Assessment, the Company determined that the carrying value of certain long-lived assets were not fully recoverable and recorded pretax impairment and other charges from continuing operations during 2001 and 2003 in accordance with the provisions of SFAS No. 144.

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

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

	2003	2002	2001
Programming, film and other content	**$856**	—	$ 6,858
Gaylord Digital and other technology investments	**—**	—	4,576
Property and equipment	**—**	—	2,828
Total impairment and other charges	**$856**	—	$14,262

2001 Impairment and Other Charges

The Company began production of an IMAX movie during 2000 to portray the history of country music. As a result of the 2001 Strategic Assessment, the carrying value of the IMAX film asset was reevaluated on the basis of its estimated future cash flows resulting in an impairment charge of $6.9 million.

At December 31, 2000, the Company held a minority investment in a technology start-up business. During 2001, the unfavorable environment for technology businesses created difficulty for this business to obtain adequate capital to execute its business plan and, subsequently, the Company was notified that this technology business had been unsuccessful in arranging financing, resulting in an impairment charge of $4.6 million. The Company also recorded an impairment charge related to idle real estate of $2.0 million during 2001 based upon an assessment of the value of the property. The Company sold this idle real estate during the second quarter of 2002. Proceeds from the sale approximated the carrying value of the property. In addition, the Company recorded an impairment charge for other idle property and equipment totaling $0.8 million during 2001 primarily due to the consolidation of offices resulting from personnel reductions as discussed in Note 4.

2003 Impairment and Other Charges

In the third quarter of 2003, based on the revenues generated by the theatrical release of the IMAX movie, the asset was again reevaluated on the basis of estimated future cash flows. As a result, an additional impairment charge of $0.9 million was recorded in the third quarter of 2003. The carrying value of the asset was $1.2 million as of December 31, 2003.

4. Restructuring Charges

The following table summarizes the activities of the restructuring charges for continuing operations for the years ended December 31, 2003, 2002 and 2001 (amounts in thousands):

	Balance at December 31, 2002	Restructuring charges and adjustments	Payments	Balance at December 31, 2003
2001 restructuring charges	**$431**	**$ —**	**$337**	**$ 94**
2000 restructuring charge	**270**	**—**	**75**	**195**
	$701	**$ —**	**$412**	**$289**

	Balance at December 31, 2001	Restructuring charges and adjustments	Payments	Balance at December 31, 2002
2002 restructuring charge	$ —	$ 1,062	$1,062	$ —
2001 restructuring charges	4,168	(1,079)	2,658	431
2000 restructuring charge	1,569	—	1,299	270
	$5,737	$ (17)	$5,019	$701

	Balance at December 31, 2000	Restructuring charges and adjustments	Payments	Balance at December 31, 2001
2001 restructuring charges	$ —	$ 5,848	$1,680	$4,168
2000 restructuring charge	10,825	(3,666)	5,590	1,569
	$10,825	$ 2,182	$7,270	$5,737

2002 Restructuring Charge

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

2001 Restructuring Charges

During 2001, the Company recognized net pretax restructuring charges from continuing operations of $5.8 million related to streamlining operations and reducing layers of management. These restructuring charges were recorded in accordance with EITF Issue No. 94-3. During the second quarter of 2002, the Company entered into two subleases to lease certain office space the Company previously had recorded in the 2001 restructuring charges. As a result, the Company reversed $0.9 million of the 2001 restructuring charges during 2002 related to continuing operations based upon the occurrence of certain triggering events. Also during the second quarter of 2002, the Company evaluated the 2001 restructuring accrual and determined certain severance benefits and outplacement agreements had expired and adjusted the previously recorded amounts by $0.2 million. As of December 31, 2003, the Company has recorded cash payments of $4.7 million against the 2001 restructuring accrual. The remaining balance of the 2001 restructuring accrual at December 31, 2003 of $0.1 million is included in accounts payable and accrued liabilities in the consolidated balance sheets. The Company expects the remaining balances of the 2001 restructuring accrual to be paid by the end of 2005.

2000 Restructuring Charge

During 2000, the Company completed an assessment of its strategic alternatives related to its operations and capital requirements and developed a strategic plan designed to refocus the Company’s operations, reduce its operating losses, and reduce its negative cash flows (the “2000 Strategic Assessment”). As part of the Company’s 2000 Strategic Assessment, the Company recognized pretax restructuring charges of $13.1 million related to continuing operations during 2000, in accordance with EITF Issue No. 94-3. Additional restructuring charges of $3.2 million during 2000 were included in discontinued operations. During 2001, the Company negotiated reductions in certain contract termination costs, which allowed the reversal of $3.7 million of the restructuring charges originally recorded during 2000. During the second quarter of 2002, the Company entered into a sublease that reduced the liability the Company was originally required to pay, and the Company reversed $0.1 million of the 2000 restructuring charge related to the reduction in required payments. As of December 31, 2003, the Company has recorded cash payments of $9.3 million against the 2000 restructuring accrual related to continuing operations. The remaining balance of the 2000 restructuring accrual at December 31, 2003 of $0.2 million, from continuing operations, is included in accounts payable and accrued liabilities in the consolidated balance sheets, which the Company expects to be paid by the end of 2005.

5. Discontinued Operations

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

WSM-FM and WWTN(FM)

During the first quarter of 2003, the Company committed to a plan of disposal of WSM-FM and WWTN(FM). Subsequent to committing to a plan of disposal during the first quarter of 2003, the Company, through a wholly-owned subsidiary, entered into an agreement to sell the assets primarily used in the operations of the Radio Operations to Cumulus Broadcasting, Inc. (“Cumulus”) in exchange for approximately $62.5 million in cash. In connection with this agreement, the Company also entered into a local marketing agreement with Cumulus pursuant to which, from April 21, 2003 until the closing of the sale of the assets, the Company, for a fee, made available to Cumulus substantially all of the broadcast time on WSM-FM and WWTN(FM). In turn, Cumulus provided programming to be broadcast during such broadcast time and collected revenues from the advertising that it sold for broadcast during this programming time. On July 22, 2003, the Company finalized the sale of the Radio Operations for approximately $62.5 million, at which time, net proceeds of approximately $50 million were placed in an escrow account for completion of the Gaylord Texan. Concurrently, the Company also entered into a joint sales agreement with Cumulus for WSM-AM in exchange for $2.5 million in cash. The Company will continue to own and operate WSM-AM, and under the terms of the joint sales agreement with Cumulus, Cumulus will be responsible for all sales of commercial advertising on WSM-AM and provide certain sales promotion, billing and collection services relating to WSM-AM, all for a specified commission. The joint sales agreement has a term of five years.

Acuff-Rose Music Publishing

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

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

$25.0 million were used to reduce the Company's outstanding indebtedness as further discussed in Note 12.

Oklahoma RedHawks

During 2002, the Company committed to a plan of disposal of its approximately 78% ownership interest in the Oklahoma RedHawks, a minor league baseball team based in Oklahoma City, Oklahoma. During the fourth quarter of 2003, the Company sold its interests in the RedHawks and received cash proceeds of approximately $6.0 million. The Company recognized a loss of $0.6 million, net of taxes, related to the sale in discontinued operations in the accompanying consolidated statement of operations.

Word Entertainment

During 2001, the Company committed to a plan to sell Word Entertainment. As a result of the decision to sell Word Entertainment, the Company reduced the carrying value of Word Entertainment to its estimated fair value by recognizing a pretax charge of $30.4 million in discontinued operations during 2001. The estimated fair value of Word Entertainment's net assets was determined based upon ongoing negotiations with potential buyers. Related to the decision to sell Word Entertainment, a pretax restructuring charge of $1.5 million was recorded in discontinued operations in 2001. The restructuring charge consisted of $0.9 million related to lease termination costs and $0.6 million related to severance costs. In addition, the Company recorded a reversal of $0.1 million of restructuring charges originally recorded during 2000. During the first quarter of 2002, the Company sold Word Entertainment's domestic operations to an affiliate of Warner Music Group for $84.1 million in cash. The Company recognized a pretax gain of $0.5 million in discontinued operations during the first quarter of 2002 related to the sale of Word Entertainment. Proceeds from the sale of $80.0 million were used to reduce the Company's outstanding indebtedness as further discussed in Note 12. During the third quarter of 2003, due to the expiration of certain indemnification periods as specified in the sales contract, a previously established indemnification reserve of $1.5 million was reversed and is included in the consolidated statement of operations.

International Cable Networks

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

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

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

Businesses Sold to OPUBCO

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

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

	2003	2002	2001
REVENUES:			
Radio Operations	$3,703	$10,240	$ 8,207
Acuff-Rose Music Publishing	—	7,654	14,764
RedHawks	5,034	6,289	6,122
Word Entertainment	—	2,594	115,677
International cable networks	—	744	5,025
Businesses sold to OPUBCO	—	—	2,195
Other	—	—	609
Total revenues	$8,737	$27,521	$152,599
OPERATING INCOME (LOSS):			
Radio Operations	$ 615	$ 1,305	$ 2,184
Acuff-Rose Music Publishing	16	933	2,119
RedHawks	436	841	363
Word Entertainment	22	(917)	(5,710)
International cable networks	—	(1,576)	(6,375)
Businesses sold to OPUBCO	(620)	—	(1,816)
Other	—	—	(383)
Impairment and other charges	—	—	(53,716)
Restructuring charges	—	(20)	(2,959)
Total operating income (loss)	469	566	(66,293)
INTEREST EXPENSE	(1)	(81)	(797)
INTEREST INCOME	8	81	199

	2003	2002	2001
OTHER GAINS AND (LOSSES)			
Radio Operations	$54,555	$ —	$ —
Acuff-Rose Music Publishing	450	130,465	(11)
RedHawks	(1,159)	(193)	(134)
Word Entertainment	1,503	1,553	(1,059)
International cable networks	497	3,617	(1,002)
Businesses sold to OPUBCO	—	—	(1,674)
Other	—	—	(251)
Total other gains and (losses)	55,846	135,442	(4,131)
Income (loss) before provision (benefit) for income taxes	56,322	136,008	(71,022)
PROVISION (BENEFIT) FOR INCOME TAXES	21,951	50,251	(22,189)
Net income (loss) from discontinued operations	$34,371	$ 85,757	$(48,833)

Included in other gains and losses in 2003 is a pre-tax gain of $54.6 million on the sale of the Radio Operations and a pre-tax loss of $1.0 million on the sale of the RedHawks. Included in other gains and losses in 2002 are pre-tax gains of $130.6 million on the sale of Acuff-Rose Music Publishing, $0.5 million on the sale of Word Entertainment, and $3.8 million on the sale of International Cable Networks. Included in other gains and losses in 2001 is a pretax loss of $1.7 million on the sale of businesses sold to OPUBCO. The remaining gains and losses in 2003, 2002, and 2001 are primarily comprised of gains and losses on the sale of fixed assets and the subsequent reversal of liabilities accrued at the time of disposal of these businesses for various contingent items.

The assets and liabilities of the discontinued operations presented in the accompanying consolidated balance sheets at December 31 are comprised of (amounts in thousands):

	2003	2002
CURRENT ASSETS:		
Cash and cash equivalents	**$ 19**	$ 1,812
Trade receivables, less allowance of $0 and $2,938, respectively	**—**	1,954
Inventories	**—**	163
Prepaid expenses	**—**	97
Other current assets	**—**	69
Total current assets	**19**	4,095
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	**—**	5,157
GOODWILL	**—**	3,527
INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	**—**	3,942
MUSIC AND FILM CATALOGS	**—**	—
OTHER LONG-TERM ASSETS	**—**	702
Total long-term assets	**—**	13,328
Total assets	**$ 19**	$17,423
CURRENT LIABILITIES:		
Current portion of long-term debt	**$ —**	$ 94
Accounts payable and accrued liabilities	**2,930**	6,558
Total current liabilities	**2,930**	6,652
LONG-TERM DEBT, NET OF CURRENT PORTION	**—**	—
OTHER LONG-TERM LIABILITIES	**825**	789
Total long-term liabilities	**825**	789
Total liabilities	**3,755**	7,441
MINORITY INTEREST OF DISCONTINUED OPERATIONS	**—**	1,885
TOTAL LIABILITIES & MINORITY INTEREST OF DISCONTINUED OPERATIONS	**$3,755**	$ 9,326

6. Acquisition

On November 20, 2003, pursuant to the Agreement and Plan of Merger dated as of August 4, 2003, Gaylord acquired 100% of the outstanding common shares of ResortQuest in a tax-free, stock-for-stock merger. ResortQuest is one of the nation's largest vacation rental property management companies with approximately 19,300 units under management in 50 premier destination resorts located in the continental United States and Canada. Under the terms of the agreement, ResortQuest stockholders received 0.275 shares of Gaylord common stock for each outstanding share of ResortQuest common stock, and the ResortQuest option holders received 0.275 options to purchase Gaylord common stock for each outstanding option to purchase one share of ResortQuest common stock. Based on the number of shares of ResortQuest common stock outstanding as of November 20, 2003 (19,339,502), the exchange ratio (0.275 Gaylord common share for each ResortQuest common share) and the average market price of Gaylord's common stock ($19.81, which is based on an average of the closing prices for two days before, the day of, and two days after the date of the definitive agreement, August 4, 2003), Gaylord issued 5,318,363 shares of Gaylord common stock. In addition, based on the total number of ResortQuest options outstanding at November 20, 2003, Gaylord exchanged ResortQuest options for options to purchase 573,863 shares of Gaylord common stock. Together with the direct merger costs, this resulted in an aggregate purchase price of $114.7 million plus the assumption of ResortQuest's outstanding indebtedness as of November 20, 2003, which totaled $85.1 million.

The total purchase price of the ResortQuest acquisition is as follows (amounts in thousands):

Fair value of Gaylord common stock issued	$105,329
Fair value of Gaylord stock options issued	5,596
Direct merger costs incurred by Gaylord	3,773
Total	$114,698

Gaylord has accounted for the ResortQuest acquisition under the purchase method of accounting. Under the purchase method of accounting, the total purchase price was allocated to ResortQuest's net tangible and identifiable intangible assets based upon their fair value as of the date of completion of the ResortQuest acquisition. The Company determined these fair values with the assistance of a third party valuation expert. Any excess of the purchase price over the fair value of the net tangible and identifiable intangibles was recorded as goodwill. Goodwill will not be amortized and will be tested for impairment on an annual basis and whenever events or circumstances occur indicating that the goodwill may be impaired. The final allocation of the purchase price is subject to adjustments for a period not to exceed one year from the consummation date, the allocation period, in accordance with SFAS No. 141 "Business Combinations" and EITF Issue 95-3 "Recognition of Liabilities in Connection with a Purchase Business Combination." The allocation period is intended to differentiate between amounts that are determined as a result of the identification and valuation process required by SFAS No. 141 for all assets acquired and liabilities assumed and amounts that are determined because information that was not previously obtainable becomes obtainable.

The purchase price allocation as of November 20, 2003, was as follows:

(in thousands)	
Cash acquired	$ 4,228
Tangible assets acquired	47,511
Amortizable intangible assets	29,718
Trade names	38,835
Goodwill	162,727
Total assets acquired	283,019
Liabilities assumed	(84,608)
Debt assumed	(85,100)
Deferred stock-based compensation	1,387
Net assets acquired	$114,698

Tangible assets acquired totaled $47.5 million which included $9.8 million of restricted cash, $26.1 million of property and equipment and $7.0 million of net trade receivables.

As of November 20, 2003 and December 31, 2003, goodwill totaled $162.7 million which is reported within the ResortQuest segment. Approximately $73.5 million of the goodwill is expected to be deductible for income tax purposes. Approximately $29.7 million has been allocated to amortizable intangible assets consisting primarily of existing property management contracts and ResortQuest's customer database. Property management contracts represent existing contracts with property owners, homeowner associations and other direct ancillary service contracts. Property management contracts are amortized on a straight-line basis over the remaining useful life of the contracts. Contracts originating in Hawaii are estimated to have a remaining useful life of ten years from acquisition, while contracts in the continental United States and Canada have a remaining estimated useful life of seven years from acquisition. Gaylord is amortizing the customer database over a two-year period. Included in the tangible assets acquired is ResortQuest's vacation rental management software, First Resort Software ("FRS") which is being amortized over a remaining estimated useful life of five years.

Of the total purchase price, approximately $38.8 million has been allocated to trade names consisting primarily of the "ResortQuest" trade name which is deemed to have an indefinite remaining useful life and therefore will not be amortized.

The Company recorded approximately $4.0 million of reserves and adjustments related to the Company's plans to consolidate certain support functions, to adjust for employee benefits, and to account for outstanding legal claims filed against ResortQuest as an adjustment to the purchase price allocation.

7. Divestitures

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

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

8. Property and Equipment

Property and equipment of continuing operations at December 31 is recorded at cost and summarized as follows (amounts in thousands):

	2003	2002
Land and land improvements	**$ 133,449**	$ 128,972
Buildings	**838,276**	819,610
Furniture, fixtures and equipment	**336,735**	312,690
Construction in progress	**397,969**	207,215
	1,706,429	1,468,487
Accumulated depreciation	**(408,901)**	(358,324)
Property and equipment, net	**$1,297,528**	$1,110,163

The increase in construction in progress during 2003 primarily relates to the construction of the Gaylord Texan, which is scheduled to open in April, 2004. Depreciation expense of continuing operations for the years ended December 31, 2003, 2002 and 2001 was $53.9 million, $52.7 million and $34.7 million, respectively. Capitalized interest for the years ended December 31, 2003, 2002 and 2001 was $14.8 million, $6.8 million and $18.8 million, respectively.

9. Investments

Investments related to continuing operations at December 31 are summarized as follows (amounts in thousands):

	2003	2002
Viacom Class B non-voting common stock	**$488,313**	$448,482
Bass Pro	**60,598**	60,598
Total investments	**$548,911**	$509,080

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

At December 31, 2000, the Viacom Stock was classified as available-for-sale as defined by SFAS No. 115, and accordingly, the Viacom Stock was recorded at market value, based upon the quoted market price, with the difference between cost and market value recorded as a component of other comprehensive income, net of deferred income taxes. In connection with the Company’s adoption of SFAS No. 133, effective January 1, 2001, the Company recorded a nonrecurring pretax gain of $29.4 million, related to reclassifying its investment in the Viacom Stock from available-for-sale to trading as defined by SFAS No. 115. This gain, net of taxes of $11.4 million, had been previously recorded as a component of stockholders’ equity. As trading securities, the Viacom Stock continues to be recorded at market value, but changes in market value are included as gains and losses in the consolidated statements of operations. For the year ended December 31, 2003, the Company recorded net pretax gains of $39.8 million related to the increase in fair value of the Viacom Stock. For the year ended December 31, 2002, the Company recorded net pretax losses of $37.3 million related to the decrease in fair value of the Viacom Stock. For the year ended December 31, 2001, the Company recorded net pretax losses of $28.6 million related to the decrease in fair value of the Viacom Stock subsequent to January 1, 2001.

Bass Pro completed a restructuring at the end of 1999 whereby certain assets, including a resort hotel in Southern Missouri and an interest in a manufacturer of fishing boats, are no longer owned by Bass Pro. Subsequent to the Bass Pro restructuring, the Company's ownership interest in Bass Pro equaled 19.1% and, accordingly, the Company accounts for the investment using the cost method of accounting.

During 1997, the Company purchased a 19.9% limited partnership interest in the Nashville Predators for $12.0 million. The Company accounts for its investment using the equity method as required by EITF Issue No. 02-14, "Whether the Equity Method of Accounting Applies When an Investor Does Not Have an Investment in Voting Stock of an Investee but Exercises Significant Influence through Other Means". The Company recorded losses of $1.4 million and $3.9 million during 2002 and 2001, respectively, resulting from the Nashville Predators' net losses. The carrying value of the investment in the Predators was zero at December 31, 2003 and 2002 and $1.4 million at December 31, 2001. The Company has not recognized its share of losses in 2003 or reduced its investment below zero as the Company is not obligated to make future contributions to the Predators. Through dilution, the Company holds a 10.5% ownership interest in the Nashville Predators as of December 31, 2003.

10. Secured Forward Exchange Contract

During May 2000, the Company entered into a seven-year secured forward exchange contract ("SFEC") with an affiliate of Credit Suisse First Boston with respect to 10,937,900 shares of Viacom Stock. The seven-year SFEC has a notional amount of $613.1 million and required contract payments based upon a stated 5% rate. The SFEC protects the Company against decreases in the fair market value of the Viacom Stock while providing for participation in increases in the fair market value, as discussed below. The Company realized cash proceeds from the SFEC of $506.5 million, net of discounted prepaid contract payments and prepaid interest related to the first 3.25 years of the contract and transaction costs totaling $106.6 million. In October 2000, the Company prepaid the remaining 3.75 years of contract interest payments required by the SFEC of $83.2 million. As a result of the prepayment, the Company will not be required to make any further contract payments during the seven-year term of the SFEC. Additionally, as a result of the prepayment, the Company was released from certain covenants of the SFEC, which related to sales of assets, additional indebtedness and liens. The unamortized balances of the prepaid contract interest are classified as current assets of $26.9 million as of December 31, 2003 and 2002 and long-term assets of $64.3 million and $91.2 million in the accompanying consolidated balance sheets as of December 31, 2003 and 2002, respectively. The Company is recognizing the prepaid contract payments and deferred financing charges associated with the SFEC as interest expense over the seven-year contract period using the effective interest method. The Company utilized $394.1 million of the net proceeds from the SFEC to repay all outstanding indebtedness under its 1997 revolving credit facility. As a result of the SFEC, the 1997 revolving credit facility was terminated.

The Company's obligation under the SFEC is collateralized by a security interest in the Company's Viacom Stock. At the end of the seven-year contract term, the Company may, at its option, elect to pay in cash rather than by delivery of all or a portion of the Viacom Stock. The SFEC protects the Company against decreases in the fair market value of the Viacom stock by way of a put option at a strike price below $56.05 per share, while providing for participation in increases in the fair market value by way of a call option at a strike price of $75.30 per share, as of December 31, 2003. Future dividend distributions received from Viacom may result in an adjusted call strike price. For any appreciation above $75.30 per share, the Company will participate in the appreciation at a rate of 25.93%.

In accordance with the provisions of SFAS No. 133, as amended, certain components of the secured forward exchange contract are considered derivatives, as discussed in Note 11.

11. Derivative Financial Instruments

The Company utilizes derivative financial instruments to reduce certain of its interest rate risks and to manage risk exposure to changes in the value of its Viacom Stock.

The Company adopted the provisions of SFAS No. 133 on January 1, 2001. In connection with the adoption of SFAS No. 133, as amended, the Company recorded a gain of $11.2 million, net of taxes of $7.1 million, as a cumulative effect of an accounting change effective January 1, 2001 to record the derivatives associated with the SFEC at fair value. Upon adoption of SFAS No. 133, the Company valued the SFEC based on pricing provided by a financial institution and reviewed by the Company. The financial institution's market prices are prepared for each quarter close period on a mid-market basis by reference to proprietary models and do not reflect any bid/offer spread. For the years ended December 31, 2003, 2002 and 2001, the Company recorded net pretax gains (losses) in the Company's consolidated statement of operations of ($33.2) million, $86.5 million and $54.3 million, respectively, related to the increase (decrease) in the fair value of the derivatives associated with the SFEC.

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

The Company also purchased LIBOR rate swaps as required by the 2003 Loans as discussed in Note 12. The Company hedged a notional amount of $200.0 million, although the 2003 Loans only required that 50% of the outstanding amount be hedged. The LIBOR rate swap effectively locks the variable interest rate at a fixed interest rate at 1.48% in year one and 2.09% in year two. The LIBOR rate swaps qualify for treatment as cash flow hedges in accordance with the provisions of SFAS No. 133, as amended. Anticipating the issuance of the Senior Notes and the subsequent repayment of the 2003 Loans, the Company terminated $100.0 million of the LIBOR rate swaps effective October 31, 2003. Upon issuance of the Senior Notes and the repayment of the 2003 Loans, the Company terminated the remaining $100.0 million of the LIBOR rate swaps effective November 12, 2003. The Company received proceeds from the termination of these LIBOR rate swaps in the amount of $0.2 million.

Upon issuance of the Senior Notes, the Company entered into two interest rate swap agreements with a notional amount of $125.0 million to convert the fixed rate on a certain portion of the Senior Notes to a variable rate in order to access the lower borrowing costs currently available on floating-rate debt. Under these swap agreements, which mature on November 15, 2013, the Company receives a fixed rate of 8% and pays a variable rate, in arrears, equal to six-month LIBOR plus 2.95%. The terms of the swap agreement mirror the terms of the Senior Notes, including semi-annual settlements on the 15th of May and November each year. Under the provisions of SFAS No. 133, as amended, changes in the fair value of this interest rate swap agreement must be offset against the corresponding change in fair value of the Senior Notes through earnings. The Company has determined that there will not be an ineffective portion of this hedge and therefore, no impact on earnings. As of December 31, 2003, the Company determined that, based upon dealer quotes, the fair value of these interest rate swap agreements was ($1.5) million. The Company has recorded a derivative liability and an offsetting reduction in the balance of the Senior Notes accordingly.

12. Debt

The Company's debt and capital lease obligations related to continuing operations at December 31 consist of (amounts in thousands):

	2003	2002
Senior Loan	**$199,181**	$213,185
Mezzanine Loan	**—**	66,000
Term Loan	**—**	60,000
Senior Notes	**350,000**	—
Fair value derivatives effective for Senior Notes	**(1,544)**	—
Notes payable	**200**	—
Capital lease obligations	**922**	1,453
Total debt	**548,759**	340,638
Less amounts due within one year	**(8,584)**	(8,526)
Total long-term debt	**$540,175**	$332,112

Annual maturities of long-term debt, excluding capital lease obligations and derivatives, are as follows (amounts in thousands). Note 16 discusses the capital lease obligations in more detail, including annual maturities.

2004	$ 8,104
2005	8,104
2006	183,173
2007	—
2008	—
Years thereafter	350,000
Total	$549,381

Accrued interest payable at December 31, 2003 and 2002 was $3.2 million and $0.6 million, respectively, and is included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets.

Senior Loan and Mezzanine Loan

In 2001, the Company, through wholly owned subsidiaries, entered into two loan agreements, a $275.0 million senior loan (the "Senior Loan") and a $100.0 million mezzanine loan (the "Mezzanine Loan") (collectively, the "Nashville Hotel Loans") with affiliates of Merrill Lynch & Company acting as principal. The Senior Loan is secured by a first mortgage lien on the assets of Gaylord Opryland and is due in 2004. Amounts outstanding under the Senior Loan bear interest at one-month LIBOR plus approximately 1.02%. The Mezzanine Loan, which was repaid and terminated in November 2003 using proceeds of the Senior Notes discussed below, was secured by the equity interest in the wholly-owned subsidiary that owns Gaylord Opryland, was due in April 2004 and bore interest at one-month LIBOR plus 6.0%. At the Company's option, the Senior Loan may be extended for two additional one-year terms beyond its scheduled maturity, subject to Gaylord Opryland meeting certain financial ratios and other criteria. The Nashville Hotel Loans required monthly principal payments of approximately $0.7 million during their three-year terms in addition to monthly interest payments. The terms of the Senior Loan and the Mezzanine Loan required the Company to purchase interest rate hedges in notional amounts equal to the outstanding balances of the Senior Loan and the Mezzanine Loan in order to protect against adverse changes in one-month LIBOR. Pursuant to these agreements, the Company purchased instruments that cap its exposure to one-month LIBOR at 7.5% as discussed in Note 11. The Company used $235.0 million of the proceeds from the Nashville Hotel Loans to refinance the remaining outstanding portion of $235.0 million of an interim loan obtained from Merrill Lynch Mortgage Capital, Inc. in 2000. At closing, the Company was required to escrow certain amounts, including $20.0 million related to future renovations and related capital expenditures at Gaylord Opryland. The net proceeds from the Nashville Hotel Loans after refinancing of an interim loan and paying required escrows and fees were approximately $97.6 million. At December 31, 2003 and 2002, the unamortized balance of the deferred financing costs related to the Nashville Hotel Loans was $0.8 million and $7.3 million, respectively. The weighted average interest rates for the Senior Loan for 2003 and 2002, including amortization of deferred financing costs, were 4.2% and 4.5%, respectively. The weighted average interest rates for the Mezzanine Loan for 2003 and 2002, including amortization of deferred financing costs, were 10.7% and 10.5%, respectively.

The terms of the Nashville Hotel Loans required that the Company maintain certain escrowed cash balances and comply with certain financial covenants, and impose limits on transactions with affiliates and indebtedness. The financial covenants under the Mezzanine Loan were structured such that failure to meet certain ratios at one level triggers certain cash management restrictions and failure to meet certain ratios at a second level results in an event of default under the Mezzanine Loan. Based upon the financial covenant calculations at December 31, 2002, the cash management restrictions were in effect which required that all excess cash flows, as defined, be escrowed and may be used to repay principal amounts owed on the Senior Loan. During 2002, the Company negotiated certain revisions to the financial covenants under the Mezzanine Loan. After these revisions, the Company was in compliance with the covenants under the Nashville Hotel Loans for which the failure to comply would result in an event of default at December 31, 2002. During the second quarter of 2003, the Company's ratios had improved such that the cash management restrictions were lifted. As of December 31, 2003, the Mezzanine Loan was repaid and the Company was in compliance with all covenants and the cash management restrictions were not in effect. There can be no assurance that the Company will remain in compliance with the covenants that would result in an event of default under the Nashville Hotel Loans. The Company believes it has certain other possible alternatives to reduce borrowings outstanding under the Nashville Hotel Loans which would allow the Company to remedy any event of default. Any event of noncompliance that results in an event of default under the Senior Loan would enable the lenders to demand payment of all outstanding amounts, which would have a material adverse effect on the Company's financial position, results of operations and cash flows.

During November, 2003, the Company used the proceeds of the Senior Notes, as discussed below, to repay $66.0 million outstanding under the Mezzanine Loan portion of the Nashville Hotel Loans. As a result of the prepayment of the Mezzanine Loan, the Company wrote off $0.7 million in deferred financing costs, which is recorded as interest expense in the consolidated statement of operations. The remaining terms of the Senior Loan are the same as discussed above.

Term Loan

During 2001, the Company entered into a three-year delayed-draw senior term loan (the "Term Loan") of up to $210.0 million with Deutsche Banc Alex. Brown Inc., Salomon Smith Barney, Inc. and CIBC World Markets Corp. (collectively the "Banks"). During May 2003, the Company used $60 million of the proceeds from the 2003 Loans, as discussed below, to pay off the Term Loan. Concurrent with the payoff the Term Loan, the Company wrote off the remaining, unamortized deferred financing costs of $1.5 million related to the Term Loan, which is recorded as interest expense in the consolidated statement of operations. Proceeds of the Term Loan were used to finance the construction of Gaylord Palms and the initial construction phases of the Gaylord Texan, as well as for general operating purposes. The Term Loan was primarily secured by the Company's ground lease interest in Gaylord Palms.

At the Company's option, amounts outstanding under the Term Loan bore interest at the prime interest rate plus 2.125% or the one-month Eurodollar rate plus 3.375%. The terms of the Term Loan required the purchase of interest rate hedges in notional amounts equal to $100.0 million in order to protect against adverse changes in the one-month Eurodollar rate. Pursuant to these agreements, the Company purchased instruments that cap its exposure to the one-month Eurodollar rate at 6.625% as discussed in Note 11. In addition, the Company was required to pay a commitment fee equal to 0.375% per year of the average unused portion of the Term Loan.

