

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the fiscal year ended December 31, 2004

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

For the transition period from to

Commission File No. 1-13079

GAYLORD ENTERTAINMENT COMPANY

(Exact name of Registrant as Specified in its Charter)

Delaware
*(State or Other Jurisdiction of
Incorporation or Organization)*

73-0664379
*(I.R.S. Employer
Identification No.)*

One Gaylord Drive, Nashville, Tennessee
(Address of Principal Executive Offices)

37214
(Zip Code)

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

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

Common Stock — \$.01 par value
(Title of Class)

New York Stock Exchange
(Name of Exchange on Which Registered)

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

NONE
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

The aggregate market value of the shares of Common Stock held by non-affiliates of the registrant based on the closing price of the Common Stock on the New York Stock Exchange June 30, 2004 was approximately \$1,227,499,860.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

As of March 1, 2005, there were 39,991,701 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held May 5, 2005 are incorporated by reference into Part III of this Form 10-K.



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GAYLORD ENTERTAINMENT COMPANY

2004 FORM 10-K ANNUAL REPORT

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PART I

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

Item 1. *Business*

We are 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 and spa 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. (“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), with a branded network of vacation rental properties. As of December 31, 2004, ResortQuest provided management services to approximately 18,000 vacation rental properties, approximately 17,000 of which were under exclusive management contracts and approximately 1,000 of which were 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.

We were originally incorporated in 1956 and were reorganized in connection with a 1997 corporate restructuring. Our operations are organized into four principal business segments: (i) Hospitality, which includes our hotel operations; (ii) ResortQuest; (iii) Opry and Attractions, which includes our Nashville attractions and assets related to the Grand Ole Opry; and (iv) Corporate and Other. These four business segments — Hospitality, ResortQuest, Opry and Attractions, and Corporate and Other — represented approximately 63%, 28%, 9%, and 0%, respectively, of total revenues in the year ended December 31, 2004. Financial information by industry segment and our Gaylord hotel properties as of December 31, 2004 and for each of the three years in the period then ended, appears in Item 6, “Selected Financial Data,” and Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in the Financial Reporting by Business Segments note (Note 20) to our Consolidated Financial Statements included in this Annual Report on Form 10-K.

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. The Grand Ole Opry is one of the brands best-known by the “country lifestyle” consumer, which we estimate to number approximately 70 million people 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 and spa 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 hotels claiming a place among the leading convention hotels in the country.

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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, and are scheduled to open the Gaylord National Resort & Convention Center in the Washington, D.C. area in 2008. 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 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. 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 completed a number of cost saving opportunities and synergies, including eliminating redundant functions and optimization of the combined company's infrastructure.

Industry Description

Hospitality

According to *Tradeshaw 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 include 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 often have more than 1,000 guest rooms and, on average, contain approximately 108,000 square feet of exhibit space and 41 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 requires 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 and 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.

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Largest Hotel Exhibit Hall Rankings 2004

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*
Gaylord Opryland Resort & Convention Center	Nashville, TN	288,972	85	300,000
Wyndham Anatole Hotel	Dallas, TX	231,000**	76	341,620
Adam's Mark International Conference & Exposition Center	Dallas, TX	230,000	67	99,000*
Hyatt Regency Chicago's Riverside Center	Chicago, IL	225,000	63	103,500*
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

*Space also included in Total Exhibit Space

**Space also included in Total Meeting Space

Source: the Company; *Tradeshow Week Major Exhibit Hall Directory 2004*

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 the Gaylord Palms in January 2002 and our new Gaylord Texan on April 2, 2004, and have purchased land for the development of the Gaylord National 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 does not come to the Nashville market and will seek to gain additional business at Gaylord Opryland in Nashville once these groups have experienced a Gaylord hotel in other markets.

Gaylord Opryland Resort and Convention Center — Nashville, Tennessee. Our flagship, Gaylord Opryland in Nashville, is one of the leading convention destinations in the United States 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 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 Links (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 380,000 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

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by many publications, receiving *Meeting and Convention's* Gold Key Elite Award and being named Best Florida Resort by *Florida Monthly* for 2003 and 2004.

Gaylord Texan Resort and Convention Center — Grapevine, Texas. We began construction on our new Gaylord Texan 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, our Texas hotel 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. Earlier this year, the Gaylord Texan was named the Development of the Year (prevailing over the other finalists, Mandarin Oriental in Washington, D.C. and the Omni Resort at ChampionsGate) by the Americas Lodging Investment Summit.

Gaylord National Resort and Convention Center — Prince George's County, Maryland. We have announced plans to develop a hotel, to be known as the Gaylord National Resort & Convention Center and to be constructed on approximately 42 acres of land we acquired on February 24, 2005 located on the Potomac River in Prince George's County, Maryland (in the Washington, D.C. market). We currently expect to open the hotel in 2008. In connection with this project, Prince George's County, Maryland approved, in July 2004, two bond issues related to our development. The first bond issuance, in the amount of \$65 million, will support the cost of infrastructure being constructed by the project developer, such as roads, water and sewer lines. The second bond issuance, in the amount of \$95 million, will be issued directly to us upon completion of the project. We will initially hold the bonds and receive the debt service thereon which is payable from tax increment, hotel tax and special hotel rental taxes generated from our development. We refer to this project as our Gaylord National hotel project.

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.

Our management is also considering other sites to locate future Gaylord Hotel properties.

ResortQuest

ResortQuest's rental properties are generally second homes or investment properties owned by individuals who assign to ResortQuest the responsibility of managing, marketing and renting their properties. ResortQuest earns management fees as a percentage of the rental income from each property, but generally has no ownership interest in the properties. In addition to the vacation property management business, ResortQuest offers real estate brokerage services and other rental and property owner services.

ResortQuest provides value-added services to both vacationers and property owners. For vacationers, ResortQuest offers the value, convenience and features of a condominium or home while providing many of the amenities and services of a hotel, such as centralized billing, check-in and housekeeping services. For property owners, ResortQuest offers a comprehensive package of marketing, management and rental services designed to enhance rental income and profitability while providing services to maintain the property. Property owners also benefit from ResortQuest's QuestPerks program, which offers benefits such as discounts on lodging, air travel and car rentals. To manage guests' expectations, ResortQuest has developed and implemented a five-tier rating system that segments its property portfolio into five categories: Quest Home, Platinum, Gold, Silver and Bronze.

Utilizing its marketing database, ResortQuest markets its properties through various media channels, including direct mail and targeted advertising solicitations. ResortQuest has significant distribution through ResortQuest.com, its proprietary website offering "real-time" reservations, and its inventory distribution partnerships that include Expedia, Travelocity, Condosaver, retail travel agents, travel wholesalers and others. ResortQuest is constantly enhancing its website to improve the booking experience for leisure travelers. In addition to detailed property descriptions, virtual tours, interior and exterior photos, floor plans and local information, vacationers can search for properties by date, activity, event or location; comparison shop among similar vacation rental units; check for special discounts and promotions; and obtain maps and driving directions.

On January 2, 2005 ResortQuest completed the acquisition from East West Resorts of vacation rental units in Aspen and Breckenridge, Colorado and the South Carolina beach destinations of Hilton Head and the Charleston Outer Islands, specifically Kiawah Island, Seabrook Island, Sullivan's Island and Isle of Palms. On February 1, 2005 ResortQuest acquired the Whistler, British Columbia lodging business of O'Neill Hotels and Resorts, Ltd. As a result of these acquisitions, ResortQuest had over 19,000 units under exclusive management as of March 1, 2005.

Opry and Attractions

The Grand Ole Opry. The Grand Ole Opry, which will celebrate its 80th anniversary in 2005, 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, seats approximately 4,400

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and 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 WSM-AM and on satellite radio via Sirius Satellite Radio. In addition, the Grand Ole Opry is broadcast weekly on television via the Great American Country network and CMT-Canada. The broadcast of the Grand Ole 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 produces a two hour show each week that is aired on 205 radio stations across the country through syndication of "America's Grand Ole Opry Weekend," which is distributed by Westwood One and also on the Armed Forces Radio Network. 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 January to February 2005. In 2003 and 2004, the Ryman Auditorium was named "Theatre of the Year" by Pollstar Concert Industry Awards.

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 Links. Home to a Senior PGA Tour event from 1994 to 2003 and minutes from Gaylord Opryland, the Springhouse Links 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, as well as 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 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 sells all of the commercial advertising on WSM-AM and provides 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 26.6% 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.

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Nashville Predators. On February 22, 2005, we concluded the settlement of litigation with the Nashville Hockey Club Limited Partnership (“NHC”), which owns the Nashville Predators NHL hockey team, over (i) NHC’s obligation to redeem our ownership interest, and (ii) our obligations under the Nashville Arena Naming Rights Agreement dated November 24, 1999. Under the Naming Rights Agreement, which had an original 20-year term, we were required to make annual payments to NHC, beginning at \$2,050,000 in 1999 and with a 5% escalation each year thereafter, and to purchase a minimum number of tickets to Predators games each year. At the closing of the settlement, NHC redeemed all of our outstanding limited partnership units in the Predators pursuant to a Purchase Agreement dated February 22, 2005, effectively terminating our ownership interest in the Predators. In addition, the Naming Rights Agreement was cancelled pursuant to the Acknowledgment of Termination of Naming Rights Agreement.

As a part of the settlement, we made a one-time cash payment to NHC of \$4 million and issued to NHC a 5-year, \$5 million promissory note bearing interest at 6% per annum. The note is payable at \$1 million per year for 5 years, with the first payment due on the first anniversary of the resumption of NHL hockey in Nashville, Tennessee.

Our obligation to pay the outstanding amount under the note shall terminate immediately if, at any time before the note is paid in full, the Predators cease to be an NHL team playing its home games in Nashville, Tennessee. In addition, if the Predators cease to be an NHL team playing its home games in Nashville prior to the first payment under the note, then in addition to the note being cancelled, the Predators will pay us \$4 million. If the Predators cease to be an NHL team playing its home games in Nashville after the first payment but prior to the second payment under the note, then in addition to the note being cancelled, the Predators will pay us \$2 million.

In addition, pursuant to a Consent Agreement among us, the National Hockey League and owners of NHC, our Guaranty dated June 25, 1997 has been limited so that we are not responsible for any debt, obligation or liability of NHC that arises from any act, omission or circumstance occurring after the date of the Consent Agreement. As a part of the settlement, each party agreed to release the other party from any claims associated with this litigation.

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, 2004, the fair market value of our investment in the shares of Viacom stock was \$400.4 million, or \$36.39 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 \$67.97 per share, as of December 31, 2004. The call option strike price decreased from \$75.30 as of December 31, 2003 to \$67.97 as of December 31, 2004 due to the Company receiving dividend distributions from Viacom during 2004. Future dividend distributions received from Viacom may result in an adjusted call strike price. For any appreciation above \$67.97 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.”

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 (comprised of multiple businesses), 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:

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Business Sold	Date	Net Proceeds From Sale (Cash and Other) (in millions)
Interest in Oklahoma RedHawks	November 17, 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, or 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, 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. The Company also has miscellaneous real estate holdings that will be sold from time to time. 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.

Employees

As of December 31, 2004, we had approximately 8,649 full-time and 3,016 part-time and temporary employees. Of these, approximately 4,984 full-time and 1,800 part-time employees were employed in Hospitality; approximately 398 full-time and 662 part-time employees were employed in Opry and Attractions; approximately 2,984 full-time and 539 part-time employees were employed in ResortQuest; and approximately 283 full-time and 15 part-time employees were employed in Corporate and Other. We believe our relations with our employees are good.

Competition

Hospitality

The Gaylord Hotel properties compete with numerous other hotels throughout the United States and abroad, particularly the approximately 100 convention hotels located outside of Las Vegas, Nevada that have approximately 1,050 rooms on average 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.

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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 and timeshare operators. 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.

Opry and Attractions Group

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. Under a joint sales agreement with Cumulus, we 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.

Seasonality

Portions of our business are seasonal in nature. Our group convention business is subject to reduced levels of demand during the year-end holiday periods. Although we typically attempt to attract general tourism guests by offering special events and attractions during these periods, there can be no assurance that our hotels can successfully operate such events and attractions. In addition, certain of the geographic regions in which ResortQuest operates, such as ski resorts, typically attract fewer vacationers in certain off-peak seasons.

Regulation and Legislation

Hospitality

The Gaylord Hotels and the Radisson Hotel at Opryland are subject to certain federal, state, and local governmental laws and regulations including, without limitation, health, safety, and environmental regulations applicable to hotel and restaurant operations. The hotels are also subject to the requirements of the Americans with Disabilities Act and similar state laws, as well as regulations pursuant thereto. We believe that we are in substantial compliance with such laws and 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 Group segment.

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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.

Opry and Attractions Group

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.

In addition, our Nashville area attractions are also subject to the laws and regulatory activities associated with the sale of alcoholic beverages described above.

Additional Information

Our web site address is www.gaylordentertainment.com. Please note that our web site address is provided as an inactive textual reference only. We make available free of charge through our web site the Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. The information provided on our web site is not part of this report, and is therefore not incorporated by reference unless such information is otherwise specifically referenced elsewhere in this report.

Risk Factors

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

The successful implementation of our business strategy depends on our ability to generate cash flows from our existing operations, our new Gaylord Texan 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, the

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Gaylord Palms and our new Gaylord Texan hotel in Grapevine, Texas, by successfully developing and financing our proposed Gaylord National hotel project near Washington, D.C. 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 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;
- the ability of our proposed Gaylord National hotel project near Washington, D.C. to operate in a new market which is extremely competitive;
- 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 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.

Unanticipated costs of hotels we open in new markets, including our proposed Gaylord National hotel project near Washington, D.C., 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.

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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, including our proposed Gaylord National hotel project, 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.

Our development projects may not be completed on time or within budget.

Our plans to develop the Gaylord National hotel project are subject to numerous risks.

Our plans to develop the Gaylord National hotel are subject to market conditions, the availability of financing, receipt of necessary building permits and other authorizations, and other factors, including those described in the preceding risk factor. In addition, we do not have experience operating in the Washington, D.C. market. We cannot assure you that the project will be completed, that it will be opened on time or on budget, or that its future operations will be successful.

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 little or no rights, or ability, to exercise the direction or control of the respective enterprises. These include our equity interests in Viacom and Bass Pro. When we make these investments, we sometimes extend guarantees related to such investments. 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.

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

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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.

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

We currently have a significant amount of debt. As of December 31, 2004, we had \$576.4 million of total debt, exclusive of our \$613.1 million secured forward exchange contract, and stockholders' equity of \$869.6 million.

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

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to 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 new \$600 million credit facility and the indentures governing our 8% senior notes and our 6.75% senior 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 by \$97.9 million and \$69.4 million for the years ended December 31, 2004 and 2003, respectively.

The agreements governing our debt, including our 8% senior notes, our 6.75% senior notes and our new \$600 million credit facility, contain various covenants that limit our discretion in the operation of our business and could lead to acceleration of debt.

Our existing financing agreements, including our new \$600 million credit facility and the senior 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;

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- 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.

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.

Fluctuations in our operating results and other factors may result in decreases in our stock price.

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

Executive Officers of the Registrant

The following table sets forth certain information regarding the executive officers of the Company as of December 31, 2004. All officers serve at the discretion of the Board of Directors.

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>
Michael D. Rose	63	Chairman of the Board of Directors
Colin V. Reed	57	President and Chief Executive Officer
David C. Kloeppe	35	Executive Vice President and Chief Financial Officer
Jay D. Sevigny	45	Executive Vice President and Chief Operating Officer, Gaylord Hotels
Mark Fioravanti	43	Executive Vice President, and President, ResortQuest
John P. Caparella	47	Senior Vice President and General Manager, Gaylord Palms Resort and Convention Center
Carter R. Todd	47	Senior Vice President, Secretary and General Counsel
Rod Connor	52	Senior Vice President and Chief Administrative Officer

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

Michael D. Rose has served as Chairman of the Board of the Company since April 2001. Prior to that time, he was a private investor, and prior to December 1997, he was Chairman of the Board of Promus Hotel Corporation, Memphis, Tennessee, a franchiser and operator of hotel brands. Prior to January 1997, Mr. Rose was also Chairman of the Board of Harrah's Entertainment, Inc., an owner and

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manager of casinos in the United States. Mr. Rose is a director of five other public companies: Darden Restaurants, Inc.; FelCor Lodging Trust, Inc.; General Mills; First Tennessee National Corporation; and Stein Mart, Inc.

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

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

Jay D. Sevigny is Executive Vice President of the Company and Chief Operating Officer, Gaylord Hotels, positions he has held since January 2004. From February 2002 until December 2003, Mr. Sevigny served as President of the Company's Gaylord Opryland Resort and Convention Center in Nashville. Mr. Sevigny was hired in October 2001 as the Senior Vice President in charge of the Company's Marketing and Attractions. Prior to joining the Company, Mr. Sevigny worked in different capacities for Harrah's Entertainment, most recently as Division President Hotel/Casino in Las Vegas during 2000 and 2001, and as President and Chief Operating Officer of Harrah's New Orleans casino operations from 1998 to 2000. From 1997 to 1998, Mr. Sevigny was President of Midwest Operations for Station Casino in Kansas City, Missouri. Mr. Sevigny has a finance degree from the University of Nevada and is enrolled in the Executive MBA Program at Vanderbilt University's Owen Graduate School of Management.

Mark Fioravanti has been an Executive Vice President of the Company and President of ResortQuest International since March 2004. From August 2002 until March 2004, Mr. Fioravanti was the Company's Senior Vice President of Marketing. Prior to joining the Company in August 2002, Mr. Fioravanti spent nine years with Harrah's Entertainment, where he was most recently Vice President of Finance and Administration of Harrah's New Orleans. Mr. Fioravanti's other roles at Harrah's Entertainment included Corporate Director of Strategic Planning and Director of Market Planning and Strategy. Mr. Fioravanti, who has over 16 years' experience in the hospitality, casino entertainment and real estate industries, graduated from The Ohio State University, where he earned his bachelor of science degree. He also holds an MBA from the University of Tennessee.

John P. Caparella is a Senior Vice President of the Company and the General Manager of Gaylord Palms Resort and Convention Center, positions he has held since joining the Company in November 2000. Prior to such time, Mr. Caparella served as Executive Vice President, Planning, Development and Administration and President of PlanetHollywood.com for Planet Hollywood International, Inc., a creator and developer of consumer brands relating to movies, sports and other entertainment-based themes, in Orlando, Florida since September 1997. Before joining Planet Hollywood, Mr. Caparella was with ITT Sheraton, an owner and operator of hotel brands, for 17 years in convention, resort, business and 4-star luxury properties, as well as ITT Sheraton's corporate headquarters. Mr. Caparella is a graduate of the State University of New York at Delhi and is enrolled in the Executive MBA program at Rollins College Crummer Graduate School of Management.

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

Rod Connor is the Senior Vice President and Chief Administrative Officer of the Company, a position he has held since September 2003. From January 2002 to September 2003, he was Senior Vice President of Risk Management and Administration. From December 1997 to January 2002, Mr. Connor was Senior Vice President and Chief Administrative Officer. From February 1995 to December 1997, he was the Vice President and Corporate Controller of the Company. Mr. Connor has been an employee of the Company for over 30 years. Mr. Connor, who is a certified public accountant, has a B.S. degree in accounting from the University of Tennessee.

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Item 2. Properties

We own our executive offices and headquarters located at One Gaylord Drive, Nashville, Tennessee, which consists of a five-story office building comprising approximately 80,000 square feet. We 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, 2003. During 2004, we renovated a portion of these facilities and relocated certain functions from our headquarters to these facilities. 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). We also own the 6.7 acre site of the Radisson Hotel at Opryland, which is located near the Opryland complex. Gaylord has leased a 65-acre tract in Osceola County, Florida, on which Gaylord Palms is located pursuant to a 75 year ground lease with a 24 year renewal option. Gaylord has granted a leasehold mortgage to the lender under its revolving credit facility. Gaylord acquired approximately 100 acres in Grapevine, Texas, through ownership (approximately 75 acres) and ground lease (approximately 25 acres), on which the Gaylord Texan in Grapevine, Texas is located. Gaylord acquired approximately 42 acres on the Potomac River in Prince George's County, Maryland, on which it plans to develop a hotel to be known as the Gaylord National Resort & Convention Center. All properties secure our new \$600 million credit facility, as described in the Liquidity and Capital Resources section of Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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.

Opry and Attractions Group

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 Links, an 18-hole golf course situated on over 200 acres, which is located near the Opryland complex. In downtown Nashville, we own the Ryman Auditorium 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.

Item 3. Legal Proceedings

Nashville Predators. On February 22, 2005, we concluded the settlement of litigation with NHC, which owns the Nashville Predators NHL hockey team, over (i) NHC's obligation to redeem our ownership interest, and (ii) our obligations under the Nashville Arena Naming Rights Agreement dated November 24, 1999. Under the Naming Rights Agreement, which had an original 20-year term, we were required to make annual payments to NHC, beginning at \$2,050,000 in 1999 and with a 5% escalation each year thereafter, and to purchase a minimum number of tickets to Predators games each year. At the closing of the settlement, NHC redeemed all of our outstanding limited partnership units in the Predators pursuant to a Purchase Agreement dated February 22, 2005, effectively terminating our ownership interest in the Predators. In addition, the Naming Rights Agreement was cancelled pursuant to the Acknowledgment of Termination of Naming Rights Agreement.

As a part of the settlement, we made a one-time cash payment to NHC of \$4 million and issued to NHC a 5-year, \$5 million promissory note bearing interest at 6% per annum. The note is payable at \$1 million per year for 5 years, with the first payment due on the first anniversary of the resumption of NHL hockey in Nashville, Tennessee.

Our obligation to pay the outstanding amount under the note shall terminate immediately if, at any time before the note is paid in full, the Predators cease to be an NHL team playing their home games in Nashville, Tennessee. In addition, if the Predators cease to be an NHL team playing its home games in Nashville prior to the first payment under the note, then in addition to the note being cancelled, the Predators will pay us \$4 million. If the Predators cease to be an NHL team playing its home games in Nashville after the first

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payment but prior to the second payment under the note, then in addition to the note being cancelled, the Predators will pay us \$2 million.

In addition, pursuant to a Consent Agreement among us, the National Hockey League and owners of NHC, our Guaranty dated June 25, 1997 has been limited so that we are not responsible for any debt, obligation or liability of NHC that arises from any act, omission or circumstance occurring after the date of the Consent Agreement. As a part of the settlement, each party agreed to release the other party from any claims associated with this litigation.

Other. 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.

Item 4. Submission of Matters to a Vote of Security Holders

Not Applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

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

	2004		2003	
	High	Low	High	Low
First Quarter	\$ 32.70	\$ 28.25	\$ 21.02	\$ 16.55
Second Quarter	32.70	28.05	24.44	17.10
Third Quarter	31.71	26.55	26.24	17.70
Fourth Quarter	42.06	30.43	30.60	24.55

There were approximately 2,207 record holders of our common stock as of March 1, 2005.

We have not paid dividends on our common stock during the 2003 or 2004 fiscal years. We do not presently intend to declare any cash dividends. We intend to retain our earnings to fund the operation of our business, to service and repay our debt, and to make strategic investments as they arise. Moreover, the terms of our debt contain financial covenants that restrict our ability to pay dividends. Our Board of Directors may reevaluate this dividend policy in the future in light of our results of operations, financial condition, cash requirements, future prospects, loan agreements and other factors deemed relevant by our Board.

The following table includes information about our stock option plans as of December 31, 2004:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights (in thousands, except per share data)	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	3,586,551	\$ 25.75	1,742,828
Equity compensation plans not approved by security holders(1)	—	—	—

- (1) In connection with our acquisition of ResortQuest on November 20, 2003, we assumed the obligations of ResortQuest under its Amended and Restated 1998 Long-Term Incentive Plan. As of December 31, 2004, there were 231,363 shares of our common stock reserved for issuance upon the exercise of options previously granted under this stock option plan. No additional options to purchase our common stock will be issued under this plan.

Item 6. Selected Financial Data

**GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
SELECTED FINANCIAL DATA**

The following selected historical financial information of Gaylord and its subsidiaries as of December 31, 2004, 2003 and 2002 and for each of the three years in the period ended December 31, 2004 was derived from our audited consolidated financial statements included herein. The selected financial information as of December 31, 2001 and 2000 and for each of the two years in the period ended December 31, 2001 was derived from previously issued audited consolidated financial statements adjusted for unaudited revisions for the Bass Pro investment and discontinued operations. The information in the following table should be read in conjunction with "Management's Discussion of Financial Condition and Results of Operations" and our consolidated financial statements and related notes as of December 31, 2004 and 2003 and for each of the three years in the period ended December 31, 2004 included herein. We acquired ResortQuest on November 20, 2003 and the results of operations of ResortQuest are included in our results since November 20, 2003.