During the first three months of 2002, the Company sold Word's domestic operations as described in Note 5, which required the prepayment of the Term Loan in the amount of $80.0 million. As required by the Term Loan, the Company used $15.9 million of the net cash proceeds, as defined under the Term Loan agreement, received from the 2002 sale of the Opry Mills investment described in Note 7 to reduce the outstanding balance of the Term Loan. In addition, the Company used $25.0 million of the net cash proceeds, as defined under the Term Loan agreement, received from the sale of Acuff-Rose Music Publishing to reduce the outstanding balance of the Term Loan. Also during 2002, the Company made a principal payment of approximately $4.1 million under the Term Loan. Net borrowings under the Term Loan for 2002 were $85.0 million. As of December 31, 2002, the Company had outstanding borrowings of $60.0 million under the Term Loan. Proceeds from the 2003 Loans, as discussed below, were used to repay the Term Loan in 2003.

The terms of the Term Loan required the Company to purchase an interest rate instrument which capped the interest rate paid by the Company. This instrument expired in the fourth quarter of 2002. Due to the expiration of the interest rate instrument, the Company was out of compliance with the terms of the Term Loan. Subsequent to December 31, 2002, the Company obtained a waiver from the lenders whereby this event of non-compliance was waived as of December 31, 2002 and also removed the requirement to maintain such instruments for the remaining term of the Term Loan.

2003 Loans

During May of 2003, the Company finalized a $225 million credit facility (the "2003 Loans") with Deutsche Bank Trust Company Americas, Bank of America, N.A., CIBC Inc. and a syndicate of other lenders. The 2003 Loans consisted of a $25 million senior revolving facility, a $150 million senior term loan and a $50 million subordinated term loan. The 2003 Loans were due in 2006. The senior loan bore interest of LIBOR plus 3.5%. The subordinated loan bore interest of LIBOR plus 8.0%. The 2003 Loans were secured by the Gaylord Palms assets and the Gaylord Texan assets. At the time of closing the 2003 Loans, the Company engaged LIBOR interest rate swaps which fixed the LIBOR rates of the 2003 Loans at 1.48% in year one and 2.09% in year two. The interest rate swaps related to the 2003 Loans are discussed in more detail in Note 11. The Company was required to pay a commitment fee equal to 0.5% per year of the average daily unused portion of the 2003 Loans. Proceeds of the 2003 Loans were used to pay off the Term Loan of $60 million as discussed above and the remaining net proceeds of approximately $134 million were deposited into an escrow account for the completion of the construction of the Gaylord Texan. The provisions of the 2003 Loans contain covenants and restrictions including compliance with certain financial covenants, restrictions on additional indebtedness, escrowed cash balances, as well as other customary restrictions.

In connection with the offering of the Senior Notes, on November 12, 2003 the Company amended the 2003 Loans to, among other things, permit the ResortQuest acquisition and the issuance of the Senior Notes, maintain the $25.0 million revolving credit facility portion of the 2003 Loans, to repay and eliminate the $150 million senior term loan portion and the $50 million subordinated term loan portion of the 2003 Loans and make certain other amendments to the 2003 Loans. During November, 2003, as discussed below, the Company used the proceeds of the Senior Notes to repay all amounts outstanding under the 2003 Loans. As a result of the prepayment of the 2003 Loans, the Company wrote off $6.6 million in deferred financing costs, which is included in interest expense in the consolidated statement of operations.

Senior Notes

On November 12, 2003, the Company completed its offering of $350 million in aggregate principal amount of senior notes due 2013 (the "Senior Notes") in an institutional private placement. The interest rate of the Senior Notes is 8%, although the Company has entered into fixed to variable interest rate swaps with respect to $125 million principal amount of the Senior Notes which results in an effective interest rate of LIBOR plus 2.95% with respect to that portion of the Senior Notes. The Senior Notes, which mature on November 15, 2013, bear interest semi-annually in arrears on May 15 and November 15 of each year, starting on May 15, 2004. The Senior Notes are redeemable, in whole or in part, at any time on or after November 15, 2008 at a designated redemption amount, plus accrued and unpaid interest. In addition, the Company may redeem up to 35% of the Senior Notes before November 15, 2006 with the net cash proceeds from certain equity offerings. The Senior Notes rank equally in right of payment with the Company's other unsecured unsubordinated debt, but are effectively subordinated to all the Company's secured debt to the extent of the assets securing such debt. The Senior Notes are guaranteed on a senior unsecured basis by each of the Company's subsidiaries that was a borrower or guarantor under the 2003 Loans, and as of November 2003, to the new revolving credit facility. In connection with the offering of the Senior Notes, the Company paid approximately $9.4 million in deferred financing costs. The net proceeds from the offering of the Senior Notes, together with $22.5 million of the Company's cash on hand, were used as follows:

- $275.5 million was used to repay the $150 million senior term loan portion and the $50 million subordinated term loan portion of the 2003 Loans, as discussed above, as well as the remaining $66 million of the Company's $100 million Mezzanine Loan and to pay certain fees and expenses related to the ResortQuest acquisition; and

- $79.2 million was placed in escrow pending consummation of the ResortQuest acquisition. As of November 20, 2003, the $79.2 million together with $8.2 million of the available cash, was used to repay ResortQuest's senior notes and its credit facility, the principal amount of which aggregated $85.1 million at closing and a related prepayment penalty. The Company wrote off $0.4 million in deferred financing costs, which is recorded as interest expense in the consolidated statements of operations.

New Revolving Credit Facility

On November 20, 2003, the Company entered into a new $65.0 million revolving credit facility, which subsequently was increased to $100.0 million. The new revolving credit facility, which replaced the revolving credit portion under the 2003 Florida/ Texas senior secured credit facility, matures in May 2006 and borrowings thereunder bear interest at a rate of either LIBOR plus 3.50% or the lending banks' base rate plus 2.25%. Borrowings may be made with interest periods ranging from one to three months, at the election of the Company and all principal amounts may be continued until maturity. The Company may elect to reduce principal amounts outstanding under the revolving credit facility from time to time without penalty or premium. The new revolving credit facility is guaranteed by the Company's subsidiaries that were guarantors or borrowers under our 2003 Florida/ Texas senior secured credit facility and is secured by a leasehold mortgage on the Gaylord Palms. The new revolving credit facility requires the Company to achieve substantial completion and initial opening of the Gaylord Texan by June 30, 2004. As of

December 31, 2003, no borrowings were outstanding under the new revolving credit facility, but the lending banks had issued a total of $11.3 million in letters of credit under the credit facility for the Company. The Company is required to pay a commitment fee equal to 0.5% per year of the average daily unused revolving portion of the new revolving credit facility.

13. Income Taxes

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

	2003	2002	2001
CURRENT:			
Federal	**$(18,367)**	$ —	$ —
State	**(3,284)**	1,336	(32)
Total current provision (benefit)	**(21,651)**	1,336	(32)
DEFERRED:			
Federal	**901**	32	(8,657)
State	**(4,053)**	(1,393)	(453)
Foreign	**134**	—	—
Total deferred benefit	**(3,018)**	(1,361)	(9,110)
Effect of tax law change	**—**	1,343	—
Total provision (benefit) for income taxes	**$(24,669)**	$ 1,318	$(9,142)

The tax benefits associated with the exercise of stock options during the years ended 2003, 2002, and 2001 were $0.9 million, $0.03 million and $0.7 million, respectively, and are reflected as an increase in additional paid-in capital in the accompanying consolidated statements of stockholders' equity.

During 2002, the Tennessee legislature increased the corporate income tax rate from 6% to 6.5%. As a result, the Company increased the deferred tax liability by $1.3 million and increased 2002 tax expense by $1.3 million. Due to the utilization of state net operating loss carryforwards from the sale of the Radio Operations in 2003, as discussed in Note 5, the Company released a portion of the valuation allowance to increase the deferred tax asset by $2.4 million and to reduce the tax expense by $2.4 million.

In addition to the income tax provision or (benefit) discussed above, the Company recognized additional income tax provision (benefit) related to discontinued operations as discussed in Note 5 in the amounts of $22.0 million, $50.3 million and $(22.2 million) for the years ended December 31, 2003, 2002 and 2001, respectively. The Company also recognized an additional income tax provision (benefit) during the years ended December 31, 2002 and 2001 in the amount of $(1.6 million) and $7.1 million, respectively, as discussed in Note 19 and Note 11, respectively, related to a cumulative effect of accounting change.

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

	2003	2002	2001
U.S. federal statutory rate	**35%**	35%	35%
State taxes (net of federal tax benefit and change in valuation allowance)	**8**	—	2
Effective tax law change	**—**	7	—
Previously accrued income taxes	**—**	(37)	16
Other	**(1)**	5	(6)
	42%	10%	47%

Provision is made for deferred federal and state income taxes in recognition of certain temporary differences in reporting items of income and expense for financial statement purposes and income tax purposes. Significant components of the Company’s deferred tax assets and liabilities at December 31 are as follows (amounts in thousands):

	2003	2002
DEFERRED TAX ASSETS:		
Accounting reserves and accruals	**$ 20,895**	$ 20,553
Defined benefit plan	**8,944**	8,360
Goodwill and other intangibles	**—**	5,149
Investments in stock	**3,458**	4,681
Forward exchange contract	**38,609**	28,111
Rent escalation and naming rights	**6,752**	—
Net operating loss carryforwards	**24,998**	15,296
Tax credits and other carryforwards	**7,833**	7,085
Other assets	**2,832**	540
Total deferred tax assets	**114,321**	89,775
Valuation allowance	**(9,918)**	(11,403)
Total deferred tax assets, net of valuation allowance	**104,403**	78,372
DEFERRED TAX LIABILITIES:		
Goodwill and other intangibles	**24,376**	—
Property and equipment, net	**87,705**	72,085
Investments in stock & derivatives	**229,942**	227,379
Investments in partnerships	**1,939**	—
Other liabilities	**2,727**	2,727
Total deferred tax liabilities	**346,689**	302,191
Net deferred tax liabilities	**$242,286**	$223,819

At December 31, 2003, the Company had federal net operating loss carryforwards of $28.3 million which will begin to expire in 2020. In addition, the Company had federal minimum tax credits of $5.4 million that will not expire and other federal tax credits of $0.8 million that will begin to expire in 2018. The Company acquired net operating losses of $20.1 million and federal minimum tax credits of $0.2 million as a result of the acquisition of ResortQuest as described in Note 6. The Company’s utilization of these tax attributes will be limited due to the ownership change that resulted from the acquisition. However, management currently believes that these carryforwards will be ultimately fully utilized. State net operating loss carryforwards at December 31, 2003 totaled $349.8 million and will expire between 2004 and 2018. Foreign net operating loss carryforwards at December 31, 2003 totaled $0.2 million and will expire in 2010. The use of certain state and foreign net operating losses and other state and foreign deferred tax assets are limited to the future taxable earnings of separate legal entities. As a result, a valuation allowance has been provided for certain state and foreign deferred tax assets, including loss carryforwards. The change in valuation allowance was $(1.5) million, $(0.7) million and $(0.7) million in 2003, 2002 and 2001, respectively. Based on the expectation of future taxable income, management believes that it is more likely than not that the results of operations will generate sufficient taxable income to realize the deferred tax assets after giving consideration to the valuation allowance.

Deferred income taxes resulting from the unrealized gain on the investment in the Viacom Stock were $11.4 million at December 31, 2000 and were reflected as a reduction in stockholders' equity. Effective January 1, 2001, the Company reclassified its investment in the Viacom Stock from available-for-sale to trading as defined by SFAS No. 115, which required the recognition of a deferred tax provision of $11.4 million for the year ended December 31, 2001. These amounts are reflected in the accompanying consolidated statement of operations. At December 31, 2003, the deferred tax liability relating to the Viacom Stock and the related SFEC (see Note 10) was $229.9 million, which amounts will be payable upon expiration of the SFEC which is scheduled for May 2007.

During the years ended 2002 and 2001, the Company recognized benefits of $4.9 million and $3.2 million, respectively, related to the settlement of certain federal income tax issues with the Internal Revenue Service ("IRS") as well as the closing of open tax years for federal and state tax purposes. The Company reached a $2.0 million partial settlement of Internal Revenue Service audits of the Company's 1996-1997 tax returns during 2001. The IRS has completed and closed its audits of the Company's tax returns through 1998. The IRS has also completed its audits of the Company's tax returns for the years 1999 through 2001. The Company does not believe the resolution of those audits will have a material effect on the Company's consolidated results of operations or financial position.

During the second quarter of 2002, the Company received an income tax refund of $64.6 million in cash from the U.S. Department of Treasury as a result of the net operating loss carry back provisions of the Job Creation and Worker Assistance Act of 2002. Net cash refunds for income taxes were approximately $1.0 million, $63.2 million and $21.7 million in 2003, 2002 and 2001, respectively.

14. Stockholders' Equity

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

15. Stock Plans

At December 31, 2003 and 2002, 3,327,325 and 3,241,037 shares, respectively, of the Company's common stock were reserved for future issuance pursuant to the exercise of stock options under the stock option and incentive plan. Under the terms of this plan, stock options are granted with an exercise price equal to the fair market value at the date of grant and generally expire ten years after the date of grant. Generally, stock options granted to non-employee directors are exercisable immediately, while options granted to employees are exercisable one to four years from the date of grant. The Company accounts for this plan under APB Opinion No. 25 and related interpretations, under which no compensation expense for employee and non-employee director stock options has been recognized.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 2003, 2002 and 2001, respectively: risk-free interest rates of 2.8%, 4.1% and 4.7%; expected volatility of 35.5%, 33.1% and 34.2%; expected lives of 4.8, 4.3 and 5.4 years; expected dividend rates of 0% for all years. The weighted average fair value of options granted was $7.40, $8.16 and $10.10 in 2003, 2002 and 2001, respectively.

Stock option awards available for future grant under the stock plan at December 31, 2003 and 2002 were 2,113,252 and 956,181 shares of common stock, respectively. Stock option transactions under the plan and options converted at the ResortQuest acquisition are summarized as follows:

	2003		2002		2001	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of year	**3,241,037**	**$26.21**	3,053,737	$26.60	2,352,712	$26.38
Granted	**777,390**	**21.21**	635,475	24.26	1,544,600	25.35
Converted at ResortQuest acquisition	**573,863**	**21.18**	—	—	—	—
Exercised	**(235,860)**	**17.75**	(29,198)	22.63	(203,543)	11.44
Canceled	**(612,813)**	**26.52**	(418,977)	26.33	(640,032)	27.59
Outstanding at end of year	**3,743,617**	**24.88**	3,241,037	26.21	3,053,737	26.60
Exercisable at end of year	**1,840,310**	**27.02**	1,569,697	27.27	1,235,324	27.39

A summary of stock options outstanding at December 31, 2003 is as follows:

	Options Outstanding			Options Exercisable	
Option Exercise Price Range	Number of Shares	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Shares Exerciseable	Weighted Average Exercise Price
$12.58-20.00	325,383	5.1	$15.42	111,905	$14.92
20.01-25.00	1,181,990	7.7	21.65	289,332	22.94
25.01-30.00	1,964,844	6.6	26.86	1,176,839	27.16
30.01-35.00	153,012	4.2	32.56	143,846	32.60
35.01-40.00	116,326	4.3	40.00	116,326	40.00
40.01-58.18	2,062	5.3	57.12	2,062	57.12
12.58-58.18	3,743,617	6.6	24.88	1,840,310	27.02

The plan also provides for the award of restricted stock. At December 31, 2003 and 2002, awards of restricted stock of 111,350 and 86,025 shares, respectively, of common stock were outstanding. The market value at the date of grant of these restricted shares was recorded as unearned compensation as a component of stockholders' equity. Unearned compensation is amortized and expensed over the vesting period of the restricted stock. At December 31, 2003, there was approximately $1.4 million in unearned deferred compensation related to restricted unit grants recorded as other stockholders' equity in the accompanying consolidated balance sheet.

Included in compensation expense for 2003 is $1.6 million related to the grant of 620,500 units under the Company's Performance Accelerated Restricted Stock Unit Program which was implemented in the second quarter of 2003.

The Company has an employee stock purchase plan whereby substantially all employees are eligible to participate in the purchase of designated shares of the Company's common stock at a price equal to the lower of 85% of the closing price at the beginning or end of each quarterly stock purchase period. The Company issued 12,888, 14,753 and 11,965 shares of common stock at an average price of $16.95, $17.47 and $18.27 pursuant to this plan during 2003, 2002 and 2001, respectively.

16. Commitments and Contingencies

Capital leases

During 2003 and 2002, the Company entered into one and three capital leases, respectively. There were no capital leases in effect at December 31, 2001. In the accompanying consolidated balance sheets, the following amounts of assets under capitalized lease agreements are included in property and equipment and other long-term assets and the related obligations are included in debt (amounts in thousands):

	2003	2002
Property and equipment	**$1,563**	$1,965
Other long-term assets	**898**	412
Accumulated depreciation	**(567)**	(144)
Net assets under capital leases in property and equipment	**$1,894**	$2,233
Current lease obligations	**$ 480**	$ 522
Long-term lease obligations	**442**	931
Capital lease obligations	**$ 922**	$1,453

Operating leases

Rental expense related to continuing operations for operating leases was $13.6 million, $13.1 million and $2.7 million for 2003, 2002 and 2001, respectively. The increase in 2002 is related to the operating land lease for Gaylord Palms as discussed below. Non-cash lease expense for 2003 and 2002 was $6.5 million, as discussed below.

Future minimum cash lease commitments under all non-cancelable leases in effect for continuing operations at December 31, 2003 are as follows (amounts in thousands):

	Capital Leases	Operating Leases
2004	$ 553	$ 11,350
2005	237	9,777
2006	133	7,698
2007	59	7,197
2008	10	6,138
Years thereafter	—	692,695
Total minimum lease payments	992	$734,855
Less amount representing interest	(70)	
Total present value of minimum payments	922	
Less current portion of obligations	(480)	
Long-term obligations	$ 442	

The Company entered into a 75-year operating lease agreement during 1999 for 65.3 acres of land located in Osceola County, Florida for the development of Gaylord Palms. The lease requires annual lease payments of approximately $3.2 million. The lease agreement provides for an annual 3% escalation of base rent beginning in 2007. As required by SFAS No. 13, and related interpretations, the terms of this lease require that the Company recognize lease expense on a straight-line basis, which resulted in an annual lease expense of approximately $9.8 million for 2003 and 2002. This rent included approximately $6.5 million of non-cash expenses during 2003 and 2002. The Company is currently attempting to renegotiate certain terms of the lease in an attempt to more closely align the economic cost of the lease with the impact on the Company's results of operations. At the end of the 75-year lease term, the Company may extend the operating lease to January 31, 2101, at which point the buildings and fixtures will be transferred to the lessor. The Company also records contingent rentals based upon net revenues associated with the Gaylord Palms operations. The Company recorded $0.7 million and $0.6 million of contingent rentals related to the Gaylord Palms in 2003 and 2002, respectively.

Other commitments and contingencies

During 1999, the Company entered into a 20-year naming rights agreement related to the Nashville Arena with the Nashville Predators. The Nashville Arena has been renamed the Gaylord Entertainment Center as a result of the agreement. The contractual commitment required the Company to pay $2.1 million during the first year of the contract, with a 5% escalation each year for the remaining term of the agreement. The Company is accounting for the naming rights agreement expense on a straight-line basis over the 20-year contract period. The Company recognized naming rights expense of $3.4 million for the years ended December 31, 2003, 2002 and 2001, which is included in selling, general and administrative expenses in the accompanying consolidated statements of operations.

The Company has purchased stop-loss coverage in order to limit its exposure to any significant levels of claims relating to workers' compensation, employee medical benefits and general liability for which it is self-insured.

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

In connection with the Company's execution of the Agreement of Limited Partnership of the Nashville Hockey Club, L.P. on June 25, 1997, the Company, its subsidiary CCK, Inc., Craig Leipold, Helen Johnson-Leipold (Mr. Leipold's wife) and Samuel C. Johnson (Mr. Leipold's father-in-law) entered into a guaranty agreement executed in favor of the National Hockey League (NHL). This agreement provides for a continuing guarantee of the following obligations for as long as any of these obligations remain outstanding: (i) all obligations under the expansion agreement between the Nashville Hockey Club, L.P. and the NHL; and (ii) all operating expenses of the Nashville Hockey Club, L.P. The maximum potential amount which the Company and CCK, collectively, could be liable under the guaranty agreement is $15.0 million, although the Company and CCK would have recourse against the other guarantors if required to make payments under the guarantee. As of December 31, 2003, the Company had not recorded any liability in the consolidated balance sheet associated with this guarantee.

The Company is a party to the lawsuit styled *Nashville Hockey Club Limited Partnership v. Gaylord Entertainment Company*, Case No. 03-1474, now pending in the Chancery Court for Davidson County, Tennessee. In its complaint for breach of contract, Nashville Hockey Club Limited Partnership alleged that the Company failed to honor its payment obligation under a Naming Rights Agreement for the multi-purpose arena in Nashville known as the Gaylord Entertainment Center. Specifically, Plaintiff alleged that the Company failed to make a semi-annual payment to Plaintiff in the amount of $1,186,566 when due on January 1, 2003 and in the amount of $1,245,894 when due on July 1, 2003. The Company contended that it effectively fulfilled its obligations due under the Naming Rights Agreement by way of set off against obligations owed by Plaintiff to CCK Holdings, LLC (“CCK”) under a “put option” CCK exercised pursuant to the Partnership Agreement between CCK and Plaintiff. CCK has assigned the proceeds of its put option to the Company. The Company vigorously contested this case by filing an answer and counterclaim denying any liability to Plaintiff, specifically alleging that all payments due to Plaintiff under the Naming Rights Agreement had been paid in full and asserting a counterclaim for amounts owing on the put option under the Partnership Agreement. Plaintiff filed a motion for summary judgment which was argued on February 6, 2004, and on March 10, 2004 the Chancellor granted the Plaintiff’s motion, requiring the Company to make payments (including $4.1 million payable to date) under the Naming Rights Agreement in cash and finding that conditions to the satisfaction of the Company’s put option have not been met. The Company intends to appeal this decision and continue to vigorously assert its rights in this litigation. Because the Company continued to recognize the expense under the Naming Rights Agreement, payment of the accrued amounts under the Naming Rights Agreement will not affect the Company’s results of operation.

As previously disclosed in January 2003, the Company restated its historical financial statements for 2000, 2001 and the first nine months of 2002 to reflect certain non-cash changes, which resulted primarily from a change to the Company’s income tax accrual and the manner in which the Company accounted for its investment in the Nashville Predators. The Company has been advised by the Securities and Exchange Commission (the “SEC”) Staff that it is conducting a formal investigation into the financial results and transactions that were the subject of the restatement by the Company. The SEC Staff is reviewing documents provided by the Company and its independent public accountants and has taken or will take testimony from former and current employees of the Company. The Company has been cooperating with the SEC staff and intends to continue to do so. Nevertheless, if the SEC makes a determination adverse to the Company, the Company may face sanctions, including, but not limited to, monetary penalties and injunctive relief.

One of the Company’s ResortQuest subsidiaries is a party to the lawsuit styled *Awbrey et al. v. Abbott Realty Services, Inc.*, Case No. 02-CA-1203, now pending in the Okaloosa County, Florida Circuit Court. The plaintiffs are owners of 16 condominium units at the Jade East condominium development in Destin, Florida, and they have filed suit alleging, among other things, nondisclosure and misrepresentation by the Company’s real estate sales agents in the sale of Plaintiffs’ units. Plaintiffs seek unspecified damages and a jury trial. The Company has filed pleadings denying the plaintiffs’ allegations and asserting several affirmative defenses, among them that the claims of the plaintiffs have been released in connection with the April 2001 settlement of a 1998 lawsuit filed by the Jade East condominium owners association against the original condominium’s developer. The Company has also filed a motion for summary judgment which has been set for hearing in May 2004. At this stage it is difficult to ascertain the likelihood of an unfavorable outcome. The damages sought by each plaintiff will be in excess of $200,000, making the total exposure to the sixteen unit owners in excess of $3.2 million. Those damages are disputed by the Company as overstated and unproven, and the Company intends to vigorously defend this case.

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

17. Retirement Plans

Prior to January 1, 2001, the Company maintained a noncontributory defined benefit pension plan in which substantially all of its employees were eligible to participate upon meeting the pension plan’s participation requirements. The benefits were based on years of service and compensation levels. On January 1, 2001 the Company amended its defined benefit pension plan to determine future benefits using a cash balance formula. On December 31, 2000, benefits credited under the plan’s previous formula were frozen. Under the cash formula, each participant had an account which was credited monthly with 3% of qualified earnings and the interest earned on their previous month-end cash balance. In addition, the Company included a "grandfather" clause which assures that the participant will receive the greater of the benefit calculated under the cash balance plan and the benefit that would have been payable if the defined benefit plan had remained in existence. The benefit payable to a vested participant upon retirement at age 65, or age 55 with 15 years of service, is equal to the participant's account balance, which increases based upon length of service and compensation levels. At retirement, the employee generally receives the balance in the account as a lump sum. The funding policy of the Company is to contribute annually an amount which equals or exceeds the minimum required by applicable law.

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

	2003	2002
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	**$ 59,214**	$ 58,712
Service cost	**—**	—
Interest cost	**4,031**	3,964
Actuarial loss	**6,874**	5,359
Benefits paid	**(3,490)**	(5,021)
Curtailment	**—**	(3,800)
Benefit obligation at end of year	**66,629**	59,214
CHANGE IN PLAN ASSETS:		
Fair value of plan assets at beginning of year	**37,105**	44,202
Actual gain (loss) on plan assets	**5,495**	(3,870)
Employer contributions	**3,819**	1,794
Benefits paid	**(3,490)**	(5,021)
Fair value of plan assets at end of year	**42,929**	37,105
Funded status	**(23,700)**	(22,109)
Unrecognized net actuarial loss	**24,943**	22,944
Adjustment for minimum liability	**(24,943)**	(22,944)
Employer contribution after measurement date	**821**	—
Accrued pension cost	**$(22,879)**	$(22,109)

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

	2003	2002	2001
Service cost	**$ —**	$ —	$ 2,592
Interest cost	**4,031**	3,964	4,288
Expected return on plan assets	**(2,991)**	(3,395)	(4,131)
Recognized net actuarial loss	**2,371**	710	169
Amortization of prior service cost	**—**	—	402
Curtailment loss	**—**	3,750	—
Total net periodic pension expense	**$ 3,411**	$ 5,029	$ 3,320

The accumulated benefit obligation for the defined benefit pension plan was $66.6 million and $59.2 million at December 31, 2003 and 2002.

Assumptions

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

	2003	2002
Discount rate	**6.25%**	7.00%
Rate of compensation increase	**N/A**	4.00%
Measurement date	**9/30/03**	9/30/02

The rate of increase in future compensation levels was not applicable for 2003 due to the Company amending the plan to freeze the cash balance benefit as described below.

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

	2003	2002
Discount rate	**7.00%**	7.50%
Rate of compensation increase	**N/A**	4.00%
Expected long term rate of return on plan assets	**8.00%**	8.00%
Measurement date	**9/30/03**	9/30/02

The Company determines the overall expected long term rate of return on plan assets based on its estimate of the return that plan assets will provide over the period that benefits are expected to be paid out. In preparing this estimate, the Company considers its targeted allocation of plan assets among securities with various risk and return profiles, as well as the actual returns provided by plan assets in prior periods.

Plan Assets

The allocation of the defined benefit pension plan's assets as of September 30, by asset categories, are as follows:

Asset Category	2003	2002
Equity securities	**61%**	49%
Fixed income securities	**33%**	48%
Cash	**6%**	3%
Total	**100%**	100%

The defined benefit pension plan's investment strategy is to invest plan assets in a diverse group of equity and fixed income securities with the objective of achieving returns that will provide the plan with sufficient assets to make benefit payments as they become due, while maintaining a risk profile that is commensurate with this objective. Consistent with that strategy, the plan has set the following target asset allocation percentages for each major category of plan assets:

Asset Category	Target Allocation
Equity securities	60%
Fixed income securities	35%
Cash	5%
Total	100%

Expected Contributions and Benefit Payments

The Company expects to contribute $3.0 million to its defined benefit pension plan in 2004. Based on the Company's assumptions discussed above, the Company expects to make the following estimated future benefit payments under the plan during the years ending December 31:

2004	$ 3,419
2005	2,268
2006	1,850
2007	3,365
2008	2,547
2009-2013	18,304
Total	$31,753

Other Information

The Company also maintains non-qualified retirement plans (the "Non-Qualified Plans") to provide benefits to certain key employees. The Non-Qualified Plans are not funded and the beneficiaries' rights to receive distributions under these plans constitute unsecured claims to be paid from the Company's general assets. At December 31, 2003, the Non-Qualified Plans' projected benefit obligations and accumulated benefit obligations were $11.4 million.

The Company's accrued cost related to its qualified and non-qualified retirement plans of $34.5 million and $32.4 million at December 31, 2003 and 2002, respectively, is included in other long-term liabilities in the accompanying consolidated balance sheets. The 2003 increase in the minimum liability related to the Company's retirement plans resulted in a charge to equity of $1.8 million, net of taxes of $1.1 million. The 2002 increase in the minimum liability related to the Company's retirement plans resulted in a charge to equity of $7.2 million, net of taxes of $4.7 million. The 2003 and 2002 charges to equity due to the increase in the minimum liability are included in other comprehensive loss in the accompanying consolidated statements of stockholders' equity.

The Company also has contributory retirement savings plans in which substantially all employees are eligible to participate. The Company contributes an amount equal to the lesser of one-half of the amount of the employee's contribution or 3% of the employee's salary. In addition, effective January 1, 2002, the Company contributes 2% to 4% of the employee's salary, based upon the Company's financial performance. Company contributions under the retirement savings plans were $4.1 million, $3.8 million and $1.5 million for 2003, 2002 and 2001, respectively.

Effective December 31, 2001, the Company amended its retirement plans and its retirement savings plan whereby the retirement cash balance benefit was frozen and whereby future Company contributions to the retirement savings plan will include 2% to 4% of the employee's salary, based upon the Company's financial performance, in addition to the one-half match of the employee's salary up to a maximum of 3%

as described above. As a result of these changes to the retirement plans, the Company recorded a pretax charge to operations of $5.7 million in the first quarter of 2002 related to the write-off of unamortized prior service cost in accordance with SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits", and related interpretations.

18. Postretirement Benefits Other Than Pensions

The Company sponsors unfunded defined benefit postretirement health care and life insurance plans for certain employees. The Company contributes toward the cost of health insurance benefits and contributes the full cost of providing life insurance benefits. In order to be eligible for these postretirement benefits, an employee must retire after attainment of age 55 and completion of 15 years of service, or attainment of age 65 and completion of 10 years of service. The Company's Benefits Trust Committee determines retiree premiums.

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

	2003	2002
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	**$19,722**	$13,665
Service cost	**341**	306
Interest cost	**1,380**	1,353
Actuarial (gain) loss	**(485)**	862
Contributions by plan participants	**—**	142
Benefits paid	**(755)**	(987)
Remeasurements	**—**	9,054
Amendments	**—**	(4,673)
Benefit obligation at end of year	**20,203**	19,722
Unrecognized net actuarial loss	**(1,520)**	(2,015)
Unrecognized prior service cost	**3,074**	4,073
Unrecognized curtailment gain	**2,103**	2,348
Accrued postretirement liability	**$23,860**	$24,128

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

	2003	2002	2001
Service cost	**$ 341**	$ 306	$ 688
Interest cost	**1,380**	1,353	946
Curtailment gain	**—**	(2,105)	—
Recognized net actuarial (gain) loss	**10**	(41)	(424)
Amortization of prior service cost	**(999)**	(999)	(158)
Amortization of curtailment gain	**(244)**	(244)	(244)
Net postretirement benefit expense	**$ 488**	$(1,730)	$ 808

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

	2003	2002
Discount rate	**6.25%**	7.00%
Measurement date	**9/30/03**	9/30/02

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

	2003	2002
Discount rate	**7.00%**	7.50%
Measurement date	**9/30/03**	9/30/02

The health care cost trend is projected to be 10.1% in 2004, declining each year thereafter to an ultimate level trend rate of 5.0% per year for 2012 and beyond. The health care cost trend rates are not applicable to the life insurance benefit plan. The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, a 1% increase in the assumed health care cost trend rate each year would increase the accumulated postretirement benefit obligation as of December 31, 2003 by approximately 10% and the aggregate of the service and interest cost components of net postretirement benefit expense would increase approximately 10%. Conversely, a 1% decrease in the assumed health care cost trend rate each year would decrease the accumulated postretirement benefit obligation as of December 31, 2003 by approximately 9% and the aggregate of the service and interest cost components of net postretirement benefit expense would decrease approximately 9%.

The Company expects to contribute $0.9 million to the plan in 2004. Based on the Company's assumptions discussed above, the Company expects to make the following estimated future benefit payments under the plan during the years ending December 31:

2004	$ 898
2005	980
2006	1,095
2007	1,017
2008	1,397
2009-2013	9,184
Total	$14,571

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

19. Goodwill and Intangibles

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

The Company completed the transitional goodwill impairment reviews required by SFAS No. 142 during the second quarter of 2002. In performing the impairment reviews, the Company estimated the fair values of the reporting units using a present value method that discounted estimated future cash flows. Such valuations are sensitive to assumptions associated with cash flow growth, discount rates and capital rates. In performing the impairment reviews, the Company determined one reporting unit's goodwill to be impaired. Based on the estimated fair value of the reporting unit, the Company impaired the recorded goodwill amount of $4.2 million associated with the Radisson Hotel at Opryland in the hospitality segment. The circumstances leading to the goodwill impairment assessment for the Radisson Hotel at Opryland primarily relate to the effect of the September 11, 2001 terrorist attacks on the hospitality and tourism industries. In accordance with the provisions of SFAS No. 142, the Company has reflected the impairment charge as a cumulative effect of a change in accounting principle in the amount of $2.6 million, net of tax benefit of $1.6 million, as of January 1, 2002 in the accompanying consolidated statements of operations.

The Company performed the annual impairment review on all goodwill at December 31, 2003 and determined that no further impairment charges were required during 2003.

The changes in the carrying amounts of goodwill by business segment for the twelve months ended December 31, 2003 and 2002 are as follows (amounts in thousands):

	Balance as of December 31, 2002	Impairment Losses	Acquisitions	Balance as of December 31, 2003
Hospitality	**$ —**	**$ —**	**$ —**	**$ —**
Opry and Attractions	**6,915**	**—**	**—**	**6,915**
ResortQuest	**—**	**—**	**162,727**	**162,727**
Corporate and other	**—**	**—**	**—**	**—**
Total	**$6,915**	**$ —**	**$162,727**	**$169,642**

	Balance as of December 31, 2001	Transitional Impairment Losses	Acquisitions	Balance as of December 31, 2002
Hospitality	$ 4,221	$(4,221)	$ —	$ —
Opry and Attractions	6,915	—	—	6,915
Corporate and other	—	—	—	—
Total	$11,136	$(4,221)	$ —	$6,915

The following table presents a reconciliation of net income and income per share assuming the non-amortization provisions of SFAS No. 142 were applied during the years ended December 31 (amounts in thousands, except per share data):

	2003	2002	2001
Reported net income (loss)	**$ 826**	$95,144	$(47,796)
Add back: Goodwill amortization, net of tax	**—**	—	1,360
Adjusted net income (loss)	**$ 826**	$95,144	$(46,436)
Basic earnings (loss) per share			
Reported net income (loss)	**$0.02**	$ 2.82	$ (1.42)
Add back: Goodwill amortization, net of tax	**—**	—	0.04
Adjusted net income (loss)	**$0.02**	$ 2.82	$ (1.38)
Diluted earnings (loss) per share			
Reported net income (loss)	**$0.02**	$ 2.82	$ (1.42)
Add back: Goodwill amortization, net of tax	**—**	—	0.04
Adjusted net income (loss)	**$0.02**	$ 2.82	$ (1.38)

The Company also reassessed the useful lives and classification of identifiable finite-lived intangible assets and determined the lives of these intangible assets to be appropriate.

The carrying amount of indefinite lived intangible assets not subject to amortization was $40.6 million and $1.8 million at December 31, 2003 and 2002. The increase in indefinite lived intangible assets during 2003 is due to trade names obtained in the acquisition of ResortQuest. The gross carrying amount of amortized intangible assets in continuing operations was $30.1 million and $0.4 million at December 31, 2003 and 2002, respectively. The increase in amortized intangible assets during 2003 is primarily related to property management contracts with vacation rental property owners obtained in the acquisition of ResortQuest. The related accumulated amortization of intangible assets in continuing operations was $588,000 and $131,000 at December 31, 2003 and 2002, respectively. The amortization expense related to intangibles from continuing operations during the twelve months ended December 31, 2003 and 2002 was $457,000 and $58,000, respectively. The estimated amounts of amortization expense for the next five years are equivalent to $3.8 million per year.

20. Financial Reporting By Business Segments

The following information (amounts in thousands) from continuing operations is derived directly from the segments' internal financial reports used for corporate management purposes. The Company revised its reportable segments during the first quarter of 2003 due to the Company's decision to divest of the Radio Operations and due to the acquisition of ResortQuest.

	2003	2002	2001
REVENUES:			
Hospitality	**$369,263**	$339,380	$228,712
Opry and Attractions	**61,433**	65,600	67,064
ResortQuest	**17,920**	—	—
Corporate and Other	**184**	272	290
Total	**$448,800**	$405,252	$296,066

	2003	2002	2001
DEPRECIATION AND AMORTIZATION:			
Hospitality	**$ 46,536**	$ 44,924	$ 25,593
Opry and Attractions	**5,129**	5,778	6,270
ResortQuest	**1,186**	—	—
Corporate and Other	**6,099**	5,778	6,542
Total	**$ 58,950**	$ 56,480	$ 38,405
OPERATING INCOME (LOSS):			
Hospitality	**$ 42,347**	$ 25,972	$ 34,270
Opry and Attractions	**(600)**	1,596	(5,010)
ResortQuest	**(2,616)**	—	—
Corporate and Other	**(43,396)**	(42,111)	(40,110)
Preopening costs	**(11,562)**	(8,913)	(15,927)
Gain on sale of assets	**—**	30,529	—
Impairment and other charges	**(856)**	—	(14,262)
Restructuring charges	**—**	17	(2,182)
Interest expense, net of amounts capitalized	**(52,804)**	(46,960)	(39,365)
Interest income	**2,461**	2,808	5,554
Unrealized gain (loss) on Viacom stock	**39,831**	(37,300)	782
Unrealized gain (loss) on derivatives	**(33,228)**	86,476	54,282
Other gains and losses	**2,209**	1,163	2,661
Total	**$ (58,214)**	$ 13,277	$ (19,307)
IDENTIFIABLE ASSETS:			
Hospitality	**$1,209,124**	$1,056,434	$ 947,646
Opry and Attractions	**91,837**	85,530	90,912
ResortQuest	**288,992**	—	—
Corporate and Other	**987,291**	1,019,304	998,916
Discontinued operations	**19**	17,423	140,170
Total	**$2,577,263**	$2,178,691	$2,177,644

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

	2003	2002	2001
CAPITAL EXPENDITURES:			
Hospitality	**$211,043**	$163,926	$277,643
Opry and Attractions	**9,133**	2,673	2,471
ResortQuest	**1,504**	—	—
Corporate and other	**2,040**	8,805	807
Total	**$223,720**	$175,404	$280,921

21. Quarterly Financial Information (Unaudited)

The following is selected unaudited quarterly financial data for the fiscal years ended December 31, 2003 and 2002 (amounts in thousands, except per share data).

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

	2003			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	**$114,380**	**$105,470**	**$ 98,101**	**$130,849**
Depreciation and amortization	**14,573**	**14,304**	**14,567**	**15,506**
Operating income (loss)	**4,958**	**(1,539)**	**(8,753)**	**(11,349)**
Income (loss) of continuing operations before income taxes and discontinued operations	**(10,859)**	**17,878**	**(43,479)**	**(21,754)**
Provision (benefit) for income taxes	**(4,236)**	**7,334**	**(19,072)**	**(8,695)**
Income (loss) of continuing operations before discontinued operations	**(6,623)**	**10,544**	**(24,407)**	**(13,059)**
Income (loss) from discontinued operations, net of taxes	**167**	**809**	**35,150**	**(1,755)**
Net income (loss)	**(6,456)**	**11,353**	**10,743**	**(14,814)**
Net income (loss) per share	**(0.19)**	**0.34**	**0.32**	**(0.41)**
Net income (loss) per share — assuming dilution	**(0.19)**	**0.33**	**0.32**	**(0.41)**

During May of 2003, the Company finalized the 2003 Loans, which consisted of a $25 million senior revolving facility, a $150 million senior term loan, and a $50 million subordinated term loan. Proceeds of the 2003 Loans were used to pay off the Term Loan of $60 million and the remaining net proceeds of approximately $134 million were deposited into an escrow account for the completion of the construction of the Gaylord Texan. During November 2003, the Company used the proceeds of the Senior Notes to repay all amounts outstanding under the 2003 Loans. As a result of the prepayment of the 2003 Loans, the Company wrote off $6.6 million in deferred financing costs, which is included in interest expense in the consolidated statement of operations.

During the third quarter of 2003, the Company sold WSM-FM and WWTN(FM) to Cumulus and recorded a net of tax gain of approximately $33.3 million. This gain is recorded in income from discontinued operations in the consolidated statement of operations.

During the fourth quarter of 2003, the Company sold its interest in the Oklahoma RedHawks minor-league baseball team and received cash proceeds of approximately $6.0 million. The Company recognized a loss of $0.6 million, net of taxes, related to the sale in discontinued operations in the accompanying consolidated statement of operations.

On November 20, 2003, the Company acquired 100% of the outstanding common shares of ResortQuest in a tax-free, stock for stock merger. The results of operations of ResortQuest for the period November 20, 2003 to December 31, 2003 are included in the consolidated financial statements.

During November 2003, the Company completed its offering of the Senior Notes. In connection with the offering of the Senior Notes, the Company paid approximately $9.4 million in deferred financing costs. The net proceeds from the offering of the Senior Notes, together with $22.5 million of the Company’s cash on hand, were used as follows:

- $275.5 million was used to repay the $150 million senior term loan portion and the $50 million subordinated term loan portion of the 2003 Loans, as discussed above, as well as the remaining

$66 million of the Company’s $100 million Mezzanine Loan and to pay certain fees and expenses related to the ResortQuest acquisition; and

- $79.2 million was placed in escrow pending consummation of the ResortQuest acquisition. As of November 20, 2003, the $79.2 million together with $8.2 million of the available cash, was used to repay ResortQuest’s senior notes and credit facility, the principal amount of which aggregated $85.1 million at closing, and a related prepayment penalty.

	2002			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$ 99,657	$95,937	$100,421	$109,237
Depreciation and amortization	15,230	12,762	13,933	14,555
Operating income (loss)	(15,671)	8,749	18,294	(4,282)
Income (loss) of continuing operations before income taxes, discontinued operations and accounting change	(10,627)	2,869	26,617	(5,582)
Provision (benefit) for income taxes	(4,094)	(1,584)	7,283	(287)
Income (loss) of continuing operations before discontinued operations and accounting change	(6,533)	4,453	19,334	(5,295)
Income from discontinued operations, net of taxes	958	1,425	80,710	2,664
Cumulative effect of accounting change, net of taxes	(2,572)	—	—	—
Net income (loss)	(8,147)	5,878	100,044	(2,631)
Net income (loss) per share	(0.24)	0.17	2.96	(0.08)
Net income (loss) per share — assuming dilution	(0.24)	0.17	2.96	(0.08)

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

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

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

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

22. Information Concerning Guarantor and Non-Guarantor Subsidiaries

Not all of the Company's subsidiaries guarantee the $350 million Senior Notes. All of the Company's subsidiaries that are borrowers or have guaranteed under the Company's new revolving credit facility or previously, the Company's 2003 Florida/Texas senior secured credit facility, are guarantors (the "Guarantors") of the Senior Notes. Certain of the Company's subsidiaries, including those that incurred the Company's Nashville Hotel Loan or own or manage the Nashville loan borrower (the "Non-Guarantors"), do not guarantee the Senior Notes. The condensed consolidating financial information includes certain allocations of revenues and expenses based on management's best estimates, which are not necessarily indicative of financial position, results of operations and cash flows that these entities would have achieved on a stand alone basis.

The following consolidating schedules condensed financial information of the Company, the guarantor subsidiaries and non-guarantor subsidiaries as of December 31, 2003 and 2002 and for each of the three years in the period ended December 31, 2003.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the Twelve Months Ended December 31, 2003

	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
			(In thousands)		
Revenues	$ 67,311	$208,844	$215,265	$(42,620)	$448,800
Operating expenses:					
Operating costs	23,255	127,799	137,237	(11,354)	276,937
Selling, general and administrative	35,664	49,772	31,713	29	117,178
Management fees	—	14,620	16,675	(31,295)	—
Preopening costs	—	11,562	—	—	11,562
Impairment and other charges	856	—	—	—	856
Restructuring charges, net	—	—	—	—	—
Depreciation	5,559	24,350	24,032	—	53,941
Amortization	3,085	681	1,243	—	5,009
Operating income (loss)	(1,108)	(19,940)	4,365	—	(16,683)
Interest expense, net	(43,142)	(34,048)	(22,061)	46,447	(52,804)
Interest income	38,679	1,323	8,906	(46,447)	2,461
Unrealized loss on Viacom stock	39,831	—	—	—	39,831
Unrealized gain on derivatives	(33,228)	—	—	—	(33,228)
Other gains and (losses)	2,238	(10)	(19)	—	2,209
Income (loss) before income taxes, discontinued operations, and cumulative effect of accounting change	3,270	(52,675)	(8,809)	—	(58,214)
Provision (benefit) for income taxes	1,416	(22,767)	(3,318)	—	(24,669)
Equity in subsidiaries’ (earnings) losses, net	1,028	—	—	(1,028)	—
Income (loss) from continuing operations	826	(29,908)	(5,491)	1,028	(33,545)
Gain (loss) from discontinued operations, net	—	871	33,500	—	34,371
Cumulative effect of accounting change, net	—	—	—	—	—
Net income (loss)	$ 826	$ (29,037)	$ 28,009	$ 1,028	$ 826

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the Twelve Months Ended December 31, 2002

	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
			(In thousands)		
Revenues	$ 63,549	$176,149	$206,132	$(40,578)	$405,252
Operating expenses:					
Operating costs	16,399	112,497	135,685	(9,998)	254,583
Selling, general and administrative	39,814	39,286	29,998	(366)	108,732
Management fees	—	13,196	17,454	(30,650)	—
Preopening costs	—	8,913	—	—	8,913
Gain on sale of assets	—	(30,529)	—	—	(30,529)
Restructuring charges, net	(1,086)	104	965	—	(17)
Depreciation	6,238	22,895	23,561	—	52,694
Amortization	2,343	595	848	—	3,786
Operating income (loss)	(159)	9,192	(2,379)	436	7,090
Interest expense, net	(36,598)	(30,037)	(27,095)	46,770	(46,960)
Interest income	45,499	290	3,789	(46,770)	2,808
Unrealized loss on Viacom stock	(37,300)	—	—	—	(37,300)
Unrealized gain on derivatives	86,476	—	—	—	86,476
Other gains and (losses)	1,753	(643)	53	—	1,163
Income (loss) before income taxes, discontinued operations, and cumulative effect of accounting change	59,671	(21,198)	(25,632)	436	13,277
Provision (benefit) for income taxes	20,157	(9,462)	(9,813)	436	1,318
Equity in subsidiaries’ (earnings) losses, net	(55,630)	—	—	55,630	—
Income (loss) from continuing operations	95,144	(11,736)	(15,819)	(55,630)	11,959
Gain (loss) from discontinued operations, net	—	9,803	75,954	—	85,757
Cumulative effect of accounting change, net	—	(2,572)	—	—	(2,572)
Net income (loss)	$ 95,144	$ (4,505)	$ 60,135	$(55,630)	$ 95,144

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the Twelve Months Ended December 31, 2001

	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
			(In thousands)		
Revenues	$ 45,649	$ 60,909	$222,073	$(32,565)	$296,066
Operating expenses:					
Operating costs	19,498	46,402	143,027	(7,628)	201,299
Selling, general and administrative	27,851	9,810	29,551	—	67,212
Management fees	—	9,004	16,227	(25,231)	—
Preopening costs	—	15,927	—	—	15,927
Impairment and other charges	6,858	845	6,559	—	14,262
Restructuring charges, net	2,182	—	—	—	2,182
Depreciation	6,900	4,339	23,499	—	34,738
Amortization	2,091	934	642	—	3,667
Operating income (loss)	(19,731)	(26,352)	2,568	294	(43,221)
Interest expense, net	(33,412)	(9,994)	(42,062)	46,103	(39,365)
Interest income	47,388	2,194	2,075	(46,103)	5,554
Unrealized loss on Viacom stock	782	—	—	—	782
Unrealized gain on derivatives	54,282	—	—	—	54,282
Other gains and (losses)	(10,565)	13,112	114	—	2,661
Income (loss) before income taxes, discontinued operations, and cumulative effect of accounting change	38,744	(21,040)	(37,305)	294	(19,307)
Provision (benefit) for income taxes	14,465	(8,193)	(15,708)	294	(9,142)
Equity in subsidiaries' (earnings) losses, net	83,277	—	—	(83,277)	—
Income (loss) from continuing operations	(58,998)	(12,847)	(21,597)	83,277	(10,165)
Gain (loss) from discontinued operations, net	—	(26,136)	(22,697)	—	(48,833)
Cumulative effect of accounting change, net	11,202	—	—	—	11,202
Net income (loss)	$(47,796)	$(38,983)	$ (44,294)	$ 83,277	$ (47,796)

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2003

	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
			(In thousands)		
ASSETS:					
Current assets:					
Cash and cash equivalents — unrestricted	$ 116,413	$ 2,958	$ 1,594	$ —	$ 120,965
Cash and cash equivalents — restricted	4,651	17,738	15,334	—	37,723
Trade receivables, net	464	21,753	21,122	(17,238)	26,101
Deferred financing costs	26,865	—	—	—	26,865
Deferred income taxes	4,903	2,333	1,517	—	8,753
Other current assets	6,271	10,656	3,323	(129)	20,121
Intercompany receivables, net	838,904	—	46,645	(885,549)	—
Current assets of discontinued operations	—	—	19	—	19
Total current assets	998,471	55,438	89,554	(902,916)	240,547
Property and equipment, net	87,157	860,144	350,227	—	1,297,528
Amortized intangible assets, net	160	29,341	4	—	29,505
Goodwill	—	169,642	—	—	169,642
Indefinite lived intangible assets	1,480	39,111	—	—	40,591
Investments	835,134	16,747	60,598	(363,568)	548,911
Estimated fair value of derivative assets	146,278	—	—	—	146,278
Long-term deferred financing costs	73,569	810	775	—	75,154
Other long-term assets	7,830	10,990	10,287	—	29,107
Long-term assets of discontinued operations	—	—	—		—
Total assets	$2,150,079	$1,182,223	$511,445	$(1,266,484)	$2,577,263
LIABILITIES AND STOCKHOLDERS' EQUITY:					
Current liabilities:					
Current portion of long-term debt	$ 558	$ 22	$ 8,004	$ —	$ 8,584
Accounts payable and accrued liabilities	35,080	138,032	(629)	(17,531)	154,952
Intercompany payables, net	—	971,587	(86,038)	(885,549)	—
Current liabilities of discontinued operations	—	23	2,907	—	2,930
Total current liabilities	35,638	1,109,664	(75,756)	(903,080)	166,466
Secured forward exchange contract	613,054	—	—	—	613,054
Long-term debt	348,797	201	191,177	—	540,175
Deferred income taxes	165,247	38,140	47,652	—	251,039
Estimated fair value of derivative liabilities	21,969	—	—	—	21,969
Other long-term liabilities	60,724	18,337	1	164	79,226
Long-term liabilities of discontinued operations	—	825	—	—	825
Minority interest of discontinued operations	—	—	—	—	—
Stockholders' equity:					
Preferred stock	—	—	—	—	—
Common stock	394	3,337	2	(3,339)	394
Additional paid-in capital	639,839	234,997	165,955	(400,952)	639,839
Retained earnings	283,624	(224,213)	183,490	40,723	283,624
Other stockholders' equity	(19,207)	935	(1,076)	—	(19,348)
Total stockholders' equity	904,650	15,056	348,371	(363,568)	904,509
Total liabilities and stockholders' equity	$2,150,079	$1,182,223	$511,445	$(1,266,484)	$2,577,263

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2002

	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
			(In thousands)		
ASSETS:					
Current assets:					
Cash and cash equivalents — unrestricted	$ 92,896	$ 3,644	$ 2,092	$ —	$ 98,632
Cash and cash equivalents — restricted	2,732	—	16,591	—	19,323
Trade receivables, net	1,237	10,768	22,610	(12,241)	22,374
Deferred financing costs	26,865	—	—	—	26,865
Deferred income taxes	4,310	1,481	1,257	—	7,048
Other current assets	5,330	6,295	14,264	—	25,889
Intercompany receivables, net	488,251	—	—	(488,251)	—
Current assets of discontinued operations	—	—	4,095	—	4,095
Total current assets	621,621	22,188	60,909	(500,492)	204,226
Property and equipment, net	85,132	661,151	363,880	—	1,110,163
Amortized intangible assets, net	—	43	197	—	240
Goodwill	—	6,915	—	—	6,915
Indefinite lived intangible assets	1,480	276	—	—	1,756
Investments	748,143	22,202	60,598	(321,863)	509,080
Estimated fair value of derivative assets	207,727	—	—	—	207,727
Long-term deferred financing costs	93,660	—	7,273	—	100,933
Other long-term assets	11,432	2,351	10,540	—	24,323
Long-term assets of discontinued operations	—	—	13,328	—	13,328
Total assets	$1,769,195	$ 715,126	$ 516,725	$(822,355)	$2,178,691
LIABILITIES AND STOCKHOLDERS' EQUITY:					
Current liabilities:					
Current portion of long-term debt	$ 522	$ —	$ 8,004	$ —	$ 8,526
Accounts payable and accrued liabilities	16,008	44,114	33,098	(12,535)	80,685
Intercompany payables, net	—	655,381	(167,130)	(488,251)	—
Current liabilities of discontinued operations	—	1,523	5,129	—	6,652
Total current liabilities	16,530	701,018	(120,899)	(500,786)	95,863
Secured forward exchange contract	613,054	—	—	—	613,054
Long-term debt	60,931	—	271,181	—	332,112
Deferred income taxes	177,462	5,122	48,283	—	230,867
Estimated fair value of derivative liabilities	48,647	—	—	—	48,647
Other long-term liabilities	64,581	(11,450)	14,470	294	67,895
Long-term liabilities of discontinued operations	—	(22,691)	23,480	—	789
Minority interest of discontinued operations	—	—	1,885	—	1,885
Stockholders' equity:					
Preferred stock	—	—	—	—	—
Common stock	338	3,337	2	(3,339)	338
Additional paid-in capital	520,796	235,126	123,093	(358,219)	520,796
Retained earnings	282,798	(195,176)	155,481	39,695	282,798
Other stockholders' equity	(15,942)	(160)	(251)	—	(16,353)
Total stockholders' equity	787,990	43,127	278,325	(321,863)	787,579
Total liabilities and stockholders' equity	$1,769,195	$ 715,126	$ 516,725	$(822,355)	$2,178,691

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2003

	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
			(In thousands)		
Net cash provided by continuing operating activities	$(249,422)	$ 271,090	$ 42,248	$ —	$ 63,916
Net cash provided by discontinued operating activities	—	22,887	(19,997)	—	2,890
Net cash provided by operating activities	(249,422)	293,977	22,251	—	66,806
Purchases of property and equipment	(8,686)	(203,947)	(11,087)	—	(223,720)
Cash of business acquired	—	4,228	—	—	4,228
Sale of assets	—	—	175	—	175
Collection of note receivable	—	—	10,000	—	10,000
Other investing activities	(1,017)	(289)	(1,022)	—	(2,328)
Net cash used in investing activities — continuing operations	(9,703)	(200,008)	(1,934)	—	(211,645)
Net cash provided by investing activities — discontinued operations	—	5,869	59,485	—	65,354
Net cash provided by investing activities	(9,703)	(194,139)	57,551	—	(146,291)
Proceeds from issuance of long-term debt	350,000	200,000	—	—	550,000
Repayment of long-term debt	(60,000)	(285,100)	(80,004)	—	(425,104)
Deferred financing costs paid	(9,344)	(8,643)	(302)	—	(18,289)
(Increase) decrease in restricted cash and cash equivalents	(1,919)	(7,898)	1,257	—	(8,560)
Proceeds from exercise of stock option and purchase plans	4,459	—	—	—	4,459
Other financing activities, net	(554)	1,117	(1,157)	—	(594)
Net cash used in financing activities — continuing operations	282,642	(100,524)	(80,206)	—	101,912
Net cash used in financing activities — discontinued operations	—	—	(94)	—	(94)
Net cash used in financing activities	282,642	(100,524)	(80,300)	—	101,818
Net change in cash	23,517	(686)	(498)	—	22,333
Cash and cash equivalents at beginning of year	92,896	3,644	2,092	—	98,632
Cash and cash equivalents at end of year	$ 116,413	$ 2,958	$ 1,594	$ —	$ 120,965

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2002

	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
			(In thousands)		
Net cash provided by continuing operating activities	$ 110,765	$ 40,248	$ (67,184)	$ —	$ 83,829
Net cash provided by discontinued operating activities	—	(517)	3,968	—	3,451
Net cash provided by operating activities	110,765	39,731	(63,216)	—	87,280
Purchases of property and equipment	(9,887)	(153,396)	(12,121)	—	(175,404)
Sale of assets	—	30,875	—	—	30,875
Other investing activities	(4,064)	4,777	(1,668)	—	(955)
Net cash used in investing activities — continuing operations	(13,951)	(117,744)	(13,789)	—	(145,484)
Net cash provided by investing activities — discontinued operations	—	81,350	151,220	—	232,570
Net cash provided by investing activities	(13,951)	(36,394)	137,431	—	87,086
Proceeds from issuance of long-term debt	85,000	—	—	—	85,000
Repayment of long-term debt	(125,034)	—	(89,812)	—	(214,846)
(Increase) decrease in restricted cash and cash equivalents	28,089	—	17,581	—	45,670
Proceeds from exercise of stock option and purchase plans	919	—	—	—	919
Net cash used in financing activities — continuing operations	(11,026)	—	(72,231)	—	(83,257)
Net cash used in financing activities — discontinued operations	—	—	(1,671)	—	(1,671)
Net cash used in financing activities	(11,026)	—	(73,902)	—	(84,928)
Net change in cash	85,788	3,337	313	—	89,438
Cash and cash equivalents at beginning of year	7,108	307	1,779	—	9,194
Cash and cash equivalents at end of year	$ 92,896	$ 3,644	$ 2,092	$ —	$ 98,632

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2001

	Issuer	Guarantors	Non-Guarantors	Eliminations	Consolidated
			(In thousands)		
Net cash provided by continuing operating activities	$ (84,464)	$ 251,963	$(152,377)	$ —	$ 15,122
Net cash provided by discontinued operating activities	—	4,848	(4,480)	—	368
Net cash provided by operating activities	(84,464)	256,811	(156,857)	—	15,490
Purchases of property and equipment	(5,184)	(262,420)	(13,317)	—	(280,921)
Other investing activities	889	4,850	(2,706)	—	3,033
Net cash used in investing activities — continuing operations	(4,295)	(257,570)	(16,023)	—	(277,888)
Net cash provided by investing activities — discontinued operations	—	452	17,342	—	17,794
Net cash provided by investing activities	(4,295)	(257,118)	1,319	—	(260,094)
Proceeds from issuance of long-term debt	100,000	—	435,000	—	535,000
Repayment of long-term debt	(500)	—	(241,003)	—	(241,503)
Deferred financing costs paid	(3,642)	—	(15,940)	—	(19,582)
(Increase) decrease in restricted cash and cash equivalents	(26,861)	—	(25,465)	—	(52,326)
Proceeds from exercise of stock option and purchase plans	2,548	—	—	—	2,548
Net cash used in financing activities — continuing operations	71,545	—	152,592	—	224,137
Net cash used in financing activities — discontinued operations	—	—	2,904	—	2,904
Net cash used in financing activities	71,545	—	155,496	—	227,041
Net change in cash	(17,214)	(307)	(42)	—	(17,563)
Cash and cash equivalents at beginning of year	24,322	614	1,821	—	26,757
Cash and cash equivalents at end of year	$ 7,108	$ 307	$ 1,779	$ —	$ 9,194

RESORTQUEST INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2002	September 30, 2003
		(Unaudited) (In thousands, except share amounts)
ASSETS		
Current assets		
Cash and cash equivalents	$ 859	$ 1,287
Cash held in escrow	15,468	14,475
Trade and other receivables, net	5,841	9,178
Deferred income taxes	724	820
Prepaid expenses	1,488	2,026
Other current assets	3,319	3,533
Total current assets	27,699	31,319
Goodwill, net	205,830	205,933
Property, equipment and software, net	34,100	33,208
Other assets	5,924	6,028
Total assets	$273,553	$276,488
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 94	$ 83,906
Deferred revenue and property owner payables	47,402	30,237
Accounts payable and accrued liabilities	14,628	13,021
Other current liabilities	2,024	2,499
Total current liabilities	64,148	129,663
Long-term debt, net of current maturities	75,045	—
Deferred income taxes	2,869	10,708
Other long-term obligations	5,007	4,572
Total liabilities	147,069	144,943
Stockholders' equity		
Common stock, $0.01 par value, 50,000,000 shares authorized, 19,251,749 and 19,255,833 shares outstanding, respectively	193	193
Additional paid-in capital	153,933	153,952
Accumulated other comprehensive loss	(60)	(236)
Excess distributions	(29,500)	(29,500)
Retained earnings	1,918	7,136
Total stockholders' equity	126,484	131,545
Total liabilities and stockholders' equity	$273,553	$276,488

The accompanying notes are an integral part of these condensed consolidated balance sheets.