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	Years Ended December 31,				
	2004	2003	2002	2001	2000
	(in thousands, except per share amounts)				
Income Statement Data:					
Revenues:					
Hospitality	\$ 473,051	\$ 369,263	\$ 339,380	\$ 228,712	\$ 237,260
Opry and Attractions	66,565	61,433	65,600	67,064	69,283
ResortQuest	209,449	17,920	—	—	—
Corporate and Other	388	184	272	290	64
Total revenues	749,453	448,800	405,252	296,066	306,607
Operating expenses:					
Operating costs	479,864	276,937	254,583	201,299	210,018
Selling, general and administrative	189,976	117,178	108,732	67,212	89,052
Preopening costs(1)	14,205	11,562	8,913	15,927	5,278
Gain on sale of assets(2)	—	—	(30,529)	—	—
Impairment and other charges	1,212(4)	856(4)	—	14,262(4)	75,660(4)
Restructuring charges	196(5)	—	(17) (5)	2,182(5)	12,952(5)
Depreciation and amortization:					
Hospitality	58,521	46,536	44,924	25,593	24,447
Opry and Attractions	5,215	5,129	5,778	6,270	13,955
ResortQuest	9,530	1,186	—	—	—
Corporate and Other	4,737	6,099	5,778	6,542	6,257
Total depreciation and amortization	78,003	58,950	56,480	38,405	44,659
Total operating expenses	763,456	465,483	398,162	339,287	437,619
Operating (loss) income:					
Hospitality	43,525	42,347	25,972	34,270	45,478
Opry and Attractions	1,548	(600)	1,596	(5,010)	(44,413)(8)
ResortQuest	288	(2,616)	—	—	—
Corporate and Other	(43,751)	(43,396)	(42,111)	(40,110)	(38,187)
Preopening costs(1)	(14,205)	(11,562)	(8,913)	(15,927)	(5,278)
Gain on sale of assets(2)	—	—	30,529	—	—
Impairment and other charges	(1,212) (4)	(856) (4)	—	(14,262) (4)	(75,660)(4)
Restructuring charges	(196) (5)	—	17(5)	(2,182) (5)	(12,952)(5)
Total operating (loss) income	(14,003)	(16,683)	7,090	(43,221)	(131,012)
Interest expense, net of amounts capitalized	(55,064)	(52,804)	(46,960)	(39,365)	(30,307)
Interest income	1,521	2,461	2,808	5,554	4,046
Unrealized (loss) gain on Viacom stock	(87,914)	39,831	(37,300)	782	—
Unrealized gain (loss) on derivatives, net	56,533	(33,228)	86,476	54,282	—
Income (loss) from unconsolidated companies	3,825	2,340	3,058	(385)	(1,266)
Other gains and (losses)	1,089	2,209	1,163	2,661	(3,514)
(Loss) income from continuing operations before income taxes	(94,013)	(55,874)	16,335	(19,692)	(162,053)
(Benefit) provision for income taxes	(39,731)	(23,755)	2,509	(9,291)	(52,824)
(Loss) income from continuing operations	(54,282)	(32,119)	13,826	(10,401)	(109,229)
Gain (loss) from discontinued operations, net of taxes(3)	644	34,371	85,757	(48,833)	(47,600)
Cumulative effect of accounting change, net of taxes	—	—	(2,572)(6)	11,202(7)	—
Net (loss) income	\$ (53,638)	\$ 2,252	\$ 97,011	\$ (48,032)	\$ (156,829)
(Loss) Income Per Share:					
(Loss) income from continuing operations	\$ (1.37)	\$ (0.93)	\$ 0.41	\$ (0.31)	\$ (3.27)
Gain (loss) from discontinued operations	0.02	1.00	2.54	(1.45)	(1.43)
Cumulative effect of accounting change	—	—	(0.08)	0.33	—
Net (loss) income	\$ (1.35)	\$ 0.07	\$ 2.87	\$ (1.43)	\$ (4.70)
(Loss) Income Per Share — Assuming Dilution:					
(Loss) income from continuing operations	\$ (1.37)	\$ (0.93)	\$ 0.41	\$ (0.31)	\$ (3.27)
Gain (loss) from discontinued operations	0.02	1.00	2.54	(1.45)	(1.43)
Cumulative effect of accounting change	—	—	(0.08)	0.33	—
Net (loss) income	\$ (1.35)	\$ 0.07	\$ 2.87	\$ (1.43)	\$ (4.70)

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	As of December 31,				
	2004	2003	2002 (in thousands)	2001	2000
Balance Sheet Data:					
Total assets	\$ 2,521,045(9)	\$ 2,581,010(9)	\$ 2,180,098(9)	\$ 2,175,993(9)	\$ 1,929,539(9)
Total debt	576,409(10)	548,759(10)	340,638(10)	468,997(10)	175,500
Secured forward exchange contract	613,054(9)	613,054(9)	613,054(9)	613,054(9)	613,054(9)
Total stockholders' equity	869,601	906,793	788,437	695,979	765,164

- (1) Preopening costs are related to the Gaylord Palms, the new Gaylord Texan hotel in Grapevine, Texas, and our Gaylord National hotel project in Washington, D.C. Gaylord Palms opened in January 2002 and the Gaylord Texan opened in April 2004. The Gaylord National hotel is expected to open in 2008.
- (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) 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 are as follows:

	Years Ended December 31,			
	2004	2003	2001	2000
	(in thousands)			
Programming, film and other content	\$ 1,212	\$ 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	<u>\$ 1,212</u>	<u>\$ 856</u>	<u>\$ 14,262</u>	<u>\$ 75,660</u>

- (5) Related primarily to employee severance and contract termination costs.
- (6) 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.
- (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.

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- (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) In 1999 the Company recognized a pretax gain of \$459.3 million as a result of 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 Viacom, Inc. Class B common stock was included in total assets at its market values of \$400.4 million, \$488.3 million, \$448.5 million, \$485.8 million and \$514.4 million at December 31, 2004, 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 \$64.3 million, \$91.2 million, \$118.1 million, \$145.0 million and \$171.9 million was included in total assets at December 31, 2004, 2003, 2002, 2001 and 2000, respectively.
- (10) Related primarily to the construction of the Gaylord Palms and the new Gaylord Texan.

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

Our operations are organized into four principal business segments:

- Hospitality, consisting of our Gaylord Opryland Resort and Convention Center ("Gaylord Opryland"), our Gaylord Palms Resort and Convention Center ("Gaylord Palms"), our Gaylord Texan Resort and Convention Center ("Gaylord Texan"), and our Radisson Hotel at Opryland ("Radisson Hotel").
- ResortQuest, consisting of our vacation rental property management business.
- Opry and Attractions, consisting of our Grand Ole Opry assets, WSM-AM and our Nashville attractions.
- Corporate and Other, consisting of our ownership interests in certain entities and our corporate expenses.

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") to Cumulus Media, Inc. ("Cumulus"). The Radio Operations were previously included in a separate business segment, Media, along with WSM-AM. Although the Radio Operations are included in discontinued operations for the years ended December 31, 2003 and 2002, WSM-AM is now grouped in the Opry and Attractions segment for all periods presented. During the fourth quarter of 2003, we completed the disposition of our ownership interests in the Oklahoma RedHawks, and the financial results of this business are included in discontinued operations for the years ended December 31, 2003 and 2002.

The acquisition of ResortQuest International, Inc. was completed on November 20, 2003. The results of operations of ResortQuest have been included in our financial results beginning November 20, 2003.

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

Segment	2004	2003	2002
Hospitality	63%	82%	84%
ResortQuest	28%	4%	N/A
Opry and Attractions	9%	14%	16%
Corporate and Other	0%	0%	0%

We generate a significant portion of our revenues from our Hospitality segment. 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 ResortQuest and Opry and Attractions business segments.

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

Hospitality Segment. The operating results of our Hospitality segment are highly dependent on the volume of customers at our hotels and the quality of the customer mix at our hotels. These factors impact the price we can charge for our hotel rooms and other amenities, such as food and beverage and meeting space. Key performance indicators related to revenue are:

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

We recognize Hospitality segment 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 Hospitality segment 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 hotels to generate operating cash flow to repay debt financing, fund maintenance capital expenditures and provide excess cash flow for future development.

The results of operations of our Hospitality segment are affected by the number and type of group meetings and conventions scheduled to attend our hotels in a given period. 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.

ResortQuest Segment. Our ResortQuest segment earns revenues through property management fees and other sources such as real estate commissions and food and beverage sales. The operating results of our ResortQuest segment are primarily dependent on the volume of guests staying at vacation properties managed by us and the number and quality of vacation properties managed by us. Key performance factors related to revenue are:

- occupancy rate of units available for rental (volume indicator)
- average daily rate (price indicator)
- ResortQuest Revenue per Available Room (“ResortQuest RevPAR”) (a summary measure of ResortQuest results calculated by dividing gross lodging revenue for properties under exclusive rental management contracts by net available unit nights available to guests for the period)
- Total Units Under Management (a volume indicator which represents the total number of vacation properties available for rental)

We recognize revenues from property management fees ratably over the rental period based on our share of the total rental price of the vacation rental property. Almost all of our vacation rental property revenues are deducted from the rental fees paid by guests prior to paying the remaining rental price to the property owner. Other ResortQuest revenues are recognized at the time of sale.

The results of operations of our ResortQuest segment are principally affected by the number of guests staying at the vacation rental properties managed by us in a given period. A variety of factors can affect the results of any interim period, such as adverse weather conditions, economic conditions in a particular region or the nation as a whole, the perceived attractiveness of the vacation destinations in which we are located, and the quantity and quality of our vacation rental property units under management.

Overall Outlook

We have invested heavily in our operations in the years ended December 31, 2004, 2003 and 2002, primarily in connection with the opening of the Gaylord Palms in 2002, the continued construction and ultimate opening of the Gaylord Texan in 2003 and 2004, and the ResortQuest acquisition, which was consummated on November 20, 2003. Our investments in 2005 will consist primarily of

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ongoing capital improvements for our existing properties and the commencement of construction of the Gaylord National hotel project described below. We also plan to grow our ResortQuest brand through acquisitions from time to time depending on the opportunities. During the first two months of 2005, we closed on the acquisition of certain vacation rental management operations of two companies, which added approximately 2,500 units to ResortQuest inventory.

As previously announced, we have plans to develop a hotel, to be known as the Gaylord National Resort & Convention Center and to be located on property we have acquired on the Potomac River in Prince George's County, Maryland (in the Washington, D.C. market). We currently expect to open the hotel in 2008. In connection with this project, Prince George's County, Maryland approved, in July 2004, two bond issues related to our development. The first bond issuance, in the amount of \$65 million, will support the cost of infrastructure being constructed by the project developer, such as roads, water and sewer lines. The second bond issuance, in the amount of \$95 million, will be issued directly to us upon completion of the project. We will initially hold the bonds and receive the debt service thereon which is payable from tax increment, hotel tax and special hotel rental taxes generated from our development.

We also are considering other potential hotel sites throughout the country. 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, 2004, 2003 and 2002. The table also shows the percentage relationships to total revenues and, in the case of segment operating income, its relationship to segment revenues.

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 and the year-ended December 31, 2004 are included in the results discussed below.

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	2004	%	Years Ended December 31, 2003		2002	%
	(in thousands, except percentages)					
Income Statement Data:						
REVENUES:						
Hospitality	\$ 473,051	63.1%	\$ 369,263	82.3%	\$ 339,380	83.7%
Opry and Attractions	66,565	8.9%	61,433	13.7%	65,600	16.2%
ResortQuest	209,449	28.0%	17,920	4.0%	—	0.0%
Corporate and Other	388	0.0%	184	0.0%	272	0.1%
Total revenues	<u>749,453</u>	<u>100.0%</u>	<u>448,800</u>	<u>100.0%</u>	<u>405,252</u>	<u>100.0%</u>
OPERATING EXPENSES:						
Operating costs	479,864	64.0%	276,937	61.7%	254,583	62.8%
Selling, general and administrative	189,976	25.3%	117,178	26.1%	108,732	26.8%
Preopening costs	14,205	1.9%	11,562	2.6%	8,913	2.2%
Gain on sale of assets	—	0.0%	—	0.0%	(30,529)	-7.5%
Impairment and other charges	1,212	0.2%	856	0.2%	—	0.0%
Restructuring charges	196	0.0%	—	0.0%	(17)	0.0%
Depreciation and amortization:						
Hospitality	58,521	7.8%	46,536	10.4%	44,924	11.1%
Opry and Attractions	5,215	0.7%	5,129	1.1%	5,778	1.4%
ResortQuest	9,530	1.3%	1,186	0.3%	—	0.0%
Corporate and Other	4,737	0.6%	6,099	1.4%	5,778	1.4%
Total depreciation and amortization	<u>78,003</u>	<u>10.4%</u>	<u>58,950</u>	<u>13.1%</u>	<u>56,480</u>	<u>13.9%</u>
Total operating expenses	<u>763,456</u>	<u>101.9%</u>	<u>465,483</u>	<u>103.7%</u>	<u>398,162</u>	<u>98.3%</u>
OPERATING (LOSS) INCOME:						
Hospitality	43,525	9.2%	42,347	11.5%	25,972	7.7%
Opry and Attractions	1,548	2.3%	(600)	-1.0%	1,596	2.4%
ResortQuest	288	0.1%	(2,616)	-14.6%	—	—
Corporate and Other	(43,751)	(A)	(43,396)	(A)	(42,111)	(A)
Preopening costs	(14,205)	(B)	(11,562)	(B)	(8,913)	(B)
Gain on sale of assets	—	(B)	—	(B)	30,529	(B)
Impairment and other charges	(1,212)	(B)	(856)	(B)	—	(B)
Restructuring charges	(196)	(B)	—	(B)	17	(B)
Total operating (loss) income	<u>(14,003)</u>	<u>-1.9%</u>	<u>(16,683)</u>	<u>-3.7%</u>	<u>7,090</u>	<u>1.7%</u>
Interest expense, net of amounts capitalized	(55,064)	(C)	(52,804)	(C)	(46,960)	(C)
Interest income	1,521	(C)	2,461	(C)	2,808	(C)
Unrealized (loss) gain on Viacom stock and derivatives, net	(31,381)	(C)	6,603	(C)	49,176	(C)
Income from unconsolidated companies	3,825	(C)	2,340	(C)	3,058	(C)
Other gains and (losses)	1,089	(C)	2,209	(C)	1,163	(C)
Benefit (provision) for income taxes	39,731	(C)	23,755	(C)	(2,509)	(C)
Gain from discontinued operations, net of taxes	644	(C)	34,371	(C)	85,757	(C)
Cumulative effect of accounting change, net of taxes	—	(C)	—	(C)	(2,572)	(C)
Net (loss) income	<u>\$ (53,638)</u>	<u>(C)</u>	<u>\$ 2,252</u>	<u>(C)</u>	<u>\$ 97,011</u>	<u>(C)</u>

(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

Results

The following table summarizes our results of operations for the years ended December 31, 2004, 2003 and 2002:

	Years Ended December 31,				2002
	2004	% Change	2003	% Change	
Total revenues	\$ 749,453	66.99%	\$ 448,800	10.75%	\$ 405,252
Total operating expenses	763,456	64.01%	465,483	16.91%	398,162
Operating (loss) income	(14,003)	16.06%	(16,683)	-335.30%	7,090
Net (loss) income	(53,638)	-2481.79%	2,252	-97.68%	97,011

2004 Results As Compared to 2003 Results

The increase in our total revenues and total operating expenses in 2004, as compared to 2003, was primarily due to a full year of operations for our ResortQuest subsidiary and the opening of the Gaylord Texan. Although our operating loss decreased \$2.7 million in 2004, as compared to 2003, the following factors contributed to our net loss for the year ended 2004, as compared to our net income for the year ended 2003:

- The recognition of a net unrealized loss on our investment in Viacom stock and the related secured forward exchange contract of \$31.4 million in 2004, as compared to a net unrealized gain of \$6.6 million in 2003.
- The recognition of a gain on discontinued operations, net of taxes, of \$0.6 million in 2004, as compared to a gain on discontinued operations, net of taxes, of \$34.4 million in 2003.
- An additional \$19.1 million of depreciation and amortization expense in 2004 due to the opening of the Gaylord Texan, the acquisition of ResortQuest and additional capital expenditures.
- An additional \$2.6 million in preopening costs in 2004, primarily as a result of the construction of the Gaylord Texan.
- A \$2.3 million increase in interest expense, net of amounts capitalized, in 2004.

2003 Results As Compared to 2002 Results

The increase in our total revenues in 2003 from 2002 was primarily due to an increase in Hospitality revenues resulting from a full year of operations in 2003 of the Gaylord Palms hotel, which opened in 2002, and improved market conditions in 2003. Our operating loss for the year ended 2003 decreased from the operating income for the year ended 2002 primarily as a result of:

- 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.

Additional factors contributing to the decrease in net income in 2003 were:

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- 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.

Factors and Trends Contributing to Operating Performance

The most important factors and trends contributing to our operating performance during the periods described herein have been:

- The ResortQuest acquisition, which was completed on November 20, 2003, and the resulting addition of revenues and expenses for the full 2004 fiscal year associated with the ResortQuest segment.
- The opening of the Gaylord Texan in April 2004 and the resulting addition of Hospitality segment revenues and operating expenses associated with the hotel, as well as the incurrence of preopening costs prior to its opening.
- Relatively flat Hospitality segment occupancy rates and ADR over the applicable periods, which resulted in relatively flat Hospitality RevPAR over such periods.
- Improved food and beverage, banquet and catering services at our hotels for 2004 and 2003, which positively impacted Total RevPAR at our hotels as compared to prior periods.

Operating Results – Detailed Segment Financial Information

Hospitality Segment

Total Segment Results. The following presents the financial results of our Hospitality segment for the years ended December 31, 2004, 2003 and 2002:

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	Years Ended December 31,				
	2004	% Change	2003	% Change	2002
	(in thousands, except percentages and performance metrics)				
Hospitality revenue(1)	\$ 473,051	28.11%	\$ 369,263	8.81%	\$ 339,380
Hospitality operating expenses:					
Operating costs	285,930	32.44%	215,901	3.57%	208,453
Selling, general and administrative	85,075	31.94%	64,479	7.41%	60,031
Depreciation and amortization	58,521	25.75%	46,536	3.59%	44,924
Total Hospitality operating expenses	429,526	31.39%	326,916	4.31%	313,408
Hospitality operating income (2)	\$ 43,525	2.78%	\$ 42,347	63.05%	\$ 25,972
Hospitality performance metrics:					
Occupancy	70.8%	-1.94%	72.2%	7.44%	67.2%
ADR	\$ 142.65	0.06%	\$ 142.57	-2.40%	\$ 146.07
RevPAR(3)	\$ 100.99	-1.82%	\$ 102.86	4.77%	\$ 98.18
Total RevPAR(4)	\$ 225.91	2.48%	\$ 220.44	8.27%	\$ 203.60
Net Definite Room Nights Booked (5)	1,470,000	13.95%	1,290,000	5.74%	1,220,000

- (1) Hospitality results and performance metrics include the results of our Radisson Hotel but only include the results of the Gaylord Texan from April 2, 2004, its first date of operation, and the Gaylord Palms from January 2002.
- (2) Hospitality operating income does not include preopening costs. See the discussion of preopening costs set forth below.
- (3) We calculate Hospitality RevPAR by dividing room sales by room nights available to guests for the period. Hospitality RevPAR is not comparable to similarly titled measures such as revenues.
- (4) We calculate Hospitality Total RevPAR by dividing the sum of room sales, food and beverage, and other ancillary services (which equals Hospitality segment revenue) by room nights available to guests for the period. Hospitality Total RevPAR is not comparable to similarly titled measures such as revenues.
- (5) Net Definite Room Nights Booked excludes advance room nights booked at the Gaylord National hotel.

The increase in total Hospitality segment revenue for the year ended December 31, 2004, as compared to the same period in 2003, is primarily due to the inclusion of \$102.1 million of revenues from the Gaylord Texan after its April 2, 2004 opening and improved performance at the Gaylord Palms. The increase in total Hospitality segment revenue for the year ended December 31, 2003, as compared to the same period in 2002, was 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.

Hospitality segment operating expenses consist of direct operating costs, selling, general and administrative expenses, and depreciation and amortization expense. The increase in Hospitality operating expenses for both the year ended December 31, 2004 and the year ended December 31, 2003, as compared to prior periods, is attributable to an increase in Hospitality segment operating costs, Hospitality segment selling, general and administrative expenses and Hospitality segment depreciation and amortization expense, which is discussed further below.

Hospitality segment operating costs, which consist of direct costs associated with the daily operations of our hotels (primarily room, food and beverage and convention costs), increased in the year ended December 31, 2004, as compared to the same period in 2003, due primarily to the inclusion of \$73.3 million in operating costs related to the Gaylord Texan. 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.

Total Hospitality segment selling, general and administrative expenses, consisting of administrative and overhead costs, increased in the year ended December 31, 2004, as compared to the same period in 2003, primarily due to the inclusion of \$17.3 million in selling, general and administrative expenses related to the Gaylord Texan. The increase in Hospitality selling, general and administrative

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expenses in the year ended December 31, 2003, as compared to the same period in 2002, is due primarily to an increase in sales efforts at the hotels and advertising to promote the special events held at the hotels.

Total Hospitality depreciation and amortization expense increased in the year ended December 31, 2004, as compared to the same period in 2003, due to the opening of the Gaylord Texan. The slight increase in total Hospitality depreciation and amortization expense for the year ended December 31, 2003, as compared to the same period in 2002, is due to additional capital expenditures and the inclusion of a full year of depreciation and amortization related to the Gaylord Palms.

Property-Level Results. The following presents the property-level financial results of our Hospitality segment for the years ended December 31, 2004, 2003 and 2002:

Gaylord Opryland Results. The results of Gaylord Opryland for the years ended December 31, 2004, 2003 and 2002 are as follows:

	Years Ended December 31,				
	2004	% Change	2003	% Change	2002
	(in thousands, except percentages and performance metrics)				
Total revenues	\$ 208,410	-3.18%	\$ 215,265	4.48%	\$ 206,029
Operating expense data:					
Operating costs	126,079	-3.34%	130,435	0.53%	129,744
Selling, general and administrative	31,825	0.36%	31,712	7.87%	29,399
Hospitality performance metrics:					
Occupancy	70.5%	-2.62%	72.4%	5.54%	68.6%
ADR	\$ 139.04	1.14%	\$ 137.47	-3.58%	\$ 142.58
RevPAR	\$ 98.06	-1.54%	\$ 99.59	1.83%	\$ 97.80
Total RevPAR	\$ 197.65	-3.47%	\$ 204.75	4.48%	\$ 195.97

The decrease in Gaylord Opryland revenue, RevPAR and Total RevPAR in the year ended December 31, 2004, as compared to the same period in 2003, was due to lower occupancy rates at the hotel. Occupancy rates in 2004 were adversely affected by lower transient business during the fourth quarter, which was due to poor consumer response to the new holiday show at the hotel. Although Gaylord Opryland ADR increased slightly in 2004 due to higher average nightly rates charged to guests, the decrease in occupancy and the somewhat lower food and beverage and other ancillary revenue resulted in a decrease in Total RevPAR in the year ended December 31, 2004, as compared to the same period in 2003.

The increase in Gaylord Opryland revenue, RevPAR and Total RevPAR in the year ended December 31, 2003, as compared to the same period in 2002, was due to increased occupancy rates at the hotel. Despite rate pressure caused by customer mix, the increase in hotel occupancy led to an increase in 2003 RevPAR, as compared to 2002. In addition, favorable food and beverage and other ancillary revenue contributed to the increase in Total RevPAR in 2003, as compared to 2002.

The decrease in operating costs at Gaylord Opryland in the year ended December 31, 2004, as compared to the same period in 2003, was due to the decreased levels of occupancy, and corresponding decrease in variable expenses, at the hotel during 2004. Selling, general and administrative expenses at Gaylord Opryland in the year ended December 31, 2004, as compared to the same period in 2003, remained flat.

The increase in operating costs at Gaylord Opryland in 2003, as compared to 2002, was due to the increased levels of occupancy, and corresponding increase in variable expenses, at the hotel during 2003. The increase in selling, general and administrative expenses at Gaylord Opryland in the year ended December 31, 2003, as compared to the same period in 2002, was due to an increase in sales efforts at the hotel and an increase in special events advertising.

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Gaylord Palms Results. The results of Gaylord Palms for the years ended December 31, 2004, 2003 and 2002 are as follows:

	Years Ended December 31,				
	2004	% Change	2003	% Change	2002
(in thousands, except percentages and performance metrics)					
Total revenues	\$ 155,116	5.7%	\$ 146,800	16.1%	\$ 126,473
Operating expense data:					
Operating costs	85,805	5.0%	81,716	8.7%	75,189
Selling, general and administrative	34,413	10.0%	31,286	6.7%	29,330
Hospitality performance metrics:					
Occupancy	73.9%	2.2%	72.3%	11.6%	64.8%
ADR	\$ 164.61	-0.7%	\$ 165.79	-1.7%	\$ 168.65
RevPAR	\$ 121.69	1.5%	\$ 119.87	9.6%	\$ 109.37
Total RevPAR	\$ 301.43	5.4%	\$ 286.05	13.8%	\$ 251.26

The increase in Gaylord Palms revenue, RevPAR and Total RevPAR in the year ended December 31, 2004, as compared to the same period in 2003, was due to increased occupancy at the hotel, offsetting a slight decline in ADR caused by lower group rates. Occupancy increased due to increased group business during the year, as well as increased transient business in the fourth quarter resulting from the hotel's holiday show. In addition, favorable food and beverage and other ancillary revenue contributed to the increase in Total RevPAR in 2004, as compared to 2003.

The increase in Gaylord Palms revenue in 2003, as compared to 2002, was due to improved occupancy at the hotel and a full year of operations during 2003, as the hotel opened in January 2002. 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 RevPAR in 2003, as compared to 2002.

The increase in the hotel's operating costs for the years ended December 31, 2004 and December 31, 2003, as compared to the prior period, was the result of the increased levels of occupancy, and corresponding increase in variable expenses, at the hotel. The increase in the hotel's selling, general and administrative expense for the years ended December 31, 2004 and December 31, 2003, as compared to the prior period, was due to increases in special events advertising at the hotel.

Gaylord Texan Results. The results of Gaylord Texan for the period from April 2, 2004 to December 31, 2004 are as follows:

	Period Ended December 31,				
	2004	% Change	2003	% Change	2002
(in thousands, except percentages and performance metrics)					
Total revenues	\$ 102,063	N/A	N/A	N/A	N/A
Operating expense data:					
Operating costs	70,281	N/A	N/A	N/A	N/A
Selling, general and administrative	17,286	N/A	N/A	N/A	N/A
Hospitality performance metrics:					
Occupancy	68.5%	N/A	N/A	N/A	N/A
ADR	\$ 138.19	N/A	N/A	N/A	N/A
RevPAR	\$ 94.70	N/A	N/A	N/A	N/A
Total RevPAR	\$ 246.52	N/A	N/A	N/A	N/A

The revenues of the Gaylord Texan reflect the hotel's rooms and other ancillary revenue from April 2, 2004, its date of opening, to December 31, 2004. Operating costs at the Gaylord Texan, consisting of direct costs associated with the daily operations of the Gaylord Texan (primarily room, food and beverage and convention costs) and selling, general and administrative expenses, consisting of administrative and overhead costs, also reflect the period from April 2, 2004 to December 31, 2004.

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Radisson Hotel at Opryland Results. The results of the Radisson Hotel at Opryland for the years ended December 31, 2004, 2003 and 2002 are as follows:

	Years Ended December 31,				
	2004	% Change	2003	% Change	2002
	(in thousands, except percentages and performance metrics)				
Total revenues	\$ 7,462	3.67%	\$ 7,198	4.65%	\$ 6,878
Operating expense data:					
Operating costs	3,765	0.40%	3,750	6.53%	3,520
Selling, general and administrative	1,551	4.73%	1,481	13.75%	1,302
Hospitality performance metrics:					
Occupancy	67.3%	-1.90%	68.6%	5.70%	64.9%
ADR	\$ 83.70	4.42%	\$ 80.16	2.11%	\$ 78.50
RevPAR	\$ 56.33	2.42%	\$ 55.00	7.93%	\$ 50.96
Total RevPAR	\$ 67.15	3.18%	\$ 65.08	4.65%	\$ 62.19

The increase in our Radisson hotel revenue, RevPAR and Total RevPAR in the year ended December 31, 2004, as compared to the same period in 2003, is due to improved ADR at the hotel, although a slight decrease in occupancy served to partially offset the impact of this increased ADR. The increase in our Radisson hotel revenue, RevPAR and Total RevPAR in 2003, as compared to the same period in 2002, is due to increased occupancy and ADR.

Operating costs and selling, general and administrative expense at the Radisson hotel in the year ended December 31, 2004, as compared to the same period in 2003, remained relatively stable. The increase in our operating costs and selling, general and administrative expense at the Radisson hotel in the year ended December 31, 2003, as compared to the same period in 2002, was due to increased levels of occupancy and a corresponding increase in expenses necessary to service the increased levels of occupancy.

ResortQuest Segment

Total Segment Results. The following presents the financial results of our ResortQuest segment for the year ended December 31, 2004 and the period from November 20, 2003 (the date of our acquisition of ResortQuest) to December 31, 2003:

	Years Ended December 31,				
	2004	% Change	2003	% Change	2002
	(in thousands, except percentages and performance metrics)				
Total revenues	\$ 209,449	1068.8%	\$ 17,920	N/A	N/A
Operating expense data:					
Operating costs	143,812	972.2%	13,413	N/A	N/A
Selling, general and administrative	55,819	840.2%	5,937	N/A	N/A
Depreciation and amortization	9,530	703.5%	1,186	N/A	N/A
Operating income (loss)	\$ 288	111.0%	\$ (2,616)	N/A	N/A
ResortQuest performance metrics:					
Occupancy	52.6%	3.7%	50.7%	N/A	N/A
ADR	\$ 145.54	4.6%	\$ 139.08	N/A	N/A
RevPAR(1)	\$ 76.60	8.6%	\$ 70.56	N/A	N/A
Total Units Under Management(2)	17,035	-4.3%	17,798	N/A	N/A

(1) We calculate ResortQuest RevPAR by dividing gross lodging revenue for properties under exclusive rental management contracts by net available unit nights available to guests for the period. Our ResortQuest segment revenue represents a percentage of the gross lodging revenues based on the services provided by ResortQuest. Net available unit nights (those available to guests) are equal to total available unit nights less owner, maintenance, and complimentary unit nights. ResortQuest RevPAR is not comparable to similarly titled measures such as revenues.

(2) Represents units under exclusive management only.

Revenues. Our ResortQuest segment earns revenues primarily as a result of property management fees and service fees recognized over the time during which our guests stay at our properties. Property management fees paid to us are generally a designated percentage of the rental price of the vacation property, plus certain incremental fees, all of which are 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 and beverage sales (and prior to our divestiture of our First Resort Software business on December 15, 2004 software and software maintenance sales). The increase in ResortQuest revenue for the year ended December 31, 2004, as compared to the same period in 2003, is due to the inclusion of a full year of operations in 2004, as compared to, in 2003, only the inclusion of results from the period November 20, 2003 to December 31, 2003. ResortQuest's 2004 revenues were adversely impacted by the Florida hurricanes in the third quarter of 2004, as well as the number of out of service units caused by hurricane damage.

Operating Expenses. ResortQuest operating expenses primarily consist of operating costs, selling, general and administrative expenses and depreciation and amortization expense. Operating costs of ResortQuest are comprised of payroll expenses, credit card transaction fees, travel agency fees, advertising, payroll for managed entities and various other direct operating costs. Selling, general and administrative expenses of ResortQuest are comprised of payroll expenses, rent, utilities and various other general and administrative costs. The increase in ResortQuest operating costs, selling, general and administrative expenses, and depreciation and amortization expense for the year ended December 31, 2004, as compared to the same period in 2003, is due to the inclusion of a full year of operations in 2004, as compared to, in 2003, only the inclusion of results from the period November 20, 2003 to December 31, 2003.

Opry and Attractions Segment

Total Segment Results. The following presents the financial results of our Opry and Attractions segment for the years ended December 31, 2004, 2003 and 2002:

	Years Ended December 31,				
	2004	% Change	2003	% Change	2002
	(in thousands, except percentages)				
Total revenues	\$ 66,565	8.4%	\$ 61,433	-6.4%	\$ 65,600
Operating expense data:					
Operating costs	41,837	6.4%	39,310	-0.5%	39,502
Selling, general and administrative	17,965	2.1%	17,594	-6.0%	18,724
Depreciation and amortization	5,215	1.7%	5,129	-11.2%	5,778
Operating income (loss)(1)	\$ 1,548	358.0%	\$ (600)	-137.6%	\$ 1,596

(1) Opry and Attractions operating income (loss) for 2004 excludes the effects of an impairment charge of \$1.2 million recorded during 2004. See the discussion of impairment and other charges set forth below.

The increase in revenues in the Opry and Attractions segment for year ended December 31, 2004, as compared to the same period in 2003, is primarily due to increased revenues at our Grand Ole Opry related attractions, which were due in part to the Grand Ole Opry Roadshow series of concerts. The decrease in revenues in the Opry and Attractions segment for the year ended December 31, 2003, as compared to the same period in 2002, is a result of decreased revenues at Corporate Magic.

Opry and Attractions operating costs increased for the year ended December 31, 2004, as compared to the same period in 2003, due to increased costs necessary to service the additional revenues. Opry and Attractions selling, general and administrative expenses remained relatively flat for the year ended December 31, 2004, as compared to the same period in 2003.

The slight decrease in Opry and Attractions operating costs in 2003, as compared to 2002, was due to a decrease in Corporate Magic operating costs as a result of certain cost saving measures taken during 2003. The decrease in Opry and Attractions selling, general and administrative expenses in 2003, as compared to 2002, was primarily due to a decrease at Corporate Magic due to its decreased revenues.

[Table of Contents](#)**Corporate and Other Segment**

Total Segment Results. The following presents the financial results of our Corporate and Other segment for the year ended December 31, 2004, 2003 and 2002:

	Years Ended December 31,				2002
	2004	% Change	2003	% Change	
	(in thousands, except percentages and performance metrics)				
Total revenues	\$ 388	110.9%	\$ 184	-32.4%	\$ 272
Operating expense data:					
Operating costs	8,285	-0.3%	8,313	25.4%	6,628
Selling, general and administrative	31,117	6.7%	29,168	-2.7%	29,977
Depreciation and amortization	4,737	-22.3%	6,099	5.6%	5,778
Operating loss(1)	\$ (43,751)	-0.8%	\$ (43,396)	-3.1%	\$ (42,111)

(1) Corporate and Other operating loss for 2004 excludes the effects of an adjustment to restructuring charges of \$0.2 million recorded during 2004. Corporate and Other operating loss for 2003 excludes the effects of an impairment charge of \$0.9 million recorded during 2003. See the discussion of impairment and other charges and restructuring charges set forth below.

Corporate and Other group revenue consists of rental income and corporate sponsorships.

Corporate and Other operating expenses are comprised of operating costs, selling, general and administrative expenses and depreciation and amortization expense. Corporate and Other operating costs, which consist primarily of costs associated with information technology, decreased slightly in 2004, as compared to the same period in 2003, as costs stabilized after the 2003 increase due to the changes in our long-term incentive plan compensation program and changes to the actuarial assumptions used in our pension plan.

Corporate and Other selling, general and administrative expenses, which consist primarily of the Gaylord Entertainment Center naming rights agreement, senior management salaries and benefits, legal, human resources, accounting, pension and other administrative costs, increased in 2004, as compared to the same period in 2003, primarily due to an increase of \$1.8 million in consulting and audit fees related to our efforts to comply with the Sarbanes-Oxley Act of 2002. Corporate and Other selling, general and administrative expenses decreased in 2003, as compared to the same period in 2002, due to a decrease in corporate marketing expense.

Corporate and Other depreciation and amortization expense, which is primarily related to information technology equipment and capitalized electronic data processing software costs, decreased in 2004, as compared to the same period in 2003, due to certain electronic data processing software becoming fully depreciated in 2004. Corporate and Other depreciation and amortization expense increased in 2003, as compared to the same period in 2002, due to higher average fixed asset balances in 2003 as compared to 2002.

Operating Results - 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 of our hotel development activities as incurred. Preopening costs increased \$2.6 million, or 22.9%, in 2004 as compared to 2003. Preopening costs increased \$2.6 million, or 29.7%, to \$11.6 million in 2003 as compared to 2002. Preopening costs related to our Gaylord Texan hotel, which opened in April 2004, totaled \$13.7 million in 2004, \$11.3 million in 2003, and \$4.0 million in 2002.

Operating Results - Gain on Sale of Assets

During 2004 and 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

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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.

Operating Results - Impairment and other charges

We began production of an IMAX movie during 2000 to portray the history of country music. In the third quarter of 2003, based on the revenues generated by the theatrical release of the IMAX movie, the asset was reevaluated on the basis of estimated future cash flows. As a result, an impairment charge of \$0.9 million was recorded in the third quarter of 2003. During the second quarter of 2004, due to a continued decline in the revenues generated by the film, we again evaluated the carrying value of the IMAX film asset based on current estimates of future cash flows. As a result, an impairment charge of \$1.2 million was recorded during the second quarter of 2004 to write off the remaining carrying value of the film.

Operating Results - Restructuring charges

During 2000, we recognized pretax restructuring charges of \$13.1 million related to continuing operations. During 2001, we 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, we entered into a sublease that reduced the liability that we were originally required to pay, and we reversed \$0.1 million of the 2000 restructuring charge related to the reduction in required payments. During the second quarter of 2004, we evaluated the 2000 restructuring accrual and determined that the remaining severance payments that we were scheduled to make were less than originally estimated. As a result, we reversed \$0.1 million of the 2000 restructuring charge during 2004 related to continuing operations.

During 2001, we recognized net pretax restructuring charges from continuing operations of \$5.8 million related to streamlining operations and reducing layers of management. During the second quarter of 2002, we entered into two subleases to lease certain office space we previously had recorded in the 2001 restructuring charges. As a result, we reversed \$0.9 million of the 2001 restructuring charges during 2002. Also during the second quarter of 2002, we 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. During the second quarter of 2004, we evaluated the 2001 restructuring accrual and determined that the remaining sublease payments we were scheduled to receive were less than originally estimated. During the fourth quarter of 2004, we again evaluated the 2001 restructuring accrual due to a continued decline in the creditworthiness of a sublessee and determined that the remaining sublease payments that we would collect were less than estimated during the second quarter of 2004. As a result of these evaluations, we increased the 2001 restructuring charge by \$0.3 million during 2004 related to continuing 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 as noted above. The 2002 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.

Non-Operating Results Affecting Net Income (Loss)

General

The following table summarizes the other factors which affected our net (loss) income for the years ended December 31, 2004, 2003 and 2002:

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	Years Ended December 31,				2002
	2004	% Change	2003	% Change	
	(in thousands, except percentages and performance metrics)				
Interest expense, net of amounts capitalized	\$ (55,064)	4.3%	\$ (52,804)	12.4%	\$ (46,960)
Interest income	1,521	-38.2%	2,461	-12.4%	2,808
Unrealized (loss) gain on Viacom stock and derivatives, net	(31,381)	-575.3%	6,603	-86.6%	49,176
Income from unconsolidated companies	3,825	63.5%	2,340	-23.5%	3,058
Other gains and (losses)	1,089	-50.7%	2,209	89.9%	1,163
(Benefit) provision for income taxes	(39,731)	67.3%	(23,755)	-1046.8%	2,509
Gain from discontinued operations, net of taxes	644	-98.1%	34,371	-59.9%	85,757
Cumulative effect of accounting change, net of taxes	—	—	—	-100.0%	(2,572)

Interest Expense, Net of Amounts Capitalized

Interest expense increased \$2.3 million, or 4.3%, to \$55.1 million in 2004, net of capitalized interest of \$5.5 million. The increase in our interest expense is primarily due to higher average debt balances in 2004 as compared to 2003. Our weighted average interest rate on our borrowings, including the interest expense associated with the secured forward exchange contract related to our Viacom stock investment and excluding the write-off of deferred financing costs during the period, was 5.2% in 2004 as compared to 5.3% in 2003.

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. 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 Income

The decrease in interest income during each of the years ended December 31, 2004 and December 31, 2003, as compared to the prior period, is due to lower cash balances invested in interest-bearing accounts.

Unrealized (Loss) Gain on Viacom Stock and Derivatives, Net

During 2000, we entered into a seven-year secured forward exchange contract with respect to 10.9 million shares of our Viacom Class B common 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, 2004, we recorded net pretax gains of \$56.5 million related to the increase in fair value of the derivatives associated with the secured forward exchange contract. For the year ended December 31, 2004, we recorded net pretax losses of \$87.9 million related to the decrease in fair value of the Viacom stock. 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.

Income From Unconsolidated Companies

Previously, from January 1, 2000 to July 8, 2004, we accounted for our investment in Bass Pro Shops, Inc. ("Bass Pro") under the cost method of accounting. On July 8, 2004, Bass Pro redeemed the approximate 28.5% interest held in Bass Pro by private equity investor, J.W. Childs Associates. As a result, our ownership interest in Bass Pro increased to 26.6% as of the redemption date from approximately 19%. Because our ownership interest in Bass Pro increased to a level exceeding 20%, we were required by Accounting Principles Board Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock", to account for our investment in Bass Pro under the equity method of accounting beginning in the third quarter of 2004. The equity method of accounting has been applied retroactively to all periods presented.

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This change in accounting principle resulted in an increase in net income for the years ended December 31, 2003 and 2002 of \$1.4 million and \$1.9 million, respectively.

Other Gains and (Losses)

Our other gains and (losses) for the year ended December 31, 2004 primarily consisted of the receipt of \$2.8 million in dividend distributions from our investment in Viacom stock, offset by a loss of \$1.8 million on the sale of our First Resort Software, Inc. business, and other miscellaneous income and expenses. Our other gains and (losses) for the year ended December 31, 2003 primarily consisted of the receipt of dividend distributions from our investment in Viacom stock, gains and losses on the disposals of fixed assets, and other miscellaneous income and expenses. Our other gains and (losses) for the year ended December 31, 2002 primarily consisted of gains and losses on the disposals of fixed assets and other miscellaneous income and expenses.

(Benefit) Provision for Income Taxes

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

	Years Ended December 31,		
	2004	2003	2002
U.S. federal statutory rate	35%	35%	35%
State taxes (net of federal tax benefit and change in valuation allowance)	8%	8%	—
Effective tax law change	—	—	6%
Previously accrued income taxes	—	—	(30%)
Other	(1%)	—	4%
Effective tax rate	42%	43%	15%

The slight decrease in our effective tax rate for the year ended December 31, 2004, as compared to our effective tax rate for the same period in 2003, was primarily due to the settlement of certain federal income tax issues with the Internal Revenue Service related to its audits of our 1999, 2000, and 2001 income tax returns.

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 the 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.

Gain from Discontinued Operation, Net of Taxes

We reflected the following businesses as discontinued operations in our financial results for the years ended December 31, 2003 and 2002, 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 our consolidated financial statements as discontinued operations in accordance with SFAS No. 144 for all periods presented. Due to the fact that these businesses were disposed of in 2003 or prior years, those businesses are not included in our financial results for the year ended December 31, 2004 (except for reversals of reserves as discussed below).

WSM-FM and WWTN(FM). During the first quarter of 2003, we 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, we, 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 in exchange for approximately \$62.5 million in cash. In connection with this agreement, we 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, we, 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

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such broadcast time and collected revenues from the advertising that it sold for broadcast during this programming time. On July 22, 2003, we finalized the sale of WSM-FM and WWTN(FM) for approximately \$62.5 million. Concurrently, we also entered into a joint sales agreement with Cumulus for WSM-AM in exchange for \$2.5 million in cash. We continue to own and operate WSM-AM, and under the terms of the joint sales agreement with Cumulus, Cumulus is responsible for all sales of commercial advertising on WSM-AM and provides 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, we committed to a plan of disposal of our Acuff-Rose Music Publishing catalog entity. During the third quarter of 2002, we finalized the sale of the Acuff-Rose Music Publishing entity to Sony/ ATV Music Publishing for approximately \$157.0 million in cash. We recognized a pretax gain of \$130.6 million during the third quarter of 2002 related to the sale, which is recorded in income from discontinued operations in the consolidated statement of operations. During the third quarter of 2004, due to the expiration of certain indemnification periods as specified in the sales contract, a previously established indemnification reserve of \$1.0 million was reversed and is included in income from discontinued operations in the consolidated statement of operations.

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

Word Entertainment. During 2001, we committed to a plan to sell Word Entertainment. As a result of the decision to sell Word Entertainment, we 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, we recorded a reversal of \$0.1 million of restructuring charges originally recorded during 2000. During the first quarter of 2002, we 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. We recognized a pretax gain of \$0.5 million in discontinued operations during the first quarter of 2002 related to the sale of Word Entertainment. 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 income from discontinued operations in the consolidated statement of operations.

International cable networks. During the second quarter of 2001, we adopted a formal plan to dispose of our international cable networks. As part of this plan, we 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, we acquired an additional 25% ownership interest in its music networks in Argentina, increasing our 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 our interest to 67.5%.

In December 2001, we made the decision to cease funding of our cable networks in Asia and Brazil as well as our partnerships in Argentina if a sale had not been completed by February 28, 2002. At that time we 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, we 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 our efforts to sell our international cable networks at the end of 2001, we 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 us, 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, we finalized a transaction to sell certain assets of our Asia and Brazil networks, including the assignment of certain transponder leases. Also during the first quarter of 2002, we ceased operations based in Argentina. The transponder lease assignment required us to guarantee lease payments in 2002 from the acquirer of these networks. As such, we recorded a lease liability for the amount of the assignee's portion of the transponder lease.

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Businesses Sold to Oklahoma Publishing Company. During 2001, we sold five businesses (Pandora Films, Gaylord Films, Gaylord Sports Management, Gaylord Event Television and Gaylord Production Company) to affiliates of the Oklahoma Publishing Company (“OPUBCO”) for \$22.0 million in cash and the assumption of debt of \$19.3 million. OPUBCO owns a minority interest in the Company. Until their resignation from the board of directors in April 2004, two of our directors were also directors of OPUBCO and voting trustees of a voting trust that controls OPUBCO. Additionally, these two directors collectively beneficially owned a significant ownership interest in the Company prior to their sale of a substantial portion of this interest in April 2004.

The following table reflects the results of operations of businesses accounted for as discontinued operations for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
REVENUES:			
Radio Operations	\$ —	\$ 3,703	\$ 10,240
Acuff-Rose Music Publishing	—	—	7,654
RedHawks	—	5,034	6,289
Word Entertainment	—	—	2,594
International cable networks	—	—	744
Total revenues	\$ —	\$ 8,737	\$ 27,521
OPERATING INCOME (LOSS):			
Radio Operations	\$ —	\$ 615	\$ 1,305
Acuff-Rose Music Publishing	1	16	933
RedHawks	—	436	841
Word Entertainment	40	22	(917)
International cable networks	—	—	(1,576)
Businesses sold to OPUBCO	—	(620)	—
Restructuring charges	—	—	(20)
Total operating income	41	469	566
INTEREST EXPENSE	—	(1)	(81)
INTEREST INCOME	—	8	81
OTHER GAINS AND (LOSSES)			
Radio Operations	—	54,555	—
Acuff-Rose Music Publishing	1,015	450	130,465
RedHawks	—	(1,159)	(193)
Word Entertainment	—	1,503	1,553
International cable networks	—	497	3,617
Total other gains and (losses)	1,015	55,846	135,442
Income before provision for income taxes	1,056	56,322	136,008
PROVISION FOR INCOME TAXES	412	21,951	50,251
Gain from discontinued operations	\$ 644	\$ 34,371	\$ 85,757

[Table of Contents](#)*Cumulative Effect of Accounting Change, Net of Taxes*

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 statement of operations.

Liquidity and Capital Resources*Cash Flows – Summary*

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

	2004	2003	2002
Operating Cash Flows:			
Net cash flows provided by operating activities — continuing operations	\$ 58,508	\$ 63,916	\$ 83,829
Net cash flows (used in) provided by operating activities — discontinued operations	(821)	2,890	3,451
Net cash flows provided by operating activities	57,687	66,806	87,280
Investing Cash Flows:			
Purchases of property and equipment	(127,828)	(223,720)	(175,404)
Other	32,390	375	(20,380)
Net cash flows used in investing activities — continuing operations	(95,438)	(223,345)	(195,784)
Net cash flows provided by investing activities — discontinued operations	—	65,354	232,570
Net cash flows (used in) provided by investing activities	(95,438)	(157,991)	36,786
Financing Cash Flows:			
Repayment of long-term debt	(199,181)	(425,104)	(214,846)
Proceeds from issuance of long-term debt	225,000	550,000	85,000
Other	(1,541)	(22,984)	46,589
Net cash flows provided by (used in) financing activities - continuing operations	24,278	101,912	(83,257)
Net cash flows used in financing activities - discontinued operations	—	(94)	(1,671)
Net cash flows provided by (used in) financing activities	24,278	101,818	(84,928)
Net change in cash and cash equivalents	\$ (13,473)	\$ 10,633	\$ 39,138

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 2004, our net cash flows provided by operating activities — continuing operations were \$58.5 million, reflecting primarily our income from continuing operations before non-cash depreciation expense, amortization expense, income tax benefit, interest expense, loss on the Viacom stock and related derivatives, impairment charges, income from unconsolidated companies, and loss on sale of First Resort Software assets of approximately \$43.9 million, as well as favorable changes in working capital of approximately \$14.6 million. The favorable changes in working capital primarily resulted from the timing of payment of various liabilities, including accrued interest, taxes, advertising expenses, and other accrued expenses, as well as an increase in receipts of deposits on advance bookings of hotel 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 Palms). These favorable changes in working capital were partially offset by an increase in trade receivables due to the opening of the Gaylord Texan, as well as a slight decrease in receipts of deposits on advance bookings of vacation properties at ResortQuest. During 2003, our net cash flows provided by operating activities — continuing operations were \$63.9 million, reflecting

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primarily our income from continuing operations before non-cash depreciation expense, amortization expense, income tax benefit, interest expense, gain on the Viacom stock and related derivatives, impairment charges, and income from unconsolidated companies 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.

Cash Flows From Investing Activities. During 2004, our primary uses of funds and investing activities were the purchases of property and equipment which totaled \$127.8 million. These capital expenditures include continued construction at the new Gaylord hotel in Grapevine, Texas of \$96.1 million, approximately \$4.4 million related to the development of a new Gaylord hotel in Prince George's County, Maryland and approximately \$12.2 million related to Gaylord Opryland. During 2003, our primary uses of funds and investing activities were also the purchases of property and equipment which totaled \$223.7 million. These capital expenditures include continued 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.

Cash Flows 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 2004, the Company's net cash flows provided by financing activities were approximately \$24.3 million, primarily reflecting the issuance of \$225.0 million in 6.75% Senior Notes and the repayment of \$199.2 million in debt outstanding under the Nashville Hotel Loan. During 2003, the Company's net cash flows provided by financing activities were approximately \$101.9 million, primarily reflecting the issuance of \$550.0 million in debt, which consisted of the issuance of \$350 million in 8% Senior Notes and additional borrowings under our 2003 Florida/ Texas senior secured credit facility, and the repayment of \$425.1 million in 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 up to \$500 million of our debt or equity securities. The Registration Statement as amended on April 27, 2004 was declared effective by the SEC on April 27, 2004. 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 \$600 Million Credit Facility. On March 10, 2005, we entered into a new \$600.0 million credit facility with Bank of America, N.A. acting as the administrative agent. Our new credit facility consists of the following components: (a) a \$300.0 million senior secured revolving credit facility, which includes a \$50.0 million letter of credit sublimit, and (b) a \$300.0 million senior secured delayed draw term loan facility, which may be drawn on in one or more advances during its term. The credit facility also includes an accordion feature that will allow us, on a one-time basis, to increase the credit facilities by a total of up to \$300.0 million, subject to securing additional commitments from existing lenders or new lending institutions. The revolving loan, letters of credit and term loan mature on March 9, 2010. At our election, the revolving loans and the term loans may have an interest rate of LIBOR plus 2% or the lending banks' base rate plus 1%, subject to adjustments based on our financial performance. 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. We are required to pay a commitment fee ranging from 0.25% to 0.50% per year of the average unused portion of the credit facility.

The purpose of the new credit facility is for working capital and capital expenditures and the financing of the costs and expenses related to the construction of the Gaylord National hotel. Construction of the Gaylord National hotel is required to be substantially completed by June 30, 2008 (subject to customary force majeure provisions).

The new credit facility is (i) secured by a first mortgage and lien on the real property and related personal and intellectual property of our Gaylord Opryland hotel, Gaylord Texan hotel, Gaylord Palms hotel and Gaylord National hotel (to be constructed) and pledges of equity interests in the entities that own such properties and (ii) guaranteed by each of our four wholly owned subsidiaries that own the four hotels as well as ResortQuest International, Inc. Advances are subject to a 60% borrowing base, based on the appraisal values of the hotel properties (reducing to 50% in the event a hotel property is sold). Our former revolving credit facility has been paid in full and the related mortgages and liens have been released.

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

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- we must maintain a consolidated leverage ratio of not greater than (i) 7.00 to 1.00 for calendar quarters ending during calendar year 2007, and (ii) 6.25 to 1.00 for all other calendar quarters ending during the term of the credit facility, which levels are subject to increase to 7.25 to 1.00 and 7.00 to 1.00, respectively, for three (3) consecutive quarters at our option if we make a leverage ratio election.
- we must maintain a consolidated tangible net worth of not less than the sum of \$550.0 million, increased on a cumulative basis as of the end of each calendar quarter, commencing with the calendar quarter ending March 31, 2005, by an amount equal to (i) 75% of consolidated net income (to the extent positive) for the calendar quarter then ended, plus (ii) 75% of the proceeds received by us or any of our subsidiaries in connection with any equity issuance.
- we must maintain a minimum consolidated fixed charge coverage ratio of not less than (i) 1.50 to 1.00 for any reporting calendar quarter during which the leverage ratio election is effective; and (ii) 2.00 to 1.00 for all other calendar quarters during the term hereof.
- we must maintain an implied debt service coverage ratio (the ratio of adjusted net operating income to monthly principal and interest that would be required if the outstanding balance were amortized over 25 years at an assumed fixed rate) of not less than 1.60 to 1.00.
- our investments in entities which are not wholly-owned subsidiaries may not exceed an amount equal to ten percent (10.0%) of our consolidated total assets.

8% Senior Notes. On November 12, 2003, we completed our offering of \$350 million in aggregate principal amount of senior notes due 2013 (the “8% Senior Notes”) in an institutional private placement. In April 2004, we filed an exchange offer registration statement on Form S-4 with the SEC with respect to the 8% Senior Notes and exchanged the existing senior notes for publicly registered senior notes with the same terms. The interest rate of the notes is 8%, although we have entered into interest rate swaps with respect to \$125 million principal amount of the 8% Senior Notes which results in an effective interest rate of LIBOR plus 2.95% with respect to that portion of the notes. The 8% 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 8% 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 8% Senior Notes before November 15, 2006 with the net cash proceeds from certain equity offerings. The 8% 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 8% Senior Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of our subsidiaries that is a borrower or guarantor under our \$100 million revolving credit facility. In connection with the offering and subsequent registration of the 8% Senior Notes, we paid approximately \$10.1 million in deferred financing costs. The net proceeds from the offering of the 8% Senior Notes, together with 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 Florida/Texas loans, as well as the remaining \$66 million of our \$100 million Nashville hotel 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, at which time that amount was used, together with available cash, to repay ResortQuest’s senior notes and its credit facility.

In addition, the 8% 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 8% Senior Notes are cross-defaulted to our other indebtedness.

6.75% Senior Notes. On November 30, 2004, we completed our offering of \$225 million in aggregate principal amount of senior notes due 2014 (the “6.75% Senior Notes”) in an institutional private placement. The interest rate of the notes is 6.75%. The 6.75% Senior Notes, which mature on November 15, 2014, bear interest semi-annually in cash in arrears on May 15 and November 15 of each year, starting on May 15, 2005. The 6.75% Senior Notes are redeemable, in whole or in part, at any time on or after November 15, 2009 at a designated redemption amount, plus accrued and unpaid interest. In addition, we may redeem up to 35% of the 6.75% Senior Notes before November 15, 2007 with the net cash proceeds from certain equity offerings. The 6.75% 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 6.75% Senior Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of our subsidiaries that is a borrower or guarantor under our \$100 million revolving credit facility. In connection with the offering of the 6.75% Senior Notes, we paid approximately \$4.0 million in deferred financing costs. The net proceeds from the offering of the 6.75% Senior Notes, together with cash on hand, were used to repay the senior loan secured by the Nashville hotel assets and to provide capital for growth of the Company’s other businesses and other general corporate purposes. In addition, the 6.75% 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 6.75% Senior Notes are cross-defaulted to our other indebtedness.