RESORTQUEST INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2003	2002	2003
	(Unaudited) (In thousands, except share amounts)			
Revenues				
Property management fees	$27,609	$27,506	$ 72,862	$ 70,242
Service fees	13,367	13,379	36,065	36,357
Real estate and other	7,420	7,176	19,858	18,526
	48,396	48,061	128,785	125,125
Other revenue from managed entities	9,589	10,099	27,072	28,062
Total revenues	57,985	58,160	155,857	153,187
Operating expenses				
Direct operating	22,996	22,736	64,220	64,472
General and administrative	13,304	14,134	38,963	38,833
Depreciation	1,770	1,697	4,732	5,030
	38,070	38,567	107,915	108,335
Other expenses from managed entities	9,589	10,099	27,072	28,062
Total operating expenses	47,659	48,666	134,987	136,397
Operating income	10,326	9,494	20,870	16,790
Interest and other expense, net	1,622	2,459	4,453	6,306
Income before income taxes	8,704	7,035	16,417	10,484
Provision for income taxes	3,264	3,847	6,156	5,266
Income before the cumulative effect of a change in accounting principle	5,440	3,188	10,261	5,218
Cumulative effect of a change in accounting principle, net of a $1.9 million income tax benefit	—	—	(6,280)	—
Net income	$ 5,440	$ 3,188	$ 3,981	$ 5,218
Earnings per share				
Basic				
Before cumulative effect of a change in accounting principle	$ 0.28	$ 0.17	$ 0.53	$ 0.27
Cumulative effect of a change in accounting principle	—	—	(0.32)	—
	$ 0.28	$ 0.17	$ 0.21	$ 0.27
Diluted earnings per share				
Before cumulative effect of a change in accounting principle	$ 0.28	$ 0.16	$ 0.53	$ 0.27
Cumulative effect of a change in accounting principle	—	—	(0.32)	—
	$ 0.28	$ 0.16	$ 0.21	$ 0.27

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

RESORTQUEST INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

AND COMPREHENSIVE INCOME

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Excess Distributions	Retained Earnings	Total	Comprehensive Income
	Shares	Amount						
	(Unaudited) (In thousands, except share amounts)							
Balance, December 31, 2002	19,251,749	$193	$153,933	$ (60)	$(29,500)	$1,918	$126,484	
Net income						5,218	5,218	$5,218
Foreign currency translation loss				(176)			(176)	(176)
Exercise of employee stock options	4,084	—	19	—	—	—	19	
Comprehensive income								$5,042
Balance, September 30, 2003	19,255,833	$193	$153,952	$(236)	$(29,500)	$7,136	$131,545	

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

RESORTQUEST INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30,	
	2002	2003
	(In thousands) (Unaudited)	
Cash flows from operating activities:		
Net income	$ 3,981	$ 5,218
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of a change in accounting principle	6,280	—
Depreciation	4,732	5,030
Changes in operating assets and liabilities:		
Cash held in escrow	8,674	993
Trade and other receivables	4,596	(3,337)
Accounts payable and accrued liabilities	371	(1,382)
Deferred revenue and property owner payables	(23,544)	(17,165)
Deferred income taxes	(135)	7,743
Other	2,946	(991)
Net cash provided by (used in) operating activities	7,901	(3,891)
Cash flows from investing activities:		
Cash portion of acquisitions, net	(2,963)	(103)
Purchases of property, equipment and software	(5,716)	(4,364)
Net cash used in investing activities	(8,679)	(4,467)
Cash flows from financing activities:		
Credit facility borrowings	85,800	73,700
Credit facility repayments	(83,500)	(64,850)
Payments of capital lease and other obligations, net	(301)	(83)
Exercise of employee stock options	50	19
Net cash provided by financing activities	2,049	8,786
Net change in cash and cash equivalents	1,271	428
Cash and cash equivalents, beginning of period	213	859
Cash and cash equivalents, end of period	$ 1,484	$ 1,287

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2003
(Unaudited)

In these footnotes, the words “Company,” “ResortQuest,” “we,” “our” and “us” refer to ResortQuest International, Inc., a Delaware corporation, and its wholly-owned subsidiaries, unless otherwise stated or the context requires otherwise.

1. Basis of Presentation

Organization and Principles of Consolidation

ResortQuest is one of the leading vacation rental property management companies with over 19,000 units under management. We are the first Company offering vacation condominium and home rentals, sales and management under an international brand name in over 50 premier destination resorts located in the continental United States, Hawaii and Canada. Our condensed consolidated financial statements include the accounts of ResortQuest and its wholly-owned subsidiaries after elimination of all significant intercompany accounts and transactions.

The condensed consolidated financial statements included herein are unaudited and have been prepared by the Company pursuant to the rules and regulations of the United States Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (which include normal recurring adjustments) necessary for a fair presentation of results for the interim periods have been made. The results for the interim periods are not necessarily indicative of results to be expected for the full fiscal year. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s annual report on Form 10-K for the year ended December 31, 2002.

Acquisition and Deferred Costs

Costs incurred related to Gaylord Entertainment Company’s acquisition of ResortQuest are expensed as incurred (see “Note 2 — MERGER AGREEMENT AND POTENTIAL LIQUIDITY ISSUES”). Costs incurred in the course of our evaluation of acquisition candidates and the ultimate consummation of acquisitions consist primarily of attorneys’ fees, accounting fees and other costs incurred by us in identifying and closing transactions. These costs incurred are deferred on the balance sheet until the related transaction is either consummated or terminated. As of December 31, 2002 and September 30, 2003, there are no deferred acquisition costs. A similar treatment is followed in recording costs incurred by us in the course of amending existing debt agreements, generating additional debt or obtaining equity financing. The Company has net deferred financing costs of approximately $900,000 and $800,000 at December 31, 2002 and September 30, 2003, respectively. Transaction costs and the excess of the purchase price over the fair value of identified net assets acquired represent goodwill. Goodwill is calculated based on a preliminary estimate that is adjusted to its final balance within one year of the close of the acquisition. Additionally, certain of our acquisitions have “earn-up” provisions that require additional consideration to be paid if certain operating results are achieved over periods of up to three years. This additional consideration is recorded as goodwill when the amount is fixed and determinable.

During the nine-month period ended September 30, 2003 and 2002, we made net cash earn-up payments approximating $100,000 and $3.0 million, respectively, related to certain 2001 acquisitions and other purchase accounting adjustments related to certain 2001 acquisitions.

2. Merger Agreement and Potential Liquidity Issues

As announced on August 5, 2003, the Company entered into a definitive agreement to merge with Gaylord Entertainment Company (“Gaylord”) in a stock-for-stock acquisition. Under the terms of the definitive agreement, the Company’s stockholders will receive 0.275 shares of Gaylord common stock for each outstanding share of Company common stock. The Company will become a wholly-owned subsidiary of Gaylord, and the Company’s stockholders will own approximately 14% of the outstanding shares of capital stock of the combined company. Gaylord is expected to retire the outstanding indebtedness of the Company upon the completion of the merger. The transaction has received the necessary regulatory approvals, and both companies have scheduled special meetings of their shareholders for November 18, 2003 to vote on the transaction. The Company expects the transaction to close in the fourth quarter of this year.

As part of this transaction and during the period prior to closing, Gaylord has provided the Company up to $10.0 million under a non-revolving line of credit and a $5.0 million letter of credit. The non-revolving line of credit bears interest at 10.5% per annum, is unsecured and subordinated to the Company’s existing debt, and is being used for general working capital purposes. Given the Company’s liquidity needs as a result of reduced cash flow due to the seasonal slow down in guest deposits and shorter reservation lead times, the Company utilized this line of credit to maintain adequate working capital during November. As of November 12, 2003, the Company had borrowed $2.5 million under this non-revolving line of credit.

Effective September 5, 2003 the Company and the Company’s previous credit card processor agreed to terminate their relationship. The processor had required a $5.0 million reserve account be put in place in the form of a letter of credit, cash or a third party guarantee. Gaylord secured a $5.0 million letter of credit on the Company’s behalf on August 18, 2003. The Company retained Gaylord’s credit card processor on September 11, 2003 and such processor has not required a reserve account or a letter of credit.

The execution of the merger agreement constituted an event of default under the Company’s credit agreement, which default was waived by the lenders under the credit agreement. The Company is required under the senior note purchase agreement to offer to repurchase the senior notes at par on the effective date of the merger. On August 6, 2003, the Company made such offer to repurchase the senior notes. Such offer was not accepted and the Company intends to exercise its rights to pre-pay the notes, including a $2.2 million pre-payment fee. The prepayment date of the senior notes is expected to be the closing date of the merger with Gaylord.

Our credit facility and senior notes mature during 2004. As of September 30, 2003, the Company has received a forbearance or a waiver on all financial covenants under our existing borrowing agreements other than the closing of the merger with Gaylord. The credit facility and senior notes are expected to be paid by Gaylord at the effective time of the merger. If the merger is not completed, we would seek to refinance or negotiate an extension of the maturity of our credit facility and senior notes. If the merger with Gaylord is not completed and the Company is unable to refinance or extend the maturities of the credit facility or the senior notes, it would have a material adverse effect on the Company (see “Factors That May Affect Future Results”).

3. Stock-Based Compensation

As permitted under the Financial Accounting Standards Board (“FASB”) Statement No. 148, “Accounting for Stock-Based Compensation — Transition and Disclosure — an Amendment of FASB Statement No. 123,” no compensation cost has been recognized in the condensed consolidated statements of operations for issued options. The Company continues to account for stock-based compensation utilizing the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” and related interpretations.

In accordance with Statement No. 123, “Accounting for Stock-Based Compensation,” ResortQuest has estimated the fair value of each option grant using the Black-Scholes Option-Pricing Model. Had compensation cost for issued options been determined based on the fair value at the grant dates, ResortQuest’s net income and earnings per share would have been impacted by the pro forma amounts as indicated in the following table:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2003	2002	2003
	(In thousands, except per share amounts)			
Net income				
As reported	$5,440	$3,188	$3,981	$5,218
Less: Pro forma stock-based employee compensation expense	—	—	(34)	(669)
Pro forma	$5,440	$3,188	$3,947	$4,549
Basic earnings per share				
As reported	$ 0.28	$ 0.17	$ 0.21	$ 0.27
Less: Pro forma stock-based employee compensation expense	—	—	—	(0.03)
Pro forma	$ 0.28	$ 0.17	$ 0.21	$ 0.24
Diluted earnings per share				
As reported	$ 0.28	$ 0.16	$ 0.21	$ 0.27
Less: Pro forma stock-based employee compensation expense	—	—	—	(0.03)
Pro forma	$ 0.28	$ 0.16	$ 0.21	$ 0.24

Assumptions included an average risk-free interest rate of 3.14%; an average expected life of 4 years; a volatility factor of 47.2%; and no dividends.

4. New Accounting Pronouncements

In June 2001, FASB issued Statement No. 143, “Accounting for Asset Retirement Obligations.” The Company adopted this statement in the first quarter of 2003. Adoption of this statement did not have a material impact on our financial position or results of operations.

In April 2002, the FASB issued Statement No. 145, “Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections.” This statement provides for the rescissions or amendment of certain previously issued accounting standards. The various provisions of this standard are effective for either 2002 or 2003. Also during the quarter ended June 30, 2002, Statement No. 146, “Accounting for Costs Associated with Exit or Disposal Activities,” was issued and is effective for activities initiated after December 31, 2002. The Company adopted the applicable provisions under Statement No. 145 and Statement No. 146 during the first quarter of 2003. Adoption of these statements did not have a material impact on our financial position or results of operations.

In December 2002, the FASB issued Statement No. 148, “Accounting for Stock-Based Compensation — Transition and Disclosure — an Amendment of FASB Statement No. 123,” to provide alternative methods of transition for a voluntary change to the fair-value-based method of accounting for stock-based employee compensation. Statement No. 148 also requires disclosure in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The transition guidance and annual disclosure provisions of Statement No. 148 were effective for fiscal years ending after December 15, 2002, and the disclosure provisions were applied in our 2002 financial statements. The Company adopted the applicable disclosure provisions under Statement No. 148 during the first quarter of 2003 and will continue to account for stock-based compensation in accordance with Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” and related interpretations. Adoption of Statement No. 148 did not have a material impact on our financial position or results of operations.

In November 2002, the FASB issued FASB Interpretation (“FIN”) No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others.” FIN 45 elaborates on existing disclosure requirements for most guarantees including loan guarantees such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the Company must recognize an additional liability for the fair value or market value of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial statements. The initial recognition and initial measurement provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002; the disclosure requirements in the interpretation were effective for financial statements of interim or annual periods ending after December 15, 2002. The Company has adopted the measurement provisions and disclosure requirements of FIN 45 during the first quarter of 2003. Adoption of this interpretation did not have a material impact on our financial position or results of operations.

In January 2003, the FASB issued FIN No. 46, “Consolidation of Variable Interest Entities.” FIN 46 addresses consolidation by business enterprises where equity investors do not bear the residual economic risks and rewards. These entities have been commonly referred to as “special purpose entities.” Companies are required to apply the provision of FIN 46 prospectively for all variable interest entities created after January 31, 2003 and to variable interest entities in which an enterprise obtains an interest after that date. All interests acquired before February 1, 2003 must follow the new rules in accounting periods ending after December 15, 2003. The Company adopted this interpretation in the first quarter of 2003. Adoption of this interpretation did not have a material impact on our financial position or results of operations.

In May 2003, the FASB issued Statement No. 150, “Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.” The statement improves the accounting for certain financial instruments that, under previous guidance, issuers could account for as equity. The new statement requires that those instruments be classified as liabilities in statements of financial position. This statement is effective for periods beginning after June 15, 2003; however, portions of this statement have been deferred indefinitely by the FASB. The Company does not expect that the adoption of Statement No. 150 will have a material effect on its consolidated financial statements.

5. Note Receivable

During 1998, we formalized a $4.0 million promissory note resulting from cash advances to a primary stockholder of a predecessor company who is no longer an affiliate of ResortQuest (the “Debtor”). This note is collateralized in the form of a third mortgage on residential real estate owned by the Debtor. This note bears interest at 1/2% below the prime rate of interest, but not less than 6% and not more than 10%. Interest payments under this note are due every January and July 1st, with the principal recorded in Other assets in the accompanying Condensed Consolidated Balance Sheets, being due in full on May 25, 2008. The approximately $132,000 interest payment due July 1, 2003 has not yet been received and this interest receivable along with the approximately $65,000 in accrued interest for the current quarter have been fully reserved as of September 30, 2003. Due to the failure to make the July 1, 2003 interest payments, the note is now in default. The Company has accelerated the note and demanded its payment in full. The holder of the second mortgage on the Debtor's residential real estate has initiated foreclosure proceedings on the collateral and has named the Company as a party defendant (see "NOTE 7 — COMMITMENTS AND CONTINGENCIES" and "Part II, Item 1."). The Company has filed a responsive pleading and a cross claim and will be amending its own claim to assert a claim for foreclosure of its mortgage. Based upon an appraisal received by the Company, the Company believes that the collateral's expected value exceeds the total amounts collateralized by the Company, thus no valuation allowance has been recorded on the principal portion of the $4.0 million note. However, the Company is in the process of securing a further independent appraisal of the collateral. If the collateral held by the Company is insufficient to satisfy all lienholders' claims and the Company is unable to collect the sums owed under the note, it could have a material adverse effect on the Company's results of operations.

6. Long-Term Borrowings

At September 30, 2003 all long-term borrowings are classified as current maturities and are comprised of $50.0 million in senior notes due June 2004, $33.9 million in borrowings under our credit facility that expire in January 2004 and $6,000 in capital lease obligations and other borrowings assumed in connection with certain acquisitions that have varying maturities through 2004. As of September 30, 2003, the Company has received a forbearance or a waiver on all financial covenants under our existing borrowing agreements other than the closing of the merger with Gaylord, and all borrowings under our senior notes and credit facility are expected to be paid in full by Gaylord upon the closing of the transaction (see "NOTE 2 — MERGER AGREEMENT AND POTENTIAL LIQUIDITY ISSUES").

7. Commitments and Contingencies

Litigation

On July 2, 2003, Sunset Management, LLC ("Sunset") filed suit in the Circuit Court of the First Circuit, State of Hawaii, Civil No. 03-1-1389-07, against, among others, Andre Stephan Tatibouet ("Tatibouet"), Hotel Corporation of the Pacific, Inc. (now known as, ResortQuest Hawaii, LLC) ("Hotel"), a wholly-owned subsidiary of the Company, seeking, inter alia, an order of foreclosure of the mortgage held by Sunset on certain residential real property owned by Tatibouet, on which property the Company, through Hotel, holds a subordinate mortgage securing (i) a promissory note in the principal amount of $4 million (the "A" Note"), and (ii) an additional promissory note in the original principal amount of $949,827 (the "B" Note"). The original principal and accrued interest on the "B" Note have been paid in full; however, certain additional amounts owed by Tatibouet in connection with management contracts and other arrangements with the Hotel are represented by the "B" Note and accrue interest accordingly. Sunset's mortgage secures a note in the principal amount of $1 million and is junior to a first mortgage securing a note in favor of Central Pacific Bank in the principal amount of $5 million. The interest payment of $121,142 due on the "A" Note on July 1, 2003, as well as $10,322 in accrued interest on the "B" Note, have not been made and the Company has accelerated the Notes and demanded payment in full. The Company has filed a responsive pleading and a cross-claim, and will be amending its cross-claim to assert a claim for foreclosure of its mortgage. Based upon an appraisal received by the Company, the Company believes that the collateral's expected value exceeds the total amounts collateralized by the Company. However, the Company is in the process of securing a further independent appraisal of the collateral. In the event the collateral held by the Company is insufficient to satisfy all lienholders' claims and the Company is unable to collect the sums owed under the Notes, it could have a material adverse effect on the Company's results of operations.

On March 28, 2002, Patrick G. Awbrey and other parties, as owners of 16 condominium units at the Jade East condominium development in Destin, FL, filed suit in the Circuit Court for the First Judicial Circuit, Okaloosa, Case No. 02-CA01203, against Abbott Realty Services, Inc. (“Abbott”), a wholly-owned subsidiary of the Company, alleging, inter alia, nondisclosure and misrepresentation by Abbott as real estate sales agents in the sale of Plaintiffs’ units. Plaintiffs seek damages in excess of $200,000 for each plaintiff and a jury trial. The Company has filed responsive pleadings denying the plaintiffs’ allegations and asserting several affirmative defenses, among them that the claims of the plaintiffs have been released in connection with the April 2001 settlement of a 1998 lawsuit filed by the Jade East condominium owners association against the condominium’s developer. Both sides are engaged in discovery. No trial date has been set. The Company believes that it has valid defenses to the claims asserted, notwithstanding the alleged defects in construction.

We are also involved in various legal actions arising in the ordinary course of our business. We do not believe that any of these actions will have a material adverse effect on our business, financial condition or results of operations.

Non-compete and Employment Agreements

We have entered into non-compete agreements with many of the former owners of the companies that now comprise ResortQuest. These non-compete agreements are generally three to five years in length effective the day the operations are merged with ResortQuest. Additionally, we have entered into employment agreements with many of these former owners, all senior corporate officers and several other key employees. Among other things, these agreements allow for severance payments and some include acceleration of stock option awards upon a change in control of ResortQuest, as defined under the agreements. Effective August 4, 2003, the Company entered into amendments to its employment agreements with each of James S. Olin, Chief Executive Officer and President; L. Park Brady, Sr. V.P. and Chief Operating Officer; J. Mitchell Collins, Exec. V.P. and Chief Financial Officer; John W. McConomy, Sr. V.P. and General Counsel; Stephen D. Caron, Sr. V.P. and Chief Information Officer; and Robert Adams, Sr. V.P. and Chief Marketing Officer, providing that: i) if at any time during the period commencing on June 15, 2003 and ending on June 15, 2004, following a change of control or at any time during the one hundred fifty (150)-day period prior to a change of control, the executive’s employment is terminated by the Company Without Cause or by the executive for Good Reason, as defined in the employment agreements, in addition to the compensation entitled to be received pursuant to the executive’s employment agreement, the executive will receive an additional lump sum amount equal to one and one-half times the executive’s base salary; and ii) the executive will be reimbursed for any excise taxes that the executive may incur as a result of payments made to the executive pursuant to their employment agreements upon the termination of their employment. In addition to the above provisions, the amendment to Mr. Olin’s employment agreement provides that certain obligations as set forth in Section 3(d) and 5 (e) of his employment agreement shall survive the termination of his employment agreement. As of September 30, 2003, the maximum amount of compensation that would have been payable under all agreements if a change in control occurred and the executive was terminated would have been approximately $10.8 million. However, in conjunction with the Company’s acquisition by Gaylord, new employment agreements have been reached with Messrs. Adams, Brady, Caron, Collins, McConomy, Olin and other key employees. As a result of these new agreements, severance and other costs relating to other employees, the expected amount that will be payable upon the closing of the Gaylord transaction is approximately $3.0 million.

8. Earnings Per Share

Basic earnings per share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if outstanding options to purchase our securities are exercised.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2003	2002	2003
Basic weighted average common shares outstanding	19,251,749	19,253,552	19,247,834	19,252,363
Effect of dilutive securities — stock options	3,610	165,066	82,839	40,369
Diluted weighted average common shares outstanding	19,255,359	19,418,618	19,330,673	19,292,732

9. Other Charges

General and administrative expenses during the nine-months ended September 30, 2003, include $2.7 million of items that primarily relate to the proposed merger with Gaylord and the move of the Company's corporate headquarters from Memphis, Tennessee to Destin, Florida. During the nine-months ended September 30, 2002, general and administrative expenses include $1.1 million of items that are primarily professional fees resulting from the Company's evaluation of Gaylord's 2002 proposal to acquire the Company, employee-related matters and a study to explore financing and strategic growth alternatives. During the fourth quarter of 2002, liabilities were recorded related to certain senior management changes and announced office closings. During the nine-months ended September 30, 2003, interest and other expense, net includes $36,000 in implied interest expense on the long-term portion of the accrual. The following table summarizes all activities related to these other charges:

	Employee Related Items	Office Closings and Other Misc.	Gaylord Merger	Total
		(In thousands)		
Accrual at December 31, 2002	$1,980	$ 610	$ —	$ 2,590
Nine-months ended September 30, 2003 expenses	30	1,015	1,665	2,710
Less: Cash payments	(953)	(1,248)	(143)	(2,344)
Accrual at September 30, 2003	1,057	377	1,522	2,956
Less: Current portion	(478)	(85)	(1,522)	(2,085)
Long-term portion of accrual	$ 579	$ 292	$ —	$ 871

10. Segment Reporting

With the quarter ended March 31, 2003, the Company's management began allocating all corporate expenses to each of the Company's property management and First Resort Software operations. The Corporate expenses are being allocated pro rata to each operation based on total revenues for the period. We believe that this allocation method is the most appropriate given the nature of our operations. This change was made as the Company began the relocation of its Corporate headquarters to Destin, Florida and due to the continued centralization of support functions for all operations. Based on this change, the

Company has two reportable segments. All goodwill is allocated to the Property Management segment. Prior to this change, Corporate expenses were not allocated to the Property Management segment. The following table presents the revenues, operating income and assets of our reportable segments, with reclassified 2002 data presented for comparative purposes:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2003	2002	2003
	(In thousands)			
Revenues				
Property management	$57,339	$57,513	$153,823	$151,071
First Resort Software	646	647	2,034	2,116
	$57,985	$58,160	$155,857	$153,187
Operating income (loss)				
Property management	$10,727	$ 9,638	$ 21,397	$ 16,957
First Resort Software	(401)	(144)	(527)	(167)
	$10,326	$ 9,494	$ 20,870	$ 16,790

	December 31, 2002	September 30, 2003
	(In thousands)	
Assets		
Property management	$267,921	$271,126
First Resort Software	5,632	5,362
	$273,553	$276,488

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of ResortQuest International, Inc.

Memphis, Tennessee

We have audited the accompanying consolidated balance sheet of ResortQuest International, Inc. and subsidiaries ("the Company") as of December 31, 2002, and the related consolidated statements of operations, stockholders' equity and comprehensive loss, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements of ResortQuest International, Inc. as of December 31, 2001, and for the years ended December 31, 2001 and 2000, before certain revisions described in Note 2 and Note 13, were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those financial statements in their report dated February 19, 2002.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 audit provides a reasonable basis for our opinion.

In our opinion, the 2002 consolidated financial statements present fairly, in all material respects, the financial position of ResortQuest International, Inc. and subsidiaries as of December 31, 2002, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed above, the consolidated financial statements of ResortQuest International, Inc. as of December 31, 2001, and the years ended December 31, 2001 and 2000 were audited by other auditors who have ceased operations. As described in Note 2, these financial statements have been revised to include the transitional disclosures required by Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," (SFAS 142) which was adopted by the Company as of January 1, 2002. Our audit procedures with respect to such disclosures in Note 2 with respect to 2001 and 2000 included (i) comparing the previously reported net income to the previously issued financial statements and the adjustments to reported net income representing goodwill amortization expense (including any related tax effects) recognized in those periods related to goodwill to the Company's underlying analysis obtained from management, and (ii) testing the mathematical accuracy of the reconciliation of reported net income to adjusted net income, and the related per-share amounts. In our opinion, the disclosures discussed for 2001 and 2000 in Note 2 are appropriate. However, we were not engaged to audit, review or apply any procedures to the 2001 and 2000 consolidated financial statements of the Company other than with respect to such adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2001 and 2000 consolidated financial statements taken as a whole.

Additionally, as also described in Note 2, the 2001 and 2000 consolidated financial statements have been revised to include the comparative reclassification adjustments resulting from the Company's adoption of the Financial Accounting Standards Board's Emerging Issues Task Force ("EITF") Consensus No. 01-14, Income Statement Characterization of Reimbursements Received for 'Out of Pocket' Expenses Incurred, that was effective January 1, 2002. We audited the adjustments that were applied to restate the 2001 and 2000 other revenue from managed entities and other expenses from managed entities reflected in the 2001 and 2000 consolidated statements of operations. Our procedures included (i) agreeing the adjusted amounts of other revenues from managed entities and other expenses from managed entities to the Company's underlying accounting records obtained from management, and (ii) testing the mathematical accuracy and validity of these underlying accounting records. In our opinion, such adjustments are appropriate and have been properly applied. However, we were not engaged to audit, review or apply any procedures to the 2001 and 2000 consolidated financial statements of the Company other than with respect to such adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2001 and 2000 consolidated financial statements taken as a whole.

As described in Note 13, the Company changed the composition of its reportable segments in 2003, and the amounts disclosed in the 2002, 2001 and 2000 audited financial statements relating to reportable segments have been restated to conform to the 2003 composition of reportable segments. We audited the adjustments that were applied to the restated disclosures for reportable segments reflected in the 2001 and 2000 financial statements. Our procedures included (i) comparing the adjustment amounts of segment revenues, operating income, and assets to the Company's underlying analysis obtained from management, and (ii) testing the mathematical accuracy of the reconciliations of segment amounts to the consolidated financial statements. In our opinion, such adjustments have been properly applied. However, we were not engaged to audit, review, or apply any procedures to the 2001 and 2000 financial statements of the Company other than with respect to such adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2001 and 2000 financial statements taken as a whole.

As discussed in Note 2 to the consolidated financial statements, in 2002 the Company changed its method of accounting for goodwill and other intangible assets to conform to Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets."

/s/ Deloitte & Touche LLP

Memphis, Tennessee,

March 19, 2003, except for Note 13,
for which the date is September 17, 2003

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of ResortQuest International, Inc.:

We have audited the accompanying consolidated balance sheets of ResortQuest International, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2001, and 2000, and the related consolidated Statements of Operations, changes in stockholders' equity and comprehensive income and cash flows for each of the three years in the period ended December 31, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ResortQuest International, Inc. and subsidiaries, as of December 31, 2001, and 2000, the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Memphis, Tennessee,

February 19, 2002.

EXPLANATORY NOTE REGARDING REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

On May 29, 2002, ResortQuest International, Inc. decided to terminate Arthur Andersen LLP as the Company's independent auditor and engaged Deloitte & Touche LLP to serve as its independent auditors for the year ending December 31, 2002. More information regarding ResortQuest International, Inc.'s change in independent auditors is contained in a current report on Form 8-K filed with the SEC on May 31, 2002.

We could not obtain permission of Arthur Andersen LLP to the inclusion in this prospectus of their Report of Independent Public Accountants. Accordingly, the Arthur Andersen LLP Report of Independent Public Accountants herein is merely reproduced from ResortQuest International, Inc.'s Annual Report and Form 10-K for the year ended December 31, 2001 (although the consolidated balance sheet as of December 31, 2000 and the consolidated Statements of Operations, changes in shareholder's equity, and cash flows for the year ended December 31, 1999 referred to in that report are not included herein) and does not include the manual signature of Arthur Andersen LLP. The conviction of our former independent auditors, Arthur Andersen LLP, on federal obstruction of justice charges may adversely affect Arthur Andersen LLP's ability to satisfy any claims arising from the provision of auditing services to us and may impede our access to the capital markets.

RESORTQUEST INTERNATIONAL, INC.