Prior Indebtedness

\$100 Million Revolving Credit Facility. Prior to the completion of our \$600 million credit facility on March 10, 2005, we had in place, from November 20, 2003, a \$65.0 million revolving credit facility, which was increased to \$100.0 million on December 17, 2003. The revolving credit facility, which replaced the revolving credit portion of our 2003 Florida/Texas senior secured credit facility discussed below, matured in May 2006. The revolving credit facility had 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 was payable quarterly, in arrears, for base rate loans and at the end of each interest rate period for LIBOR rate-based loans. Principal was payable in full at maturity. The revolving credit facility was guaranteed on a senior unsecured basis by our subsidiaries that were guarantors of our 8% Senior Notes and 6.75% Senior Notes, described above (consisting generally of all our active domestic subsidiaries including, following repayment of the Nashville hotel loan arrangements in December 2004, the subsidiaries owning the Nashville hotel assets), and was secured by a leasehold mortgage on the Gaylord Palms. We were required to pay a commitment fee equal to 0.5% per year of the average daily unused revolving portion of the revolving credit facility.

In addition, the revolving credit facility contained certain covenants which, among other things, limited 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 in the revolving credit facility were 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 be at least \$25 million at the end of each fiscal quarter ending December 31, 2003, through December 31, 2004, and \$28 million at the end of each fiscal quarter thereafter, in each case based on the most recent four fiscal quarters; and



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- 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, 2004, we were in compliance with the foregoing covenants. As of December 31, 2004, no borrowings were outstanding under the revolving credit facility, but the lending banks had issued \$9.8 million of letters of credit under the revolving credit facility for us. The revolving credit facility was 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 and a \$100.0 million mezzanine loan with Merrill Lynch Mortgage Lending, Inc. The mezzanine loan was repaid in November 2003 with the proceeds of the 8% Senior Notes and the senior loan was repaid in November 2004 with the proceeds of the 6.75% Senior Notes. The senior and mezzanine loan borrower and its sole member were subsidiaries formed for the purposes of owning and operating the Nashville hotel and entering into the loan transaction and were special-purpose entities whose activities were strictly limited, although we fully consolidate these entities in our consolidated financial statements. The senior loan was secured by a first mortgage lien on the assets of Gaylord Opryland. 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 which have been terminated. 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.

2003 Florida/Texas Senior Secured Credit Facility. Prior to the closing of the 8% Senior Notes offering and establishment of our \$100 million 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 8% 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 hotel, to be known as the Gaylord National Resort and Convention Center and to be located on property we have acquired on the Potomac River in Prince George's County, Maryland (in the Washington, D.C. market). We currently expect to open the hotel in 2008. In connection with this project, Prince George's County, Maryland approved, in July 2004, two bond issues related to our development. The first bond issuance, in the amount of \$65 million, will support the cost of infrastructure being constructed by the project developer, such as roads, water and sewer lines. The second bond issuance, in the amount of \$95 million, will be issued directly to us upon completion of the project. We will initially hold the bonds and receive the debt service thereon which is payable from tax increment, hotel tax and special hotel rental taxes generated from our development.

We also are considering other potential hotel sites throughout the country. The timing and extent of any of these development projects is uncertain.

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Commitments and Contractual Obligations

The following table summarizes our significant contractual obligations as of December 31, 2004, including long-term debt and operating and capital lease commitments (amounts in thousands):

Contractual obligations	Total amounts committed	Less than 1 year	1-3 years	3-5 years	After 5 years
Long-term debt	\$ 575,100	\$ 100	\$ —	\$ —	\$ 575,000
Capital leases	874	440	424	10	—
Construction commitments	27,975	18,902	6,800	2,273	—
Arena naming rights	55,150	2,682	5,773	6,364	40,331
Operating leases	735,153	12,814	18,336	13,896	690,107
Other	4,506	322	644	644	2,896
Total contractual obligations	\$1,398,758	\$ 35,260	\$ 31,977	\$ 23,187	\$ 1,308,334

The total operating lease commitments of \$735.2 million above includes the 75-year operating lease agreement we entered into during 1999 for 65.3 acres of land located in Osceola County, Florida where Gaylord Palms is located.

During 2002 and 2001, we entered into certain agreements related to the construction of the Gaylord Texan. At December 31, 2004, we had paid approximately \$444.1 million related to these agreements, which is included in property and equipment in the consolidated balance sheets.

During 1999, we 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 us 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. Subsequent to December 31, 2004, this agreement has been terminated upon the terms and conditions described in Item 3. "Legal Proceedings."

At the expiration of the secured forward exchange contract relating to the Viacom stock owned by us, which is scheduled for May 2007, we will be required to pay the deferred taxes relating thereto. This deferred tax payable is estimated to be \$152.8 million. A complete description of the secured forward exchange contract is contained in Note 10 to our consolidated financial statements included herewith.

Critical Accounting Policies and Estimates

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

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

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Revenue recognition. We recognize revenue from our 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. We recognize revenues from the Opry and Attractions segment when services are provided or goods are shipped, as applicable.

We earn revenues from ResortQuest through property management fees, service fees, and other sources. 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 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 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. We recognize other revenues primarily related to real estate broker commissions. We recognize revenues on real estate sales when the transactions are complete, and such revenue is recorded net of the related agent commissions. Prior to the sale of First Resort Software, Inc. in December 2004, we also sold an integrated software package specifically designed for the vacation property management business, along with ongoing service contracts. Software and maintenance revenues were recognized when the systems were 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. We defer revenues related to deposits on advance bookings of rooms and vacation properties and advance ticket sales at our tourism properties.

Impairment of long-lived assets and goodwill. In accounting for our long-lived assets other than goodwill, we apply the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Under SFAS No. 144, we assess our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable. Recoverability of 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, we 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. We perform our 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 we measure 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 key assumptions used to determine the fair value of our 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 8%, which was based on our 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 2004. However, we did record an impairment charge during 2004 related to the IMAX movie as discussed elsewhere herein.

As a result of lower than expected revenues associated with our IMAX movie, we recognized impairment charges of approximately \$1.2 million and \$0.9 million in 2004 and 2003, respectively. The key assumptions used to determine the fair value of our IMAX movie during 2004 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 our weighted average cost of capital adjusted for the risks associated with the operations. Based on our quantitative analysis with these assumptions, we recorded an impairment charge of \$1.2 million to write off the remaining carrying value of the movie.

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Restructuring charges. We have 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 our 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. We utilize derivative financial instruments to reduce interest rate risks and to manage risk exposure to changes in the value of certain owned marketable securities. We record 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.

We obtain valuations of our derivative assets and liabilities from counterparties and record changes in the derivative assets and liabilities based on those valuations. The derivative assets and liabilities held by us at December 31, 2004 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 our 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, 2004 would have resulted in a decrease of \$4.0 million in the 2004 net pre-tax loss on the investment in Viacom stock and related derivatives. Likewise, a 5% decrease in the value of the Viacom stock at December 31, 2004 would have resulted in an increase of \$3.6 million in the 2004 net pre-tax loss on the investment in Viacom stock and related derivative. The key assumption used to determine the fair value of our 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 2004 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, 2004 would increase by approximately \$1.3 million.

Income taxes. We account 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.

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

We have 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 our operating results. Management periodically reviews such forecasts in comparison with actual results and expected trends. We have established valuation allowances for deferred tax assets primarily associated with certain subsidiaries with state operating loss carryforwards and tax credit carryforwards. At December 31, 2004, we had federal net operating loss carryforwards of \$109.1 million, federal tax credits of \$6.7 million, state net operating loss carryforwards of \$383.9 million, and foreign net operating loss carryforwards of \$10.5 million. A valuation allowance of \$13.4 million has been provided for certain state and foreign deferred tax assets, including loss carryforwards, as of December 31, 2004. 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, we will be required to adjust our deferred tax valuation allowance in the period in which we determine recovery is not probable.

In addition, we must deal with uncertainties in the application of complex tax regulations in the calculation of tax liabilities and are subject to routine income tax audits. We estimate the contingent income tax liabilities that may result from these audits based on our 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 we determine the liabilities are no longer necessary. If our estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to our tax provision would result.

Retirement and postretirement benefits other than pension plans. The calculations of the costs and obligations of our 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 our annual measurement date and is subject to change each year. We determine the expected return on plan assets based on our estimate of the return that plan assets will provide over the period that benefits are expected to be paid out. In preparing this estimate, we consider our 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, we consider our actual health care cost experience, industry trends, and advice from our third-party actuary. We assume 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 our pension and postretirement benefit obligations and expense. For example, holding all other assumptions constant, a 1% increase or decrease in the assumed discount rate related to the retirement plan would decrease or increase, respectively, 2004 net period pension expense by approximately \$1.0 million. Likewise, a 1% increase or decrease in the assumed rate of return on plan assets would decrease or increase, respectively, 2004 net periodic pension expense by approximately \$0.4 million.

A 1% increase or decrease in the assumed discount rate related to the postretirement benefit plan would increase or decrease, respectively, the aggregate of the service and interest cost components of 2004 net postretirement benefit expense by approximately \$0.1 million and \$0.02 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 2004 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 2004 net postretirement benefit expense by approximately \$0.1 million.

Recently Issued Accounting Standards

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 46 to make certain technical corrections and address certain implementation issues that had arisen. FIN 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 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 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 46 was effective immediately for VIEs created after January 31, 2003. The provisions of FIN 46, as revised, were adopted as of December 31, 2003 for our interests in VIEs that are special purposes entities ("SPEs"). The adoption of FIN 46 for interests in SPEs on December 31, 2003 did not have a material effect on our consolidated balance sheet. We adopted the provisions of FIN 46 for our variable interests in all VIEs as of March 31, 2004. The effect of adopting the provisions of FIN 46 for all our variable interests did not have a material impact on our consolidated results of operations, financial position, or liquidity.

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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 was effective for financial instruments entered into or modified after May 31, 2003 and was otherwise effective at the beginning of the first interim period beginning after June 15, 2003. We adopted the provisions of SFAS No. 150 on July 1, 2003. We 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 our 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. We adopted the provisions of this statement on December 31, 2003.

In May 2004, the FASB issued Staff Position No. 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003". The Prescription Drug Act introduces a prescription drug benefit under Medicare Part D as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. This standard requires sponsors of defined benefit postretirement health care plans to make a reasonable determination whether (1) the prescription drug benefits under its plan are actuarially equivalent to Medicare Part D and thus qualify for the subsidy under the Prescription Drug Act and (2) the expected subsidy will offset or reduce the employer's share of the cost of the underlying postretirement prescription drug coverage on which the subsidy is based. Sponsors whose plans meet both of these criteria are required to re-measure the accumulated postretirement benefit obligation and net periodic postretirement benefit expense of their plans to reflect the effects of the Prescription Drug Act in the first interim or Annual Reporting period beginning after September 15, 2004. Earlier application of this Staff Position is encouraged. We elected to adopt the provisions of FASB Staff Position No. 106-2 during the second quarter of 2004 and re-measured our accumulated benefit obligation and net periodic postretirement benefit expense accordingly. See Note 18 in the accompanying financial statements for a discussion regarding the impact of this Statement on our consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123(R), "Share Based Payment," which replaces SFAS No. 123 and supercedes APB 25. SFAS No. 123(R) requires the measurement of all share-based payments to employees, including grants of employee stock options, using a fair-value based method and the recording of such expense over the related vesting period. SFAS No. 123(R) also requires the recognition of compensation expense for the fair value of any unvested stock option awards outstanding at the date of adoption. The proforma disclosure previously permitted under SFAS No. 123 and SFAS No. 148 is no longer an alternative under SFAS No. 123(R). The effective date for adopting SFAS 123(R) is for periods beginning after June 15, 2005 which will be July 1, 2005 for us. Early adoption is permitted but not required. We plan to adopt the modified prospective method permitted under SFAS No. 123(R). Under this method, companies are required to record compensation expense for new and modified awards over the related vesting period of such awards prospectively and record compensation expense prospectively for the unvested portion, at the date of adoption, of previously issued and outstanding awards over the remaining vesting period of such awards. No change to prior periods is permitted under the modified prospective method. Based on the unvested stock option awards outstanding as of December 31, 2004 which are expected to remain unvested as of July 1, 2005, we expect to recognize additional pre-tax compensation expense during 2005 of approximately \$2.1 million beginning in the third quarter of 2005 as a result of the adoption of SFAS No. 123(R). Future levels of compensation expense recognized related to stock option awards (including the aforementioned) may be impacted by new awards and/or modifications, repurchases and cancellations of existing awards before and after the adoption of this standard.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets – An Amendment of APB Opinion No. 29". The amendments made by SFAS No. 153 are based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. Further, the amendments eliminate the exception for non-monetary exchanges of similar productive assets and replace it with a general exception for exchanges of non-monetary assets that do not have commercial substance. SFAS No. 153 is to be applied prospectively for non-monetary exchanges occurring in fiscal periods beginning after June 15, 2005. We do not expect the adoption of SFAS No. 153 to have a material impact on our financial position or results of operations.

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, 2004, 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 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, 2004, the fair market value of our investment in the 11.0 million shares of Viacom stock was \$400.4 million, or \$36.39 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 \$67.97 per share, as of December 31, 2004. The call option strike price decreased from \$75.30 as of December 31, 2003 to \$67.97 as of December 31, 2004 due to the Company receiving dividend distributions from Viacom during 2004. 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, 2004 would have resulted in a decrease of \$4.0 million in the 2004 net pre-tax loss on the investment in Viacom stock and related derivatives. Likewise, a 5% decrease in the value of the Viacom stock at December 31, 2004 would have resulted in an increase of \$3.6 million in the 2004 net pre-tax loss 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 our outstanding senior notes and our \$600 million credit facility.

In conjunction with our offering of the 8% 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 8% Senior Notes. This interest rate swap, which has a term of ten years, effectively adjusts the interest rate of that portion of the 8% Senior Notes to LIBOR plus 2.95%. The interest rate swap on the 8% 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 on the 8% Senior Notes 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 Loan in order to protect against adverse changes in one-month LIBOR. Pursuant to these agreements, we purchased instruments that capped its exposure to one-month LIBOR at 7.50%. In conjunction with our offering of the 6.75% Senior Notes and subsequent repayment of the Nashville Hotel Loan, we terminated these interest rate cap instruments.

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, 2004. As a result, the interest rate market risk implicit in these investments at December 31, 2004, 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.

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Summary

Based upon our overall market risk exposures at December 31, 2004, 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.

Forward-Looking Statements

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

Item 8. Financial Statements and Supplementary Data

Information with respect to this Item is contained in the Company's consolidated financial statements included in the Index beginning on page F-1 of this Annual Report on Form 10-K.

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

None.

Item 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

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

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

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

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

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2004. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework.

Based on management's assessment and those criteria, management believes that, as of December 31, 2004, the Company's internal control over financial reporting was effective.

The Company's independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on management's assessment of the Company's internal control over financial reporting. That report begins on page F-3.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or a likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information about our Board of Directors is incorporated herein by reference to the discussion under the heading "Election of Directors" in our Proxy Statement for the 2005 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

Information required by Item 405 of Regulation S-K is incorporated herein by reference to the discussion under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" in our Proxy Statement for the 2005 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

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

The Company has a separately designated audit committee of the board of directors established in accordance with the Exchange Act. Michael I. Roth, Gordon Gee, Michael Bender, Laurence S. Geller and Robert P. Bowen currently serve as members of the Audit Committee. Our Board of Directors has determined that Robert P. Bowen is an "audit committee financial expert" as defined by the SEC and is independent, as that term is defined in the Exchange Act.

Our Board of Directors has adopted a Code of Business Conduct and Ethics applicable to the members of our Board of Directors and our officers, including our Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer. In addition, the Board of Directors has adopted

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Corporate Governance Guidelines and restated charters for our Audit Committee, Human Resources Committee, and Nominating and Corporate Governance Committee. You can access our Code of Business Conduct and Ethics, Corporate Governance Guidelines and current committee charters on our website at www.gaylordentertainment.com or request a copy of any of the foregoing by writing to the following address: Gaylord Entertainment Company, Attention: Secretary, One Gaylord Drive, Nashville, Tennessee 37214. The Company will make any legally required disclosures regarding amendments to, or waivers of, provisions of the Code of Business Conduct and Ethics, Corporate Governance Guidelines or current committee charters on its website. In accordance with the corporate governance listing standards of the New York Stock Exchange, the Company has designated Mr. Ralph Horn as the lead director at all meetings of non-management directors, which meetings will be held on a regular basis. Stockholders may communicate with Mr. Horn, individual non-management directors, or the non-management directors as a group, by email at boardofdirectors@gaylordentertainment.com.

Item 11. Executive Compensation

The information required by this Item is incorporated herein by reference to the discussion under the heading “Executive Compensation” in our Proxy Statement for the 2005 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

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

The information required by this Item is incorporated herein by reference to the discussions under the headings “Beneficial Ownership” and “Equity Compensation Plan Information” in our Proxy Statement for the 2005 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

Item 13. Certain Relationships and Related Transactions

The information required by this Item is incorporated herein by reference to the discussion under the heading “Certain Relationships and Related Transactions” in our Proxy Statement for the 2005 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

Item 14. Principal Accountant Fees and Services

The information required by this Item is incorporated herein by reference to the discussion under the heading “Independent Auditor Fee Information” in our Proxy Statement for the 2005 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a)(1) Financial Statements

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

(a)(2) Financial Statement Schedules

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

Schedule II – Valuation and Qualifying Accounts for the Year Ended December 31, 2004	S-2
Schedule II – Valuation and Qualifying Accounts for the Year Ended December 31, 2003	S-3
Schedule II – Valuation and Qualifying Accounts for the Year Ended December 31, 2002	S-4

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

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(a)(3) Exhibits

See Index to Exhibits.

SIGNATURES

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

GAYLORD ENTERTAINMENT COMPANY

By: /s/ Colin V. Reed
Colin V. Reed
President and Chief Executive Officer

March 14, 2005

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Michael D. Rose</u> Michael D. Rose	Chairman of the Board	March 14, 2005
<u>/s/ Michael J. Bender</u> Michael J. Bender	Director	March 14, 2005
<u>/s/ Robert P. Bowen</u> Robert P. Bowen	Director	March 14, 2005
<u>/s/ E.K. Gaylord, II</u> E.K. Gaylord, II	Director	March 14, 2005
<u>/s/ Laurence S. Geller</u> Laurence S. Geller	Director	March 14, 2005
<u>/s/ E. Gordon Gee</u> E. Gordon Gee	Director	March 14, 2005
<u>/s/ Ralph Horn</u> Ralph Horn	Director	March 14, 2005
<u>/s/ Ellen Levine</u> Ellen Levine	Director	March 14, 2005
<u>/s/ Michael I. Roth</u> Michael I. Roth	Director	March 14, 2005
<u>/s/ Colin V. Reed</u> Colin V. Reed	Director, President and Chief Executive Officer (Principal Executive Officer)	March 14, 2005
<u>/s/ David C. Kloeppe</u> David C. Kloeppe	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 14, 2005
<u>/s/ Rod Connor</u> Rod Connor	Senior Vice President and Chief Administrative Officer (Principal Accounting Officer)	March 14, 2005

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Gaylord Entertainment Company and Subsidiaries Audited Consolidated Financial Statements as of December 31, 2004 and 2003 and for Each of the Three Years in the Period Ended December 31, 2004	
Report of Independent Registered Public Accounting Firm on the Consolidated Financial Statements	F-2
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting	F-3
Consolidated Statements of Operations for the Years ended December 31, 2004, 2003, and 2002	F-4
Consolidated Balance Sheets as of December 31, 2004 and 2003	F-5
Consolidated Statements of Cash Flows for the Years ended December 31, 2004, 2003, and 2002	F-6
Consolidated Statements of Stockholders' Equity for the Years ended December 31, 2004, 2003, and 2002	F-7
Notes to Consolidated Financial Statements	F-8

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

To the Board of Directors and Stockholders of Gaylord Entertainment Company

We have audited the accompanying consolidated balance sheets of Gaylord Entertainment Company and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of operations, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2004. 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 the standards of the Public Company Accounting Oversight Board (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, 2004 and 2003, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Gaylord Entertainment Company's internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our reported dated March 10, 2005 expressed an unqualified opinion thereon.

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.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
March 10, 2005

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

To the Board of Directors and Stockholders of Gaylord Entertainment Company

We have audited management's assessment, included in Management's Report on Internal Control Over Financial Reporting included in this Annual Report on Form 10-K, that Gaylord Entertainment Company maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Gaylord Entertainment Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

In our opinion, management's assessment that Gaylord Entertainment Company maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Gaylord Entertainment Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Gaylord Entertainment Company as of December 31, 2004 and 2003, and the related consolidated statements of operations, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2004 of Gaylord Entertainment Company and our report dated March 10, 2005 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
March 10, 2005

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2004, 2003 and 2002

(Amounts in thousands, except per share data)

	2004	2003	2002
REVENUES	\$ 749,453	\$ 448,800	\$ 405,252
OPERATING EXPENSES:			
Operating costs	479,864	276,937	254,583
Selling, general and administrative	189,976	117,178	108,732
Preopening costs	14,205	11,562	8,913
Gain on sale of assets	—	—	(30,529)
Impairment and other charges	1,212	856	—
Restructuring charges	196	—	(17)
Depreciation	69,082	53,941	52,694
Amortization	8,921	5,009	3,786
Operating (loss) income	(14,003)	(16,683)	7,090
INTEREST EXPENSE, NET OF AMOUNTS CAPITALIZED	(55,064)	(52,804)	(46,960)
INTEREST INCOME	1,521	2,461	2,808
UNREALIZED (LOSS) GAIN ON VIACOM STOCK	(87,914)	39,831	(37,300)
UNREALIZED GAIN (LOSS) ON DERIVATIVES	56,533	(33,228)	86,476
INCOME FROM UNCONSOLIDATED COMPANIES	3,825	2,340	3,058
OTHER GAINS AND (LOSSES)	1,089	2,209	1,163
(Loss) income before (benefit) provision for income taxes, discontinued operations and cumulative effect of accounting change	(94,013)	(55,874)	16,335
(BENEFIT) PROVISION FOR INCOME TAXES	(39,731)	(23,755)	2,509
(Loss) income from continuing operations before discontinued operations and cumulative effect of accounting change	(54,282)	(32,119)	13,826
GAIN FROM DISCONTINUED OPERATIONS, NET OF TAXES	644	34,371	85,757
CUMULATIVE EFFECT OF ACCOUNTING CHANGE, NET OF TAXES	—	—	(2,572)
Net (loss) income	\$ (53,638)	\$ 2,252	\$ 97,011
(LOSS) INCOME PER SHARE:			
(Loss) income from continuing operations	\$ (1.37)	\$ (0.93)	\$ 0.41
Gain from discontinued operations, net of taxes	0.02	1.00	2.54
Cumulative effect of accounting change, net of taxes	—	—	(0.08)
Net (loss) income	\$ (1.35)	\$ 0.07	\$ 2.87
(LOSS) INCOME PER SHARE — ASSUMING DILUTION:			
(Loss) income from continuing operations	\$ (1.37)	\$ (0.93)	\$ 0.41
Gain from discontinued operations, net of taxes	0.02	1.00	2.54
Cumulative effect of accounting change, net of taxes	—	—	(0.08)
Net (loss) income	\$ (1.35)	\$ 0.07	\$ 2.87

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
December 31, 2004 and 2003
(Amounts in thousands, except per share data)

	December 31, 2004	December 31, 2003
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 45,492	\$ 58,965
Cash and cash equivalents - restricted	45,149	37,723
Short-term investments	27,000	62,000
Trade receivables, less allowance of \$1,991 and \$1,805, respectively	30,328	21,453
Deferred financing costs	26,865	26,865
Deferred income taxes	10,411	8,753
Other current assets	28,768	24,769
Current assets of discontinued operations	—	19
Total current assets	<u>214,013</u>	<u>240,547</u>
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	1,343,251	1,297,528
INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	25,964	29,505
GOODWILL	166,068	169,642
INDEFINITE LIVED INTANGIBLE ASSETS	40,591	40,591
INVESTMENTS	468,570	552,658
ESTIMATED FAIR VALUE OF DERIVATIVE ASSETS	187,383	146,278
LONG-TERM DEFERRED FINANCING COSTS	50,873	75,154
OTHER ASSETS	24,332	29,107
Total assets	<u>\$ 2,521,045</u>	<u>\$ 2,581,010</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt and capital lease obligations	\$ 463	\$ 8,584
Accounts payable and accrued liabilities	168,688	158,496
Current liabilities of discontinued operations	1,033	2,930
Total current liabilities	<u>170,184</u>	<u>170,010</u>
SECURED FORWARD EXCHANGE CONTRACT	613,054	613,054
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS, NET OF CURRENT PORTION	575,946	540,175
DEFERRED INCOME TAXES	207,062	252,117
ESTIMATED FAIR VALUE OF DERIVATIVE LIABILITIES	4,514	21,969
OTHER LIABILITIES	80,684	76,067
LONG-TERM LIABILITIES OF DISCONTINUED OPERATIONS	—	825
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, 39,930 and 39,403 shares issued and outstanding, respectively	399	394
Additional paid-in capital	655,110	639,839
Retained earnings	232,270	285,908
Unearned compensation	(1,337)	(2,704)
Accumulated other comprehensive loss	(16,841)	(16,644)
Total stockholders' equity	<u>869,601</u>	<u>906,793</u>
Total liabilities and stockholders' equity	<u>\$ 2,521,045</u>	<u>\$ 2,581,010</u>

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, 2004, 2003 and 2002

(Amounts in thousands)

	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	\$ (53,638)	\$ 2,252	\$ 97,011
Amounts to reconcile net (loss) income to net cash flows provided by operating activities:			
Gain from discontinued operations, net of taxes	(644)	(34,371)	(85,757)
Income from unconsolidated companies	(3,825)	(2,340)	(3,058)
Impairment and other charges	1,212	856	—
Cumulative effect of accounting change, net of taxes	—	—	2,572
Unrealized loss (gain) on Viacom stock and related derivatives	31,381	(6,603)	(49,176)
Depreciation and amortization	78,003	58,950	56,480
Gain on sale of assets	—	—	(30,529)
Loss on sale of First Resort Software assets	1,817	—	—
(Benefit) provision for deferred income taxes	(39,712)	(23,957)	65,773
Amortization of deferred financing costs	29,269	35,219	36,164
Changes in (net of acquisitions and divestitures):			
Trade receivables	(8,875)	3,242	(8,924)
Accounts payable and accrued liabilities	20,309	17,808	(336)
Other assets and liabilities	3,211	12,860	3,609
Net cash flows provided by operating activities — continuing operations	58,508	63,916	83,829
Net cash flows (used in) provided by operating activities — discontinued operations	(821)	2,890	3,451
Net cash flows provided by operating activities	57,687	66,806	87,280
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(127,828)	(223,720)	(175,404)
Cash of business acquired	—	4,228	—
Proceeds from sale of assets	1,485	175	30,875
Collection of note receivable	—	10,000	—
Purchases of short-term investments	(130,850)	(254,500)	(322,075)
Proceeds from sale of short-term investments	165,850	242,800	271,775
Other investing activities	(4,095)	(2,328)	(955)
Net cash flows used in investing activities — continuing operations	(95,438)	(223,345)	(195,784)
Net cash flows provided by investing activities — discontinued operations	—	65,354	232,570
Net cash flows (used in) provided by investing activities	(95,438)	(157,991)	36,786
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of long-term debt	225,000	550,000	85,000
Repayment of long-term debt	(199,181)	(425,104)	(214,846)
Deferred financing costs paid	(4,951)	(18,289)	—
(Increase) decrease in cash and cash equivalents — restricted	(7,426)	(8,560)	45,670
Proceeds from exercise of stock options and stock purchase plans	11,529	4,459	919
Other financing activities	(693)	(594)	—
Net cash flows provided by (used in) financing activities — continuing operations	24,278	101,912	(83,257)
Net cash flows used in financing activities — discontinued operations	—	(94)	(1,671)
Net cash flows provided by (used in) financing activities	24,278	101,818	(84,928)
NET CHANGE IN CASH AND CASH EQUIVALENTS — UNRESTRICTED	(13,473)	10,633	39,138
CASH AND CASH EQUIVALENTS — UNRESTRICTED, BEGINNING OF YEAR	58,965	48,332	9,194
CASH AND CASH EQUIVALENTS — UNRESTRICTED, END OF YEAR	\$ 45,492	\$ 58,965	\$ 48,332

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, 2004, 2003 and 2002

(Amounts in thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Unearned Compensation	Other Comprehensive Income (Loss)	Total Stockholders' Equity
BALANCE, December 31, 2001	\$ 337	\$ 519,695	\$ 186,645	\$ (2,021)	\$ (8,677)	\$ 695,979
COMPREHENSIVE INCOME:						
Net income	—	—	97,011	—	—	97,011
Unrealized loss on interest rate caps, net of deferred income taxes	—	—	—	—	(161)	(161)
Minimum pension liability, net of deferred income taxes	—	—	—	—	(7,252)	(7,252)
Foreign currency translation, net of deferred income taxes	—	—	—	—	755	755
Comprehensive income						90,353
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	283,656	(1,018)	(15,335)	788,437
COMPREHENSIVE INCOME:						
Net income	—	—	2,252	—	—	2,252
Unrealized gain on interest rate derivatives, net of deferred income taxes	—	—	—	—	498	498
Minimum pension liability, net of deferred income taxes	—	—	—	—	(1,774)	(1,774)
Foreign currency translation, net of deferred income taxes	—	—	—	—	(33)	(33)
Comprehensive income						943
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	285,908	(2,704)	(16,644)	906,793
COMPREHENSIVE LOSS:						
Net loss	—	—	(53,638)	—	—	(53,638)
Unrealized loss on interest rate derivatives, net of deferred income taxes	—	—	—	—	(105)	(105)
Minimum pension liability, net of deferred income taxes	—	—	—	—	(187)	(187)
Foreign currency translation, net of deferred income taxes	—	—	—	—	95	95
Comprehensive loss						(53,835)
Exercise of stock options	5	11,207	—	—	—	11,212
Tax benefit on stock options	—	1,575	—	—	—	1,575
Employee stock plan purchases	—	306	—	—	—	306
Shares issued to employees	—	11	—	—	—	11
Issuance of restricted stock	—	935	—	(935)	—	—
Cancellation of restricted stock	—	(209)	—	209	—	—
Compensation expense	—	2,988	—	2,093	—	5,081
Adjustment to stock options of acquired business	—	(1,542)	—	—	—	(1,542)
BALANCE, December 31, 2004	\$ 399	\$ 655,110	\$ 232,270	\$ (1,337)	\$ (16,841)	\$ 869,601

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

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Gaylord Entertainment Company (the “Company”) is a diversified hospitality and entertainment company operating, through its subsidiaries, principally in four business segments: Hospitality; ResortQuest; Opry and Attractions; and Corporate and Other.