CONSOLIDATED BALANCE SHEETS

	As of December 31,	
	2001	2002
	(In thousands, except share amounts)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 213	$ 859
Cash held in escrow	22,648	15,468
Trade and other receivables, net	10,541	5,841
Deferred income taxes	1,430	724
Other current assets	6,063	4,807
Total current assets	40,895	27,699
Goodwill, net	216,534	205,830
Property, equipment and software, net	39,509	34,100
Other assets	7,336	5,924
Total assets	$304,274	$273,553
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 322	$ 94
Deferred revenue and property owner payables	52,457	47,402
Accounts payable and accrued liabilities	14,298	14,628
Other current liabilities	3,069	2,024
Total current liabilities	70,146	64,148
Long-term debt, net of current maturities	78,644	75,045
Deferred income taxes	9,459	2,869
Other long-term obligations	6,111	5,007
Total liabilities	$164,360	$147,069
Commitments and contingencies		
Stockholders' equity		
Common stock, $0.01 par value, 50,000,000 shares authorized, 19,243,249 and 19,251,749 shares outstanding, respectively	192	193
Additional paid-in capital	153,884	153,933
Accumulated other comprehensive loss	(64)	(60)
Excess distributions	(29,500)	(29,500)
Retained earnings	15,402	1,918
Total stockholders' equity	139,914	126,484
Total liabilities and stockholders' equity	$304,274	$273,553

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

RESORTQUEST INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2000	2001	2002
		(In thousands, except per share amounts)	
Revenues			
Property management fees	$ 78,543	$ 88,732	$ 83,668
Service fees	47,080	47,889	44,685
Real estate and other	26,391	24,335	25,384
	152,014	160,956	153,737
Other revenue from managed entities	31,247	31,999	36,504
Total revenues	183,261	192,955	190,241
Operating expenses			
Direct operating	80,314	83,838	83,607
General and administrative	40,940	57,663	66,484
Depreciation	3,549	5,209	6,465
Goodwill amortization	4,934	5,670	—
	129,737	152,380	156,556
Other expenses from managed entities	31,247	31,999	36,504
Total expenses	160,984	184,379	193,060
Operating income (loss)	22,277	8,576	(2,819)
Interest and other expense, net	4,814	4,647	6,233
Income (loss) before income taxes	17,463	3,929	(9,052)
Provision for income taxes	7,857	2,328	(1,848)
Income (loss) before the cumulative effect of a change in accounting principle	9,606	1,601	(7,204)
Cumulative effect of a change in accounting principle, net of a $1.9 million income tax benefit	—	—	(6,280)
Net income (loss)	$ 9,606	$ 1,601	$ (13,484)
Earnings (loss) per share			
Basic			
Before a cumulative effect of a change in accounting principle	$ 0.51	$ 0.08	$ (0.37)
Cumulative effect of a change in accounting principle	—	—	(0.33)
Net income (loss)	$ 0.51	$ 0.08	$ (0.70)
Diluted			
Before a cumulative effect of a change in accounting principle	$ 0.51	$ 0.08	$ (0.37)
Cumulative effect of a change in accounting principle	—	—	(0.33)
Net income (loss)	$ 0.51	$ 0.08	$ (0.70)

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

RESORTQUEST INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS'

EQUITY AND COMPREHENSIVE INCOME (LOSS)

	Common Shares	Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	Excess Distributions	Retained Earnings
			(In thousands except share amounts)			
Balance, January 1, 2000	18,715,447	$187	$150,974	$(33)	$(29,500)	$ 4,195
Net income		—	—	—	—	9,606
Foreign currency translation loss		—	—	(16)	—	—
Stock issued in connection with acquisitions	272,799	3	986	—	—	—
2000 Comprehensive Income						
Balance, December 31, 2000	18,988,246	190	151,960	(49)	(29,500)	13,801
Net income	—	—	—	—	—	1,601
Foreign currency translation loss	—	—	—	(15)	—	—
Stock issued in connection with:						
Acquisitions	225,527	2	1,666	—	—	—
Exercise of employee stock options	29,476	—	258	—	—	—
2001 Comprehensive loss						
Balance, December 31, 2001	19,243,249	192	153,884	(64)	(29,500)	15,402
Net loss	—	—	—	—	—	(13,484)
Foreign currency translation gain	—	—	—	4	—	—
Stock issued in connection with the exercise of employee stock options	8,500	1	49	—	—	—
2002 Comprehensive Loss						
Balance, December 31, 2002	19,251,749	$193	$153,933	$(60)	$(29,500)	$ 1,918

	Total	Comprehensive Income (Loss)
Balance, January 1, 2000	$125,823	$ —
Net income	9,606	9,606
Foreign currency translation loss	(16)	(16)
Stock issued in connection with acquisitions	989	—
2000 Comprehensive Income		$ 9,590
Balance, December 31, 2000	136,402	
Net income	1,601	$ 1,601
Foreign currency translation loss	(15)	(15)
Stock issued in connection with:		
Acquisitions	1,668	—
Exercise of employee stock options	258	—
2001 Comprehensive Income		$ 1,586
Balance, December 31, 2001	139,914	
Net loss	(13,484)	$(13,484)
Foreign currency translation gain	4	4
Stock issued in connection with the exercise of employee stock options	50	—
2002 Comprehensive Loss		$(13,480)
Balance, December 31, 2002	$126,484	

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

RESORTQUEST INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2000	2001	2002
		(In thousands)	
Cash flows from operating activities			
Net income (loss)	$ 9,606	$ 1,601	$ (13,484)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Non-cash unusual items and other charges	—	3,111	16,987
Depreciation and goodwill amortization	8,483	10,879	6,465
Changes in operating assets and liabilities:			
Cash held in escrow	8,690	6,342	7,180
Trade and other receivables, net	(1,507)	791	4,700
Deferred revenue and property owner payables	4,451	(12,754)	(5,055)
Accounts payable and accrued liabilities	407	(819)	105
Deferred income taxes	3,756	5,049	(4,033)
Other, net	(3,310)	(3,936)	1,818
Net cash provided by operating activities	30,576	10,264	14,683
Cash flows from investing activities			
Cash portion of acquisitions, net	(8,290)	(25,585)	(2,962)
Purchases of property, equipment and software	(11,057)	(16,218)	(7,298)
Net cash used in investing activities	(19,347)	(41,803)	(10,260)
Cash flows from financing activities			
Credit Facility borrowings	40,000	87,400	103,200
Credit Facility repayments	(52,000)	(58,800)	(106,750)
Payment of capital lease and other debt obligations	(333)	(1,389)	(277)
Exercise of employee stock options	—	258	50
Repayments from issuance of secured mortgage notes	(5,734)	—	—
Net cash provided by (used in) financing activities	(18,067)	27,469	(3,777)
Net change in cash and cash equivalents	(6,838)	(4,070)	646
Cash and cash equivalents, beginning of period	11,121	4,283	213
Cash and cash equivalents, end of period	$ 4,283	$ 213	$ 859

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

In these footnotes, the words “Company,” “ResortQuest,” “we,” “our” and “us” refer to ResortQuest International, Inc., a Delaware corporation, and its wholly-owned subsidiaries, unless otherwise stated or the context requires otherwise.

1. Basis of Presentation

Organization and Principles of Consolidation

ResortQuest is one of the world’s leading vacation rental property management companies with over 20,000 units under management. We are the first company offering vacation condominium and home rentals, sales and management under an international brand name in over 50 premier destination resorts located in the continental United States, Hawaii and Canada. Our consolidated financial statements include the accounts of ResortQuest and its wholly-owned subsidiaries after elimination of all significant intercompany accounts and transactions.

Acquisitions

During 2000, we completed three acquisitions for a total cost of $9.2 million, including earn-up payments related to certain 1999 acquisitions, with 10.7% of the net consideration paid in the form of common stock with an aggregate value of $989,000, net of retired escrow shares, and the remaining $8.3 million of consideration paid in cash, net of unrestricted cash acquired. During 2001, we completed eight acquisitions for a total cost of $27.2 million, including earn-up payments related to previous acquisitions, with 6.1% of the net consideration paid in the form of common stock with an aggregate value of $1.7 million, and the remaining $25.5 million of consideration paid in cash, net of unrestricted cash acquired. During 2002, we made net cash payments approximating $3.0 million for earn-up payments related to certain 2001 acquisitions and other purchase accounting adjustments related to these acquisitions. All acquisitions were accounted for under the purchase method of accounting. The following proforma results assume the 2001 acquisitions had occurred on January 1, 2000:

	Years Ended December 31,	
	2000	2001
	(In thousands, unaudited)	
Revenues		
ResortQuest	$183,261	$192,955
Acquisitions	17,435	796
Proforma Revenues	$200,696	$193,751
Net income		
ResortQuest	$ 9,606	$ 1,601
Acquisitions	395	(173)
Proforma Combined Net income	$ 10,001	$ 1,428
Basic and Diluted EPS		
ResortQuest	$ 0.51	$ 0.08
Acquisitions	0.02	(0.01)
Proforma Basic and Diluted EPS	$ 0.53	$ 0.07

These unaudited proforma results are presented for comparative purposes only. The proforma results are not necessarily indicative of what our actual results would have been had the acquisitions been completed at the beginning of these periods, or of future results.

Acquisition and Financing Costs

Costs incurred in the course of our evaluation of acquisition candidates and the ultimate consummation of acquisitions consist primarily of attorneys' fees, accounting fees and other costs incurred by us in identifying and closing transactions. These costs incurred are deferred on the balance sheet until the related transaction is either consummated or terminated. There were no deferred acquisition costs at December 31, 2001 and 2002. All acquisitions since January 1, 2000 have been accounted for under the purchase method of accounting, which requires that all transaction costs and the excess of the purchase price over the fair value of identified net assets acquired be reflected as goodwill. Prior to 2002, goodwill was amortized over a life up to 40 years and was calculated based on a preliminary estimate that is adjusted to its final balance within one year of the close of the acquisition (see Note 2). Additionally, certain of our acquisitions have "earn-up" provisions that require additional consideration to be paid if certain operating results are achieved over periods of up to three years. This additional consideration is recorded as goodwill when the amount is fixed and determinable.

Similar treatment is followed in recording costs incurred by us in the course of generating additional debt or equity financing. Deferred financing costs approximated $1.6 million and $862,000, respectively, at December 31, 2001 and 2002 and are amortized as interest expense over the remaining term of the financing.

2. *Summary of Significant Accounting Policies*

Revenue Recognition

Property Management Fees

We receive property management fees when the properties are rented, which are generally a percentage of the rental price of the vacation property. Management fees range from approximately 3% to over 40% of gross lodging revenues collected based upon the type of services provided by us to the property owner and the type of rental units managed. Revenues are recognized ratably over the rental period based on our proportionate share of the total rental price of the vacation condominium or home. We require certain minimum deposits when reservations are booked. These deposits are recorded as a component of deferred revenue and property owner payables. Revenues from cancellations are recorded at the time of cancellation.

Service Fees

We internally provide or arrange through third parties certain services for property owners or guests. Service fees include reservations, housekeeping, long-distance telephone, ski rentals, lift tickets, beach equipment and pool cleaning. Internally provided services are recognized as service fee revenue when the service is provided. Services provided by third parties are generally billed directly to property owners and are not included in the accompanying consolidated financial statements.

Real Estate and Other

We recognize other revenues primarily related to real estate broker commissions, food & beverage sales and software and maintenance sales. We have real estate broker sales operations in 31 resort locations. We recognize revenues on real estate sales when the transactions are complete, and such revenue is recorded net of the related agent commissions. We also manage food & beverage operations in connection with the management of larger condominium complexes, primarily in Hawaii and Florida. We recognize food and beverage revenue at the time of sale. ResortQuest Technologies sells a fully integrated software package, First Resort Software, specifically designed for the vacation property management business, along with ongoing service contracts. Software and maintenance revenues are recognized when the systems are installed and ratably over the service period, respectively.

Real estate and other revenues were as follows:

	Years Ended December 31,		
	2000	2001	2002
		(In thousands)	
Real estate brokerage commissions, net	$17,188	$15,260	$16,926
Food & beverage	4,575	4,176	4,390
Software sales and service	3,330	2,982	2,564
Other	1,298	1,917	1,504
	$26,391	$24,335	$25,384

Direct Operating Expenses

Direct operating expenses include expenses related to housekeeping, maintenance, reservations, marketing and advertising, and other costs associated with rental and management. Direct operating expenses also include the cost of sales and operating expenses for food & beverage and software sales and service as follows:

	Years Ended December 31,		
	2000	2001	2002
		(In thousands)	
Rental and management related	$73,989	$78,258	$77,547
Food & beverage	4,465	3,578	4,099
Software sales and service	1,860	2,002	1,961
	$80,314	$83,838	$83,607

Advertising and Marketing

In accordance with the AICPA's Statement of Position ("SOP") No. 93-7 "Reporting on Advertising Costs," the Company expenses advertising and marketing costs as incurred or as the advertising takes place. Internet portal agreements are treated as advertising and are expensed ratably over the lesser of the contract period or the benefit period. Excluding payroll related items, the Company expensed $12.8 million in advertising and marketing costs during 2002.

Comprehensive Income

The Company follows the Financial Accounting Standards Board's ("FASB") Statement No. 130, "Reporting Comprehensive Income," which established standards for reporting and display of comprehensive income and its components. Other comprehensive income consists of foreign currency translation gains and losses and is presented in the consolidated statements of stockholders' equity and comprehensive income (loss).

Stock-Based Compensation

ResortQuest applies the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for options granted under the Incentive Plan. No compensation cost has been recognized in the consolidated Statements of Operations for issued options. In accordance with Statement No. 123, "Accounting for Stock-Based Compensation," ResortQuest has estimated the fair value of each option grant using the Black-Scholes Option-Pricing Model. Had compensation cost for awards under the Incentive Plan been determined based on the fair value at the grant dates, ResortQuest's net income and earnings per share would have been reduced to the pro forma amounts indicated in the following table:

	Years Ended December 31,		
	2000	2001	2002
	(In thousands, except per share amounts)		
Net income (loss)			
As reported	$9,606	$1,601	$(13,484)
Less: Pro forma stock-based employee compensation expense	1,012	398	752
Pro forma	$8,594	$1,203	(14,236)
Basic earnings (loss) per share			
As reported	$ 0.51	$ 0.08	$ (0.70)
Less: Pro forma stock-based employee compensation expense	0.06	0.02	0.04
Pro forma	$ 0.45	$ 0.06	$ (0.74)
Diluted earnings (loss) per share			
As reported	$ 0.51	$ 0.08	$ (0.70)
Less: Pro forma stock-based employee compensation expense	0.06	0.02	0.04
Pro forma	$ 0.45	$ 0.06	$ (0.74)

See Note 10 for further information regarding stock options.

Cash and Cash Equivalents

For the purposes of the consolidated balance sheets and statements of cash flows, we consider all investments with original maturities of three months or less to be cash equivalents.

Cash Held in Escrow

Cash held in escrow primarily represents guest advance deposits held in escrow for lodging reservations and deposits on real estate transactions. Upon the occurrence of the guest's stay, the lodging reservation deposits are withdrawn from escrow as we recognize our revenue, ratably over the guest's stay, with the remaining amounts being disbursed to the homeowners of our managed properties. Upon the legal closing of a real estate transaction that we broker, real estate deposits are withdrawn from escrow as we recognize our commission revenue, net of any agent commissions.

Inventories

Inventories consist primarily of linens and food & beverage items that are recorded at the lower of cost or market as a component of Other current assets.

Property, Equipment and Software

Property, equipment and software are stated at cost or, in the case of equipment acquired under capital leases, the present value of future lease payments. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or the lease terms.

We account for the costs of computer software developed or obtained for internal use in accordance with SOP No. 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." In accordance with SOP No. 98-1, during 2000, 2001 and 2002, we capitalized $3.0 million, $6.4 million and $1.8 million, respectively, of software development costs, primarily related to outside professional fees and internal payroll and related benefits. At December 31, 2001 and 2002, Property, equipment and software in the accompanying consolidated balance sheets includes $9.0 million and $8.9 million, respectively, in capitalized software developed or obtained for internal use, net of amortization.

We account for the costs of computer software developed or obtained for internal use that is also sold or otherwise marketed in accordance with FASB Statement No. 86 "Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed." In accordance with Statement No. 86, during 2000, 2001 and 2002, we capitalized $4.6 million, $6.6 million and $1.7 million, respectively, of software development costs, primarily related to outside professional fees and internal payroll and related benefits. At December 31, 2001 and 2002, Property, equipment and software in the accompanying consolidated balance sheets included $9.7 million and $4.6 million, respectively, in capitalized software developed or obtained for internal use that is also sold or otherwise marketed, net of amortization.

These costs are being amortized on a straight-line basis over the estimated useful lives of the related projects ranging from three to ten years. In accordance with Statement No. 86, we periodically, or upon the occurrence of certain events, review these capitalized software cost balances for impairment. During 2001 and 2002, general and administrative expenses include a $1.5 million and a $6.4 million, respectively, write-down of capitalized software development costs, net of accumulated amortization, related to versions of First Resort Software that were developed for internal use and marketed to be sold (see Note 4).

Expenditures for repairs and maintenance are charged to expense when incurred. Expenditures for major renewals and betterments that extend the useful lives of existing equipment are capitalized and depreciated. Upon retirement or disposition of property, equipment and software, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the consolidated Statements of Operations.

Goodwill

Goodwill is the excess of the purchase price over fair value of identified net assets acquired in business combinations accounted for under the purchase method of accounting. Through 2001, goodwill was amortized on a straight-line basis over 40 years, other than that associated with the acquisition of First Resort Software, Inc., which was amortized over 15 years, representing the approximate remaining useful life of acquired assets. On January 1, 2002, goodwill amortization ceased upon the adoption of a new accounting pronouncement related to goodwill and intangible assets. Goodwill balances are reviewed for impairment at least annually, as well as when circumstances indicate that the carrying amount may not be recoverable (see "New Account Pronouncements"). We recorded goodwill amortization of $4.9 million and $5.7 million in 2000 and 2001, respectively.

The following table summarizes the changes in the carrying amount of goodwill broken out by segment (see Note 13 for further discussion on segments):

	2001			2002		
	Property Management	Other	Total	Property Management	Other	Total
	(In thousands)					
Balance as of January 1,	$157,004	$28,729	$185,733	$188,821	$27,713	$216,534
Cash portion of acquisitions and earn-up related payments	25,585	—	25,585	1,667	—	1,667
Stock portion of earn-up payments	1,668	—	1,668	—	—	—
Non-cash acquisition adjustments	9,218	—	9,218	—	—	—
Statement No. 142 transition impairment	—	—	—	(8,131)	—	(8,131)
Other Statement No. 142 impairment	—	—	—	—	(4,240)	(4,240)
Amortization	(4,654)	(1,016)	(5,670)	—	—	—
Balance as of December 31,	$188,821	$27,713	$216,534	$182,357	$23,473	$205,830

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable, as measured by comparing their net book value to the estimated future cash flows generated by their use. Assets held for sale are recorded at fair market value, determined principally using discounted future cash flows.

Excess Distributions

In conjunction with the 1998 roll-up initial public offering of ResortQuest International, Inc., the cash purchase price paid to the largest founding company designated as the accounting acquiror was recorded as a distribution to owner and recorded in the consolidated balance sheet as an excess distribution.

New Accounting Pronouncements

During the quarter ended March 31, 2002, we changed our method of accounting for reimbursable costs to conform to the FASB's Emerging Issues Task Force Consensus No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred" ("EITF No. 01-14"), effective for us on January 1, 2002. As a result, reimbursements received are recorded as revenue and the costs incurred on behalf of managed associations and properties are recorded as expenses. These costs, which relate primarily to payroll costs at managed properties and associations where we are the employer, are reflected in other revenue and expenses from managed entities in the consolidated statements of operations. Revenues and expenses for the prior periods have been reclassified to conform with the current year presentation. As the reimbursements are made based upon the costs incurred with no added margin resulting in the expenses and related revenues being identical, the adoption of EITF No. 01-14 did not have any effect on our operating income, total or per share net income, cash flows or financial position.

In June 2001, the FASB issued Statement No. 141, “Business Combinations,” and No. 142, “Goodwill and Other Intangible Assets.” Statement No. 141 eliminated the pooling-of-interests method of accounting for business combinations and requires all transactions initiated after June 30, 2001, to be accounted for using the purchase method. Under Statement No. 142, goodwill related to our future acquisitions is not subject to amortization, and goodwill related to our historical acquisitions is no longer amortized as of January 1, 2002. The following table presents adjusted net income and earnings per share excluding goodwill amortization for the periods ended December 31:

	2000	2001	2002
Reported income (loss) before cumulative effect of a change in accounting principle	$ 9,606	$1,601	$ (7,204)
Add back goodwill amortization	4,934	5,670	—
Adjusted income (loss) before cumulative effect of a change in accounting principle	14,540	7,271	(7,204)
Cumulative effect of a change in accounting principle	—	—	(6,280)
Adjusted net income (loss)	$14,540	$7,271	$(13,484)
Earnings per share			
Basic			
Before cumulative effect of a change in accounting principle	$ 0.51	$ 0.08	$ (0.37)
Add back goodwill amortization	0.26	0.30	—
Adjusted income (loss) before cumulative effect of a change in accounting principle	0.77	0.38	(0.37)
Cumulative effect of a change in accounting principle	—	—	(0.33)
Adjusted net income (loss)	$ 0.77	$ 0.38	$ (0.70)
Diluted			
Before cumulative effect of a change in accounting principle	$ 0.51	$ 0.08	$ (0.37)
Add back goodwill amortization	0.26	0.29	—
Adjusted income (loss) before cumulative effect of a change in accounting principle	0.77	0.37	(0.37)
Cumulative effect of a change in accounting principle	—	—	(0.33)
Adjusted net income (loss)	$ 0.77	$ 0.37	$ (0.70)

Goodwill is subject to reviews for impairment at least annually and upon the occurrence of certain events, and if impaired, a write-down will be recorded. Upon our adoption of Statement No. 142, our software operations and each of our geographical resort regions with assigned goodwill were each valued as a reporting unit. If the fair value of the reporting unit exceeds the book value, including assigned goodwill, no further testing is required. However, if the book value, including goodwill, is less than the fair value of the reporting unit, the assets and liabilities of the reporting unit and the fair value of the assets is the implied fair value of goodwill. To the extent that the implied fair value of goodwill was less than the book value of goodwill, an impairment charge was recognized as a cumulative effect of a change in accounting principle. Based on this test, we recorded a non-cash $8.1 million write-down of our goodwill in the first quarter of 2002 related to our Desert resort operations, partially off-set by a $1.9 million income tax benefit. The Desert resort operations are expected to continue to experience declining cash flows as a result of the economics of the Desert markets. During December 2002, management made changes to its software operations strategy that included a redefinition of its target market for First Resort Software. Prior to this strategy shift, the latest version of First Resort Software was being designed to meet the needs of essentially all companies in our industry. The new strategy is to focus on the needs of small to medium-sized property management companies, which make up the majority of the industry. This change necessitated a $4.2 million write-down of the goodwill related to the software operations and a $6.4 million write-down of certain capitalized software development costs. As these write-downs were recorded after the initial adoption of this standard, a $10.6 million non-cash charge is reflected in general and administrative expenses in our 2002 income statement.

We have completed the process of evaluating the impact of Statement No. 143, “Accounting for Asset Retirement Obligations,” and we do not expect this statement to have a material impact on our financial position or results of operations upon its adoption in 2003.

Effective January 1, 2002 we adopted Statement No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets”; the adoption of this statement did not have a material impact to our financial position or results of operations. In April 2002, the FASB issued Statement No. 145, “Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections.” This statement provides for the rescissions or amendment of certain previously issued accounting standards. The various provisions of this standard are effective for either 2002 or 2003. Also during the quarter ended June 30, 2002, Statement No. 146, “Accounting for Costs Associated with Exit or Disposal Activities,” was issued and is effective for activities initiated after December 31, 2002. We do not expect Statement No. 145 or No. 146 to have a material impact on our financial position or results of operations upon their adoption in 2003.

In October 2002, the FASB issued Statement No. 147, “Acquisitions of Certain Financial Institutions,” which applies to all acquisitions of financial institutions except those between two or more mutual enterprises. Statement No. 147 has no impact on our financial statements.

In December 2002, the FASB issued Statement No. 148, “Accounting for Stock-Based Compensation—Transition and Disclosure—an Amendment of FASB Statement No. 123,” to provide alternative methods of transition for a voluntary change to the fair-value-based method of accounting for stock-based employee compensation. Statement No. 148 also requires disclosure in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The transition guidance and annual disclosure provisions of Statement No. 148 are effective for fiscal years ending after December 15, 2002, and the disclosure provisions have been applied in our 2002 financial statements. We will implement the interim disclosure provisions in first quarter 2003.

In November 2002, the FASB issued FASB Interpretation (“FIN”) No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others.” FIN 45 elaborates on existing disclosure requirements for most guarantees including loan guarantees such as standby letters of credit. It also clarifies that at the time a company issues a guarantee, the Company must recognize an additional liability for the fair value or market value of the obligations it assumes under that guarantee and must disclose that information in its interim and annual financial statements. The initial recognition and initial measurement provisions apply on a prospective basis to guarantees issued or modified after December 31, 2002, the disclosure requirements in the interpretation are effective for financial statements of interim or annual periods ending after December 15, 2002. The Company has fully implemented the disclosure requirements of FIN 45 and will adopt the additional provisions for all qualifying transactions entered into after December 31, 2002.

In January 2003, the FASB issued FIN No. 46, “Consolidation of Variable Interest Entities.” FIN 46 addresses consolidation by business enterprises where equity investors do not bear the residual economic risks and rewards. These entities have been commonly referred to as “special purpose entities.” Companies are required to apply the provision of FIN 46 prospectively for all variable interest entities created after January 31, 2003 and to variable interest entities in which an enterprise obtains an interest after that date. All interests acquired before February 1, 2003 must follow the new rules in accounting periods beginning after June 15, 2003. FIN 46 is expected to have no impact on our consolidated results of operations or financial position.

Financial Instruments

As we do not have any derivatives, the carrying values of all financial instruments, excluding fixed-rate borrowings, approximate their estimated fair values. At December 31, 2001 and 2002, $50.1 million of our long-term borrowings accrue interest at fixed rates. Based on the borrowing rates currently available to us for bank loans with similar terms and average maturities, the fair value of these borrowings was $49.8 million and $49.5 million at December 31, 2001 and 2002, respectively.

Use of Estimates

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

Geographic Concentration of Risk

Our property management operations are concentrated in the states of Colorado, Hawaii and Florida. For the year ended December 31, 2002, Colorado, Hawaii and Florida accounted for 11%, 28% and 31%, respectively, of our consolidated revenues.

3. Note Receivable

During 1998, we formalized a $4.0 million promissory note resulting from cash advances to a primary stockholder of a predecessor company who is no longer an affiliate of ResortQuest. On February 16, 2000, this Note was restructured in order to provide for additional collateral. At this time, certain management fee receivables and accrued interest of approximately $1.1 million were also aggregated into a separate note (collectively, the “Notes”). The Notes are collateralized by certain real estate held by the stockholder and bear interest at 1/2% below the prime rate of interest, but not less than 6% and not more than 10%. The remaining balance on the $1.1 million note plus accrued interest was paid in full during 2001. Interest payments under the $4.0 million note are due every January and July 1st, with the principal balance recorded in Other assets in the accompanying consolidated balance sheets being due in full on May 25, 2008. To date, all interest payments due under the restructured terms of the Notes have been received.

4. Unusual Items and Other Charges

General and administrative expenses for 2001 include $4.7 million of items that management considers as unusual items and other charges. These charges include a $1.5 million non-cash write-down of certain previously released First Resort Software versions, a $1.3 million non-cash write-off of deferred acquisition costs related to acquisition candidates that will no longer be pursued, $1.6 million in employee-related and other cash charges and $303,000 in non-cash items primarily related to the write-off of miscellaneous receivables.

General and administrative expenses for 2002 include $15.1 million of items that management considers as unusual items and other charges. These charges include a $10.6 million non-cash write-down of certain capitalized software development costs and intangibles related to the Company's vacation rental management software, First Resort Software, $2.6 million in severance and employee-related charges, $1.1 million in professional fees and expenses related to a study to explore financing and strategic growth alternatives and an offer to acquire the Company that was determined by the Board, after appropriate review, not to be in the best interests of the Company and its shareholders, and $760,000 of other charges related to property and office closings and consolidations. The $10.6 million write-down relates to the Company's change in strategy that included a redefinition of its target market for First Resort Software. Prior to this strategy shift, the latest version of First Resort Software was being designed to meet the needs of essentially all companies in our industry. The new strategy is to focus on the needs of small to medium-sized property management companies, which make up the majority of the industry. This change necessitated a write-down of certain capitalized development costs and intangibles related to the software as recorded on the Company's balance sheet. The severance and employee-related charges primarily relate to the fourth quarter senior management changes and the majority of these costs will be paid out over the next three years. The property and office closings include the closing of Shoreline Properties in Ohio and the consolidation and closings of offices in Dillon, Lafayette, and Basalt, Colorado; Memphis, Tennessee; and Hilton Head, South Carolina. The Company will realize significant payroll and lease expense savings through these consolidations.

The following table summarizes all activities and positions related to the unusual items and other charges (in thousands):

	Employee Related Items	Software Development	Office Closings and Other Misc.	Deferred Acquisition Costs	Deferred Transaction Costs	Total
2001 expense	$ 1,566	$ 1,488	$ 303	$ 1,320	$ —	$ 4,677
Less: non cash charges	—	(1,488)	(303)	(1,320)	—	(3,111)
Less: cash payments	(1,292)	—	—	—	—	(1,292)
Accrual at December 31, 2001	274	—	—	—	—	274
2002 expense	2,661	10,594	759	—	1,053	15,067
Less: non cash charges	—	(10,594)	(112)	—	—	(10,706)
Less: cash payments	(955)	—	(37)	—	(1,053)	(2,045)
Accrual at December 31, 2002	1,980	—	610	—	—	2,590
Less: current portion	(1,006)	—	(187)	—	—	(1,193)
Long-term portion of accrual	$ 974	$ —	$ 423	$ —	$ —	$ 1,397

5. Supplemental Financial Information

Trade and other receivables, net consisted of the following:

	As of December 31,	
	2001	2002
	(In thousands)	
Receivables from managed properties	$ 3,009	$2,972
Income tax receivables	4,976	37
All other receivables	3,045	3,489
Total	11,030	6,498
Less — allowance for doubtful accounts	(489)	(657)
	$10,541	$5,841

Other current assets consisted of the following:

	As of December 31,	
	2001	2002
	(In thousands)	
Inventories	$2,860	$2,984
Prepaid expenses	2,460	1,490
Other	743	333
Total	$6,063	$4,807

Property, equipment and software, net consisted of the following:

	Estimated Useful Life in Years	As of December 31,	
		2001	2002
		(In thousands)	
Land and improvements		$ 2,407	$ 2,706
Building and improvements	15-30	7,821	7,707
Leasehold improvements	5-30	3,973	3,890
Furniture, fixtures and equipment	3-10	14,780	17,687
Vehicles	5-7	2,814	2,465
Software and web development	3-10	19,987	17,077
Leased property	3-7	1,272	949
		53,054	52,481
Total		(13,545)	(18,381)
Less — accumulated depreciation		$ 39,509	$ 34,100

Accounts payable and accrued liabilities consisted of the following:

	As of December 31, 2001	As of December 31, 2002
	(In thousands)	
Accounts payable	$ 6,098	$ 5,765
Accrued payroll	5,345	6,416
Other accrued liabilities	2,855	2,447
Total	$14,298	$14,628

Supplemental cash flow information is as follows:

	Years Ended December 31, 2000	2001	2002
	(In thousands)		
Supplemental disclosure of cash flow information			
Cash paid for interest	$6,028	$5,688	$6,827
Cash paid for income taxes	$5,919	$1,846	$ 82
Supplemental disclosure of non-cash flow information			
Capital lease obligations	$ 674	$ 360	—
Common stock portion of acquisitions	$ 989	$1,668	—

6. Long-term Debt

On January 22, 2001, we replaced our existing Credit Facility that was to expire on May 26, 2001 with a similar facility that expires on January 22, 2004. Due to the events of September 11th, on October 30, 2001, we amended the Credit Facility to modify the restrictive covenants to allow more flexibility for us under this debt agreement through the end of 2002. The amendment also allowed for up to a 100 basis point increase to our interest rate based on certain financial ratios. Subject to certain limitations, the Credit Facility may be used to borrow up to $40 million for capital expenditures and for general corporate purposes. Available borrowings are reduced by open letters of credit. The credit agreement requires us to comply with various loan covenants, which include maintenance of certain financial ratios, restrictions on additional indebtedness and restrictions on liens, guarantees, advances, capital expenditures, sale of assets and dividends. Interest on outstanding balances of the Credit Facility is computed at our election, on the basis of either the Prime Rate or the Eurodollar Rate, as defined, plus a margin of 2.0% up to 3.0% based on the amendment discussed above. At December 31, 2002, the weighted average interest rate on the $25.0 million in outstanding indebtedness was 4.57%. Availability fees are 0.5% per annum and are payable on the unused portion of the Credit Facility. Interest and availability fees are payable monthly.

On June 16, 1999, we issued $50 million of Senior Notes, due June 2004, in connection with a note purchase agreement. On October 30, 2001, we also amended the Senior Notes to modify the restrictive covenants through the end of 2002 to allow more flexibility for us under this debt agreement. The amendment also allowed for up to a 100 basis point increase to our interest rate based on certain financial ratios. At December 31, 2002, the interest rate on the Senior Notes was 10.06%. The note purchase agreement contains loan covenants substantially similar to those of the credit agreement under the Credit Facility and has prepayment restrictions. Interest is payable quarterly.

The Credit Facility is secured pari passu to the Senior Notes by substantially all of our assets, including the stock of our significant subsidiaries, as defined. Due to the unusual items and other charges recorded during the fourth quarter of 2002, we were not in compliance with certain covenants related to our Credit Facility and Senior Notes. During March 2003 we finalized an amendment to our borrowing agreements to bring us into compliance which required us to pay a 1.4% amendment fee approximating $1.3 million. The amendment will allow more flexibility for us under the debt agreement through the end of 2003. Management is currently in discussions to refinance all outstanding borrowings during 2003. There is no assurance that we will be able to refinance these borrowings and significant changes to the current terms, such as interest rates and restrictive covenants, may result from any refinancing.

Long-term debt consisted of the following:

	As of December 31,	
	2001	2002
	(In thousands)	
Senior Notes	$50,000	$50,000
Credit Facility	28,600	25,045
Various notes with banks, secured by certain assets, at interest rates ranging from 1.9% to 10.0%, due between March 2002 through December 2003	71	15
Capital lease obligations	295	79
Total	78,966	75,139
Less — current maturities	(322)	(94)
Long-term debt, net of current maturities	$78,644	$75,045

Annual maturities of long-term debt are: 2003, $94,000; 2004, $75.0 million; and none thereafter.