As more fully discussed in Note 9, the Company’s ownership percentage in Bass Pro Shops, Inc. (“Bass Pro”) increased during the third quarter of 2004. As required under applicable accounting guidance, the Company changed its method of accounting for its investment in Bass Pro from the cost method of accounting to the equity method of accounting in the third quarter of 2004. The equity method of accounting has been applied retroactively to all periods presented, and the Company has revised the accompanying consolidated balance sheets as of December 31, 2003 and related consolidated statements of operations, cash flows, and stockholders’ equity for the years ended December 31, 2003 and 2002. This change in accounting principle resulted in a decrease of \$1.0 million in retained earnings as of December 31, 2001 and increased net income for the years ended December 31, 2003 and 2002 by \$1.4 million, \$1.9 million, respectively. This change in accounting principle had no impact on cash flows provided by operating activities — continuing operations for the years ended December 31, 2003 and 2002.

Business Segments

Hospitality

The Hospitality segment includes the operations of Gaylord Hotels branded hotels and the Radisson Hotel at Opryland. At December 31, 2004, 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”), the Gaylord Texan Resort and Convention Center (“Gaylord Texan”) 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 Gaylord Texan in Grapevine, Texas opened in April 2004. The Company also has plans to develop a hotel, to be known as the Gaylord National Resort & Convention Center (“Gaylord National”) and to be located on property the Company acquired on February 24, 2005 on the Potomac River in Prince George’s County, Maryland (in the Washington, D.C. market). See Note 22 for a further discussion of the purchase of this land.

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 18,000 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 from November 20, 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, 2004, these include the Grand Ole Opry, the General Jackson Showboat, the Wildhorse Saloon, the Ryman Auditorium and the Springhouse Links, 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.

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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, 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. On February 22, 2005, the Company disposed of its investment in the Nashville Predators and reached an agreement to exit the related naming rights agreement upon the terms and conditions described in Note 22.

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 guest advance deposits held in escrow for lodging reservations and deposits held on real estate transactions. As of December 31, 2004, restricted cash and cash equivalents also included amounts held in escrow to close the acquisition of a business in January 2005, as discussed in Note 22. In 2003 and 2002, restricted cash also included cash escrowed under debt agreements.

Supplemental Cash Flow Information

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

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt interest paid	\$29,926	\$ 20,638	\$17,749
Deferred financing costs paid	4,951	18,289	—
Capitalized interest	(5,464)	(14,810)	(6,825)
Cash paid for interest, net of capitalized interest	<u>\$29,413</u>	<u>\$ 24,117</u>	<u>\$10,924</u>

Net cash (payments) refunds for income taxes were (\$0.7) million, \$1.0 million, and \$63.2 million for the years ended December 31, 2004, 2003, and 2002, respectively.

The Company's net cash flows provided by investing activities — discontinued operations in 2003 and 2002 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 \$114.7 million. The total purchase price of the ResortQuest acquisition was comprised of the following (in thousands):

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Fair value of common stock issued	\$ 105,329
Fair value of stock options issued	5,596
Direct merger costs	<u>3,773</u>
Total	<u>\$ 114,698</u>

The purchase price was allocated as follows (in thousands):

Assets acquired, including cash acquired of \$4,228	\$ 283,019
Liabilities assumed	(169,708)
Deferred stock-based compensation	<u>1,387</u>
Net assets acquired	<u>\$ 114,698</u>

Short-Term Investments

Short-term investments, which consist of market auction rate debt securities, are classified as “available for sale” under the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 115, “Accounting for Certain Investments in Debt and Equity Securities.” At December 31, 2004, the available for sale investments had contractual maturities ranging from June 1, 2034 to December 1, 2043. The Company’s stated investment policy is to sell these securities and repurchase similar securities at each auction date, which typically occurs every 28 days. Based on the Company’s historical practice of adhering to this investment policy and the Company’s intent to continue to adhere to this investment policy, the Company has classified these securities as short-term investments in its consolidated balance sheet.

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, 2004.

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, 2004, 2003 and 2002, deferred financing costs of \$29.3 million, \$35.2 million, and \$36.2 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, 2004 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:

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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, a 23 acre site in Grapevine, Texas on which the Gaylord Texan is located, and 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.

Long-Term Investments

The Company owns long-term investments in marketable securities and has minority interest investments in certain businesses. Long-term investments in 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):

	<u>2004</u>	<u>2003</u>
Other current assets:		
Other current receivables	\$13,493	\$11,364
Inventories	6,486	4,828
Prepaid expenses	6,918	7,596
Current income tax receivable	434	—
Other current assets	1,437	981
Total other current assets	<u>\$28,768</u>	<u>\$24,769</u>
Other long-term assets:		
Notes receivable	\$ 7,535	\$ 7,535
Deferred software costs, net	13,370	15,904
Other long-term assets	3,427	5,668
Total other long-term assets	<u>\$24,332</u>	<u>\$29,107</u>

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. 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.

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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):

	2004	2003
Trade accounts payable	\$ 18,855	\$ 19,965
Accrued construction in progress	7,735	18,993
Property and other taxes payable	23,462	19,820
Deferred revenues	48,438	50,043
Accrued salaries and benefits	18,547	16,860
Restructuring accruals	121	289
Accrued self-insurance reserves	7,427	3,683
Accrued interest payable	4,585	3,232
Accrued advertising and promotion	10,709	7,422
Other accrued liabilities	28,809	18,189
Total accounts payable and accrued liabilities	<u>\$ 168,688</u>	<u>\$ 158,496</u>

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 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.

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

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estate sales when the transactions are complete, and such revenue is recorded net of the related agent commissions. Until December 15, 2004, the Company also sold a fully integrated software package, First Resort Software, specifically designed for the vacation property management business, along with ongoing service contracts. The Company disposed of the First Resort Software business on December 15, 2004. Software and maintenance revenues were recognized when the systems were 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 included in continuing operations were \$32.5 million, \$17.5 million, and \$22.8 million for the years ended December 31, 2004, 2003 and 2002, 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 until the adoption of SFAS No. 123(R) in 2005. 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 (loss) income (in thousands) and (loss) income per share (in dollars) for the years ended December 31 would have been (increased) reduced to the following pro forma amounts:

	2004	2003	2002
NET (LOSS) INCOME:			
As reported	\$(53,638)	\$ 2,252	\$97,011
Stock-based employee compensation, net of tax effect	3,952	3,304	3,129
Pro forma	\$(57,590)	\$(1,052)	\$93,882
(LOSS) INCOME PER SHARE:			
As reported	\$ (1.35)	\$ 0.07	\$ 2.87
Pro forma	\$ (1.45)	\$(0.03)	\$ 2.78
(LOSS) INCOME PER SHARE — ASSUMING DILUTION:			
As reported	\$ (1.35)	\$ 0.07	\$ 2.87
Pro forma	\$ (1.45)	\$(0.03)	\$ 2.78

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, 2004 and 2003 and for each of the three years in the period ended December 31, 2004: 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.

(Loss) Income 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 (loss) income by the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed by dividing net (loss) 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. (Loss) income per share amounts are calculated as follows for the years ended December 31 (income and share amounts in thousands):

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	2004		
	Income	Shares	Per Share
Net loss	<u>\$ (53,638)</u>	<u>39,654</u>	<u>\$ (1.35)</u>
Effect of dilutive stock options	—	—	—
Net loss — assuming dilution	<u>\$ (53,638)</u>	<u>39,654</u>	<u>\$ (1.35)</u>

	2003		
	Income	Shares	Per Share
Net income	<u>\$ 2,252</u>	<u>34,460</u>	<u>\$ 0.07</u>
Effect of dilutive stock options	—	—	—
Net income — assuming dilution	<u>\$ 2,252</u>	<u>34,460</u>	<u>\$ 0.07</u>

	2002		
	Income	Shares	Per Share
Net income	<u>\$97,011</u>	<u>33,763</u>	<u>\$ 2.87</u>
Effect of dilutive stock options	—	31	—
Net income — assuming dilution	<u>\$97,011</u>	<u>33,794</u>	<u>\$ 2.87</u>

For the years ended December 31, 2004 and 2003, the effect of dilutive stock options was the equivalent of approximately 578,000 and 74,000 shares of common stock outstanding, respectively. Because the Company had a loss from continuing operations in the years ended December 31, 2004 and 2003, 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 (loss) income 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 that accrue interest at a fixed rate of 8% ("8% Senior Notes"). The 8% Senior Notes are discussed further in Note 12. The Company has entered into fixed to variable interest rate swaps with respect to \$125.0 million principal amount of the 8% Senior Notes. The carrying value of \$125.0 million of the 8% 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 8% Senior Notes does not approximate fair value. The fair value of this financial instrument, based upon quoted market prices, was \$241.7 million as of December 31, 2004.

The Company has issued \$225.0 million in aggregate principal amount of Senior Notes due 2014 that accrue interest at a fixed rate of 6.75% ("6.75% Senior Notes"). The 6.75% Senior Notes are discussed further in Note 12. The carrying value of the 6.75% Senior Notes does not approximate fair value. The fair value of this financial instrument, based upon quoted market prices, was \$224.3 million as of December 31, 2004.

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, short-term investments, 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

During 2003 and prior years, the Company classified certain market auction rate debt securities as cash and cash equivalents – unrestricted. During 2004, the Company determined that these securities should be classified as short-term investments due to the fact that the original maturity of these securities is greater than three months. As a result, the Company has revised the accompanying consolidated balance sheets as of December 31, 2003 and related consolidated statements of cash flows for the years ended December 31, 2003 and 2002. This reclassification resulted in a decrease of \$62.0 million in cash and cash equivalents – unrestricted and an increase of \$62.0 million in short-term investments as of December 31, 2003. The Company also revised its statements of cash flows for the years ended December 31, 2003 and 2002 to present the purchases and sales of these securities as investing activities. This reclassification had no impact on net income or cash flows provided by operating activities — continuing operations for the years ended December 31, 2003 and 2002.

Certain amounts in the prior year financial statements have been reclassified to conform to the 2004 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 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 46 to make certain technical corrections and address certain implementation issues that had arisen. FIN 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 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 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 46 was effective immediately for VIEs created after January 31, 2003. The provisions of FIN 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 46 for interests in SPEs on December 31, 2003 did not have a material effect on the Company's consolidated balance sheet. The Company adopted the provisions of FIN 46 for the Company's variable interests in all VIEs as of March 31, 2004. The effect of adopting the provisions of FIN 46 for all the Company's variable interests did not have a material impact on the Company's consolidated results of operations, financial position, or liquidity.

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

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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 was 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.

In May 2004, the FASB issued Staff Position No. 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003". The Prescription Drug Act introduces a prescription drug benefit under Medicare Part D as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. This standard requires sponsors of defined benefit postretirement health care plans to make a reasonable determination whether (1) the prescription drug benefits under its plan are actuarially equivalent to Medicare Part D and thus qualify for the subsidy under the Prescription Drug Act and (2) the expected subsidy will offset or reduce the employer's share of the cost of the underlying postretirement prescription drug coverage on which the subsidy is based. Sponsors whose plans meet both of these criteria are required to re-measure the accumulated postretirement benefit obligation and net periodic postretirement benefit expense of their plans to reflect the effects of the Prescription Drug Act in the first interim or Annual Reporting period beginning after September 15, 2004. Earlier application of this Staff Position is encouraged. The Company elected to adopt the provisions of FASB Staff Position No. 106-2 during the second quarter of 2004 and re-measured its accumulated benefit obligation and net periodic postretirement benefit expense accordingly. See Note 18 for a discussion regarding the impact of this Statement on the Company's consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123(R), "Share Based Payment," which replaces SFAS No. 123 and supercedes APB 25. SFAS No. 123(R) requires the measurement of all share-based payments to employees, including grants of employee stock options, using a fair-value based method and the recording of such expense over the related vesting period. SFAS No. 123(R) also requires the recognition of compensation expense for the fair value of any unvested stock option awards outstanding at the date of adoption. The proforma disclosure previously permitted under SFAS No. 123 and SFAS No. 148 is no longer an alternative under SFAS No. 123(R). The effective date for adopting SFAS 123(R) is for periods beginning after June 15, 2005 which will be July 1, 2005 for the Company. Early adoption is permitted but not required. The Company plans to adopt the modified prospective method permitted under SFAS No. 123(R). Under this method, companies are required to record compensation expense for new and modified awards over the related vesting period of such awards prospectively and record compensation expense prospectively for the unvested portion, at the date of adoption, of previously issued and outstanding awards over the remaining vesting period of such awards. No change to prior periods is permitted under the modified prospective method. Based on the unvested stock option awards outstanding as of December 31, 2004 which are expected to remain unvested as of July 1, 2005, the Company expects to recognize additional pre-tax compensation expense during 2005 of approximately \$2.1 million beginning in the third quarter of 2005 as a result of the adoption of SFAS No. 123(R). Future levels of compensation expense recognized related to stock option awards (including the aforementioned) may be impacted by new awards and/or modifications, repurchases and cancellations of existing awards before and after the adoption of this standard.

In December 2004, the FASB issued SFAS No. 153 "Exchanges of Nonmonetary Assets – An Amendment of APB Opinion No. 29". The amendments made by SFAS No. 153 are based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. Further, the amendments eliminate the exception for non-monetary exchanges of similar productive assets and replace it with a general exception for exchanges of non-monetary assets that do not have commercial substance. SFAS No. 153 is to be applied prospectively for non-monetary exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not expect the adoption of SFAS No. 153 to have a material impact on the Company's financial position or results of operations.

2. Construction Funding Requirements

As of December 31, 2004, the Company had \$45.5 million in unrestricted cash, \$90.2 million available under its 2003 revolving credit facility, and the net cash flows from certain operations to fund its cash requirements including the Company's 2005 construction commitments related to its hotel construction projects. The Company has plans to develop a hotel, to be known as the Gaylord

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National Resort & Convention Center and to be located on property the Company acquired on February 24, 2005 on the Potomac River in Prince George's County, Maryland (in the Washington, D.C. market). See Note 22 for a further discussion of the purchase of this land. In connection with this project, Prince George's County, Maryland approved, in July 2004, two bond issues related to the development. The first bond issuance, in the amount of \$65 million, will support the cost of infrastructure being constructed by the project developer, such as roads, water and sewer lines. The second bond issuance, in the amount of \$95 million, will be issued directly to the Company upon completion of the project. The Company will initially hold the bonds and receive the debt service thereon which is payable from tax increment, hotel tax and special hotel rental taxes generated from our development. As of December 31, 2004, the Company had not entered into any material construction commitments associated with this project.

As more fully discussed in Note 22, on March 10, 2005, the Company entered into a new \$600.0 million credit facility with Bank of America, N.A. acting as the administrative agent and terminated its previously existing 2003 revolving credit facility.

3. Impairment and Other Charges

The Company began production of an IMAX movie during 2000 to portray the history of country music. In the third quarter of 2003, based on the revenues generated by the theatrical release of the IMAX movie, the asset was reevaluated on the basis of estimated future cash flows. As a result, an impairment charge of \$0.9 million was recorded in the third quarter of 2003.

In the second quarter of 2004, due to a continued decline in the revenues generated by the film, the Company again re-evaluated the carrying value of the IMAX film asset based on current estimates of future cash flows. As a result, an additional impairment charge of \$1.2 million was recorded in the second quarter of 2004 to write off the remaining carrying value of the film.

4. Restructuring Charges

The following table summarizes the activities of the restructuring charges for continuing operations for the years ended December 31, 2004, 2003 and 2002 (amounts in thousands):

	Balance at December 31, 2003	Restructuring charges and adjustments	Payments	Balance at December 31, 2004
2001 restructuring charges	\$ 94	\$ 278	\$ 265	\$ 107
2000 restructuring charge	195	(82)	99	14
	<u>\$ 289</u>	<u>\$ 196</u>	<u>\$ 364</u>	<u>\$ 121</u>

	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
	<u>\$ 701</u>	<u>\$ —</u>	<u>\$ 412</u>	<u>\$ 289</u>

	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
	<u>\$ 5,737</u>	<u>\$ (17)</u>	<u>\$ 5,019</u>	<u>\$ 701</u>

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

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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. During the second quarter of 2004, the Company evaluated the 2001 restructuring accrual and determined that the remaining sublease payments it was scheduled to receive were less than originally estimated. During the fourth quarter of 2004, the Company again evaluated the 2001 restructuring accrual due to a continued decline in the creditworthiness of a sublessee and determined that the remaining sublease payments that it would collect were less than estimated during the second quarter of 2004. As a result of these evaluations, the Company increased the 2001 restructuring charge by \$0.3 million during 2004 related to continuing operations. As of December 31, 2004, the Company has recorded cash payments of \$5.0 million against the 2001 restructuring accrual. The remaining balance of the 2001 restructuring accrual at December 31, 2004 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. During the second quarter of 2004, the Company evaluated the 2000 restructuring accrual and determined that the remaining severance payments it was scheduled to make were less than originally estimated. As a result, the Company reversed \$0.1 million of the 2000 restructuring charge during 2004 related to continuing operations. As of December 31, 2004, the Company has recorded cash payments of \$9.4 million against the 2000 restructuring accrual related to continuing operations. The remaining balance of the 2000 restructuring accrual at December 31, 2004 of \$14,000, 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

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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 continues to own and operate WSM-AM, and under the terms of the joint sales agreement with Cumulus, Cumulus is responsible for all sales of commercial advertising on WSM-AM and provides 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 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.

During the third quarter of 2004, due to the expiration of certain indemnification periods as specified in the sales contract, a previously established indemnification reserve of \$1.0 million was reversed and is included in income from discontinued operations in the consolidated statement of operations.

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%.

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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 the Oklahoma Publishing Company ("OPUBCO") for \$22.0 million in cash and the assumption of debt of \$19.3 million. OPUBCO owns a minority interest in the Company. Until their resignation from the board of directors in April 2004, two of the Company's directors were also directors of OPUBCO and voting trustees of a voting trust that controls OPUBCO. Additionally, these two directors collectively beneficially owned a significant ownership interest in the Company prior to their sale of a substantial portion of this interest in April 2004.

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

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	2004	2003	2002
REVENUES:			
Radio Operations	\$ —	\$ 3,703	\$ 10,240
Acuff-Rose Music Publishing	—	—	7,654
RedHawks	—	5,034	6,289
Word Entertainment	—	—	2,594
International cable networks	—	—	744
Total revenues	<u>\$ —</u>	<u>\$ 8,737</u>	<u>\$ 27,521</u>
OPERATING INCOME (LOSS):			
Radio Operations	\$ —	\$ 615	\$ 1,305
Acuff-Rose Music Publishing	1	16	933
RedHawks	—	436	841
Word Entertainment	40	22	(917)
International cable networks	—	—	(1,576)
Businesses sold to OPUBCO	—	(620)	—
Restructuring charges	—	—	(20)
Total operating income	<u>41</u>	<u>469</u>	<u>566</u>
INTEREST EXPENSE	—	(1)	(81)
INTEREST INCOME	—	8	81
OTHER GAINS AND (LOSSES)			
Radio Operations	—	54,555	—
Acuff-Rose Music Publishing	1,015	450	130,465
RedHawks	—	(1,159)	(193)
Word Entertainment	—	1,503	1,553
International cable networks	—	497	3,617
Total other gains and (losses)	<u>1,015</u>	<u>55,846</u>	<u>135,442</u>
Income before provision for income taxes	<u>1,056</u>	<u>56,322</u>	<u>136,008</u>
PROVISION FOR INCOME TAXES	<u>412</u>	<u>21,951</u>	<u>50,251</u>
Gain from discontinued operations	<u>\$ 644</u>	<u>\$ 34,371</u>	<u>\$ 85,757</u>

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. The remaining gains and (losses) in 2004, 2003, and 2002 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.

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The assets and liabilities of the discontinued operations presented in the accompanying consolidated balance sheets at December 31 are comprised of (amounts in thousands):

	<u>2004</u>	<u>2003</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ —	\$ 19
Total current assets	<u>—</u>	<u>19</u>
Total assets	<u>\$ —</u>	<u>\$ 19</u>
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ —	\$ —
Accounts payable and accrued liabilities	1,033	2,930
Total current liabilities	1,033	2,930
OTHER LONG-TERM LIABILITIES	<u>—</u>	<u>825</u>
Total long-term liabilities	<u>—</u>	<u>825</u>
Total liabilities	1,033	3,755
TOTAL LIABILITIES & MINORITY INTEREST OF DISCONTINUED OPERATIONS	\$ 1,033	\$ 3,755

6. Acquisition

On November 20, 2003, pursuant to the Agreement and Plan of Merger dated as of August 4, 2003, the Company acquired 100% of the outstanding common shares of ResortQuest International, Inc. in a tax-free, stock-for-stock merger. 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) and the exchange ratio (0.275 Gaylord common share for each ResortQuest common share), the Company issued 5,318,363 shares of Gaylord common stock. In addition, based on the total number of ResortQuest options outstanding at November 20, 2003, the Company exchanged ResortQuest options for options to purchase 573,863 shares of Gaylord common stock. Based on the average market price of Gaylord common stock (\$19.81, which was 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), together with the direct merger costs, this resulted in an aggregate purchase price of approximately \$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 was 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	<u>\$114,698</u>

The Company 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. The 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 was 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 95-3 "Recognition of Liabilities in Connection with a Purchase Business Combination." The allocation of the purchase price was adjusted during this period and finalized on November 20, 2004, which resulted in certain adjustments to goodwill, accrued liabilities, deferred taxes, and additional paid-in capital as discussed more fully below. 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	<u>\$114,698</u>

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. Included in the tangible assets acquired is ResortQuest's vacation rental management software, First Resort Software ("FRS"), which was being amortized over a remaining estimated useful life of five years. On December 15, 2004, the Company sold certain assets related to FRS, including all copyrights, trademarks, tradenames, and

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maintenance and support agreements associated with the vacation rental management software, to Instant Software, Inc. for approximately \$1.3 million in cash and the assumption of certain liabilities. The Company also received a perpetual, irrevocable, royalty-free license to continue using the vacation rental management software for its internal business purposes. The value assigned to this license is being amortized over a remaining estimated useful life of two years. The Company recognized a loss of \$1.8 million on the sale of the FRS assets, which is reported in other gains and losses in the consolidated statement of operations.

Approximately \$29.7 million was 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. The Company is amortizing the customer database over a two-year period.

Of the total purchase price, approximately \$38.8 million was 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.

As of December 31, 2004 and December 31, 2003, goodwill related to the ResortQuest acquisition totaled \$159.2 million and \$162.7 million, respectively. During the twelve months ended November 20, 2004, the Company made adjustments to accrued liabilities, deferred taxes, and stock options associated with the ResortQuest acquisition as a result of obtaining additional information. These adjustments resulted in a net decrease in goodwill of \$3.5 million. As of December 31, 2004, approximately \$73.6 million of the goodwill was expected to be deductible for income tax purposes.

As of November 20, 2003, 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. The following table summarizes the activity related to these reserves for the years ended December 31, 2004 and 2003 (amounts in thousands):

<u>Balance at January 1, 2004</u>	<u>Charges and Adjustments</u>	<u>Payments</u>	<u>Balance at December 31, 2004</u>
\$4,000	\$ 4,117	\$ 5,167	\$ 2,950
<u>Balance at November 20, 2003</u>	<u>Charges and Adjustments</u>	<u>Payments</u>	<u>Balance at December 31, 2003</u>
\$4,000	\$ —	\$ —	\$ 4,000

All charges and adjustments to these reserves subsequent to November 20, 2003 and through the fourth quarter 2004 were recorded 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.

8. Property and Equipment

Property and equipment of continuing operations at December 31 is recorded at cost and summarized as follows (amounts in thousands):

	2004	2003
Land and land improvements	\$ 153,811	\$ 133,449
Buildings	1,226,372	838,276
Furniture, fixtures and equipment	414,166	336,735
Construction in progress	20,047	397,969
	<u>1,814,396</u>	<u>1,706,429</u>
Accumulated depreciation	(471,145)	(408,901)
Property and equipment, net	<u>\$1,343,251</u>	<u>\$1,297,528</u>

The increase in buildings and decrease in construction in progress during 2004 primarily relates to the completion of the construction for the Gaylord Texan, which opened on April 2, 2004. Depreciation expense of continuing operations for the years ended December 31, 2004, 2003 and 2002 was \$69.1 million, \$53.9 million, and \$52.7 million, respectively. Capitalized interest for the years ended December 31, 2004, 2003 and 2002 was \$5.5 million, \$14.8 million, and \$6.8 million, respectively.

9. Investments

Investments related to continuing operations at December 31 are summarized as follows (amounts in thousands):

	2004	2003
Viacom Class B non-voting common stock	\$400,399	\$488,313
Bass Pro	68,171	64,345
Total investments	<u>\$468,570</u>	<u>\$552,658</u>

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, 2004, the Company recorded net pretax losses of \$87.9 million related to the decrease in fair value of the Viacom Stock. 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.

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%. Accordingly, from December 31, 1999 to July 8, 2004, the Company accounted for its investment in Bass Pro under the cost method of accounting. On July 8, 2004, Bass Pro redeemed the approximate 28.5% interest held in Bass Pro by private equity investor, J.W. Childs Associates. As a result, the Company's ownership interest in Bass Pro increased to 26.6% as of the redemption date. Because the Company's ownership interest in Bass Pro increased to a level exceeding 20%, the Company was required by Accounting Principles Board Opinion No. 18, "The Equity Method of Accounting for Investments in

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Common Stock”, to account for its investment in Bass Pro under the equity method of accounting beginning in the third quarter of 2004. The equity method of accounting has been applied retroactively to all periods presented.

As of December 31, 2004, the recorded value of the Company’s investment in Bass Pro is \$62.4 million greater than its equity in Bass Pro’s underlying net assets. This difference is being accounted for as equity method goodwill.

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 during 2002 resulting from the Nashville Predators’ net losses. The carrying value of the investment in the Predators was zero at December 31, 2004, 2003, and 2002. The Company has not recognized its share of losses in 2004 and 2003 or reduced its investment below zero as the Company is not obligated to make future contributions to the Predators. Through dilution, the Company owned a 10.1% limited partnership interest in the Nashville Predators as of December 31, 2004. As further discussed in Note 22, pursuant to a settlement agreement consummated on February 22, 2005, the Nashville Predators redeemed all of the outstanding limited partnership units in the Nashville Predators owned by the Company, effectively terminating the Company’s ownership interest in the Nashville Predators, and cancelled the related naming rights agreement.

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, 2004 and 2003 and long-term assets of \$37.4 million and \$64.3 million in the accompanying consolidated balance sheets as of December 31, 2004 and 2003, 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 \$67.97 per share, as of December 31, 2004. The call option strike price decreased from \$75.30 as of December 31, 2003 to \$67.97 as of December 31, 2004 due to the Company receiving dividend distributions from Viacom during 2004. Future dividend distributions received from Viacom may result in an adjusted call strike price. For any appreciation above \$67.97 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. 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, 2004, 2003 and 2002, the Company recorded net pretax gains (losses) in the Company's consolidated statement of operations of \$56.5 million, (\$33.2) million, and \$86.5 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, which capped the Company's exposure to one-month LIBOR rates on up to \$375.0 million of outstanding indebtedness at 7.5%, expired in March 2004 as discussed in Note 12. Upon the expiration of these contracts, the Company entered into a contract to cap its exposure to one-month LIBOR rates on up to \$197 million of outstanding indebtedness at 5.0% as discussed in Note 12. 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 was 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, was 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 locked 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 qualified for treatment as cash flow hedges in accordance with the provisions of SFAS No. 133, as amended. Anticipating the issuance of the 8% 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 8% 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 8% 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 \$125.0 million of the 8% Senior Notes to a variable rate in order to access the lower borrowing costs that were 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 8% 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 8% 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, 2004, the Company determined that, based upon dealer quotes, the fair value of these interest rate swap agreements was \$0.5 million. The Company has recorded a derivative asset and an offsetting increase in the balance of the 8% Senior Notes accordingly. 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 recorded a derivative liability and an offsetting reduction in the balance of the 8% 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):

	2004	2003
Senior Loan	\$ —	\$199,181
8% Senior Notes	350,000	350,000
6.75% Senior Notes	225,000	—
Fair value derivatives effective for 8% Senior Notes	484	(1,544)
Notes payable	100	200
Capital lease obligations	825	922
Total debt	576,409	548,759
Less amounts due within one year	(463)	(8,584)
Total long-term debt	\$575,946	\$540,175

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.

2005	\$ 100
2006	—
2007	—
2008	—
2009	—
Years thereafter	575,000
Total	\$575,100

Accrued interest payable at December 31, 2004 and 2003 was \$4.6 million and \$3.2 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 and Mezzanine Loan borrower and its member were subsidiaries formed for the purposes of owning and operating the Gaylord Opryland and entering into the loan transaction and are special-purpose entities whose activities are strictly limited. The Company fully consolidates these entities in its consolidated financial statements. The Senior Loan, which was repaid and terminated in November 2004 using proceeds of the 6.75% Senior Notes discussed below, was secured by a first mortgage lien on the assets of Gaylord Opryland. In March 2004, the Company exercised the first of two one-year extension options to extend the maturity of the Senior Loan to March 2005. Amounts outstanding under the Senior Loan bore interest at one-month LIBOR plus 1.20%. The Mezzanine Loan, which was repaid and terminated in November 2003 using proceeds of the 8% 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%. 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 in 2001 that capped its exposure to one-month LIBOR at 7.5% as discussed in Note 11. These instruments expired in March 2004. Upon exercising its option to extend the maturity of the Senior Loan in March 2004, the Company purchased an instrument that capped its exposure to one-month LIBOR at 5.0% as discussed in Note 11. As a result of the repayment and termination of the Senior Loan, these instruments were terminated in

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November 2004. 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 the interim loan and paying required escrows and fees were approximately \$97.6 million.

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 triggered certain cash management restrictions and failure to meet certain ratios at a second level resulted 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, 2004, the Senior Loan and Mezzanine Loan had been repaid and terminated.

During November 2003, the Company used the proceeds of the 8% Senior Notes, as discussed below, to repay in full \$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 during 2003, which is recorded as interest expense in the consolidated statement of operations.

During November, 2004, the Company used the proceeds of the 6.75% Senior Notes, as discussed below, to repay in full \$192.5 million outstanding under the Senior Loan portion of the Nashville Hotel Loans. As a result of the prepayment of the Senior Loan, the Company wrote off \$0.03 million in deferred financing costs during 2004, which is recorded as interest expense in the consolidated statement of operations.

Term Loan

During 2001, the Company entered into a three-year delayed-draw senior term loan (the "Term Loan") of up to \$210.0 million with Deutsche Banc Alex. Brown Inc., Salomon Smith Barney, Inc. and CIBC World Markets Corp. (collectively the "Banks"). 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

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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, 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 during the fourth quarter of 2003, which is included in interest expense in the consolidated statement of operations.

8% Senior Notes

On November 12, 2003, the Company completed its offering of \$350 million in aggregate principal amount of senior notes due 2013 in an institutional private placement. In April 2004, the Company filed an exchange offer registration statement on Form S-4 with the Securities and Exchange Commission (the "SEC") with respect to the 8% Senior Notes and exchanged the existing senior notes for publicly registered senior notes with the same terms. The interest rate on these notes is 8%, although the Company has entered into fixed to variable interest rate swaps with respect to \$125 million principal amount of the 8% Senior Notes which results in an effective interest rate of LIBOR plus 2.95% with respect to that portion of the 8% Senior Notes. The 8% 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 8% 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 8% Senior Notes before November 15, 2006 with the net cash proceeds from certain equity offerings. The 8% 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 8% Senior Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of the Company's subsidiaries that is a borrower or guarantor under the 2003 revolving credit facility. In connection with the offering and subsequent registration of the 8% Senior Notes, the Company paid approximately \$10.1 million in deferred financing costs. The net proceeds from the offering of the 8% 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 (i) ResortQuest's senior notes and its credit facility, the principal amount of which aggregated \$85.1 million at closing, and (ii) a related prepayment penalty.

The 8% 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

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encumbrances and other matters customarily restricted in such agreements. The 8% Senior Notes are cross-defaulted to the Company's other indebtedness.

2003 Revolving Credit Facility

On November 20, 2003, the Company entered into a new \$65.0 million revolving credit facility, which was increased to \$100.0 million on December 17, 2003. The 2003 revolving credit facility, which replaced the revolving credit portion under the 2003 Loans, matures in May 2006. The 2003 revolving credit facility has an interest rate, at the Company's 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 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 2003 revolving credit facility is guaranteed on a senior unsecured basis by the Company's subsidiaries that are guarantors of the 8% Senior Notes described above and the 6.75% Senior Notes described below (consisting generally of the Company's active domestic subsidiaries including, following repayment of the Senior Loan arrangements, the subsidiaries owning the assets of Gaylord Opryland), and is secured by a leasehold mortgage on the Gaylord Palms. The Company is required to pay a commitment fee equal to 0.5% per year of the average daily unused revolving portion of the 2003 revolving credit facility.

In addition, the 2003 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 in the 2003 revolving credit facility are as follows:

- a maximum total leverage ratio requiring that at the end of each fiscal quarter, the 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 be at least \$25 million at the end of each fiscal quarter ending December 31, 2003, through December 31, 2004, and \$28 million 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, the 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, 2004, the Company was in compliance with all covenants. As of December 31, 2004, no borrowings were outstanding under the 2003 revolving credit facility, but the lending banks had issued \$9.8 million of letters of credit under the credit facility for the Company. The revolving credit facility is cross-defaulted to the Company's other indebtedness.

As more fully discussed in Note 22, on March 10, 2005, the Company entered into a new \$600.0 million credit facility with Bank of America, N.A. acting as the administrative agent and terminated its previously existing 2003 revolving credit facility.

6.75% Senior Notes

On November 30, 2004, the Company completed its offering of \$225 million in aggregate principal amount of senior notes due 2014 in an institutional private placement. The interest rate of these notes is 6.75%. The 6.75% Senior Notes, which mature on November 15, 2014, bear interest semi-annually in cash in arrears on May 15 and November 15 of each year, starting on May 15, 2005. The 6.75% Senior Notes are redeemable, in whole or in part, at any time on or after November 15, 2009 at a designated redemption amount, plus accrued and unpaid interest. In addition, the Company may redeem up to 35% of the 6.75% Senior Notes before November 15, 2007 with the net cash proceeds from certain equity offerings. The 6.75% Senior Notes rank equally in right of payment with the Company's other unsecured unsubordinated debt, but are effectively subordinated to all of the Company's secured debt to the extent of the assets securing such debt. The 6.75% Senior Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of the Company's subsidiaries that is a borrower or guarantor under the 2003 revolving credit facility discussed above. In connection with the offering of the 6.75% Senior Notes, the Company paid approximately \$4.0 million in deferred financing costs. The net proceeds from the offering of the 6.75% Senior Notes, together with cash on hand, were used to repay the Senior Loan and to provide capital for growth of the Company's other businesses and other general corporate purposes. In addition, the 6.75% 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

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consolidations, liens and encumbrances and other matters customarily restricted in such agreements. The 6.75% Senior Notes are cross-defaulted to the Company's other indebtedness.

In connection with the issuance of the 6.75% Senior Notes, the Company entered into a Registration Rights Agreement. Under the terms of the Registration Rights Agreement, the Company intends to file an exchange offer registration statement with the SEC on or prior to 150 days after November 30, 2004, the closing date of the 6.75% Senior Notes offering. The Company will use its reasonable best efforts to have the exchange offer registration statement declared effective by the SEC on or prior to 240 days after November 30, 2004.

13. Income Taxes

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

	2004	2003	2002
CURRENT:			
Federal	\$ 253	\$(18,367)	\$ —
State	(84)	(3,284)	1,336
Total current provision (benefit)	169	(21,651)	1,336
DEFERRED:			
Federal	(28,226)	1,669	1,033
State	(11,649)	(3,907)	(1,203)
Foreign	(25)	134	—
Total deferred benefit	(39,900)	(2,104)	(170)
Effect of tax law change	—	—	1,343
Total (benefit) provision for income taxes	<u>\$ (39,731)</u>	<u>\$(23,755)</u>	<u>\$ 2,509</u>

The tax benefits associated with the exercise of stock options during the years ended 2004, 2003, and 2002 were \$1.6 million, \$0.9 million, and \$0.03 million, respectively, and are reflected as an adjustment to either additional paid-in capital in the accompanying consolidated statements of stockholders' equity, goodwill or deferred tax asset.

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 \$0.4 million, \$22.0 million, and \$50.3 million for the years ended December 31, 2004, 2003 and 2002, respectively. During the year ended December 31, 2002 the Company recognized an additional income tax benefit in the amount of \$1.6 million as discussed in Note 19 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:

	2004	2003	2002
U.S. federal statutory rate	35%	35%	35%
State taxes (net of federal tax benefit and change in valuation allowance)	8%	8%	—%
Effective tax law change	—%	—%	6%
Previously accrued income taxes	—%	—%	(30%)
Other	(1%)	—%	4%
	<u>42%</u>	<u>43%</u>	<u>15%</u>

In 2004, the Company began operations in additional tax jurisdictions which caused a change in the overall effective tax rate. As a result of this change, the Company recorded an income tax benefit of approximately \$4.5 million (net of federal benefit) related to the net deferred tax liability at the beginning of the year. In addition, the state income tax benefit related to current year operations was \$3.0 million (net of federal benefit). 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

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asset by \$2.4 million and to reduce the tax expense by \$2.4 million. 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.

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):

	2004	2003
DEFERRED TAX ASSETS:		
Accounting reserves and accruals	\$ 20,852	\$ 20,761
Defined benefit plan	8,048	8,944
Investments in stock	3,156	3,804
Forward exchange contract	48,255	38,609
Rent escalation and naming rights	10,129	6,796
Federal, State and Foreign net operating loss carryforwards	56,584	25,327
Tax credits and other carryforwards	8,594	7,511
Other assets	5,252	4,252
Total deferred tax assets	160,870	116,004
Valuation allowance	(13,365)	(13,166)
Total deferred tax assets, net of valuation allowance	147,505	102,838
DEFERRED TAX LIABILITIES:		
Goodwill and other intangibles	22,764	23,872
Property and equipment, net	102,529	89,399
Investments in stock & derivatives	214,055	229,942
Investments in partnerships	4,808	2,944
Other liabilities	—	45
Total deferred tax liabilities	344,156	346,202
Net deferred tax liabilities	\$196,651	\$243,364

At December 31, 2004, the Company had federal net operating loss carryforwards of \$109.1 million which will begin to expire in 2020. In addition, the Company had federal minimum tax credits of \$5.9 million that will not expire and other federal tax credits of \$0.8 million that will begin to expire in 2018. The Company acquired federal net operating losses of \$16.2 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 ultimately be fully utilized. State net operating loss carryforwards at December 31, 2004 totaled \$383.9 million and will expire between 2005 and 2019. Foreign net operating loss carryforwards at December 31, 2004 totaled \$10.5 million and will begin to expire in 2007. 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 \$0.2 million, \$(1.5) million, and \$(0.7) million in 2004, 2003 and 2002, 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. At December 31, 2004, \$1.2 million of the total valuation allowance is related to deferred tax assets for which any subsequently recognized tax benefits will be recorded as a reduction of goodwill.

At December 31, 2004, the deferred tax liability relating to the Viacom Stock and the related SFEC (see Note 10) was \$214.1 million, which amounts will be payable upon expiration of the SFEC which is scheduled for May 2007.

During the year ended December 31, 2002, the Company recognized a benefit of \$4.9 million 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 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. A majority of the issues raised in the audit have been settled,

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however some still remain open. The Company has considered the tax effect of the settled items and made the appropriate adjustments to the deferred tax assets and liabilities and resulting benefit or expense. The Company does not believe the resolution of the open issues 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 (payments) refunds for income taxes were approximately (\$0.7) million, \$1.0 million, and \$63.2 million in 2004, 2003 and 2002, respectively.

The Company has estimated and accrued for certain tax assessments and the expected resolution of tax contingencies which arise in the course of business. The ultimate outcome of these tax-related contingencies impact the determination of income tax expense and may not be resolved until several years after the related tax returns have been filed. Predicting the outcome of such tax assessments involves uncertainty; however, the Company believes that recorded tax liabilities adequately account for its analysis of probable outcomes.

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, 2004 and 2003, 3,586,551 and 3,743,029 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 2004, 2003 and 2002, respectively: risk-free interest rates of 3.1%, 2.8%, and 4.1%; expected volatility of 35.1%, 35.5%, and 33.1%; expected lives of 4.5, 4.8, and 4.3 years; expected dividend rates of 0% for all years. The weighted average fair value of options granted was \$10.06, \$7.40, and \$8.16 in 2004, 2003 and 2002, respectively.

Stock option awards available for future grant under the stock plan at December 31, 2004 and 2003 were 1,742,828 and 2,113,252 shares of common stock, respectively. Stock option transactions under the plan and options converted at the ResortQuest acquisition are summarized as follows:

	2004		2003		2002	
	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	3,743,029	\$ 24.88	3,241,037	\$ 26.21	3,053,737	\$ 26.60
Granted	559,114	29.50	777,390	21.21	635,475	24.26
Converted at ResortQuest acquisition	—	—	573,863	21.18	—	—
Exercised	(484,730)	23.13	(235,860)	17.75	(29,198)	22.63
Canceled	(230,862)	26.20	(613,401)	26.52	(418,977)	26.33
Outstanding at end of year	3,586,551	25.75	3,743,029	24.88	3,241,037	26.21
Exercisable at end of year	2,033,331	26.49	1,840,310	27.02	1,569,697	27.27

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A summary of stock options outstanding at December 31, 2004 is as follows:

Option Exercise Price Range	Options Outstanding			Options Exercisable	
	Number of Shares	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Shares Exercisable	Weighted Average Exercise Price
\$13.09 - 20.00	182,202	5.0	\$ 16.00	66,935	\$ 15.89
20.01 - 25.00	952,999	7.1	21.49	417,469	22.02
25.01 - 30.00	2,155,093	6.2	27.20	1,359,482	26.95
30.01 - 35.00	175,363	6.6	31.51	81,231	32.17
35.01 - 40.00	118,832	4.0	39.54	106,152	40.00
40.01 - 58.18	2,062	4.2	57.12	2,062	57.12
13.09 - 58.18	<u>3,586,551</u>	6.3	25.75	<u>2,033,331</u>	26.49

The plan also provides for the award of restricted stock. At December 31, 2004 and 2003, awards of restricted stock of 93,805 and 111,350 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, 2004, there was approximately \$1.0 million in unearned deferred compensation related to restricted unit grants recorded as other stockholders' equity in the accompanying consolidated balance sheet.

The Company granted 45,500 and 620,500 units in 2004 and 2003, respectively, under the Company's Performance Accelerated Restricted Stock Unit Program, which was implemented in the second quarter of 2003. Included in compensation expense for 2004 and 2003 is \$2.8 million and \$1.6 million, respectively, related to these units.

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 11,722, 12,888, and 14,753 shares of common stock at an average price of \$26.13, \$16.95, and \$17.47 pursuant to this plan during 2004, 2003 and 2002, respectively.

16. Commitments and Contingencies

Capital Leases

During 2004, 2003, and 2002, the Company entered into two, one, and three capital leases, respectively. 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):

	<u>2004</u>	<u>2003</u>
Property and equipment	\$ 2,125	\$ 1,563
Other long-term assets	898	898
Accumulated depreciation	(1,104)	(567)
Net assets under capital leases in property and equipment	<u>\$ 1,919</u>	<u>\$ 1,894</u>
Current lease obligations	\$ 362	\$ 480
Long-term lease obligations	464	442
Capital lease obligations	<u>\$ 826</u>	<u>\$ 922</u>

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Operating Leases

Rental expense related to continuing operations for operating leases was \$19.9 million, \$13.6 million, and \$13.1 million for 2004, 2003 and 2002, respectively. Non-cash lease expense for 2004, 2003, and 2002 was \$6.6 million, \$6.5 million, and \$6.5 million, respectively, as discussed below.

Future minimum cash lease commitments under all non-cancelable leases in effect for continuing operations at December 31, 2004 are as follows (amounts in thousands):

	<u>Capital Leases</u>	<u>Operating Leases</u>
2005	\$ 440	\$ 12,814
2006	351	9,601
2007	73	8,735
2008	10	7,530
2009	—	6,366
Years thereafter	—	690,107
Total minimum lease payments	874	<u>\$735,153</u>
Less amount representing interest	(48)	
Total present value of minimum payments	826	
Less current portion of obligations	(362)	
Long-term obligations	<u>\$ 464</u>	

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 2004, 2003, and 2002. This rent included approximately \$6.6 million, \$6.5 million, and \$6.5 million of non-cash expenses during 2004, 2003, and 2002, respectively. 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 \$0.8 million, \$0.7 million and \$0.6 million of contingent rentals related to the Gaylord Palms in 2004, 2003, and 2002, respectively.

Other Commitments and Contingencies

On February 22, 2005, the Company concluded the settlement of litigation with the Nashville Hockey Club Limited Partnership ("NHC"), which owns the Nashville Predators NHL hockey team, over (i) NHC's obligation to redeem the Company's ownership interest, and (ii) the Company's obligations under the Nashville Arena Naming Rights Agreement dated November 24, 1999. Under the Naming Rights Agreement, which had a 20-year term through 2018, the Company was required to make annual payments to NHC, beginning at \$2,050,000 in 1999 and with a 5% escalation each year thereafter, and to purchase a minimum number of tickets to Predators games each year. At the closing of the settlement, NHC redeemed all of the Company's outstanding limited partnership units in the Predators pursuant to a Purchase Agreement dated February 22, 2005, effectively terminating the Company's ownership interest in the Predators. In addition, the Naming Rights Agreement was cancelled pursuant to the Acknowledgment of Termination of Naming Rights Agreement. As a part of the settlement, the Company made a one-time cash payment to NHC of \$4 million and issued to NHC a 5-year, \$5 million promissory note bearing interest at 6% per annum. The note is payable at \$1 million per year for 5 years, with the first payment due on the first anniversary of the resumption of NHL hockey in Nashville, Tennessee. The Company's obligation to pay the outstanding amount under the note shall terminate immediately if, at any time before the note is paid in full, the Predators cease to be an NHL team playing their home games in Nashville, Tennessee. In addition, if the Predators cease to be an NHL team playing its home games in Nashville prior to the first payment under the note, then in addition to the note being cancelled, the Predators will pay the Company \$4 million. If the Predators cease to be an NHL team playing its home games in Nashville after the first payment but prior to the second payment under the note, then in addition to the note being cancelled, the Predators will pay

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the Company \$2 million. In addition, pursuant to a Consent Agreement among the Company, the National Hockey League and owners of NHC, the Company's guaranty described below has been limited as described below. The Company continued to recognize the expense under the Naming Rights Agreement throughout the course of this litigation. As a result, the Company anticipates that payments made pursuant to the Settlement Agreement will result in the Company recording a \$2.4 million gain during the first quarter of 2005.

During 1999, the Company entered into a 20-year naming rights agreement related to the Nashville Arena with the Nashville Predators as described above. The Company has accounted 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, 2004, 2003 and 2002, which is included in selling, general and administrative expenses in the accompanying consolidated statements of operations. As described above, the Company was relieved of all of its obligations under the Naming Rights Agreement on February 22, 2005, as a part of the legal settlement with the Nashville Predators.

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, 2004, the Company had not recorded any liability in the consolidated balance sheet associated with this guarantee. In connection with the legal settlement with the Nashville Predators consummated on February 22, 2005, as described above, this guaranty has been limited so that the Company is not responsible for any debt, obligation or liability of Nashville Hockey Club, L.P. that arises from any act, omission or circumstance occurring after the date of the legal settlement.

Certain of the Company's ResortQuest subsidiary's property management agreements in Hawaii contain provisions for guaranteed levels of returns to the owners. These agreements, which have remaining terms of up to approximately 8 years, also contain force majeure clauses to protect the Company from forces or occurrences beyond the control of management.

The Company has plans to develop a hotel, to be known as the Gaylord National Resort & Convention Center and to be located on property the Company acquired on February 24, 2005 on the Potomac River in Prince George's County, Maryland (in the Washington, D.C. market). See Note 22 for a further discussion of the purchase of this land. The Company currently expects to open the hotel in 2008. In connection with this project, Prince George's County, Maryland approved, in July 2004, two bond issues related to the development. The first bond issuance, in the amount of \$65 million, will support the cost of infrastructure being constructed by the project developer, such as roads, water and sewer lines. The second bond issuance, in the amount of \$95 million, will be issued directly to the Company upon completion of the project. The Company will initially hold the bonds and receive the debt service thereon which is payable from tax increment, hotel tax and special hotel rental taxes generated from our development. As of December 31, 2004, the Company had not entered into any material construction commitments associated with this project. The Company is also considering other potential hotel sites throughout the country. The timing and extent of any of these development projects is uncertain.

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.

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):

	2004	2003
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	\$ 66,629	\$ 59,214
Interest cost	4,057	4,031
Actuarial loss	3,446	6,874
Benefits paid	(4,196)	(3,490)
Benefit obligation at end of year	<u>69,936</u>	<u>66,629</u>
CHANGE IN PLAN ASSETS:		
Fair value of plan assets at beginning of year	42,929	37,105
Actual return on plan assets	4,673	5,495
Employer contributions	4,595	3,819
Benefits paid	(4,196)	(3,490)
Fair value of plan assets at end of year	<u>48,001</u>	<u>42,929</u>
Funded status	<u>(21,935)</u>	<u>(23,700)</u>
Unrecognized net actuarial loss	24,625	24,943
Adjustment for minimum liability	(24,625)	(24,943)
Employer contribution after measurement date	855	821
Accrued pension cost	<u>\$ (21,080)</u>	<u>\$ (22,879)</u>

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):

	2004	2003	2002
Interest cost	\$ 4,057	\$ 4,031	\$ 3,964
Expected return on plan assets	(3,418)	(2,991)	(3,395)
Recognized net actuarial loss	2,509	2,371	710
Curtailement loss	—	—	3,750
Total net periodic pension expense	<u>\$ 3,148</u>	<u>\$ 3,411</u>	<u>\$ 5,029</u>

The accumulated benefit obligation for the defined benefit pension plan was \$69.9 million and \$66.6 million at December 31, 2004 and 2003, respectively.

Assumptions

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

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	<u>2004</u>	<u>2003</u>
Discount rate	6.00%	6.25%
Rate of compensation increase	N/A	N/A
Measurement date	9/30/2004	9/30/2003

The rate of increase in future compensation levels was not applicable for 2004 and 2003 due to the Company amending the plan to freeze the cash balance benefit as described above.

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

	<u>2004</u>	<u>2003</u>
Discount rate	6.25%	7.00%
Rate of compensation increase	N/A	N/A
Expected long term rate of return on plan assets	8.00%	8.00%
Measurement date	9/30/2004	9/30/2003

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:

<u>Asset Category</u>	<u>2004</u>	<u>2003</u>
Equity securities	64%	61%
Fixed income securities	31%	33%
Cash	5%	6%
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:

<u>Asset Category</u>	<u>Target</u>
Equity securities	60%
Fixed income securities	35%
Cash	5%
Total	100%

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Expected Contributions and Benefit Payments

The Company expects to contribute \$4.4 million to its defined benefit pension plan in 2005. 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:

2005	\$ 4,356
2006	2,104
2007	3,601
2008	2,237
2009	2,579
2010-2014	17,658
Total	<u>\$32,535</u>

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, 2004, the Non-Qualified Plans' projected benefit obligations and accumulated benefit obligations were \$12.5 million.