7. Operating Leases

ResortQuest has entered into non-cancelable operating leases for equipment, operating space, office space, hotel properties and individual condominium units within its managed properties. At December 31, 2002, future minimum lease commitments under non-cancelable operating leases are as follows:

	Years Ended December 31
	(In thousands)
2003	$ 7,465
2004	6,271
2005	5,756
2006	4,876
2007	3,404
Thereafter	13,411
	$41,183

Under terms of the leases, ResortQuest is generally required to pay all taxes, insurance and maintenance. Rent expense for 2000, 2001 and 2002 was approximately $5.9 million, $7.2 million and $7.6 million, respectively.

In conjunction with certain acquisitions, ResortQuest entered into several lease agreements with certain former owners, that have also served on the Company’s Board of Directors at some point in the past three years, for the use of office space and facilities. Lease payments made to these former owners during 2000, 2001 and 2002 were approximately $410,000, $433,000 and $231.000, respectively.

8. Commitments and Contingencies

Guarantees

Certain of our management agreements in Hawaii contain provisions for guaranteed levels of returns to owners. These agreements also contain force majeure clauses to protect the Company from forces or occurrences beyond the control of management. During 2000, 2001 and 2002, ResortQuest made payments in excess of the management fees earned on these guaranteed agreements of $390,000, $704,000 and $334,000, respectively.

Acquisition Indemnification

Subject to certain limitations, pursuant to the Agreement and Plan of Organization entered into by and between each acquired entity and ResortQuest (each an “Agreement”), the stockholders of each acquired entity have indemnified ResortQuest against losses, claims, damages, actions, suits, proceedings, demands, assessments, adjustments, costs and expenses as a result of or arising from any breach of the representations and warranties in the Agreement, any liability under the Securities Act of 1933 (“1933 Act”), the Securities Exchange Act of 1934 (“1934 Act”) or other federal or state law or regulation arising out of or based upon any untrue statement of a material fact relating solely to an acquired entity or the stockholders and certain other identified claims or litigation.

In addition, pursuant to each Agreement and subject to certain limitations, ResortQuest agreed to indemnify the stockholders against losses, claims, damages, actions, suits, proceedings, demands, assessments, adjustments, costs and expenses incurred by the stockholders as a result of or arising from any breach by ResortQuest or of its representations and warranties in the Agreement, any liability under the 1933 Act, the 1934 Act or other federal or state law or regulation, at common law or otherwise, arising out of or based upon any untrue statement or alleged untrue statement of a material fact relating to ResortQuest or any of the acquired entities contained in certain filings with the Securities and Exchange Commission or the matters described in the schedules to the Agreement relating to guarantees.

ResortQuest is not aware of any events that have or could have caused any party to act under such indemnification under any of the Agreements during the periods presented in the accompanying consolidated financial statements.

Litigation

On May 26, 2000, Hotel Corp. of the Pacific, Inc., a wholly-owned subsidiary of ResortQuest International doing business as Aston Hotels & Resorts, instituted legal proceedings in the Circuit Court for the First Circuit of Hawaii against Andre S. Tatibouet, the then president of Hotel Corp. This action arose out of a document styled “Cooperation Agreement” that was signed by Andre S. Tatibouet, purporting to act on behalf of Hotel Corp., on the one hand, with Cendant Global Services B.V. and Aston Hotels & Resorts International, Inc., on the other hand. The Cooperation Agreement contains several provisions that are detrimental to Hotel Corp., including provisions purporting to transfer certain intellectual property and limit certain intellectual property rights held by Hotel Corp. Monetary damages for breach of fiduciary duty, fraud, and negligent misrepresentation were sought by Hotel Corp. By order of the Circuit Court, the claims asserted by Hotel Corp. in the lawsuit were consolidated with an arbitration demand, filed with the American Arbitration Association by Mr. Tatibouet, in which he alleged various breaches of his employment agreement with Hotel Corp.

The arbitration hearing took place in September 2001, where Mr. Tatibouet claimed damages of approximately $17.5 million and ResortQuest claimed damages of approximately $4.7 million. On March 14, 2002, the arbitration panel issued its Reasoned Opinion and Final Award. The panel concluded that Mr. Tatibouet had breached his fiduciary duty to Hotel Corp. and awarded Hotel Corp. $55,559 related to the reimbursement of certain legal expenses. The panel denied all of Mr. Tatibouet's claims and requests for damages as well as declaratory and other relief.

On May 26, 2000, ResortQuest International and Hotel Corp. brought an action in the Circuit Court for the First Circuit of Hawaii against Cendant Corporation, Aston Hotels & Resort International Inc. and Cendant Global Services B.V ("Defendants") seeking damages for breach of contract against Cendant, and the equitable remedies or rescission and replevin. This action arose out of Mr. Andre S. Tatibouet's purported negotiation on behalf of Hotel Corp. of the Pacific, Inc., a subsidiary of ResortQuest International, of a document styled Cooperation Agreement.

ResortQuest and Cendant entered into an amended Cooperation Agreement on July 15, 2002. As a result of the execution of that agreement, on July 15, 2002 ResortQuest moved to dismiss its court action against Defendants by filing a stipulation for complete dismissal with prejudice as to all claims and parties.

We are also involved in various legal actions arising in the ordinary course of our business. We do not believe that any of the remaining actions will have a material adverse effect on our business, financial condition or results of operations.

Insurance

ResortQuest carries a broad range of insurance coverage, including general and business auto liability, commercial property, workers' compensation and a general umbrella policy. The Company has not incurred significant claims or losses on any of its insurance policies during the periods presented in the accompanying consolidated financial statements.

Employee Health Insurance

We introduced a national healthcare plan on August 1, 2000 for all domestic team members. The plan provides a broad spectrum of healthcare choices for all full-time team members to select the coverage that best suits their needs. The plan includes medical, dental, vision, life, AD&D, LTD and voluntary life insurance coverages. The employee medical and dental coverages are self-insured by the Company. All self-insurance reserves include accruals of estimated settlements for known claims, as well as accruals for estimates of incurred, but not reported claims. These estimates are based on industry claim factors provided by a plan administrator. Though changes in cost assumptions, as well as changes in actual experience, could cause these estimates to change significantly in the near term, the Company maintains stop loss insurance to minimize the effect of large claims on its financial results. During 2000, 2001 and 2002, the Company incurred $540,000, $3.5 million, and $2.3 million, respectively, in expenses related to this self-insured plan.

Workers' Compensation Insurance

We introduced a self-insured workers' compensation insurance plan on December 1, 2000 for most domestic team members. Previous coverage was provided through full premium-based policies. Team members in certain locations remain covered under these premium-based policies. All self-insurance reserves include accruals of estimated settlements for known claims, as well as accruals for estimates of incurred, but not reported claims. These estimates are based on industry claim factors provided by a plan administrator. Though changes in cost assumptions, as well as changes in actual experience, could cause these estimates to change significantly in the near term, the Company maintains stop loss insurance to minimize the effect of large claims on its financial results. During 2000, 2001 and 2002, the Company incurred $92,000, $1.0 million and $1.2 million, respectively, in expense related to this self-insured plan.

Benefit Plans

On April 1, 1999, we established a 401(k) profit sharing plan that covers all domestic team members and all pre-existing plans were merged into this plan. The plan permits employees to defer from 1% to 20% of eligible earnings, the Company matches 50% of the first 6% of employee contributions, and employee vesting in Company matching contributions occurs over a three-year period. During 2000, 2001 and 2002, the Company incurred $424,000, $633,000 and $617,000, respectively, in expense related to this plan.

Employment Agreements

We have entered into non-compete agreements with many of the former owners of the companies that now comprise ResortQuest. These non-compete agreements are generally three to five years in length effective the day the operations are merged with ResortQuest. Additionally, we have entered into employment agreements with many of these former owners, all senior corporate officers and several key employees. Among other things, these agreements allow for severance payments and some include acceleration of stock option awards upon a change in control of ResortQuest, as defined under the agreements. At December 31, 2002, the maximum amount of compensation that would be payable under all agreements if a change in control occurred without prior written notice would be approximately $4.3 million.

9. Stockholders' Equity

Common Stock

ResortQuest is authorized to issue 50.0 million shares of common stock. At December 31, 2001, ResortQuest had 19,243,249 shares of common stock issued and outstanding (16,938,033 shares of common stock and 2,305,216 shares of restricted common stock). At December 31, 2002, ResortQuest had 19,251,749 shares of common stock issued and outstanding (17,052,960 shares of common stock and 2,198,789 shares of restricted common stock). The common stock and restricted common stock are identical except that the holders of restricted common stock are only entitled to one-half of one vote for each share on all matters.

We have registered 8.0 million shares of common stock through various shelf registration statement filings. As of December 31, 2001 and 2002, we had issued 3,289,487 shares under these shelf registration statements in connection with acquisitions.

Preferred Stock

ResortQuest's authorized capital includes 10.0 million shares of undesignated preferred stock with a $0.01 par value. On February 25, 1999, our Board of Directors adopted a stockholder rights plan designed to protect our stockholders in the event of takeover action that would deny them the full value of their investment. Under this plan, a dividend distribution of one right for each share of common stock was declared to holders of record at the close of business on March 15, 1999. The rights will also attach to common stock issued after March 15, 1999. The rights will become exercisable only in the event, with certain exceptions, an acquiring party accumulates 15% or more of our voting stock, or if a party announces an offer to acquire 15% or more of our voting stock. The rights will expire on March 15, 2009. Each right will entitle the holder to buy one one-hundredth of a share of a new series of preferred stock at a price of $87.00. In addition, upon the occurrence of certain events, holders of the rights will be entitled to purchase either our stock or shares in an “acquiring entity” at half of the then current market value of our common stock. We generally will be entitled to redeem the rights at $0.01 per right at any time until the date on which a 15% position in our voting stock is acquired by any person or group.

Note 10. Stock Options

Options granted under our Long-Term Incentive Plan (the “Incentive Plan”) vest annually and ratably over a period from three to four years after the date of grant and expire five to ten years after the grant date. ResortQuest has reserved 15% of outstanding authorized common stock for use in connection with the Incentive Plan and also provides for the issuance of stock appreciation rights, restricted or deferred stock, dividend equivalents, bonus shares and awards in lieu of our obligations to pay cash compensation, non-employee directors’ deferred shares or other awards. The value of the options is based in whole or in part upon the value of the common stock.

A summary of ResortQuest’s stock option transactions is as follows:

	Weighted Average Exercise Price	Options Outstanding	Common Stock Available for Grant
Balance — December 31, 1999	$10.26	2,409,612	397,705
Approval of new options	n/a	—	40,919
Granted	5.35	603,900	(603,900)
Cancelled	10.23	(337,424)	337,424
Balance — December 31, 2000	$ 9.14	2,676,088	172,148
Approval of new options	n/a	—	38,251
Granted	6.46	241,499	(241,499)
Exercised	8.73	(29,476)	29,476
Cancelled	10.52	(154,589)	154,589
Balance — December 31, 2001	$ 8.88	2,733,522	152,965
Approval of new options	n/a	—	1,275
Granted	3.97	420,500	(420,500)
Exercised	5.74	(8,500)	8,500
Cancelled	9.61	(1,227,663)	1,227,663
Balance — December 31, 2002	$ 7.34	1,917,859	969,903

On October 28, 2002 the Company filed on Form SC TO-I a tender offer statement under section 13(e)(4) of the Securities and Exchange Act of 1934. This Tender Offer Statement on Schedule TO relates to an offer by the Company to exchange all options outstanding under the ResortQuest International, Inc.’s Amended and Restated 1998 Long-Term Incentive Plan having an exercise price greater than $5.99 and held by its employees and directors, other than its executive officers, for new options, to purchase shares of Common Stock to be granted under the Plan, upon the terms and subject to the conditions described in the tender offer to exchange. The number of shares of Common Stock subject to the new options will be equal to a percentage of the number of shares of common stock subject to the options tendered and accepted for exchange. The percentage is determined by the exercise price per share of the options tendered and accepted for exchange. Options tendered for exchange during 2002 were 1,199,930 and are reflected as cancelled shares in the above table. The Company expects to issue 340,065 new options in May 2003 at the then market price in exchange for the options tendered.

The weighted average fair value of options granted by ResortQuest for 2000, 2001 and 2002 was $2.76, $4.05 and $2.36, respectively. Assumptions included an average risk-free interest rate ranging from 2.6% to 6.8%; an average expected life of 2.6 to 4.0 years; a volatility factor of 40.4% to 84.3%; and no dividends. At December 31, 2002, there were 1,446,978 exercisable stock options outstanding with exercise prices that range from $3.60 to $16.00 with a weighted average exercise price of $8.18 and a weighted average remaining contractual life of 4.0 years.

The following table summarizes information about all stock options outstanding at December 31, 2002:

Exercise Price	Number Outstanding	Remaining Contractual Life	Exercise Price
$3.60 - $4.94	803,748	3.6 years	$ 4.15
5.06 - 10.06	468,196	2.6 years	7.70
11.00 - 16.00	645,915	5.3 years	11.05
$3.60 - $16.00	1,917,859	3.9 years	$ 7.34

11. Income Taxes

The income tax provision, including the $1.9 million benefit on the cumulative effect of a change in accounting principle, consisted of the following:

	Years Ended December 31,		
	2000	2001	2002
		(In thousands)	
Current			
Federal	$3,136	$(2,585)	$(1,346)
State	965	(136)	(465)
Deferred			
Federal	3,401	4,638	(1,676)
State	355	411	(212)
Total	$7,857	$ 2,328	$(3,699)

The difference between the statutory federal income tax rate and the effective income tax rate expressed as a percentage of income before income taxes, excluding the cumulative effect of a change in accounting principle, was as follows:

	Years Ended December 31,		
	2000	2001	2002
Federal statutory rate	35.0%	34.0%	34.0%
State and foreign income taxes, net of federal benefit	3.6	4.3	4.2
Goodwill and other permanent items	9.8	44.7	(19.2)
Adjustments to estimated income tax accruals	(3.4)	(23.8)	1.4
Effective income tax rate	45.0%	59.2%	20.4%

The tax effects of temporary differences that give rise to significant portions of our deferred tax assets and liabilities were as follows:

	As of December 31,	
	2001	2002
	(In thousands)	
Deferred tax assets:		
Claims and other reserves	$ 731	$ 724
Federal net operating losses	—	5,923
State net operating losses	710	981
Other	137	386
Total deferred tax assets	$ 1,578	$ 8,014
Deferred tax liabilities:		
Deductible goodwill amortization	$(3,127)	$ (5,339)
Basis difference on fixed assets	(6,480)	(4,650)
Other	—	(170)
Total deferred tax liabilities	(9,607)	(10,159)
Net deferred tax liabilities	$(8,029)	$ (2,145)

12. Earnings Per Share

In accordance with the provisions of Statement No. 128, “Earnings Per Share,” we compute our basic earnings per share by dividing Net income by the number of weighted average common shares outstanding during the year. Our Diluted earnings per share is computed by dividing Net income by the number of weighted average common stock equivalents outstanding during the year. Common stock equivalents consisted solely of stock options outstanding under our Incentive Plan (see Note 10). Stock options with an exercise price greater than the market price are considered anti-dilutive and are not included in the common stock equivalent calculation. The anti-dilutive options were 2,172,588 for 2000; 1,878,737 for 2001, and 1,104,111 for 2002. Common stock equivalents are not considered in the diluted share calculation for periods where a net loss is recorded. The following summarizes the weighted average shares:

	Years Ended December 31,		
	2000	2001	2002
Basic weighted average common shares outstanding	18,962,752	19,167,203	19,248,828
Effect of dilutive securities — stock options	54,919	175,616	121,266
Diluted weighted average common shares outstanding	19,017,671	19,342,819	19,370,094

13. Segment Reporting

With the quarter ended March 31, 2003, the Company's management began allocating all corporate revenues, expenses and assets to each of the Company's property management and First Resort Software operations. The Corporate balances are being allocated pro rata to each operation based on total revenues. We believe that this allocation method is the most appropriate given the nature of our operations. This change was made as the Company began the relocation of its corporate headquarters to Destin, Florida and due to the continued centralization of support functions for all operations. Based on this change, the Company has two reportable segments. Prior to this change, corporate revenues, expenses and assets were not allocated to the Property Management segment. The following table presents the revenues, operating income and assets of our reportable segments as conformed to this new presentation as if the allocation change had been made effective January 1, 2000:

	Years Ended December 31,		
	2000	2001	2002
		(In thousands)	
Revenues			
Property management	$179,928	$189,968	$187,504
First Resort Software	3,333	2,987	2,737
	$183,261	$192,955	$190,241
Operating income			
Property management	$ 22,123	$ 10,880	$ 8,895
First Resort Software	154	(2,304)	(11,714)
	$ 22,277	$ 8,576	$ (2,819)
Assets			
Property management		$290,214	$267,921
First Resort Software		14,060	5,632
		$304,274	$273,553

14. Related-Party Transactions

During 2000 and 2001, ResortQuest had significant transactions with three related parties and their affiliates, who had served the Company as directors. During 2002, ResortQuest had significant transactions with two related parties and their affiliates, a current director and the former owner of Aston Hotels & Resorts ("Former Owner").

ResortQuest has consulting and management agreements with related parties that includes assistance in operations, identifying acquisitions and involvement in local and governmental affairs. During 2000, 2001 and 2002, we incurred $215,000, $312,000 and $178,000, respectively, relative to these consulting agreements.

ResortQuest receives sales commissions for selling properties developed by a related party and his affiliates. These net commissions approximated $1.5 million and $1.4 million during 2000 and 2001, respectively.

ResortQuest entered into numerous transactions with the Former Owner and his affiliates. ResortQuest provides management and centralized services (cooperative sales and marketing, reservations, accounting services and other reimbursements) for four hotels, two of which are owned by the Former Owner and two of which are managed for an affiliate of the Former Owner. The management fees charged to these hotels approximated $1.1 million, $1.2 million and $809,000 in 2000, 2001 and 2002, respectively. Additionally, ResortQuest provides administrative services to AST International LLC, a company that is controlled by the Former Owner. Related to these services, we recognized $42,000, $29,000 and $11,000 of revenue during 2000, 2001 and 2002, respectively.

ResortQuest provides consulting and management services to entities owned by a former director. During 2000 and 2001, we received $368,000 and $216,000, respectively, relative to these consulting agreements. ResortQuest also manages vacation properties pursuant to its standard management agreement that are owned or co-owned by related parties and employees of the Company.

Gaylord Entertainment Company

Offer to Exchange

up to $350,000,000 of 8% Senior Notes due 2013
for
up to $350,000,000 of 8% Senior Notes due 2013
that have been registered under the Securities Act of 1933

Each broker-dealer registered as such under the Securities Exchange Act of 1934 that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the new notes. The letter of transmittal that accompanies this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for outstanding notes where the outstanding notes were acquired by the broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period ending on the earlier of (i) 180 days from the date of effectiveness of the registration statement of which this prospectus is a part and (ii) the date on which a broker-dealer is no longer required to deliver a prospectus in connection with market-making or other trading activities, we will make this prospectus available to any broker-dealer for use in connection with any resale of new notes received by a broker-dealer for its own account. See "Plan of Distribution."

PROSPECTUS

, 2004

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 20. ***Indemnification of Directors and Officers***

Delaware Registrants

The following registrants are, as specified below, corporations, limited liability companies or limited partnerships organized under the laws of the State of Delaware: Gaylord Entertainment Company (the "Company"), Gaylord Creative Group, Inc., Gaylord Investments, Inc., Gaylord Program Services, Inc., Opryland Attractions, Inc., Opryland Theatricals, Inc., ResortQuest International, Inc., Base Mountain Properties, Inc., Coastal Resorts Management, Inc., Coates, Reid & Waldron, Inc., CRW Property Management, Inc., Exclusive Vacation Properties, Inc., High Country Resorts, Inc., K-T-F Acquisition Co., Mountain Valley Properties, Inc., Plantation Resort Management, Inc., ResortQuest Hilton Head, Inc., Ridgepine, Inc., Scottsdale Resort Accommodations, Inc. and Steamboat Premier Properties, Inc. (the "Delaware Corporate Registrants") and CCK Holdings, LLC, Gaylord Hotels, LLC, OLH Holdings, LLC, Opryland Hotel-Texas, LLC, Coastal Resorts Realty, LLC, and ResortQuest Southwest Florida, LLC (the "Delaware LLC Registrants"), and Opryland Hotel-Texas Limited Partnership (the "Delaware LP Registrant").

Section 145 of the Delaware General Corporation Law (the "DGCL") permits a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation) or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise. A corporation may indemnify against expenses, (including attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the person indemnified acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. If the person indemnified is not wholly successful in such action, suit or proceeding, but is successful, on the merits or otherwise, in one or more but less than all claims, issues or matters in such proceeding, he or she may be indemnified against expenses actually and reasonably incurred in connection with each successfully resolved claim, issue or matter. In the case of an action or suit by or in the right of the corporation to procure a judgment in its favor, no indemnification may be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware, or the court in which such action or suit was brought, shall determine upon application that, despite the adjudication of liability, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. Section 145 provides that, to the extent a present or former director or officer of a corporation has been successful in the defense of any action, suit or proceeding referred to above or in the defense of any claim, issue or manner therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith. Section 18-108 of the Delaware Limited Liability Company Act, empowers a Delaware limited liability company to indemnify and hold harmless any member or manager or other person from and against any all claims and demands whatsoever. Section 17-108 of the Delaware Revised Uniform Limited Partnership Act, or the LP Act, empowers a Delaware limited partnership to indemnify and hold harmless any partner or other person from and against any and all claims and demands whatsoever.

Pursuant to authority conferred by Delaware law, the Delaware Corporate Registrants' certificates of incorporation, the Delaware LLC Registrants' certificates of formation and the Delaware Limited Partnership's limited partnership agreement, contain provisions providing that no director, manager or limited partner, as the case may be, shall be liable to it or its stockholders, members or partners, as the case may be, for monetary damages for breach of fiduciary duty as a director, member or partner, as the case may be, except to the extent that such exemption from liability or limitation thereof is not permitted under Delaware law as then in effect or as it may be amended. This provision is intended to eliminate the risk that a director, member or limited partner might incur personal liability to the Company or its stockholders, members or partners for breach of the duty of care.

The Delaware Corporate Registrants' certificates of incorporation and bylaws, the Delaware LLC Registrants' certificates of formation and limited liability company agreements and the Delaware LP Registrant's limited partnership agreement contain provisions requiring Gaylord to indemnify and advance expenses to its directors, members or limited partners, as the case may be, and officers to the fullest extent permitted by law. Among other things, these provisions generally provide indemnification for each registrant's officers and directors, members, and limited partners, as the case may be, against liabilities for judgments in and settlements of lawsuits and other proceedings and for the advance and payment of fees and expenses reasonably incurred by the director, member, partner or officer in defense of any such lawsuit or proceeding if the director, member, partner or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the registrant, and in certain cases only if the director, member, limited partner or officer is not adjudged to be liable to the company.

The Delaware Corporate Registrants, the Delaware LLC Registrants and the Delaware LP Registrant maintain insurance on behalf of any person who is or was its director, member, limited partner or officer, or is now or was serving at the request of the applicable registrant as a director, member, limited partner, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not any registrant would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws, limited liability company agreement or limited partnership agreement.

California Registrant

Cove Management Services, Inc. ("Cove Management") is a corporation incorporated under the laws of the State of California. Section 317 of the California Corporations Code provides for the indemnification of officers, directors, and other corporate agents of a California corporation in substantially the same manner and to same extent as Section 145, inter alia, of the Delaware General Corporation Law as previously described applies to Delaware corporations except that: (i) permissible indemnification does not cover actions the person reasonably believed were not opposed to the best interests of the corporation, as opposed to those the person believed were in fact in the best interests of the corporation; (ii) the Delaware General Corporation Law permits advancement of expenses to agents other than officers and directors only upon approval of the board of directors; (iii) in a case of stockholders' approval of indemnification, the California Corporations Code requires certain minimum votes in favor of such indemnification and excludes the vote of the potentially indemnified person; and (iv) the California Corporations Code only permits independent counsel to approve indemnification if an independent quorum of directors is not obtainable, while the Delaware General Corporation Law permits the directors in any circumstances to appoint counsel to undertake such determination.

Section 317 of the California Corporations Code provides that it is not exclusive of other indemnification that may be granted by a corporation's charter, bylaws, disinterested director vote, stockholders vote, agreement or otherwise. Cove Management's articles of incorporation and bylaws provide that the corporation will indemnify its directors and officers to the fullest extent not prohibited by the California Corporation Code.

Cove Management maintains insurance on behalf of any person who is or was its director or officer, or is now or was serving at the request of Cove Management as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not Cove Management would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws.

Colorado Registrants

The following registrants are corporations or limited liability companies (as specified below) organized under the laws of the State of Colorado: Accommodations Center, Inc., Collection of Fine Properties, Inc., Columbine Management Company, First Resort Software, Inc., Houston and O'Leary Company, Telluride Resort Accommodations, Inc. and Ten Mile Holdings, Ltd. (the "Colorado Corporate Registrants") and Peak Ski Rentals, LLC ("Peak Ski").

Section 7-109-102 of the Colorado Business Corporation Act specifies the circumstances under which a corporation may indemnify its directors, officers, employees or agents. For acts done in a person's "official capacity," the Colorado Business Corporation Act generally requires that an act be done in good faith and in a manner reasonably believed to be in the best interests of the corporation. In all other civil cases, the person must have acted in good faith and in a way that was not opposed to the corporation's best interests. In criminal actions or proceedings, the Colorado Business Corporation Act imposes an additional requirement that the actor had no reasonable cause to believe his conduct was unlawful. In any proceeding by or in the right of the corporation, or charging a person with the improper receipt of a personal benefit, no indemnification, except for court-ordered indemnification for reasonable expenses occurred, can be made. Indemnification is mandatory when any director or officer is wholly successful, on the merits or otherwise, in defending any civil or criminal proceeding. Section 7-80-410 of the Colorado Limited Liability Company Act provides that a limited liability company shall indemnify every member and manager, and in the case of any other person, may indemnify, in respect of payments made and personal liabilities reasonably incurred by that member or manager in the ordinary and proper conduct of the limited liability company's business or for the preservation of the limited liability company's business or property.

The Colorado Corporate Registrants' articles of incorporation and bylaws, and Peak Ski's articles of organization and operating agreement, contain provisions requiring each registrant to indemnify and advance expenses to, its directors, members, or officers to the fullest extent permitted by law. Among other things, these provisions generally provide indemnification for each company's officers, directors or members against liabilities for judgments in and settlements of lawsuits and other proceedings and for the advance and payment of fees and expenses reasonably incurred by the director, member or officer in defense of any such lawsuit or proceeding if the director, member or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the company, and in certain cases only if the director, member or officer is not adjudged to be liable to the company.

The Colorado Corporate Registrants and Peak Ski maintain insurance on behalf of any person who is or was its director, member or limited partner or officer, or is now or was serving at the request of the applicable company as a director, member, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not any company would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws or operating agreement.

Florida Registrants

The following registrants are corporations, limited liability companies or limited partnerships (as specified below) organized under the laws of the State of Florida: Abbott Realty Services, Inc. and The Tops'l Group, Inc. (the "Florida Corporate Registrants"), Abbott & Andrews Realty, LLC, Abbott Resorts, LLC, Advantage Vacation Homes by Styles, LLC, Bluebill Properties, LLC, Coastal Real Estate Sales, LLC, Coastal Resorts International, LLC, Priscilla Murphy Realty, LLC, Styles Estates, LLC and Tops'l Club of NW Florida, LLC (the "Florida LLC Registrants") and Opryland Hotel-Florida Limited Partnership (the "Florida LP Registrant").

Section 607.0850 of the Florida Business Corporation Act generally provides that a corporation shall have the power to indemnify any person who was or is a party to any proceeding (other than an action by, or in the right of, the corporation), by reason of the fact that he is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 608.4229 of the Florida Limited Liability Company Act provides that subject to such standards and restrictions, if any, as are set forth in its articles of organization or operating agreement, a limited liability company may, and shall have the power to, but shall not be required to, indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. Notwithstanding the foregoing, indemnification or advancement of expenses shall not be made to or on behalf of any member, manager, managing member, officer, employee, or agent if a judgment or other final adjudication establishes that the actions, or omissions to act, of such member, manager, managing member, officer, employee, or agent were material to the cause of action so adjudicated and constitute any of the following: (a) a violation of criminal law, unless the member, manager, managing member, officer, employee, or agent had no reasonable cause to believe such conduct was unlawful; (b) a transaction from which the member, manager, managing member, officer, employee, or agent derived an improper personal benefit; (c) in the case of a manager or managing member, a circumstance under which the liability provisions of Section 608.426 are applicable; or (d) willful misconduct or a conscious disregard for the best interests of the limited liability company in a proceeding by or in the right of the limited liability company to procure a judgment in its favor or in a proceeding by or in the right of a member.

The Florida Corporate Registrants' articles of incorporation and bylaws, the Florida LLC Registrants' articles of organization and limited liability company declaration, and the Florida LP Registrant's limited partnership agreement, contain provisions requiring each respective company to indemnify and advance expenses to its directors, members, partners and officers to the fullest extent permitted by law. Among other things, these provisions generally provide indemnification for each company's officers, directors, members and partners against liabilities for judgments in and settlements of lawsuits and other proceedings and for the advance and payment of fees and expenses reasonably incurred by the director, member, partner or officer in defense of any such lawsuit or proceeding if the director, member, partner or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the company, and in certain cases only if the director, member, partner or officer is not adjudged to be liable to company.

The Florida Corporate Registrants, the Florida LLC Registrants, and the Florida LP Registrant, maintain insurance on behalf of any person who is or was its director, member, partner or officer, or is now or was serving at the request of the company as a director, member, partner, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the company would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws, limited liability company declaration or limited partnership agreement.

Georgia Registrant

THE Management Company and Trupp-Hodnett Enterprises, Inc. (the "Georgia Registrants") are both incorporated under the laws of the State of Georgia.

Sections 14-2-852 through 857 of the Georgia Business Corporation Code generally permit a corporation to indemnify any director, officer or other person who is a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative by reason of the fact that such person is or was a director or officer of the corporation or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding.

The Georgia Registrants' articles of incorporation and bylaws contain provisions requiring the company to indemnify and advance expenses to, its directors and officers to the fullest extent permitted by law. Among other things, these provisions generally provide indemnification for the company's officers and directors against liabilities for judgments in and settlements of lawsuits and other proceedings and for the advance and payment of fees and expenses reasonably incurred by the director or officer in defense of any such lawsuit or proceeding if the director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the company, and in certain cases only if the director or officer is not adjudged to be liable to company.

The Georgia Registrants maintain insurance on behalf of any person who is or was its director or officer, or is now or was serving at the request of the company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the company would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws.

Hawaii Registrants

The following registrants are corporations or limited liability companies (as specified below) organized under the laws of the State of Hawaii: Maui Condominium and Home Realty, Inc., REP Holdings, Ltd., and RQI Holdings, Ltd. (the "Hawaii Corporate Registrants.") and Office and Storage LLC and ResortQuest Hawaii, LLC (the "Hawaii LLC Registrants").

Section 414-242 through 246 of the Hawaii Business Corporation Act provides that a corporation may indemnify an individual who is a party to a proceeding because the individual is a director against liability incurred in the proceeding if: the individual conducted the individual's self in good faith and the individual reasonably believed: (i) in the case of conduct of official capacity, that the individual's conduct was in the best interests of the corporation; and (ii) in all other cases, that the individual's conduct was at least not opposed to the best interests of the corporation; and (iii) in the case of any criminal proceeding, the individual had no reasonable cause to believe the individual's conduct was unlawful. Notwithstanding the foregoing, a corporation may not indemnify a director (a) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or (b) in connection with any other proceeding charging improper personal benefit to the director, whether or not involving action in the director's official capacity, in which the director was adjudged liable on the basis that personal benefit was improperly received by the director. Furthermore, a corporation must indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because the director was a director of the corporation against reasonable expenses incurred by the director in connection with the proceeding.