The Company's accrued cost related to its qualified and non-qualified retirement plans of \$33.7 million and \$34.5 million at December 31, 2004 and 2003, respectively, is included in other long-term liabilities in the accompanying consolidated balance sheets. The 2004 decrease in the minimum liability related to the Company's retirement plans resulted in a charge to equity of \$0.2 million, net of a tax benefit of \$0.3 million. 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 2004 and 2003 charges to equity due to the change 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 up to 4% of the employee's salary, based upon the Company's financial performance. Company contributions under the retirement savings plans were \$6.0 million, \$4.1 million, and \$3.8 million for 2004, 2003 and 2002, respectively. The increase in Company contributions under the retirement savings plan in 2004 is due to a full year of contributions related to ResortQuest, which was acquired on November 20, 2003.

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):

	<u>2004</u>	<u>2003</u>
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	\$20,203	\$19,722
Service cost	300	341
Interest cost	937	1,380
Actuarial gain	(6,752)	(485)
Benefits paid	(1,045)	(755)
Benefit obligation at end of year	13,643	20,203
Unrecognized net actuarial gain (loss)	4,809	(1,520)
Unrecognized prior service cost	2,076	3,074
Unrecognized curtailment gain	1,859	2,103
Accrued postretirement liability	\$22,387	\$23,860

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):

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Service cost	\$ 300	\$ 341	\$ 306
Interest cost	937	1,380	1,353
Curtailment gain	—	—	(2,105)
Recognized net actuarial (gain) loss	(422)	10	(41)
Amortization of prior service cost	(999)	(999)	(999)
Amortization of curtailment gain	(244)	(244)	(244)
Net postretirement benefit expense	\$ (428)	\$ 488	\$(1,730)

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

	<u>2004</u>	<u>2003</u>
Discount rate	6.00%	6.25%
Measurement date	9/30/2004	9/30/2003

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

	<u>2004</u>	<u>2003</u>
Discount rate	6.25%	7.00%
Measurement date	9/30/2004	9/30/2003

The health care cost trend is projected to be 10.1% in 2005, declining each year thereafter to an ultimate level trend rate of 5.0% per year for 2013 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, 2004 by approximately 9% and the aggregate of the service and interest cost components of net postretirement benefit expense would increase approximately 13%. 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, 2004 by approximately 8% and the aggregate of the service and interest cost components of net postretirement benefit expense would decrease approximately 12%.

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The Company expects to contribute \$1.0 million to the plan in 2005. 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:

2005	\$ 967
2006	787
2007	901
2008	966
2009	1,091
2010-2014	6,844
Total	<u>\$11,556</u>

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.

Effective December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("the Prescription Drug Act") was enacted into law. The Prescription Drug Act introduces a prescription drug benefit under Medicare Part D as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D.

During May 2004, the FASB issued FASB Staff Position No. 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003". This standard requires sponsors of defined benefit postretirement health care plans to make a reasonable determination whether (1) the prescription drug benefits under its plan are actuarially equivalent to Medicare Part D and thus qualify for the subsidy under the Prescription Drug Act and (2) the expected subsidy will offset or reduce the employer's share of the cost of the underlying postretirement prescription drug coverage on which the subsidy is based. Sponsors whose plans meet both of these criteria are required to re-measure the accumulated postretirement benefit obligation and net periodic postretirement benefit expense of their plans to reflect the effects of the Prescription Drug Act in the first interim or Annual Reporting period beginning after September 15, 2004.

During the second quarter of 2004, the Company determined that the prescription drug benefits provided under its postretirement health care plan were actuarially equivalent to Medicare Part D and thus would qualify for the subsidy under the Prescription Drug Act and the expected subsidy would offset its share of the cost of the underlying drug coverage. The Company elected to early-adopt the provisions of FASB Staff Position No. 106-2 during the second quarter of 2004 and re-measured its accumulated postretirement benefit obligation and net periodic postretirement benefit expense accordingly. The accumulated postretirement benefit obligation was reduced by \$2.9 million during the second quarter of 2004 as a result of the subsidy related to benefits attributed to past service. This reduction in the accumulated postretirement benefit obligation was recorded as a deferred actuarial gain and will be amortized over future periods in the same manner as other deferred actuarial gains. The effect of the subsidy on the measurement of net periodic postretirement benefit expense for the year ended December 31, 2004 was as follows (in thousands):

Service cost	\$ (31)
Interest cost	(136)
Expected return on plan assets	—
Amortization of net actuarial gain	(328)
Amortization of prior service cost	—
Amortization of curtailment gain	—
Net periodic postretirement benefit expense	<u>\$ (495)</u>

19. Goodwill and Intangibles

The transitional provisions of SFAS No. 142 required the Company to perform an assessment of whether goodwill is impaired as of the beginning of the fiscal year in which the statement was 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 its 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, 2004 and determined that no further impairment charges were required during 2004.

The changes in the carrying amounts of goodwill by business segment for the years ended December 31, 2004 and 2003 are as follows (amounts in thousands):

	Balance as of December 31, 2003	Impairment Losses	Purchase Accounting Adjustments	Balance as of December 31, 2004
Hospitality	\$ —	\$ —	\$ —	\$ —
Opry and Attractions	6,915	—	—	6,915
ResortQuest	162,727	—	(3,574)	159,153
Corporate and other	—	—	—	—
Total	\$ 169,642	\$ —	\$ (3,574)	\$ 166,068

	December 31, 2002	Impairment Losses	Acquisitions	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

During the year ended December 31, 2004, the Company made adjustments to accrued liabilities, deferred taxes, and stock options associated with the ResortQuest acquisition as a result of obtaining additional information. These adjustments resulted in a net decrease in goodwill of \$3.5 million.

The carrying amount of indefinite lived intangible assets not subject to amortization was \$40.6 million at December 31, 2004 and 2003. The gross carrying amount of amortized intangible assets in continuing operations was \$30.5 million and \$30.1 million at December 31, 2004 and 2003, respectively. The related accumulated amortization of intangible assets in continuing operations was \$4.5 million and \$588,000 at December 31, 2004 and 2003, respectively. The amortization expense related to intangibles from

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continuing operations during the years ended December 31, 2004, 2003, and 2002 was \$4.0 million, \$457,000, and \$58,000, respectively. The estimated amounts of amortization expense for the next five years are as follows (in thousands):

Year 1	\$ 4,064
Year 2	3,875
Year 3	3,765
Year 4	3,765
Year 5	3,762
	<u>\$19,231</u>

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.

	2004	2003	2002
REVENUES:			
Hospitality	\$ 473,051	\$ 369,263	\$339,380
Opry and Attractions	66,565	61,433	65,600
ResortQuest	209,449	17,920	—
Corporate and Other	388	184	272
Total	<u>\$ 749,453</u>	<u>\$ 448,800</u>	<u>\$405,252</u>
DEPRECIATION AND AMORTIZATION:			
Hospitality	\$ 58,521	\$ 46,536	\$ 44,924
Opry and Attractions	5,215	5,129	5,778
ResortQuest	9,530	1,186	—
Corporate and Other	4,737	6,099	5,778
Total	<u>\$ 78,003</u>	<u>\$ 58,950</u>	<u>\$ 56,480</u>
OPERATING (LOSS) INCOME:			
Hospitality	\$ 43,525	\$ 42,347	\$ 25,972
Opry and Attractions	1,548	(600)	1,596
ResortQuest	288	(2,616)	—
Corporate and Other	(43,751)	(43,396)	(42,111)
Preopening costs	(14,205)	(11,562)	(8,913)
Gain on sale of assets	—	—	30,529
Impairment and other charges	(1,212)	(856)	—
Restructuring charges	(196)	—	17
Total operating (loss) income	<u>(14,003)</u>	<u>(16,683)</u>	<u>7,090</u>
Interest expense, net of amounts capitalized	(55,064)	(52,804)	(46,960)
Interest income	1,521	2,461	2,808
Unrealized (loss) gain on Viacom stock	(87,914)	39,831	(37,300)
Unrealized gain (loss) on derivatives	56,533	(33,228)	86,476
Income from unconsolidated companies	3,825	2,340	3,058
Other gains and (losses)	1,089	2,209	1,163
(Loss) income before (benefit) provision for income taxes, discontinued operations, and cumulative effect of accounting change	<u>\$ (94,013)</u>	<u>\$ (55,874)</u>	<u>\$ 16,335</u>
IDENTIFIABLE ASSETS:			
Hospitality	\$1,259,813	\$1,209,124	
Opry and Attractions	88,542	91,837	
ResortQuest	302,650	288,992	
Corporate and Other	870,040	991,038	
Discontinued operations	—	19	
Total	<u>\$2,521,045</u>	<u>\$2,581,010</u>	

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

	2004	2003	2002
CAPITAL EXPENDITURES:			
Hospitality	\$ 118,698	\$ 211,043	\$ 163,926
Opry and Attractions	3,326	9,133	2,673
ResortQuest	2,345	1,504	—
Corporate and other	3,459	2,040	8,805
Total	<u>\$127,828</u>	<u>\$223,720</u>	<u>\$175,404</u>

21. Quarterly Financial Information (Unaudited)

The following is selected unaudited quarterly financial data as revised for the fiscal years ended December 31, 2004 and 2003 (amounts in thousands, except per share data).

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

	2004			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	\$ 158,883	\$ 202,071	\$ 195,924	\$ 192,575
Depreciation and amortization	16,695	20,775	20,311	20,222
Operating (loss) income	(10,286)	(1,385)	1,253	(3,585)
Loss of continuing operations before income taxes and discontinued operations	(29,828)	(39,200)	(8,335)	(16,650)
Benefit for income taxes	(10,930)	(16,552)	(4,524)	(7,725)
Loss of continuing operations before discontinued operations	(18,898)	(22,648)	(3,811)	(8,925)
Gain from discontinued operations, net of taxes	—	—	619	25
Net loss	(18,898)	(22,648)	(3,192)	(8,900)
Net loss per share	(0.48)	(0.57)	(0.08)	(0.22)
Net loss per share — assuming dilution	(0.48)	(0.57)	(0.08)	(0.22)

As discussed in Note 9, the Company's ownership percentage in Bass Pro increased during the third quarter of 2004. As required under applicable accounting guidance, the Company changed its method of accounting for its investment in Bass Pro from the cost method of accounting to the equity method of accounting in the third quarter of 2004. The equity method of accounting has been applied retroactively to all periods presented, and the Company has restated the unaudited quarterly financial data for the three months ended March 31, 2004 and June 30, 2004 accordingly. This change in accounting principle increased income of continuing operations before income taxes and discontinued operations, provision for income taxes, income of continuing operations before discontinued operations, net income, net income per share, and net income per share — assuming dilution for the three months ended March 31, 2004 and the three months ended June 30, 2004 as follows:

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	First Quarter	Second Quarter
Income of continuing operations before income taxes and discontinued operations	\$ 813	\$ 983
Provision for income taxes	318	336
Income of continuing operations before discontinued operations	495	647
Net income	495	647
Net income per share	0.01	0.02
Net income per share — assuming dilution	0.01	0.02

On April 2, 2004, the Company opened the Gaylord Texan. The results of operations of the Gaylord Texan for the period April 2, 2004 to December 31, 2004 are included in the consolidated financial statements.

During November 2004, the Company completed its offering of the 6.75% Senior Notes. In connection with the offering of the 6.75% Senior Notes, the Company paid approximately \$4.0 million in deferred financing costs. The net proceeds from the offering of the 6.75% Senior Notes, together with cash on hand, were used to repay the Senior Loan and to provide capital for growth of the Company's other businesses and other general corporate purposes. As a result of the prepayment of the Senior Loan, the Company wrote off \$0.03 million in deferred financing costs during the fourth quarter of 2004, which is recorded as interest expense in the consolidated statement of operations.

	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)
(Loss) income of continuing operations before income taxes and discontinued operations	(10,956)	18,290	(41,988)	(21,220)
(Benefit) provision for income taxes	(4,274)	7,496	(18,490)	(8,487)
(Loss) income of continuing operations before discontinued operations	(6,682)	10,794	(23,498)	(12,733)
Gain (loss) from discontinued operations, net of taxes	167	809	35,150	(1,755)
Net (loss) income	(6,515)	11,603	11,652	(14,488)
Net (loss) income per share	(0.19)	0.34	0.34	(0.40)
Net (loss) income per share — assuming dilution	(0.19)	0.34	0.34	(0.40)

As discussed above, the Company changed its method of accounting for its investment in Bass Pro from the cost method of accounting to the equity method of accounting in the third quarter of 2004. The equity method of accounting has been applied retroactively to all periods presented, and the Company has restated the unaudited quarterly financial data for the fiscal year ended December 31, 2003. This change in accounting principle increased (decreased) income of continuing operations before income taxes and discontinued operations, provision for income taxes, income of continuing operations before discontinued operations, net income, net income per share, and net income per share — assuming dilution for each quarter in the fiscal year ended December 31, 2003 as follows:

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	2003			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Income of continuing operations before income taxes and discontinued operations	\$ (97)	\$ 412	\$ 1,491	\$ 534
Provision for income taxes	(38)	162	582	208
Income of continuing operations before discontinued operations	(59)	250	909	326
Net income	(59)	250	909	326
Net income per share	—	—	0.02	0.01
Net income per share — assuming dilution	—	0.01	0.02	0.01

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 8% 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 8% Senior Notes. In connection with the offering of the 8% Senior Notes, the Company paid approximately \$10.1 million in deferred financing costs. The net proceeds from the offering of the 8% 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.

22. Subsequent Events

Acquisitions

On January 3, 2005, the Company closed on the acquisition of certain vacation rental management businesses of East West Resorts. On February 1, 2005, the Company closed on the acquisition of Whistler Lodging Company, Ltd. From O'Neill Hotels and Resorts, Ltd. These acquisitions added approximately 2,500 units to ResortQuest's units under exclusive management.

Predators Settlement

On February 22, 2005, the Company concluded the settlement of litigation with the NHC, which owns the Nashville Predators NHL hockey team, over (i) NHC's obligation to redeem the Company's ownership interest, and (ii) the Company's obligations under the Nashville Arena Naming Rights Agreement dated November 24, 1999. Under the Naming Rights Agreement, which had a 20-year term, the Company was required to make annual payments to NHC, beginning at \$2,050,000 in 1999 and with a 5%

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escalation each year thereafter, and to purchase a minimum number of tickets to Predators games each year. At the closing of the settlement, NHC redeemed all of the Company's outstanding limited partnership units in the Predators pursuant to a Purchase Agreement dated February 22, 2005, effectively terminating the Company's ownership interest in the Predators. In addition, the Naming Rights Agreement was cancelled pursuant to the Acknowledgment of Termination of Naming Rights Agreement.

As a part of the settlement, the Company made a one-time cash payment to NHC of \$4 million and issued to NHC a 5-year, \$5 million promissory note bearing interest at 6% per annum. The note is payable at \$1 million per year for 5 years, with the first payment due on the first anniversary of the resumption of NHL hockey in Nashville, Tennessee.

The Company's obligation to pay the outstanding amount under the note shall terminate immediately if, at any time before the note is paid in full, the Predators cease to be an NHL team playing their home games in Nashville, Tennessee. In addition, if the Predators cease to be an NHL team playing its home games in Nashville prior to the first payment under the note, then in addition to the note being cancelled, the Predators will pay the Company \$4 million. If the Predators cease to be an NHL team playing its home games in Nashville after the first payment but prior to the second payment under the note, then in addition to the note being cancelled, the Predators will pay the Company \$2 million.

In addition, pursuant to a Consent Agreement among the Company, the National Hockey League and owners of NHC, the Company's Guaranty dated June 25, 1997 has been limited so that the Company is not responsible for any debt, obligation or liability of NHC that arises from any act, omission or circumstance occurring after the date of the Consent Agreement.

As a part of the settlement, each party agreed to release the other party from any claims associated with this litigation. The Company continued to recognize the expense under the Naming Rights Agreement throughout the course of this litigation. As a result, the Company anticipates that payments made pursuant to the Settlement Agreement will result in the Company recording a \$2.4 million gain during the first quarter of 2005.

Gaylord National

On February 24, 2005, the Company acquired approximately 42 acres of land and related land improvements in Prince George's County, Maryland (Washington D.C. area) for approximately \$29 million on which it plans to develop a hotel to be known as the Gaylord National Resort & Convention Center. Approximately \$17 million of this was paid in the first quarter of 2005, with the remainder payable upon completion of various phases of the project.

New \$600.0 Million Credit Facility

On March 10, 2005, the Company entered into a new \$600.0 million credit facility with Bank of America, N.A. acting as the administrative agent. The Company's new credit facility consists of the following components: (a) a \$300.0 million senior secured revolving credit facility, which includes a \$50.0 million letter of credit sublimit, and (b) a \$300.0 million senior secured delayed draw term loan facility, which may be drawn on in one or more advances during its term. The credit facility also includes an accordion feature that will allow the Company, on a one-time basis, to increase the credit facilities by a total of up to \$300.0 million, subject to securing additional commitments from existing lenders or new lending institutions. The revolving loan, letters of credit and term loan mature on March 9, 2010. At the Company's election, the revolving loans and the term loans may have an interest rate of LIBOR plus 2% or the lending banks' base rate plus 1%, subject to adjustments based on the Company's financial performance. Interest on the Company's 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 Company is required to pay a commitment fee ranging from 0.25% to 0.50% per year of the average unused portion of the credit facility.

The purpose of the new credit facility is for working capital and capital expenditures and the financing of the costs and expenses related to the construction of the Gaylord National hotel. Construction of the Gaylord National hotel is required to be substantially completed by June 30, 2008 (subject to customary force majeure provisions).

The new credit facility is (i) secured by a first mortgage and lien on the real property and related personal and intellectual property of the Company's Gaylord Opryland hotel, Gaylord Texan hotel, Gaylord Palms hotel and Gaylord National hotel (to be constructed) and pledges of equity interests in the entities that own such properties and (ii) guaranteed by each of the four wholly owned subsidiaries that own the four hotels as well as ResortQuest International, Inc. Advances are subject to a 60% borrowing base, based on the appraisal values of the hotel properties (reducing to 50% in the event a hotel property is sold). The Company's 2003 revolving credit facility has been paid in full and the related mortgages and liens have been released.

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

- the Company must maintain a consolidated leverage ratio of not greater than (i) 7.00 to 1.00 for calendar quarters ending during calendar year 2007, and (ii) 6.25 to 1.00 for all other calendar quarters ending during the term of the credit facility, which levels are subject to increase to 7.25 to 1.00 and 7.00 to 1.00, respectively, for three (3) consecutive quarters at the Company's option if the Company makes a leverage ratio election.
- the Company must maintain a consolidated tangible net worth of not less than the sum of \$550.0 million, increased on a cumulative basis as of the end of each calendar quarter, commencing with the calendar quarter ending March 31, 2005, by an amount equal to (i) 75% of consolidated net income (to the extent positive) for the calendar quarter then ended, plus (ii) 75% of the proceeds received by the Company or any of its subsidiaries in connection with any equity issuance.
- the Company must maintain a minimum consolidated fixed charge coverage ratio of not less than (i) 1.50 to 1.00 for any reporting calendar quarter during which the leverage ratio election is effective; and (ii) 2.00 to 1.00 for all other calendar quarters during the term hereof.
- the Company must maintain an implied debt service coverage ratio (the ratio of adjusted net operating income to monthly principal and interest that would be required if the outstanding balance were amortized over 25 years at an assumed fixed rate) of not less than 1.60 to 1.00.
- the Company's investments in entities which are not wholly-owned subsidiaries may not exceed an amount equal to ten percent (10.0%) of the Company's consolidated total assets.

23. Information Concerning Guarantor and Non-Guarantor Subsidiaries

Prior to the issuance of the 6.75% Senior Notes and repayment of the Senior Loan on November 30, 2004, as discussed in Note 12, not all of the Company's subsidiaries guaranteed the 8% Senior Notes. All of the Company's subsidiaries that were borrowers under, or had guaranteed, the Company's 2003 revolving credit facility or previously, the Company's 2003 Florida/Texas senior secured credit facility, were guarantors of the 8% Senior Notes (the "Former Guarantors"). Certain of the Company's subsidiaries, including those that incurred the Company's Nashville Hotel Loan or owned or managed the Nashville loan borrower (the "Former Non-

Guarantors”), did not guarantee the 8% Senior Notes. However, subsequent to the issuance of the 6.75% Senior Notes and repayment of the Senior Loan on November 30, 2004, the 8% Senior Notes, 6.75% Senior Notes, and 2003 revolving credit facility are guaranteed on a senior unsecured basis by generally all of the Company’s active domestic subsidiaries (the “Guarantors”). As a result, the Company has classified the balance sheet, results of operations, and cash flows of the subsidiaries that incurred the Company’s Nashville Hotel Loan or owned or managed the Nashville loan borrower as of December 31, 2004 and for the year then ended, as guarantor subsidiaries in the consolidating financial information presented below. The balance sheet, results of operations, and cash flows of these subsidiaries as of December 31, 2003 and for each of the two years in the period ended December 31, 2003 are classified as non-guarantor subsidiaries in the consolidating financial information presented below. The Company’s investment in Bass Pro and certain other discontinued operations remained non-guarantors of the 8% Senior Notes and 6.75% Senior Notes after repayment of the Senior Loan, so the Company has classified the balance sheet, results of operations and cash flows of these subsidiaries as of December 31, 2004 and for the year then ended as non-guarantor subsidiaries (the “Non-Guarantors”) in the consolidating financial information presented below. 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 present condensed financial information of the Company, the guarantor subsidiaries and non-guarantor subsidiaries as of December 31, 2004 and 2003 and for each of the three years in the period ended December 31, 2004.

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
For the Year Ended December 31, 2004

	<u>Issuer</u>	<u>Guarantors</u>	<u>Non- Guarantors (In thousands)</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues	\$ 77,723	\$ 720,477	\$ —	\$ (48,747)	\$ 749,453
Operating expenses:					
Operating costs	23,750	470,169	—	(14,055)	479,864
Selling, general and administrative	39,220	150,756	—	—	189,976
Management fees	—	34,692	—	(34,692)	—
Preopening costs	—	14,205	—	—	14,205
Impairment and other charges	—	1,212	—	—	1,212
Restructuring charges, net	196	—	—	—	196
Depreciation	5,499	63,583	—	—	69,082
Amortization	2,038	6,883	—	—	8,921
Operating income (loss)	7,020	(21,023)	—	—	(14,003)
Interest expense, net	(56,535)	(67,033)	(5,588)	74,092	(55,064)
Interest income	59,162	8,631	7,820	(74,092)	1,521
Unrealized loss on Viacom stock	(87,914)	—	—	—	(87,914)
Unrealized gain on derivatives	56,533	—	—	—	56,533
Income from unconsolidated companies	—	—	3,825	—	3,825
Other gains and (losses)	2,960	(1,871)	—	—	1,089
(Loss) income before income taxes, discontinued operations, and cumulative effect of accounting change	(18,774)	(81,296)	6,057	—	(94,013)
(Benefit) provision for income taxes	(10,848)	(31,578)	2,695	—	(39,731)
Equity in subsidiaries' (earnings) losses, net	45,712	—	—	(45,712)	—
(Loss) income from continuing operations	(53,638)	(49,718)	3,362	45,712	(54,282)
Gain from discontinued operations, net	—	24	620	—	644
Net (loss) income	<u>\$ (53,638)</u>	<u>\$ (49,694)</u>	<u>\$ 3,982</u>	<u>\$ 45,712</u>	<u>\$ (53,638)</u>

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
For the Year Ended December 31, 2003

	<u>Issuer</u>	<u>Former Guarantors</u>	<u>Former Non- Guarantors (In thousands)</u>	<u>Eliminations</u>	<u>Consolidated</u>
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 (loss) income	(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 gain on Viacom stock	39,831	—	—	—	39,831
Unrealized loss on derivatives	(33,228)	—	—	—	(33,228)
Income from unconsolidated companies	—	—	2,340	—	2,340
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)	(6,469)	—	(55,874)
Provision (benefit) for income taxes	1,416	(22,767)	(2,404)	—	(23,755)
Equity in subsidiaries' (earnings) losses, net	(398)	—	—	398	—
Income (loss) from continuing operations	2,252	(29,908)	(4,065)	(398)	(32,119)
Gain from discontinued operations, net	—	871	33,500	—	34,371
Net income (loss)	\$ 2,252	\$ (29,037)	\$ 29,435	\$ (398)	\$ 2,252

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
For the Year Ended December 31, 2002

	<u>Issuer</u>	<u>Former Guarantors</u>	<u>Former Non- Guarantors (In thousands)</u>	<u>Eliminations</u>	<u>Consolidated</u>
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 (loss) income	(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
Income from unconsolidated companies	—	—	3,058	—	3,058
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)	(22,574)	436	16,335
Provision (benefit) for income taxes	20,157	(9,462)	(8,622)	436	2,509
Equity in subsidiaries' (earnings) losses, net	(57,497)	—	—	57,497	—
Income (loss) from continuing operations	97,011	(11,736)	(13,952)	(57,497)	13,826
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)	\$ 97,011	\$ (4,505)	\$ 62,002	\$ (57,497)	\$ 97,011

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2004

	<u>Issuer</u>	<u>Guarantors</u>	<u>Non- Guarantors (In thousands)</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS:					
Current assets:					
Cash and cash equivalents — unrestricted	\$ 39,711	\$ 5,781	\$ —	\$ —	\$ 45,492
Cash and cash equivalents — restricted	2,446	42,703	—	—	45,149
Short term investments	27,000	—	—	—	27,000
Trade receivables, net	614	29,714	—	—	30,328
Deferred financing costs	26,865	—	—	—	26,865
Deferred income taxes	7,413	2,985	13	—	10,411
Other current assets	6,418	22,382	94	(126)	28,768
Intercompany receivables, net	990,597	—	33,446	(1,024,043)	—
Current assets of discontinued operations	—	—	—	—	—
Total current assets	1,101,064	103,565	33,553	(1,024,169)	214,013
Property and equipment, net	85,535	1,257,716	—	—	1,343,251
Amortized intangible assets, net	36	25,928	—	—	25,964
Goodwill	—	166,068	—	—	166,068
Indefinite lived intangible assets	1,480	39,111	—	—	40,591
Investments	873,871	16,747	68,170	(490,218)	468,570
Estimated fair value of derivative assets	187,383	—	—	—	187,383
Long-term deferred financing costs	50,323	550	—	—	50,873
Other long-term assets	5,811	11,021	7,500	—	24,332
Long-term assets of discontinued operations	—	—	—	—	—
Total assets	\$ 2,305,503	\$ 1,620,706	\$ 109,223	\$ (1,514,387)	\$ 2,521,045
LIABILITIES AND STOCKHOLDERS' EQUITY:					
Current liabilities:					
Current portion of long-term debt	\$ 368	\$ 95	\$ —	\$ —	\$ 463
Accounts payable and accrued liabilities	42,521	126,458	—	(291)	168,688
Intercompany payables, net	—	1,152,042	(127,999)	(1,024,043)	—
Current liabilities of discontinued operations	—	(19)	1,052	—	1,033
Total current liabilities	42,889	1,278,576	(126,947)	(1,024,334)	170,184
Secured forward exchange contract	613,054	—	—	—	613,054
Long-term debt	575,727	219	—	—	575,946
Deferred income taxes	137,645	69,630	(213)	—	207,062
Estimated fair value of derivative liabilities	4,514	—	—	—	4,514
Other long-term liabilities	62,098	18,424	(3)	165	80,684
Long-term liabilities of discontinued operations	—	—	—	—	—
Minority interest of discontinued operations	—	—	—	—	—
Stockholders' equity:					
Preferred stock	—	—	—	—	—
Common stock	399	3,337	2	(3,339)	399
Additional paid-in capital	655,110	517,184	53,846	(571,030)	655,110
Retained earnings	232,270	(266,689)	182,538	84,151	232,270
Other stockholders' equity	(18,203)	25	—	—	(18,178)
Total stockholders' equity	869,576	253,857	236,386	(490,218)	869,601
Total liabilities and stockholders' equity	\$ 2,305,503	\$ 1,620,706	\$ 109,223	\$ (1,514,387)	\$ 2,521,045