The Hawaii Corporate Registrants' articles of incorporation and bylaws, and the Hawaii LLC Registrants' articles of organization and operating agreement, contain provisions requiring each company to indemnify and advance expenses to its directors, members and officers to the fullest extent permitted by law. Among other things, these provisions generally provide indemnification for each company's officers, directors and members against liabilities for judgments in and settlements of lawsuits and other proceedings and for the advance and payment of fees and expenses reasonably incurred by the director, member or officer in defense of any such lawsuit or proceeding if the director, member or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the company, and in certain cases only if the director, member or officer is not adjudged to be liable to the company.

The Hawaii Corporate Registrants and the Hawaii LLC Registrants maintain insurance on behalf of any person who is or was its director, member or officer, or is now or was serving at the request of each respective company as a director, member, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the company would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws or operating agreement.

Massachusetts Registrant

The Maury People, Inc. (the "MP, Inc.") is a corporation incorporated under the laws of the Commonwealth of Massachusetts.

Section 67 of Chapter 156B of the General Laws of the Commonwealth of Massachusetts generally provides that a corporation may indemnify its directors, officers, employees or agents against certain liabilities and expenses, which they may incur as directors, officers, employees or agents of a corporation.

MP, Inc.'s articles of incorporation and bylaws contain provisions requiring the company to indemnify and advance expenses to its directors and officers to the fullest extent permitted by law. Among other things, these provisions generally provide indemnification for the company's officers and directors against liabilities for judgments in and settlements of lawsuits and other proceedings and for the advance and payment of fees and expenses reasonably incurred by the director or officer in defense of any such lawsuit or proceeding if the director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the company, and in certain cases only if the director or officer is not adjudged to be liable to the company.

MP, Inc. maintains insurance on behalf of any person who is or was its director or officer, or is now or was serving at the request the company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Massachusetts Registrant would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws.

Montana Registrant

Ryan's Golden Eagle Management, Inc. (the "RGEM, Inc.") is a corporation incorporated under the laws of the State of Montana.

Section 35-1-452 of the Montana Business Corporation Act provides that a corporation may indemnify an individual made a party to a proceeding because he is or was a director against liability incurred in the proceeding if: (a) he conducted himself in good faith; (b) he reasonably believed in the case of conduct in his official capacity with the corporation, that his conduct was in the corporation's best interests and, in all other cases, that his conduct was at least not opposed to the corporation's best interests; and (c) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. Notwithstanding the foregoing, a corporation may not indemnify a director (a) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or (b) in connection with any other proceeding charging improper personal benefit to the director, whether or not involving action in the director's official capacity, in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.

RGEM, Inc.'s certificate of incorporation and bylaws contain provisions requiring the company to indemnify and advance expenses to its directors and officers to the fullest extent permitted by law. Among other things, these provisions generally provide indemnification for RGEM, Inc.'s officers and directors against liabilities for judgments in and settlements of lawsuits and other proceedings and for the advance and payment of fees and expenses reasonably incurred by the director or officer in defense of any such lawsuit or proceeding if the director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the company, and in certain cases only if the director or officer is not adjudged to be liable to the company.

RGEM, Inc. maintains insurance on behalf of any person who is or was its director or officer, or is now or was serving at the request RGEM, Inc. as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not RGEM, Inc. would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws.

North Carolina Registrants

B&B on the Beach, Inc., Brindley & Brindley Realty & Development, Inc. and R&R Resort Rental Properties, Inc. (the "North Carolina Registrants") are all corporations incorporated under the laws of the State of North Carolina.

Sections 55-8-50 through 55-8-58 of the North Carolina Business Corporation Act permit indemnification of a corporation's directors and officers in a variety of circumstances.

The North Carolina Registrants' articles of incorporation and bylaws contain provisions requiring each company to indemnify and advance expenses to, its directors and officers to the fullest extent permitted by law. Among other things, these provisions generally provide indemnification for each company's officers and directors against liabilities for judgments in and settlements of lawsuits and other proceedings and for the advance and payment of fees and expenses reasonably incurred by the director or officer in defense of any such lawsuit or proceeding if the director or officer acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the company, and in certain cases only if the director or officer is not adjudged to be liable to company.

The North Carolina Registrants maintain insurance on behalf of any person who is or was its director or officer, or is now or was serving at the request of each respective company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the company would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws.

Tennessee Registrants

The following registrants are corporations or limited liability companies (as specified below) organized under the laws of the State of Tennessee: Grand Ole Opry Tours, Inc., Opryland Productions, Inc. and Wildhorse Saloon Entertainment Ventures, Inc. (the "Tennessee Corporate Registrants") and Opryland Hospitality, LLC and Resort Rental Vacations, LLC (the "Tennessee LLC Registrants").

The Tennessee Business Corporation Act ("TBCA") provides that a corporation may indemnify any of its directors and officers against liability incurred in connection with a proceeding if: (a) such person acted in good faith; (b) in the case of conduct in an official capacity with the corporation, he reasonably believed such conduct was in the corporation's best interests; (c) in all other cases, he reasonably believed that his conduct was at least not opposed to the best interests of the corporation; and (d) in connection with any criminal proceeding, such person had no reasonable cause to believe his conduct was unlawful. In actions brought by or in the right of the corporation, however, the TBCA provides that no indemnification may be made if the director or officer was adjudged to be liable to the corporation. The TBCA also provides that in connection with any proceeding charging improper personal benefit to an officer or director, no indemnification may be made if such officer or director is adjudged liable on the basis that such personal benefit was improperly received. In cases where the director or officer is wholly successful, on the merits or otherwise, in the defense of any proceeding instigated because of his or her status as a director or officer of a corporation, the TBCA mandates that the corporation indemnify the director or officer against reasonable expenses incurred in the proceeding. The TBCA provides that a court of competent jurisdiction, unless the corporation's charter provides otherwise, upon application, may order that an officer or director be indemnified for reasonable expenses if, in consideration of all relevant circumstances, the court determines that such individual is fairly and reasonably entitled to indemnification, notwithstanding the fact that (a) such officer or director was adjudged liable to the corporation in a proceeding by or in the right of the corporation; (b) such officer or director was adjudged liable on the basis that personal benefit was improperly received by him; or (c) such officer or director breached his duty of care to the corporation.

The charter and bylaws of each of the Tennessee Corporate Registrants provide that such registrant shall indemnify its officers and directors to the fullest extent allowed by the TBCA. In addition, the bylaws of each of the Tennessee Corporate Registrants authorize the corporation to purchase and maintain insurance for any individual who is or was a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation's board of directors or its president as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise.

Section 48-243-101 of the Tennessee Limited Liability Company Act provides that a limited liability company may indemnify governors, officers and members of the limited liability company against liability if (1) the individual acted in good faith and (2) reasonably believed that such individual's conduct in his or her official capacity was in the best interest of the limited liability company and in all other cases that such individual's conduct was at least not opposed to the best interests of the limited liability company and (3) in a criminal proceeding, the individual had no cause to believe such individual's conduct was unlawful. Section 48-243-101(b) also provides that unless otherwise provided by its articles of organization, a limited liability company may not indemnify a responsible person in connection with a proceeding to which the responsible person was adjudged liable to the limited liability company or in connection with a proceeding whereby such responsible person is adjudged liable to the limited liability company for receiving an improper personal benefit. Section 48-243-101(c) provides that unless otherwise provided by its articles of organization, a limited liability company shall indemnify a responsible person who was wholly successful in the defense of a proceeding against that person as a responsible person for the limited liability company. Section 48-243-101(h) authorizes a limited liability company to purchase and maintain insurance on behalf of any person who is or was a responsible person, manager, employee, independent contractor, or agent of the limited liability company, or who while a responsible person, manager, employee, independent contractor, or agent of the limited liability company, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the limited liability company would otherwise have the power to indemnify him under Section 48-243-101(b)-(c). Section 48-243-101(i) prohibits indemnification if a responsible person is adjudged liable for a breach of the duty of loyalty to the limited liability company or its members or for acts or omissions not in good faith that involve intentional misconduct or a knowing violation of law. The articles of organization and the operating agreements of the Tennessee LLC Registrants provide that the Tennessee LLC Registrants shall indemnify its member and all of its officers to the fullest extent of and in accordance with the Tennessee Limited Liability Company Act.

The Tennessee Corporate Registrants and the Tennessee LLC Registrants maintain insurance on behalf of any person who is or was its director, member or officer, or is now or was serving at the request of each respective company as a director, member, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the company would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws or operating agreement.

Texas Registrant

Corporate Magic, Inc. ("Corporate Magic") is a corporation incorporated under the laws of the State of Texas.

Article 2.02-1 of the Texas Business Corporation Act permits Corporate Magic, in certain circumstances, to indemnify any present or former director, officer, employee or agent of Corporate Magic against judgments, penalties, fines, settlements and reasonable expenses incurred in connection with a proceeding in which any such person was, is or is threatened to be, made a party by reason of holding such office or position, but only to a limited extent for obligations resulting from a proceeding in which the person is found liable on the basis that a personal benefit was improperly received or in circumstances in which the person is found liable in a derivative suit brought on behalf of Corporate Magic.

Corporate Magic maintains insurance on behalf of any person who is or was its director or officer, or is now or was serving at the request of Corporate Magic as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not Corporate Magic would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws.

Utah Registrant

Resort Property Management, Inc. (the "RPM, Inc.") is a corporation incorporated under the laws of the State of Utah.

Sections 16-10a-902 and 16-10a-907 of the Utah Revised Business Corporation Act provide that a corporation may indemnify its directors and officers who are made parties to a legal proceeding because of their positions with the corporation against liability incurred in the proceeding if the individual's conduct was in good faith, the individual reasonably believed that his conduct was in, or not opposed to, the corporation's best interests, and in the case of a criminal proceeding, had no reasonable cause to believe his conduct was unlawful. Under the Utah Revised Business Corporation Act, RPM, Inc. may not indemnify its directors or officers in connection with a proceeding by, or in the right of, RPM, Inc. in which the individual was adjudged liable to it or in any proceeding in which the individual was adjudged liable on the basis that he derived an improper personal benefit.

RPM, Inc. maintains insurance on behalf of any person who is or was its director or officer, or is now or was serving at the request of RPM, Inc. as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not RPM, Inc. would have the power or the obligation to indemnify him against such liability under the provisions of the bylaws.

Item 21. ***Exhibits and Financial Statement Schedules***

(a) The following exhibits are filed herewith, are incorporated herein by reference or where previously filed:

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3 to the Registrant's Current Report on Form 8-K dated October 7, 1997 (File No. 1-13079)).
3.2	Amendment to Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001).
3.3	Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 of the Company's Registration Statement on Form 10, as amended (File No. 1-13079)).
3.4	Certificate of Formation of CCK Holdings, LLC*
3.5	Amended and Restated Limited Liability Company Agreement of CCK Holdings, LLC*
3.6	Articles of Incorporation of Corporate Magic, Inc.*
3.7	Bylaws of Corporate Magic, Inc.*
3.8	Certificate of Incorporation of Gaylord Creative Group, Inc. (Restated for purposes of EDGAR)*
3.9	Form of Bylaws of Gaylord Creative Group, Inc., Gaylord Investments, Inc., Gaylord Program Services, Inc., Opryland Attractions, Inc., and Opryland Theatricals, Inc.*
3.10	Certificate of Formation of Gaylord Hotels, LLC (restated for purposes of EDGAR)*

Exhibit No.	Description
3.11	Amended and Restated Limited Liability Company Agreement of Gaylord Hotels, LLC*
3.12	Certificate of Incorporation of Gaylord Investments, Inc.*
3.13	Certificate of Incorporation of Gaylord Program Services, Inc. (restated for purposes of EDGAR)*
3.14	Charter of Grand Ole Opry Tours, Inc.*
3.15	Form of Bylaws of Grand Ole Opry Tours, Inc., Opryland Productions, Inc. and Wildhorse Saloon Entertainment Ventures, Inc.*
3.16	General Partnership Agreement of OLH, G.P. (restated for purposes of EDGAR)*
3.17	Certificate of Formation of OLH Holdings, LLC*
3.18	Limited Liability Company Agreement of OLH Holdings, LLC*
3.19	Certificate of Incorporation of Opryland Attractions, Inc. (restated for purposes of EDGAR)*
3.20	Articles of Organization of Opryland Hospitality, LLC (restated for purposes of EDGAR)*
3.21	Operating Agreement of Opryland Hospitality, LLC (restated for purposes of EDGAR)*
3.22	Certificate of Formation of Opryland Hotel-Texas, LLC*
3.23	Operating Agreement of Opryland Hotel-Texas, LLC (restated for purposes of EDGAR)*
3.24	Certificate of Limited Partnership of Opryland Hotel-Florida Limited Partnership (restated for purposes of EDGAR)*
3.25	Limited Partnership Agreement of Opryland Hotel-Florida Limited Partnership (restated for purposes of EDGAR)*
3.26	Certificate of Limited Partnership of Opryland Hotel-Texas Limited Partnership*
3.27	Limited Partnership Agreement of Opryland Hotel-Texas Limited Partnership*
3.28	Charter of Opryland Productions, Inc. (restated for purposes of EDGAR)*
3.29	Certificate of Incorporation of Opryland Theatricals, Inc.*
3.30	Charter of Wildhorse Saloon Entertainment Ventures, Inc. (restated for purposes of EDGAR)*
3.31	Certificate of Incorporation of ResortQuest International, Inc. (restated for purposes of EDGAR)*
3.32	Bylaws of ResortQuest International, Inc.*
3.33	Form of Articles of Organization of Abbott & Andrews Realty, LLC, Abbott Resorts, LLC, Advantage Vacation Homes by Styles, LLC, Bluebill Properties, LLC, Coastal Real Estate Sales, LLC, Priscilla Murphy Realty, LLC, Styles Estates, LLC, and Tops'l Club of NW Florida, LLC*
3.34	Form of Limited Liability Company Declaration of Abbott & Andrews Realty, LLC and Tops'l Club of NW Florida, LLC*
3.35	Articles of Incorporation of Abbott Realty Services, Inc. (restated for purposes of EDGAR)*
3.36	Bylaws of Abbott Realty Services, Inc.*
3.37	Form of Limited Liability Company Declaration of Abbott Resorts, LLC, Advantage Vacation Homes by Styles, LLC, Bluebill Properties, LLC, Coastal Real Estate Sales, LLC, Priscilla Murphy Realty, LLC, and Styles Estates, LLC*
3.38	Articles of Incorporation of Accommodations Center, Inc.*
3.39	Bylaws of Accommodations Center, Inc.*
3.40	Articles of Incorporation of B&B on the Beach, Inc.*
3.41	Bylaws of B&B on the Beach, Inc.*
3.42	Certificate of Incorporation of Base Mountain Properties, Inc. (restated for purposes of EDGAR)*
3.43	Bylaws of Base Mountain Properties, Inc.*
3.44	Articles of Incorporation of Brindley & Brindley Realty & Development, Inc. (restated for purposes of EDGAR)*

Exhibit No.	Description
3.45	Form of Bylaws of Brindley & Brindley Realty & Development, Inc., Coastal Resorts Management, Inc., First Resort Software, Inc., Maui Condominium and Home Realty, Inc., Telluride Resort Accommodations, Inc., THE Management Company, The Maury People, Inc., and Trupp-Hodnett Enterprises, Inc. (restated for purposes of EDGAR)*
3.46	Certificate of Incorporation of Coastal Resorts Management, Inc. (restated for purposes of EDGAR)*
3.47	Certificate of Formation of Coastal Resorts Realty L.L.C. (restated for purposes of EDGAR)*
3.48	Amended and Restated Limited Liability Company Agreement of Coastal Resorts Realty L.L.C. (restated for purposes of EDGAR)*
3.49	Certificate of Incorporation of Coates, Reid & Waldron, Inc. (restated for purposes of EDGAR)*
3.50	Form of Bylaws of Coates, Reid & Waldron, Inc., Exclusive Vacation Properties, Inc. and Steamboat Premier Properties, Inc.*
3.51	Articles of Incorporation of Collection of Fine Properties, Inc. (restated for purposes of EDGAR)*
3.52	Bylaws of Collection of Fine Properties, Inc.*
3.53	Articles of Incorporation of Columbine Management Company (restated for purposes of EDGAR)*
3.54	Bylaws of Columbine Management Company*
3.55	Articles of Incorporation of Cove Management Services, Inc.*
3.56	Bylaws of Cove Management Services, Inc.*
3.57	Certificate of Incorporation of CRW Property Management, Inc. (restated for purposes of EDGAR)*
3.58	Form of Bylaws of CRW Property Management, Inc. and K-T-F Acquisition Co.*
3.59	Certificate of Incorporation of Exclusive Vacation Properties, Inc. (restated for purposes of EDGAR)*
3.60	Articles of Incorporation of First Resort Software, Inc. (restated for purposes of EDGAR)*
3.61	Certificate of Incorporation of High Country Resorts, Inc. (restated for purposes of EDGAR)*
3.62	Form of Bylaws of High Country Resorts, Inc., Plantation Resort Management, Inc., Ridgepine, Inc. and Scottsdale Resort Accommodations, Inc.*
3.63	Amended and Restated Articles of Incorporation of Houston and O'Leary Company (restated for purposes of EDGAR)*
3.64	Bylaws of Houston and O'Leary Company*
3.65	Certificate of Incorporation of K-T-F Acquisition Co.*
3.66	Articles of Incorporation of Maui Condominium and Home Realty, Inc.*
3.67	Certificate of Incorporation of Mountain Valley Properties, Inc. (restated for purposes of EDGAR)*
3.68	Bylaws of Mountain Valley Properties, Inc.*
3.69	Articles of Organization of Office & Storage LLC*
3.70	Operating Agreement of Office and Storage LLC*
3.71	Articles of Organization of Peak Ski Rentals LLC (restated for purposes of EDGAR)*
3.72	Operating Agreement of Peak Ski Rentals LLC*
3.73	Certificate of Incorporation of Plantation Resort Management, Inc. (restated for purposes of EDGAR)*
3.74	Articles of Incorporation of R&R Resort Rental Properties, Inc.*
3.75	Bylaws of R&R Resort Rental Properties, Inc.*
3.76	Articles of Incorporation of REP Holdings, LTD.*
3.77	Bylaws of REP Holdings, LTD.*

Exhibit No.	Description
3.78	Articles of Incorporation of Resort Property Management, Inc.*
3.79	Bylaws of Resort Property Management, Inc.*
3.80	Articles of Organization of Resort Rental Vacations, LLC (restated for purposes of EDGAR)*
3.81	Operating Agreement of Resort Rental Vacations, LLC*
3.82	Articles of Organization of ResortQuest Hawaii, LLC*
3.83	Operating Agreement of ResortQuest Hawaii, LLC*
3.84	Certificate of Incorporation of ResortQuest Hilton Head, Inc. (restated for purposes of EDGAR)*
3.85	Bylaws of ResortQuest Hilton Head, Inc.*
3.86	Certificate of Formation of ResortQuest Southwest Florida, LLC (restated for purposes of EDGAR)*
3.87	Operating Agreement of ResortQuest Southwest Florida, LLC*
3.88	Certificate of Incorporation of Ridgepine, Inc. (restated for purposes of EDGAR)*
3.89	Articles of Incorporation of RQI Holdings, Ltd.*
3.90	Bylaws of RQI Holdings, Ltd.*
3.91	Articles of Incorporation of Ryan’s Golden Eagle Management, Inc. (restated for purposes of EDGAR)*
3.92	Bylaws of Ryan’s Golden Eagle Management, Inc.*
3.93	Certificate of Incorporation of Scottsdale Resort Accommodations, Inc. (restated for purposes of EDGAR)*
3.94	Certificate of Incorporation of Steamboat Premier Properties, Inc. (restated for purposes of EDGAR)*
3.95	Amended and Restated Articles of Incorporation of Telluride Resort Accommodations, Inc.*
3.96	Articles of Incorporation of Ten Mile Holdings, Ltd.*
3.97	Bylaws of Ten Mile Holdings, Ltd.*
3.98	Articles of Incorporation of THE Management Company (restated for purposes of EDGAR)*
3.99	Articles of Organization of The Maury People, Inc.*
3.100	Articles of Incorporation of The Tops’l Group, Inc.*
3.101	By-laws of The Tops’l Group, Inc.*
3.102	Articles of Incorporation of Trupp-Hodnett Enterprises, Inc. (restated for purposes of EDGAR)*
4.1	Indenture, dated as of November 12, 2003, by and between the Company, certain of its subsidiaries and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company’s Current Report on Form 8-K dated November 13, 2003 (File No: 001-13079)).
4.2	First Supplemental Indenture, dated as of November 20, 2003, by and between the Company, certain of its subsidiaries and U.S. Bank National Association, as Trustee*
4.3	Reference is made to exhibits 3.1, 3.2 and 3.3 hereof.
5.1	Opinion of Bass, Berry & Sims PLC.**
5.2	Opinion of Carter R. Todd, Esq.*
8.1	Tax Matters Opinion of Bass, Berry & Sims PLC**
10.1	Registration Rights Agreement, dated as of November 12, 2003, between the registrants signatory thereto and the Initial Purchasers (as defined therein) with respect to the Company’s 8% Senior Notes Due 2013.*
12.1	Statement Regarding Computation of Ratios*
23.1	Consent of Ernst & Young LLP (for Gaylord)*
23.2	Consent of Deloitte & Touche LLP (for ResortQuest)*
23.3	Consent of Bass, Berry & Sims PLC (included in Exhibit 5.1 and Exhibit 8.1)

Exhibit No.	Description
23.4	Consent of Carter R. Todd, Esq. (included in Exhibit 5.2)
24.1	Power of Attorney for Gaylord Entertainment Company and each of the Co-Registrants (contained on signature pages)*
25.1	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of U.S. Bank National Association*
99.1	Letter of Transmittal*
99.2	Notice of Guaranteed Delivery*
99.3	Letter to Registered Holders and Depository Trust Company Participants*
99.4	Letter to Clients*

* previously filed.

** filed herewith.

Item 22. ***Undertakings***

The undersigned registrant hereby undertakes:

(a) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(b) The undersigned registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement.

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933.

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) If any of the registrants is a foreign private issuer, to file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Act need not be furnished, provided, that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, with respect to registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Act or Rule 3-19 of this chapter if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Form F-3.

(c) The undersigned registrants hereby undertake to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 and 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(d) The undersigned registrants hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this Amendment No. 4 to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004. The following signatures are also on behalf of the registrant as general partner of OLH, GP, Opryland Hotel-Florida Limited Partnership and Opryland Hotel-Texas Limited Partnership.

GAYLORD ENTERTAINMENT COMPANY

By: /s/ CARTER R. TODD

Carter R. Todd
Senior Vice President, Secretary and
General Counsel

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to its Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Michael D. Rose	Chairman of the Board	April 27, 2004
* E. K. Gaylord II	Director	April 27, 2004
* Robert P. Bowen	Director	April 27, 2004
* Laurence S. Geller	Director	April 27, 2004
* E. Gordon Gee	Director	April 27, 2004
* Ralph Horn	Director	April 27, 2004
Michael I. Roth	Director	
* Colin V. Reed	Director, President and Chief Executive Officer (Principal Executive Officer)	April 27, 2004
* David C. Kloeppel	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	April 27, 2004

Signature	Title	Date
* Rod Connor	Senior Vice President, Chief Administrative Officer, and Assistant Secretary (Principal Accounting Officer)	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to their Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

CCK HOLDINGS, LLC

CORPORATE MAGIC, INC.
GAYLORD CREATIVE GROUP, INC.
GAYLORD HOTELS, LLC
GAYLORD INVESTMENTS, INC.
GAYLORD PROGRAM SERVICES, INC.
GRAND OLE OPRY TOURS, INC.
OLH HOLDINGS, LLC
OPRYLAND ATTRACTIONS, INC.
OPRYLAND HOSPITALITY, LLC.
OPRYLAND HOTEL TEXAS, LLC
OPRYLAND PRODUCTIONS, INC.
OPRYLAND THEATRICALS, INC.
WILDHORSE SALOON ENTERTAINMENT
VENTURES, INC.
RESORT RENTAL VACATIONS, LLC

By: *

Colin V. Reed
President and Chief Executive Officer

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to their Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Colin V. Reed	President, Chief Executive Officer and Director (Principal Executive Officer)	April 27, 2004
* David C. Kloeppel	Executive Vice President and Director (Principal Financial Officer)	April 27, 2004
* Rod Connor	Vice President (Principal Accounting Officer)	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

RESORTQUEST INTERNATIONAL, INC.

By: *

Colin V. Reed
President

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to its Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Colin V. Reed	President and Director (Principal Executive Officer)	April 27, 2004
* David C. Kloeppel	Executive Vice President and Director (Principal Financial Officer)	April 27, 2004
* Rod Connor	Vice President (Principal Accounting Officer)	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this Amendment No. 4 to their Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

OLH, G.P
OPRYLAND HOTEL-FLORIDA LIMITED
PARTNERSHIP

OPRYLAND HOTEL-TEXAS LIMITED PARTNERSHIP

By: GAYLORD ENTERTAINMENT COMPANY,
as General Partner

By: *

Colin V. Reed
President and Chief Executive Officer

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to their Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Colin V. Reed	Director, President and Chief Executive Officer (Principal Executive Officer)**	April 27, 2004
* David C. Kloeppel	Executive Vice President and Chief Financial Officer (Principal Financial Officer)**	April 27, 2004
* Rod Connor	Senior Vice President, Chief Administrative Officer, and Assistant Secretary (Principal Accounting Officer)**	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

** of Gaylord Entertainment Company, the general partner of the registrants listed above.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to their Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

ABBOTT & ANDREWS REALTY, LLC
ADVANTAGE VACATION HOMES BY STYLES, LLC
B&B ON THE BEACH, INC.
BASE MOUNTAIN PROPERTIES, INC.
BLUEBILL PROPERTIES, LLC
BRINDLEY & BRINDLEY REALTY & DEVELOPMENT, INC.
COASTAL REAL ESTATE SALES, LLC
COASTAL RESORTS MANAGEMENT, INC.
COASTAL RESORTS REALTY L.L.C.
COATES, REID & WALDRON, INC.
COLLECTION OF FINE PROPERTIES, INC.
COVE MANAGEMENT SERVICES INC.
CRW PROPERTY MANAGEMENT, INC.
EXCLUSIVE VACATION PROPERTIES, INC.
HIGH COUNTRY RESORTS, INC.
HOUSTON AND O'LEARY COMPANY
K-T-F ACQUISITION CO.
MOUNTAIN VALLEY PROPERTIES, INC.
PEAK SKI RENTALS LLC
PLANTATION RESORT MANAGEMENT, INC.
PRISCILLA MURPHY REALTY, LLC
R&R RESORT RENTAL PROPERTIES, INC.
RESORT PROPERTY MANAGEMENT, INC.
RESORTQUEST HILTON HEAD, INC.
RIDGEPINE, INC.
RYAN'S GOLDEN EAGLE MANAGEMENT, INC.
SCOTTSDALE RESORT ACCOMMODATION, INC.
STEAMBOAT PREMIER PROPERTIES, INC.
STYLES ESTATES, LLC
TEN MILE HOLDINGS, LTD.
THE MANAGEMENT COMPANY
THE MAURY PEOPLE, INC.
THE TOPS'L GROUP, INC.
TOPS'L CLUB OF NW FLORIDA, LLC
TRUPP-HODNETT ENTERPRISES, INC.

By: *

Colin V. Reed
President and Chief Executive Officer

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to their Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Colin V. Reed	President, Chief Executive Officer and Director (Principal Executive Officer)	April 27, 2004
* David C. Kloeppel	Executive Vice President (Principal Financial Officer)	April 27, 2004
* Rod Connor	Vice President (Principal Accounting Officer)	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

ABBOTT REALTY SERVICES, INC.

ABBOTT RESORTS, LLC

By: *

Colin V. Reed
Chief Executive Officer

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to their Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Colin V. Reed	Chief Executive Officer and Director (Principal Executive Officer)	April 27, 2004
* David C. Kloeppel	Executive Vice President (Principal Financial Officer)	April 27, 2004
* Rod Connor	Vice President (Principal Accounting Officer)	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to their Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

ACCOMMODATIONS CENTER, INC.
FIRST RESORT SOFTWARE, INC.
RESORTQUEST SOUTHWEST FLORIDA, LLC
TELLURIDE RESORT ACCOMMODATIONS, INC.

By: *

Colin V. Reed
President and Chief Executive Officer

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to their Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Colin V. Reed	President and Chief Executive Officer (Principal Executive Officer)	April 27, 2004
* David C. Kloeppel	Executive Vice President (Principal Financial Officer)	April 27, 2004
* Rod Connor	Vice President (Principal Accounting Officer)	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to their Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

RESORTQUEST HAWAII, LLC
RQI HOLDINGS, LTD.

By: *

Rod Connor
Vice President

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to their Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Kelvin Bloom	President and Director (Principal Executive Officer)	April 27, 2004
* Beverly Kirk	Vice President, Secretary and Director	April 27, 2004
* Rod Connor	Vice President (Principal Financial and Accounting Officer)	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

COLUMBINE MANAGEMENT COMPANY

By: *

Colin V. Reed
President and Chief Executive Officer

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to its Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Colin V. Reed	President, Chief Executive Officer and Director (Principal Executive Officer)	April 27, 2004
* David C. Kloeppel	Executive Vice President and Director (Principal Financial Officer)	April 27, 2004
* Rod Connor	Vice President (Principal Accounting Officer)	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

MAUI CONDOMINIUM AND HOME REALTY, INC.

By: *

Colin V. Reed
President and Chief Executive Officer

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to its Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Colin V. Reed	President and Chief Executive Officer (Principal Executive Officer)	April 27, 2004
* David C. Kloeppel	Executive Vice President and (Principal Financial Officer)	April 27, 2004
* Rod Connor	Vice President (Principal Accounting Officer)	April 27, 2004
* Paul Dobson	Director	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

OFFICE AND STORAGE LLC

By: *

David C. Kloeppel
Manager

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to its registration statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* David C. Kloeppel	Manager (Principal Executive Officer and Principal Financial Officer)	April 27, 2004
* John D. Kloninger	Manager	April 27, 2004
* Rod Connor	Principal Accounting Officer	April 27, 2004

* /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this Amendment No. 4 to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Nashville, State of Tennessee, on the 27th day of April, 2004.

REP HOLDINGS, LTD.

BY: *

Colin V. Reed
Chief Executive Officer

April 27, 2004

Pursuant to the requirements of the Securities Act, this Amendment No. 4 to its registration statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
* Colin V. Reed	Chief Executive Officer (Principal Executive Officer)	April 27, 2004
* Kelvin Bloom	President and Director	April 27, 2004
* David C. Kloeppel	Executive Vice President and Director (Principal Financial Officer)	April 27, 2004
* Rod Connor	Vice President (Principal Accounting Officer)	April 27, 2004

*   /s/ CARTER R. TODD

Carter R. Todd
Attorney-in-fact

EXHIBIT INDEX

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3 to the Registrant’s Current Report on Form 8-K dated October 7, 1997 (File No. 1-13079)).
3.2	Amendment to Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001).
3.3	Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 of the Company’s Registration Statement on Form 10, as amended (File No. 1-13079)).
3.4	Certificate of Formation of CCK Holdings, LLC*
3.5	Amended and Restated Limited Liability Company Agreement of CCK Holdings, LLC*
3.6	Articles of Incorporation of Corporate Magic, Inc.*
3.7	Bylaws of Corporate Magic, Inc.*
3.8	Certificate of Incorporation of Gaylord Creative Group, Inc. (Restated for purposes of EDGAR)*
3.9	Form of Bylaws of Gaylord Creative Group, Inc., Gaylord Investments, Inc., Gaylord Program Services, Inc., Opryland Attractions, Inc., and Opryland Theatricals, Inc.*
3.10	Certificate of Formation of Gaylord Hotels, LLC (restated for purposes of EDGAR)*
3.11	Amended and Restated Limited Liability Company Agreement of Gaylord Hotels, LLC*
3.12	Certificate of Incorporation of Gaylord Investments, Inc.*
3.13	Certificate of Incorporation of Gaylord Program Services, Inc. (restated for purposes of EDGAR)*
3.14	Charter of Grand Ole Opry Tours, Inc.*
3.15	Form of Bylaws of Grand Ole Opry Tours, Inc., Opryland Productions, Inc. and Wildhorse Saloon Entertainment Ventures, Inc.*
3.16	General Partnership Agreement of OLH, G.P. (restated for purposes of EDGAR)*
3.17	Certificate of Formation of OLH Holdings, LLC*
3.18	Limited Liability Company Agreement of OLH Holdings, LLC*
3.19	Certificate of Incorporation of Opryland Attractions, Inc. (restated for purposes of EDGAR)*
3.20	Articles of Organization of Opryland Hospitality, LLC (restated for purposes of EDGAR)*
3.21	Operating Agreement of Opryland Hospitality, LLC (restated for purposes of EDGAR)*
3.22	Certificate of Formation of Opryland Hotel-Texas, LLC*
3.23	Operating Agreement of Opryland Hotel-Texas, LLC (restated for purposes of EDGAR)*
3.24	Certificate of Limited Partnership of Opryland Hotel-Florida Limited Partnership (restated for purposes of EDGAR)*
3.25	Limited Partnership Agreement of Opryland Hotel-Florida Limited Partnership (restated for purposes of EDGAR)*
3.26	Certificate of Limited Partnership of Opryland Hotel-Texas Limited Partnership*
3.27	Limited Partnership Agreement of Opryland Hotel-Texas Limited Partnership*
3.28	Charter of Opryland Productions, Inc. (restated for purposes of EDGAR)*
3.29	Certificate of Incorporation of Opryland Theatricals, Inc.*
3.30	Charter of Wildhorse Saloon Entertainment Ventures, Inc. (restated for purposes of EDGAR)*
3.31	Certificate of Incorporation of ResortQuest International, Inc. (restated for purposes of EDGAR)*
3.32	Bylaws of ResortQuest International, Inc.*
3.33	Form of Articles of Organization of Abbott & Andrews Realty, LLC, Abbott Resorts, LLC, Advantage Vacation Homes by Styles, LLC, Bluebill Properties, LLC, Coastal Real Estate Sales, LLC, Priscilla Murphy Realty, LLC, Styles Estates, LLC, and Tops’l Club of NW Florida, LLC*
3.34	Form of Limited Liability Company Declaration of Abbott & Andrews Realty, LLC and Tops’l Club of NW Florida, LLC*
3.35	Articles of Incorporation of Abbott Realty Services, Inc. (restated for purposes of EDGAR)*
3.36	Bylaws of Abbott Realty Services, Inc.*

Exhibit No.	Description
3.37	Form of Limited Liability Company Declaration of Abbott Resorts, LLC, Advantage Vacation Homes by Styles, LLC, Bluebill Properties, LLC, Coastal Real Estate Sales, LLC, Priscilla Murphy Realty, LLC, and Styles Estates, LLC*
3.38	Articles of Incorporation of Accommodations Center, Inc.*
3.39	Bylaws of Accommodations Center, Inc.*
3.40	Articles of Incorporation of B&B on the Beach, Inc.*
3.41	Bylaws of B&B on the Beach, Inc.*
3.42	Certificate of Incorporation of Base Mountain Properties, Inc. (restated for purposes of EDGAR)*
3.43	Bylaws of Base Mountain Properties, Inc.*
3.44	Articles of Incorporation of Brindley & Brindley Realty & Development, Inc. (restated for purposes of EDGAR)*
3.45	Form of Bylaws of Brindley & Brindley Realty & Development, Inc., Coastal Resorts Management, Inc., First Resort Software, Inc., Maui Condominium and Home Realty, Inc., Telluride Resort Accommodations, Inc., THE Management Company, The Maury People, Inc., and Trupp-Hodnett Enterprises, Inc. (restated for purposes of EDGAR)*
3.46	Certificate of Incorporation of Coastal Resorts Management, Inc. (restated for purposes of EDGAR)*
3.47	Certificate of Formation of Coastal Resorts Realty L.L.C. (restated for purposes of EDGAR)*
3.48	Amended and Restated Limited Liability Company Agreement of Coastal Resorts Realty L.L.C. (restated for purposes of EDGAR)*
3.49	Certificate of Incorporation of Coates, Reid & Waldron, Inc. (restated for purposes of EDGAR)*
3.50	Form of Bylaws of Coates, Reid & Waldron, Inc., Exclusive Vacation Properties, Inc. and Steamboat Premier Properties, Inc.*
3.51	Articles of Incorporation of Collection of Fine Properties, Inc. (restated for purposes of EDGAR)*
3.52	Bylaws of Collection of Fine Properties, Inc.*
3.53	Articles of Incorporation of Columbine Management Company (restated for purposes of EDGAR)*
3.54	Bylaws of Columbine Management Company*
3.55	Articles of Incorporation of Cove Management Services, Inc.*
3.56	Bylaws of Cove Management Services, Inc.*
3.57	Certificate of Incorporation of CRW Property Management, Inc. (restated for purposes of EDGAR)*
3.58	Form of Bylaws of CRW Property Management, Inc. and K-T-F Acquisition Co.*
3.59	Certificate of Incorporation of Exclusive Vacation Properties, Inc. (restated for purposes of EDGAR)*
3.60	Articles of Incorporation of First Resort Software, Inc. (restated for purposes of EDGAR)*
3.61	Certificate of Incorporation of High Country Resorts, Inc. (restated for purposes of EDGAR)*
3.62	Form of Bylaws of High Country Resorts, Inc., Plantation Resort Management, Inc., Ridgepine, Inc. and Scottsdale Resort Accommodations, Inc.*
3.63	Amended and Restated Articles of Incorporation of Houston and O’Leary Company (restated for purposes of EDGAR)*
3.64	Bylaws of Houston and O’Leary Company*
3.65	Certificate of Incorporation of K-T-F Acquisition Co.*
3.66	Articles of Incorporation of Maui Condominium and Home Realty, Inc.*
3.67	Certificate of Incorporation of Mountain Valley Properties, Inc. (restated for purposes of EDGAR)*
3.68	Bylaws of Mountain Valley Properties, Inc.*
3.69	Articles of Organization of Office & Storage LLC*

Exhibit No.	Description
3.70	Operating Agreement of Office and Storage LLC*
3.71	Articles of Organization of Peak Ski Rentals LLC (restated for purposes of EDGAR)*
3.72	Operating Agreement of Peak Ski Rentals LLC*
3.73	Certificate of Incorporation of Plantation Resort Management, Inc. (restated for purposes of EDGAR)*
3.74	Articles of Incorporation of R&R Resort Rental Properties, Inc.*
3.75	Bylaws of R&R Resort Rental Properties, Inc.*
3.76	Articles of Incorporation of REP Holdings, LTD.*
3.77	Bylaws of REP Holdings, LTD.*
3.78	Articles of Incorporation of Resort Property Management, Inc.*
3.79	Bylaws of Resort Property Management, Inc.*
3.80	Articles of Organization of Resort Rental Vacations, LLC (restated for purposes of EDGAR)*
3.81	Operating Agreement of Resort Rental Vacations, LLC*
3.82	Articles of Organization of ResortQuest Hawaii, LLC*
3.83	Operating Agreement of ResortQuest Hawaii, LLC*
3.84	Certificate of Incorporation of ResortQuest Hilton Head, Inc. (restated for purposes of EDGAR)*
3.85	Bylaws of ResortQuest Hilton Head, Inc.*
3.86	Certificate of Formation of ResortQuest Southwest Florida, LLC (restated for purposes of EDGAR)*
3.87	Operating Agreement of ResortQuest Southwest Florida, LLC*
3.88	Certificate of Incorporation of Ridgepine, Inc. (restated for purposes of EDGAR)*
3.89	Articles of Incorporation of RQI Holdings, Ltd.*
3.90	Bylaws of RQI Holdings, Ltd.*
3.91	Articles of Incorporation of Ryan’s Golden Eagle Management, Inc. (restated for purposes of EDGAR)*
3.92	Bylaws of Ryan’s Golden Eagle Management, Inc.*
3.93	Certificate of Incorporation of Scottsdale Resort Accommodations, Inc. (restated for purposes of EDGAR)*
3.94	Certificate of Incorporation of Steamboat Premier Properties, Inc. (restated for purposes of EDGAR)*
3.95	Amended and Restated Articles of Incorporation of Telluride Resort Accommodations, Inc.*
3.96	Articles of Incorporation of Ten Mile Holdings, Ltd.*
3.97	Bylaws of Ten Mile Holdings, Ltd.*
3.98	Articles of Incorporation of THE Management Company (restated for purposes of EDGAR)*
3.99	Articles of Organization of The Maury People, Inc.*
3.100	Articles of Incorporation of The Tops’l Group, Inc.*
3.101	By-laws of The Tops’l Group, Inc.*
3.102	Articles of Incorporation of Trupp-Hodnett Enterprises, Inc. (restated for purposes of EDGAR)*
4.1	Indenture, dated as of November 12, 2003, by and between the Company, certain of its subsidiaries and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company’s Current Report on Form 8-K dated November 13, 2003 (File No: 001-13079)).
4.2	First Supplemental Indenture, dated as of November 20, 2003, by and between the Company, certain of its subsidiaries and U.S. Bank National Association, as Trustee*
4.3	Reference is made to exhibits 3.1, 3.2 and 3.3 hereof.
5.1	Opinion of Bass, Berry & Sims PLC.**
5.2	Opinion of Carter R. Todd, Esq.*

Exhibit No.	Description
8.1	Tax Matters Opinion of Bass, Berry & Sims PLC**
10.1	Registration Rights Agreement, dated as of November 12, 2003, between the registrants signatory thereto and the Initial Purchasers (as defined therein) with respect to the Company's 8% Senior Notes Due 2013.*
12.1	Statement Regarding Computation of Ratios*
23.1	Consent of Ernst & Young LLP (for Gaylord)*
23.2	Consent of Deloitte & Touche LLP (for ResortQuest)*
23.3	Consent of Bass, Berry & Sims PLC (included in Exhibit 5.1 and Exhibit 8.1)
23.4	Consent of Carter R. Todd, Esq. (included in Exhibit 5.2)
24.1	Power of Attorney for Gaylord Entertainment Company and each of the Co-Registrants (contained on signature pages)*
25.1	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of U.S. Bank National Association*
99.1	Letter of Transmittal*
99.2	Notice of Guaranteed Delivery*
99.3	Letter to Registered Holders and Depository Trust Company Participants*
99.4	Letter to Clients*

* previously filed.

** filed herewith.

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EXHIBIT 5.1

BASS, BERRY & SIMS PLC

KNOXVILLE OFFICE
900 SOUTH GAY STREET, SUITE 1700
KNOXVILLE, TN 37902
(865) 521-6200

MEMPHIS OFFICE
THE TOWER AT PEABODY PLACE
100 PEABODY PLACE, SUITE 950
MEMPHIS, TN 38103-2625
(901) 543-5900

A PROFESSIONAL LIMITED LIABILITY COMPANY
ATTORNEYS AT LAW

Reply To:
AMSOUTH CENTER
315 DEADERICK STREET, SUITE 2700
NASHVILLE, TN 37238-3001
(615) 742-6200

www.bassberry.com

DOWNTOWN OFFICE
AMSOUTH CENTER
315 DEADERICK STREET, SUITE 2700
NASHVILLE, TN 37238-3001
(615) 742-6200

MUSIC ROW OFFICE:
29 MUSIC SQUARE EAST
NASHVILLE, TN 37203-4322
(615) 255-6161

January 9, 2004

Gaylord Entertainment Company
One Gaylord Drive
Nashville, Tennessee 37214

RE: $500,000,000 AGGREGATE OFFERING PRICE OF SECURITIES OF GAYLORD ENTERTAINMENT COMPANY (THE "COMPANY")

Ladies and Gentlemen:

In connection with the registration statement on Form S-3 (the "Registration Statement") filed on January 9, 2004 with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), you have requested our opinion with respect to the matters set forth below.

You have provided us with a draft prospectus (the "Prospectus") which is a part of the Registration Statement. The Prospectus provides that it will be supplemented in the future by one or more supplements to the Prospectus (each a "Prospectus Supplement"). The Prospectus as supplemented by various Prospectus Supplements will provide for the registration by the Company of up to $500,000,000 aggregate offering price of (i) one or more series of senior, senior subordinated or subordinated debt securities (the "Debt Securities") to be issued pursuant to an Indenture between the Company and U.S. Bank National Association as Trustee, which may be supplemented for any series of Debt Securities (the "Indenture"), (ii) guarantees of the Debt Securities made by one or more of your wholly owned subsidiaries listed as co-registrants in the Registration Statement (the "Guarantees"), (iii) one or more series of preferred stock, par value $0.01 per share (the "Preferred Stock"), (iv) shares of Common Stock, $0.01 par value per share ("Common Stock"), or (v) warrants to purchase Common Stock (the "Warrants"). The Debt Securities, the Guarantees, Preferred Stock, Common Stock and Warrants are collectively referred to herein as the "Securities." Any Debt Securities may be exchangeable and/or convertible into shares of Common Stock or Preferred Stock. The Preferred Stock may also be exchangeable for and/or convertible into shares of Common Stock or another series of Preferred Stock.

In our capacity as your counsel in connection with the Registration Statement, we are familiar with the proceedings taken and proposed to be taken by the Company in connection with the authorization and issuance of the Securities, and for the purposes of this opinion, have assumed that such proceedings will be timely completed in the manner presently proposed. In addition, we have made such legal and factual examinations and inquiries, including an examination of originals and copies certified or otherwise identified to our satisfaction of such documents, corporate records and instruments, as we have deemed necessary or appropriate for purposes of this opinion.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as copies.

We have been furnished with, and with your consent have exclusively relied upon, certificates of officers of the Company with respect to certain factual matters. In addition, we have obtained and relied upon such certificates and assurances from public officials as we have deemed necessary. This opinion letter is given, and all statements herein are made, in the context of the foregoing.

In rendering this opinion, we are relying, with your approval, to the extent that the laws of jurisdictions of organization of the wholly owned subsidiaries of the Company listed as co-registrants on the Registration Statement that may issue Guarantees (other than Delaware and Tennessee) are relevant, upon an opinion letter of Carter R. Todd, Senior Vice President, General Counsel and Secretary of the Company, addressed to you and of even date herewith, with respect to the matters addressed therein.

Subject to the foregoing and the other matters set forth herein, it is our opinion that as of the date hereof:

1. When (a) the Debt Securities have been duly established in accordance with the indenture (including, without limitation, the adoption by the Board of Directors of the Company of a resolution duly authorizing the issuance and delivery of the Debt Securities), duly authenticated by the Trustee and duly executed and delivered on behalf of the Company against payment therefor in accordance with the terms and provisions of such Indenture and as contemplated by the Registration Statement, the Prospectus and the related Prospectus Supplement(s), and (b) when the Registration Statement and any required post-effective amendment thereto and any and all Prospectus Supplement(s) required by applicable laws have all become effective under the Securities Act, and (c) assuming that the terms of the Debt Securities as executed and delivered are as described in the Registration Statement, the Prospectus and the related Prospectus Supplement(s), and (d) assuming that the Debt Securities as executed and delivered do not violate any law applicable to the Company or result in a default under or breach of any agreement or instrument binding upon the Company, and (e) assuming that the Debt Securities as executed and delivered comply with all requirements and restrictions, if any, applicable to the Company, whether imposed by any court or governmental or regulatory body having jurisdiction over the Company, and (f) assuming that the Debt Securities are then issued and sold as contemplated in the Registration Statement, the Prospectus and the related Prospectus

Supplement(s), the Debt Securities will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with the terms of the Debt Securities.

2. When (a) the Debt Securities and Guarantees have been duly established in accordance with the Indenture (including, without limitation, the adoption by the Board of Directors of the Company or of its Subsidiaries (or comparable proceedings of the managing board or entity of any subsidiary that is not a corporation) of a resolution duly authorizing the issuance and delivery of the Debt Securities and Guarantees), duly authenticated by the Trustee and duly executed and delivered on behalf of the Company and the relevant subsidiaries of the Company against payment therefor in accordance with the terms and provisions of such Indenture and as contemplated by the Registration Statement, the Prospectus and the related Prospectus Supplement(s), and (b) when the Registration Statement and any required post-effective amendment thereto and any and all Prospectus Supplement(s) required by applicable laws have all become effective under the Securities Act, and (c) assuming that the terms of the Debt Securities and related Guarantees as executed and delivered are as described in the Registration Statement, the Prospectus and the related Prospectus Supplement(s), and (d) assuming that the Debt Securities and related Guarantees as executed and delivered do not violate any law applicable to the Company or relevant subsidiaries of the Company or result in a default under or breach of any agreement or instrument binding upon the Company or relevant subsidiaries of the Company, and (e) assuming that the Debt Securities as executed and delivered comply with all requirements and restrictions, if any, applicable to the Company, and the Guarantees comply with all requirements and restrictions, if any, applicable to the relevant subsidiaries of the Company making the guarantees, in any case whether imposed by any court or governmental or regulatory body having jurisdiction over the Company or such subsidiaries, and (f) assuming that the Debt Securities and the related Guarantees are then issued and sold as contemplated in the Registration Statement, the Prospectus and the related Prospectus Supplement(s), the Guarantees will constitute valid and legally binding obligations of such subsidiaries, enforceable against such subsidiaries in accordance with the terms of the Guarantees.

3. When a new class or series of Preferred Stock has been duly established in accordance with the terms of the Company's Certificate of Incorporation, as amended, and Bylaws and applicable law, and upon adoption by the Board of Directors of the Company of a resolution in form and content as required by applicable law and when appropriate articles of amendment to the Company's Certificate of Incorporation relating to such class or series of Preferred Stock have been duly approved by the Company's board of directors and been filed with and accepted for record by the Secretary of State of the State of Delaware, when the Registration Statement and any required post-effective amendment(s) thereto and any and all Prospectus Supplement(s) required by applicable laws have become effective under the Securities Act, and upon issuance and delivery of and payment for such shares in the manner contemplated by the Registration Statement, the Prospectus and the related Prospectus Supplement(s) and by such resolution, such shares of such class or series of Preferred Stock (including any Preferred Stock duly issued (i) upon the exchange or conversion of any shares of Preferred Stock that are exchangeable or convertible into another class or series of Preferred Stock, or (ii) upon the exchange or conversion of Debt Securities that are exchangeable or convertible into Preferred Stock) will be validly issued, fully paid and nonassessable.

4. Upon adoption by the Board of Directors of the Company of a resolution in form and content as required by applicable law authorizing the issuance and sale of Common Stock and upon issuance and delivery of and payment for such shares in the manner contemplated by the Registration Statement, the Prospectus and the related Prospectus Supplement(s) and by such resolution, such shares of Common Stock being issued by the Company (including any Common Stock duly issued (i) upon the exchange or conversion of any shares of Preferred Stock that are exchangeable or convertible into Common Stock, (ii) upon the exercise of any duly issued Warrants exercisable for Common Stock or (iii) upon the exchange or conversion of Debt Securities that are exchangeable or convertible into Common Stock) will be validly issued, fully paid and nonassessable.

5. (a) When a warrant agreement relating to the Warrants has been duly authorized, executed and delivered and the Warrants and the securities of the Company into which the Warrants will be exercisable have been duly authorized by the Company's board of directors, (b) when the terms of the Warrants and of their issuance and sale have been duly established in conformity with the Company's Certificate of Incorporation and bylaws and the warrant agreement, and (c) when the Registration Statement and any required post-effective amendment thereto and any and all Prospectus Supplement(s) required by applicable law have all become effective under the Securities Act and (d) assuming that the terms of the Warrants as executed and delivered are as described in the Registration Statement, the Prospectus and the related Prospectus Supplement(s), and (e) assuming that the Warrants, as executed and delivered, do not violate any law applicable to the Company or result in a default under or breach of any agreement or instrument binding upon the Company, and (f) assuming that the Warrants as executed and delivered comply with all requirements and restrictions, if any, applicable to the Company, whether imposed by any court or governmental or regulatory body having jurisdiction over the Company, and (g) assuming that the Warrants are then issued and sold as contemplated in the Registration Statement, the Prospectus and the Prospectus Supplement(s), the Warrants, will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

6. When (a) the Registration Statement and any required post-effective amendment thereto and any and all Prospectus Supplement(s) required by applicable laws have all become effective under the Securities Act, and (b) when the Debt Securities have been duly executed and delivered by all parties thereto, and (c) assuming that the applicable Indenture does not violate any law applicable to the Company or result in a default under or breach of any agreement or instrument binding upon the Company, and (d) assuming that the applicable Indenture complies with all requirements and restrictions, if any, applicable to the Company, whether imposed by any court or governmental or regulatory body having jurisdiction over the Company, and (e) assuming that the Debt Securities are then issued and sold as contemplated in the Registration Statement, the Prospectus and the related Prospectus Supplement(s), such Indenture will constitute the valid and legally binding obligation of the Company, enforceable against the Company under the laws of the State of New York in accordance with the terms of such Indenture.

The opinions set forth in paragraphs 1, 2, 5 and 6 above are subject to the following exceptions, limitations and qualifications: (i) the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights or remedies of creditors; and (ii) the effect of general principles of equity, whether enforcement is considered in a proceeding in equity or at law, and the discretion of the court before which any proceeding therefor may be brought.

To the extent that the obligations of the Company under any applicable Indenture may be dependent on such matters, we assume for purposes of this opinion that the Trustee is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; that the Trustee is duly qualified to engage in the activities contemplated by such Indenture; that such Indenture has been duly authorized, executed and delivered by the Trustee and constitutes the legally valid, binding and enforceable obligation of the Trustee, enforceable against the Trustee in accordance with its terms; that the Trustee is in compliance, generally and with respect to acting as a trustee under such Indenture, with all applicable laws and regulations; and that the Trustee has the requisite organizational and legal power and authority to perform its obligations under such Indenture.

We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the Prospectus included therein. In giving this consent, we do not thereby admit that we are an "expert" within the meaning of the Securities Act of 1933, as amended.

This opinion is rendered in connection with the transactions covered hereby.

Very truly yours,

/s/ Bass, Berry & Sims PLC

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EXHIBIT 8.1

BASS, BERRY & SIMS PLC
A PROFESSIONAL LIMITED LIABILITY COMPANY
ATTORNEYS AT LAW

KNOXVILLE OFFICE
900 SOUTH GAY STREET, SUITE 1700
KNOXVILLE, TN 37902
(865) 521-6200

MEMPHIS OFFICE
THE TOWER AT PEABODY PLACE
100 PEABODY PLACE, SUITE 950
MEMPHIS, TN 38103-2625
(901) 543-5900

REPLY TO:
AMSOUTH CENTER
315 DEADERICK STREET, SUITE 2700
NASHVILLE, TN 37238-3001
(615) 742-6200

WWW.BASSBERRY.COM

DOWNTOWN OFFICE:
AMSOUTH CENTER
315 DEADERICK STREET, SUITE 2700
NASHVILLE, TN 37238-3001
(615) 742-6200

MUSIC ROW OFFICE:
29 MUSIC SQUARE EAST
NASHVILLE, TN 37203-4322
(615) 255-6161

January 9, 2004

Gaylord Entertainment Company
One Gaylord Drive
Nashville, Tennessee 37214

Re: Offer for All Outstanding 8% Senior Notes Due 2013 of Gaylord Entertainment Company in Exchange for 8% Senior Notes Due 2013 of Gaylord Entertainment Company - Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as counsel to Gaylord Entertainment Company, a Delaware corporation (the "Company"), and the Guarantors (as defined below) in connection with the public offering of up to $350,000,000 aggregate principal amount of 8% Senior Notes Due 2013 (the "New Notes") of the Company that are to be guaranteed on an unsecured senior basis (the "Guarantees") by the subsidiaries of the Company listed on Schedule I attached hereto (the subsidiary guarantors set forth on Schedule I attached hereto being collectively referred to herein as the "Guarantors"). The New Notes are to be issued pursuant to an exchange offer (the "Exchange Offer") in exchange for a like principal amount and denomination of the Company's issued and outstanding 8% Senior Notes Due 2013 (the "Old Notes"), as contemplated by the Registration Rights Agreement dated as of November 12, 2003 (the "Registration Rights Agreement"), by and among the Company, the Guarantors, Banc of America Securities LLC, Deutsche Bank Securities, Inc., CIBC World Markets Corp., Fleet Securities, Inc. and Citigroup Global Markets Inc. The Old Notes were issued, and the New Notes will be issued, under an Indenture, dated as of November 12, 2003, as supplemented by Supplemental Indenture dated November 20, 2003 (collectively, the "Indenture"), by and among the Company, the Guarantors and U.S. Bank National Association as Trustee (the "Trustee").

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of (i) the Registration Statement on Form S-4 of the Company relating to the Exchange Offer, as filed with the Securities and Exchange Commission (the "Commission") on January 9, 2004 (such Registration Statement, as amended to date, being hereinafter referred to as the "Registration Statement"); (ii) an executed copy of the Registration Rights Agreement; (iii) an executed copy of the Indenture; (iv) the Form T-1 of the Trustee filed as an exhibit to the Registration Statement; (v) the form of the New Notes; and (vi) executed copies of the Guarantees. We also have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of such records, documents, certificates and other instruments as in our judgment are necessary or appropriate in order to express the opinions hereinafter set forth.

Based on the foregoing, the statements in the Registration Statement set forth under the caption "Material U.S. Federal Income Tax Considerations," constitute our opinion of the material U.S. federal income tax considerations applicable to the offering of the New Notes. In arriving at the opinion expressed above, we have assumed that the New Notes will be duly executed and delivered in substantially the forms set forth in the Indenture and will be issued as described in the Registration Statement.

You should be aware that the above opinions are based on our interpretations of current law, including court authority and existing final and temporary U.S. Treasury regulations, which law is subject to change both prospectively and retroactively. Our opinions are not binding on the Internal Revenue Service or a court and there can be no assurance that the Internal Revenue Service will not take a contrary position or that a court would agree with our opinions if litigated. Our opinion is rendered as of the date hereof and we assume no obligation to update or supplement this opinion or any matter related to this opinion to reflect any change of fact, circumstances or law after the date hereof. In the event any one of the factual statements, representations or assumptions of factual matters we have relied upon to issue this opinion is incorrect, our opinion may be adversely affected.

This opinion is rendered in connection with the Registration Statement. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. We also consent to all references to Bass, Berry & Sims PLC included in or made part of the Registration Statement and to the discussion of our opinion in the Registration Statement. In giving this consent, we do not admit that we are in the category of persons whose consent is required by Section 7 of the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder by the Securities and Exchange Commission.

No opinion has been sought and none has been given concerning the tax treatment of the issuance and sale of the Notes under the laws of any other country or any state or locality.

Very truly yours,

/s/ Bass, Berry & Sims PLC

SCHEDULE I

LIST OF GUARANTORS

NAME OF GUARANTOR	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION AND FORM OF ORGANIZATION
CCK Holdings, LLC	Delaware limited liability company
Corporate Magic, Inc.	Texas corporation
Gaylord Creative Group, Inc.	Delaware corporation
Gaylord Hotels, LLC	Delaware limited liability company
Gaylord Investments, Inc.	Delaware corporation
Gaylord Program Services, Inc.	Delaware corporation
Grand Ole Opry Tours, Inc.	Tennessee corporation
OLH, G.P.	Tennessee general partnership
OLH Holdings, LLC	Delaware limited liability company
Opryland Attractions, Inc.	Delaware corporation
Opryland Hospitality, LLC	Tennessee limited liability company
Opryland Hotel-Florida Limited Partnership	Florida limited partnership
Opryland Hotel-Texas Limited Partnership	Delaware limited partnership
Opryland Hotel-Texas, LLC	Delaware limited liability company
Opryland Productions, Inc.	Tennessee corporation
Opryland Theatricals, Inc.	Delaware corporation
Wildhorse Saloon Entertainment Ventures, Inc.	Tennessee corporation
ResortQuest International, Inc.	Delaware corporation
Abbott & Andrews Realty, LLC	Florida limited liability company
Abbott Realty Services, Inc.	Florida corporation
Abbott Resorts, LLC	Florida limited liability company
Accommodations Center, Inc.	Colorado corporation
Advantage Vacation Homes by Styles, LLC	Florida limited liability company
B&B on the Beach, Inc.	North Carolina corporation
Base Mountain Properties, Inc.	Delaware corporation
Bluebill Properties, LLC	Florida limited liability company
Brindley & Brindley Realty & Development, Inc.	North Carolina corporation
Coastal Real Estate Sales, LLC	Florida limited liability company
Coastal Resorts Management, Inc.	Delaware corporation
Coastal Resorts Realty, L.L.C.	Delaware limited liability company
Coates, Reid & Waldron, Inc.	Delaware corporation
Collection of Fine Properties, Inc.	Colorado corporation
Columbine Management Company	Colorado corporation
Cove Management Services, Inc.	California corporation
CRW Property Management, Inc.	Delaware corporation
Exclusive Vacation Properties, Inc.	Delaware corporation
First Resort Software, Inc.	Colorado corporation
High Country Resorts, Inc.	Delaware corporation
Houston and O'Leary Company	Colorado corporation
K-T-F Acquisition Co.	Delaware corporation
Maui Condominium and Home Realty, Inc.	Hawaii corporation
Mountain Valley Properties, Inc.	Delaware corporation
Office and Storage LLC	Hawaii limited liability company
Peak Ski Rentals LLC	Colorado limited liability company
Plantation Resort Management, Inc.	Delaware corporation
Priscilla Murphy Realty, LLC	Florida limited liability company
R&R Resort Rental Properties, Inc.	North Carolina corporation

NAME OF GUARANTOR	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION AND FORM OF ORGANIZATION
REP Holdings, Ltd.	Hawaii corporation
Resort Property Management, Inc.	Utah corporation
ResortQuest Hawaii, LLC	Hawaii limited liability company
ResortQuest Hilton Head, Inc.	Delaware corporation
ResortQuest Southwest Florida, LLC	Delaware limited liability company
Ridgepine, Inc.	Delaware corporation
RQI Holdings, Ltd.	Hawaii corporation
Ryan's Golden Eagle Management, Inc.	Montana corporation
Scottsdale Resort Accommodations, Inc.	Delaware corporation
Steamboat Premier Properties, Inc.	Delaware corporation
Styles Estates, LLC	Florida limited liability company
Telluride Resort Accommodations, Inc.	Colorado corporation
Ten Mile Holdings, Ltd.	Colorado corporation
THE Management Company	Georgia corporation
The Maury People, Inc.	Massachusetts corporation
The Tops'l Group, Inc.	Florida corporation
Tops'l Club of NW Florida, LLC	Florida limited liability company
Trupp-Hodnett Enterprises, Inc.	Georgia corporation