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEET

As of December 31, 2003

	<u>Issuer</u>	<u>Former Guarantors</u>	<u>Former Non- Guarantors (In thousands)</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS:					
Current assets:					
Cash and cash equivalents — unrestricted	\$ 54,413	\$ 2,958	\$ 1,594	\$ —	\$ 58,965
Cash and cash equivalents — restricted	4,651	17,738	15,334	—	37,723
Short-term investments	62,000	—	—	—	62,000
Trade receivables, net	464	17,105	21,122	(17,238)	21,453
Deferred financing costs	26,865	—	—	—	26,865
Deferred income taxes	4,903	2,333	1,517	—	8,753
Other current assets	6,271	15,304	3,323	(129)	24,769
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	837,418	16,747	64,345	(365,852)	552,658
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	<u>\$ 2,152,363</u>	<u>\$ 1,182,223</u>	<u>\$ 515,192</u>	<u>\$ (1,268,768)</u>	<u>\$ 2,581,010</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:					
Current liabilities:					
Current portion of long-term debt	\$ 558	\$ 22	\$ 8,004	\$ —	\$ 8,584
Accounts payable and accrued liabilities	36,028	140,628	(629)	(17,531)	158,496
Intercompany payables, net	—	971,587	(86,038)	(885,549)	—
Current liabilities of discontinued operations	—	23	2,907	—	2,930
Total current liabilities	36,586	1,112,260	(75,756)	(903,080)	170,010
Secured forward exchange contract	613,054	—	—	—	613,054
Long-term debt	348,797	201	191,177	—	540,175
Deferred income taxes	164,299	38,703	49,115	—	252,117
Estimated fair value of derivative liabilities	21,969	—	—	—	21,969
Other long-term liabilities	60,724	15,178	1	164	76,067
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	285,908	(224,213)	185,774	38,439	285,908
Other stockholders' equity	(19,207)	935	(1,076)	—	(19,348)
Total stockholders' equity	906,934	15,056	350,655	(365,852)	906,793
Total liabilities and stockholders' equity	<u>\$ 2,152,363</u>	<u>\$ 1,182,223</u>	<u>\$ 515,192</u>	<u>\$ (1,268,768)</u>	<u>\$ 2,581,010</u>

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2004

	<u>Issuer</u>	<u>Guarantors</u>	<u>Non- Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net cash (used in) provided by continuing operating activities	\$(277,202)	\$ 334,889	\$ 821	\$ —	\$ 58,508
Net cash used in discontinued operating activities	—	—	(821)	—	(821)
Net cash (used in) provided by operating activities	(277,202)	334,889	—	—	57,687
Purchases of property and equipment	(5,567)	(122,261)	—	—	(127,828)
Sale of assets	—	1,485	—	—	1,485
Purchases of short-term investments	(130,850)	—	—	—	(130,850)
Proceeds from sale of short-term investments	165,850	—	—	—	165,850
Other investing activities	(266)	(3,829)	—	—	(4,095)
Net cash provided by (used in) investing activities — continuing operations	29,167	(124,605)	—	—	(95,438)
Net cash provided by investing activities — discontinued operations	—	—	—	—	—
Net cash provided by (used in) investing activities	29,167	(124,605)	—	—	(95,438)
Proceeds from issuance of long-term debt	225,000	—	—	—	225,000
Repayment of long-term debt	—	(199,181)	—	—	(199,181)
Deferred financing costs paid	(4,758)	(193)	—	—	(4,951)
Decrease (increase) in restricted cash and cash equivalents	2,205	(9,631)	—	—	(7,426)
Proceeds from exercise of stock option and purchase plans	11,529	—	—	—	11,529
Other financing activities, net	(643)	(50)	—	—	(693)
Net cash provided by (used in) financing activities — continuing operations	233,333	(209,055)	—	—	24,278
Net cash used in financing activities — discontinued operations	—	—	—	—	—
Net cash provided by (used in) financing activities	233,333	(209,055)	—	—	24,278
Net change in cash	(14,702)	1,229	—	—	(13,473)
Cash and cash equivalents at beginning of year	54,413	4,552	—	—	58,965
Cash and cash equivalents at end of year	\$ 39,711	\$ 5,781	\$ —	\$ —	\$ 45,492

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2003

	Issuer	Former Guarantors	Former Non- Guarantors	Eliminations	Consolidated
Net cash (used in) provided by continuing operating activities	\$(249,422)	\$ 271,090	\$ 42,248	\$ —	\$ 63,916
Net cash provided by (used in) discontinued operating activities	—	22,887	(19,997)	—	2,890
Net cash (used in) 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
Purchases of short-term investments	(254,500)	—	—	—	(254,500)
Proceeds from sale of short-term investments	242,800	—	—	—	242,800
Other investing activities	(1,017)	(289)	(1,022)	—	(2,328)
Net cash used in investing activities — continuing operations	(21,403)	(200,008)	(1,934)	—	(223,345)
Net cash provided by investing activities — discontinued operations	—	5,869	59,485	—	65,354
Net cash (used in) provided by investing activities	(21,403)	(194,139)	57,551	—	(157,991)
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 provided by (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 provided by (used in) financing activities	282,642	(100,524)	(80,300)	—	101,818
Net change in cash	11,817	(686)	(498)	—	10,633
Cash and cash equivalents at beginning of year	42,596	3,644	2,092	—	48,332
Cash and cash equivalents at end of year	\$ 54,413	\$ 2,958	\$ 1,594	\$ —	\$ 58,965

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2002

	<u>Issuer</u>	<u>Former Guarantors</u>	<u>Former Non- Guarantors (In thousands)</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net cash provided by (used in) continuing operating activities	\$ 110,765	\$ 40,248	\$ (67,184)	\$ —	\$ 83,829
Net cash (used in) provided by discontinued operating activities	—	(517)	3,968	—	3,451
Net cash provided by (used in) 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
Purchases of short-term investments	(322,075)	—	—	—	(322,075)
Proceeds from sale of short-term investments	271,775	—	—	—	271,775
Other investing activities	(4,064)	4,777	(1,668)	—	(955)
Net cash used in investing activities — continuing operations	(64,251)	(117,744)	(13,789)	—	(195,784)
Net cash provided by investing activities — discontinued operations	—	81,350	151,220	—	232,570
Net cash (used in) provided by investing activities	(64,251)	(36,394)	137,431	—	36,786
Proceeds from issuance of long-term debt	85,000	—	—	—	85,000
Repayment of long-term debt	(125,034)	—	(89,812)	—	(214,846)
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	35,488	3,337	313	—	39,138
Cash and cash equivalents at beginning of year	7,108	307	1,779	—	9,194
Cash and cash equivalents at end of year	<u>\$ 42,596</u>	<u>\$ 3,644</u>	<u>\$ 2,092</u>	<u>\$ —</u>	<u>\$ 48,332</u>

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON THE FINANCIAL STATEMENT SCHEDULES**

To the Board of Directors and Stockholders of Gaylord Entertainment Company:

We have audited the consolidated financial statements of Gaylord Entertainment Company as of December 31, 2004 and 2003 and for each of the three years in the period ended December 31, 2004, and have issued our report thereon dated March 10, 2005 (included elsewhere in this Annual Report on Form 10-K). Our audits also included the financial statement schedules listed in Item 15(A)(2) of this Annual Report on Form 10-K. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

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

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
March 10, 2005

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

For the Year Ended December 31, 2004
(Amounts in Thousands)

	<u>Balance at Beginning of Period</u>	<u>Additions Charged To</u>		<u>Deductions</u>	<u>Balance at End of Period</u>
		<u>Costs and Expenses</u>	<u>Other Accounts</u>		
2000 restructuring charges - - continuing operations	\$ 195	\$ (82)	\$ —	\$ 99	\$ 14
2001 restructuring charges - - continuing operations	94	278	—	265	107
Total continuing operations	289	196	—	364	121
2001 restructuring charges - - discontinuing operations	216	—	99	125	190
Total	\$ 505	\$ 196	\$ 99	\$ 489	\$ 311

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

For the Year Ended December 31, 2003
(Amounts in Thousands)

	<u>Balance at Beginning of Period</u>	<u>Additions Charged To</u>		<u>Deductions</u>	<u>Balance at End of Period</u>
		<u>Costs and Expenses</u>	<u>Other Accounts</u>		
2000 restructuring charges - - continuing operations	\$ 270	\$ —	\$ —	\$ 75	\$ 195
2001 restructuring charges - - continuing operations	431	—	—	337	94
Total continuing operations	701	—	—	412	289
2001 restructuring charges - - discontinuing operations	378	—	—	162	216
Total	\$ 1,079	\$ —	\$ —	\$ 574	\$ 505

GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

For the Year Ended December 31, 2002

(Amounts in Thousands)

	<u>Balance at Beginning of Period</u>	<u>Additions Charged To</u>		<u>Deductions</u>	<u>Balance at End of Period</u>
		<u>Costs and Expenses</u>	<u>Other Accounts</u>		
2000 restructuring charges - continuing operations	\$ 1,569	\$ —	\$ —	\$ 1,299	\$ 270
2001 restructuring charges - continuing operations	4,168	(1,079)	—	2,658	431
2002 restructuring charges - continuing operations	—	1,062	—	1,062	—
Total continuing operations	5,737	(17)	—	5,019	701
2000 restructuring charges - discontinuing operations	—	—	—	—	—
2001 restructuring charges - discontinuing operations	3,383	—	—	3,005	378
2002 restructuring charges - discontinuing operations	—	20	—	20	—
Total discontinuing operations	3,383	20	—	3,025	378
Total	\$ 9,120	\$ 3	\$ —	\$ 8,044	\$ 1,079

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
PLANS OF ACQUISITION, REORGANIZATION, ARRANGEMENT, LIQUIDATION OR SUCCESSION:	
2.1†	Agreement and Plan of Merger, dated as of February 9, 1997, by and among Westinghouse Electric Corporation (“Westinghouse”), G Acquisition Corp. and the former Gaylord Entertainment Company (“Old Gaylord”) (incorporated by reference to Exhibit 2.1 to Old Gaylord’s Current Report on Form 8-K dated February 9, 1997 (File No. 1-10881)).
2.2†	Agreement and Plan of Merger, dated as of April 9, 1999, by and among Gaylord Entertainment Company (the “Company”), Gaylord Television Company, Gaylord Communications, Inc., CBS Corporation, CBS Dallas Ventures, Inc. and CBS Dallas Media, Inc. (incorporated by reference to Exhibit 2 to the Company’s Current Report on Form 8-K dated April 19, 1999 (File No. 1-13079)).
2.3†	First Amendment to the Agreement and Plan of Merger, dated as of October 8, 1999, by and among the Company, Gaylord Television Company, Gaylord Communications, Inc., CBS Corporation, CBS Dallas Ventures, Inc. and CBS Dallas Media, Inc. (incorporated by reference to Exhibit 2.3 to the Registration Statement on Form S-3 of CBS Corporation, as filed with the Securities and Exchange Commission (the “SEC”) on October 12, 1999 (File No. 333-88775)).
2.4†	Securities Purchase Agreement, dated as of March 9, 2001, by and among the Company, Gaylord Creative Group, Inc., PaperBoy Productions, Inc., and Gaylord Sports, Inc. (incorporated by reference to Exhibit 2.8 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 1-13079)).
2.5†	Purchase Agreement among WMGA, LLC and the Company, and the Company’s subsidiary, Gaylord Creative Group, Inc. (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K dated January 16, 2002 (File No. 1-13079)).
2.6†	Asset Purchase Agreement, dated as of July 1, 2002, by and between Acuff-Rose Music Publishing, Inc., Acuff-Rose Music, Inc., Milene Music, Inc., Springhouse Music, Inc., and Hickory Records, Inc. and Sony/ ATV Music Publishing LLC (incorporated by reference to Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (File No. 1-13079)).
2.7†	Purchase and Sale Agreement, dated as of June 28, 2002, by and between The Mills Limited Partnership (as Purchaser) and Opryland Attractions, Inc. (as Seller) (incorporated by reference to Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (File No. 1-13079)).
2.8†	Asset Purchase Agreement among Gaylord Investments, Inc., Cumulus Broadcasting, Inc. and Cumulus Licensing Corp., dated as of March 24, 2003 (incorporated by reference to Exhibit 2.1 to the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-13079)).
2.9†	Agreement and Plan of Merger, dated as of August 4, 2003, among the Company, GET Merger Sub, Inc. and ResortQuest International, Inc. (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the SEC on August 5, 2003 (File No. 1-13079)).
GOVERNING DOCUMENTS OF THE COMPANY	
3.1	Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3 to the Company’s Current Report on Form 8-K dated October 7, 1997 (File No. 1-13079)).
3.2	Amendment to Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.2 to the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001 (File No. 1-13079))

INSTRUMENTS DEFINING THE RIGHTS OF HOLDERS OF THE COMPANY'S COMMON STOCK:

- 4.1 Specimen of Common Stock certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form 10, as amended on June 30, 1997 (File No. 1-13079)).
- 4.2 Reference is made to Exhibits 3.1, 3.2 and 3.2 hereof for instruments defining the rights of common stockholders of the Company.
- 4.3 Stock Purchase Warrant, dated November 7, 2002, issued by the Company to Gilmore Entertainment Group, LLC (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 (File No. 1-13079)).
- 4.4 Registration Rights Agreement among the Company and holders including E.L. and Thelma Gaylord Foundation, GFI Company, Christine Gaylord Everest, Louise Gaylord Bennett and Mary Gaylord McClean executed with respect to 3,175,683 shares of the Company's common stock (in the form and incorporated by reference to Exhibit 4.2 to the Company's Registration Statements on Form S-3, amendment No. 1 filed on April 20, 2004).

INSTRUMENTS DEFINING THE RIGHTS OF HOLDERS OF THE COMPANY'S 8% SENIOR NOTES DUE 2013:

- 4.5 Indenture, dated as of November 12, 2003, by and between the Company, certain of its subsidiaries and U.S. Bank National Association, as Trustee with form of note attached (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 13, 2003 (File No. 1-13079)).
- 4.6 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 (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4 dated January 9, 2004 (File No. 333-111812)).
- 4.7 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 (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-4 dated January 9, 2004 (File No. 333-111812)).

INSTRUMENTS DEFINING THE RIGHTS OF HOLDERS OF THE COMPANY'S 6.75% SENIOR NOTES DUE 2014:

- 4.8 Indenture, dated as of November 30, 2004, by and between the Company, certain of its subsidiaries and U.S. Bank National Association, as Trustee with form of note attached (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 1, 2004 (File No. 1-13079)).
- 4.9 Registration Rights Agreement, dated as of November 30, 2004, between the registrants signatory thereto and the Initial Purchasers (as defined therein) with respect to the Company's 6.75% senior notes due 2014 (incorporated by reference to Exhibit 4.2 to the Company's current Report on Form 8-K dated December 1, 2004 (File No. 1-13079)).

MATERIAL CONTRACTS REGARDING THE 1997 RESTRUCTURING:

- 10.1 Tax Disaffiliation Agreement by and among Old Gaylord, the Company and Westinghouse, dated September 30, 1997 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated October 7, 1997 (File No. 1-13079)).
 - 10.2 Agreement and Plan of Distribution, dated September 30, 1997, between Old Gaylord and the Company (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 7, 1997 (File No. 1-13079)).
 - 10.3 Tax Matters Agreement, dated as of April 9, 1999, by and among the Company, Gaylord Television Company, Gaylord Communications, Inc. and CBS Corporation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 19, 1999 (File No. 1-13079)).
 - 10.4 Amended and Restated Tax Matters Agreement, dated as of October 8, 1999, by and among the Company, Gaylord Television Company, Gaylord Communications, Inc. and CBS Corporation (incorporated by reference to Exhibit 2.4 to the Registration Statement on Form S-3 of CBS Corporation, as filed with the SEC on October 12, 1999 (File No. 333-88775)).
 - 10.5 First Amendment to Post-Closing Covenants Agreement and Non-Competition Agreements, dated as of April 9, 1999, by and among the Company, CBS Corporation, Edward L. Gaylord and E. K. Gaylord, II (incorporated by
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reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 19, 1999 (File No. 1-13079)).

MATERIAL CONTRACTS REGARDING THE NASHVILLE HOTEL LOANS:

- 10.6 Amended and Restated Loan and Security Agreement dated as of March 27, 2001, by and between Opryland Hotel Nashville, LLC, and Merrill Lynch Mortgage Lending, Inc. (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 13079)).
- 10.7 Mezzanine Loan Agreement dated as of March 27, 2001, by and between Merrill Lynch Mortgage Capital Inc. and OHN Holdings, LLC (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 1-13079)).
- 10.8 First Amendment dated January 18, 2002 to Mezzanine Loan Agreement, dated as of March 27, 2001 by and between Opryland Mezzanine Trust 2001-1, a Delaware business trust, and OHN Holdings, LLC (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002 (File No. 1-13079)).
- 10.9 Second Amendment to Mezzanine Loan Agreement, dated April 30, 2003, by and between Opryland Mezzanine Trust 2001-1 and OHN Holdings, LLC (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 (File No. 1-13079)).
- 10.10 Loan Extension and Guarantee Ratification Agreement, dated as of March 31, 2004, by and between Opryland Hotel Nashville, LLC, as Borrower, and LaSalle Bank National Association, as Trustee under the Trust and Servicing Agreement dated as of April 1, 2001 for the Commercial Pass-Through Certificates, Series 2001-OPRY (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 (File No. 1-13079)).

MATERIAL CONTRACTS REGARDING THE 2003 TEXAS/FLORIDA CREDIT FACILITY:

- 10.11 Subordinated Credit Agreement among Gaylord Hotels, LLC, various lenders, the Company and Deutsche Bank Trust Company Americas, dated as of May 22, 2003 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-13079)).
- 10.12 Senior Credit Agreement among Opryland Hotel-Florida Limited Partnership, Opryland Hotel-Texas Limited Partnership, the Company, various lenders and Deutsche Bank Trust Company Americas, dated as of May 22, 2003 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-13079)).
- 10.13 First Amendment to Credit Agreement and Ratification of Guaranty dated as of November 10, 2003 among Opryland Hotel-Florida Limited Partnership and Opryland Hotel-Texas Limited Partnership as Co-Borrowers, the Company, certain lenders and Deutsche Bank Trust Company Americas, as Administrative Agent, and certain subsidiary Guarantors (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated November 12, 2003 (File No. 1-13079)).
- 10.14 Second Amendment to Credit Agreement and Ratification of Guaranty dated as of November 10, 2003 among Opryland Hotel-Florida Limited Partnership and Opryland Hotel-Texas Limited Partnership as Co-Borrowers, the Company, certain lenders and Deutsche Bank Trust Company Americas, as Administrative Agent, and certain subsidiary Guarantors (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K dated November 12, 2003 (File No. 1-13079)).

MATERIAL CONTRACTS REGARDING THE \$100.0 MILLION REVOLVING CREDIT FACILITY:

- 10.15† Credit Agreement, dated as of November 20, 2003, among Opryland Hotel-Florida Limited Partnership, as borrower, the Company, as parent guarantor, certain lenders party thereto, and Deutsche Bank Trust Company Americas, as administrative agent, with Deutsche Bank Securities Inc. and Banc of America Securities LLC, as joint book running managers and co-lead arrangers, and Bank of America, N.A., as syndication agent (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 1-13079)).
- 10.16 First Amendment to Credit Agreement and Ratification of Guaranty, dated as of December 17, 2003, among Opryland Hotel-Florida Limited Partnership, as borrower, the Company, as parent guarantor, certain lenders party thereto, Deutsche Bank Trust Company Americas, as administrative agent, and the certain subsidiary guarantors (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 1-13079)).

MATERIAL CONTRACTS REGARDING THE \$600.0 MILLION REVOLVING CREDIT FACILITY

- 10.17*† Credit Agreement, dated as of March 10, 2005, among the Company, as borrower; certain subsidiaries of the Company, as guarantors; Bank of America, N.A., as administrative agent and letter of credit issuer; Banc of America Securities LLC, as joint lead arranger and joint book manager; Deutsche Bank Securities Inc., as joint lead arranger and joint book manager; Deutsche Bank Trust Company Americas, as syndication agent; and the other lenders party thereto.
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MATERIAL CONTRACTS REGARDING THE GAYLORD PALMS:

10.18 Opryland Hotel-Florida Ground Lease, dated as of March 3, 1999, by and between Xentury City Development Company, L.L.C., and Opryland Hotel-Florida Limited Partnership (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-13079)).

MATERIAL CONTRACTS REGARDING THE GAYLORD TEXAN:

10.19 Hotel/ Convention Center Sublease Agreement, dated as of May 16, 2000, by and between the City of Grapevine, Texas and Opryland Hotel-Texas Limited Partnership (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-13079)).

10.20 Sublease Addendum Number 1, dated July 28, 2000, by and between the City of Grapevine, Texas and Opryland Hotel-Texas Limited Partnership (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-13079)).

10.21† Guaranteed Maximum Price Construction Agreement, dated November 15, 2002, by and between Gaylord Entertainment Company and Centex Construction Company, Inc. (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-13079)).

MATERIAL CONTRACTS REGARDING NASHVILLE PREDATORS INVESTMENT:

10.22 Naming Rights Agreement dated as of November 24, 1999, by and between the Company and Nashville Hockey Club Limited Partnership (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-13079)).

10.23 Guaranty dated as of June 25, 1997, by Craig Leipold, the Company, CCK, Inc. and other guarantors in favor of the Nashville Hockey League (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003 (File No. 1-13079)).

10.24 Non-Negotiable Promissory Note dated February 22, 2005 in favor of Nashville Hockey Club Limited Partnership (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 28, 2005 (File No. 1-13079)).

10.25 Acknowledgement of Termination of Naming Rights Agreement dated February 22, 2005 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 28, 2005 (File No. 1-13079)).

10.26 Purchase Agreement dated February 22, 2005 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 28, 2005 (File No. 1-13079)).

10.27 Consent Agreement dated February 22, 2005 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated February 28, 2005 (File No. 1-13079)).

MATERIAL CONTRACTS REGARDING VIACOM STOCK:

10.28 SAILS Mandatorily Exchangeable Securities Contract dated as of May 22, 2000, among the Company, OLH G.P., Credit Suisse First Boston International, and Credit Suisse First Boston Corporation, as agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 23, 2000 (File No. 1-13079)).

10.29 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 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated May 23, 2000 (File No. 1-13079)).

EXECUTIVE COMPENSATION PLANS AND MANAGEMENT CONTRACTS:

10.30 Gaylord Entertainment Company 1997 Omnibus Stock Option and Incentive Plan (as amended at May 2002 Stockholders Meeting) (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (File No. 1-13079)).

10.31 Amended and Restated Gaylord Entertainment Company 1997 Omnibus Stock Option and Incentive Plan (including amendments adopted at the May 2003 Stockholders Meeting) (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-13079)).

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

10.33 Gaylord Entertainment Company Retirement Benefit Restoration Plan (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000) (File No. 1-13079)).

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10.34	Executive Employment Agreement of David C. Kloeppe, dated September 4, 2001, with the Company (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for quarter ended September 30, 2001 (File No. 1-13079)).
10.35	Executive Employment Agreement of Colin V. Reed, dated April 23, 2001, with the Company (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for quarter ended June 30, 2001 (File No. 1-13079)).
10.36	Amendment No. 1 dated as of August 17, 2004 to 2001 Employment Agreement of Colin V. Reed (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2004 (File No. 1-13079)).
10.37	Indemnification Agreement, dated as of April 23, 2001, by and between the Company and Colin V. Reed (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-13079)).
10.38	Employment Agreement of Michael D. Rose, dated May 1, 2004, with the Company (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for quarter ended September 30, 2004 (File No. 1-13079)).
10.39	Indemnification Agreement, dated as of April 23, 2001, by and between the Company and Michael D. Rose (incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-13079)).
10.40	Executive Employment Agreement of Jay D. Seigny, dated July 15, 2003, with the Company (incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 1-13079)).
10.41	Executive Employment Agreement of Jim Olin, dated August 4, 2003, with the Company (incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 1-13079)).
10.42	Form of Indemnification Agreement between the Company and each of its non-employee directors (incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-13079)).
10.43	Gaylord Entertainment Company Director Compensation Policy (incorporated by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-13079)).
10.44	Form of Stock Option Agreement with respect to options granted to employees of Gaylord Entertainment Company pursuant to the 1997 Omnibus Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 (File No. 1-13079)).
10.45	Form of Director Stock Option Agreement with respect to options granted to members of the Gaylord Entertainment Company Board of Directors pursuant to the 1997 Omnibus Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 (File No. 1-13079)).
MISCELLANEOUS:	
16	Letter from Arthur Andersen LLP regarding change in independent auditor (incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K dated June 19, 2002 (File No. 1-13079)).
21*	Subsidiaries of Gaylord Entertainment Company.
23.1*	Consent of Independent Registered Public Accounting Firm.
31.1*	Certification of Chief Executive Officer of Periodic Report Pursuant to Rule 13a — 14(a) and Rule 15d — 14(a).
31.2*	Certification of Chief Financial Officer of Periodic Report Pursuant to Rule 13a — 14(a) and Rule 15d — 14(a).
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.

* Filed herewith.

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

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PUBLISHED CUSIP NUMBER: _____

CREDIT AGREEMENT

Dated as of March 9, 2005

among

GAYLORD ENTERTAINMENT COMPANY,
as the Borrower,

The Subsidiaries of the Borrower
from time to time party hereto,
as Guarantors,

BANK OF AMERICA, N.A.,
as Administrative Agent and L/C Issuer,

BANC OF AMERICA SECURITIES LLC,
as Joint Lead Arranger and Joint Book Manager,

DEUTSCHE BANK SECURITIES, INC.,
as Joint Lead Arranger and Joint Book Manager,

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Syndication Agent

and

The Other Lenders Party Hereto

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EXHIBITS

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B	Form of Security Agreement
C	Form of Pledge Agreement
D-1	Form of Revolving Note
D-2	Form of Term Note
E	Form of Compliance Certificate
F	Form of Joinder Agreement
G	Form of Assignment and Assumption

CREDIT AGREEMENT

This CREDIT AGREEMENT (as amended, modified, restated or supplemented from time to time, the "Agreement") is entered into as of March 9, 2005 by and among GAYLORD ENTERTAINMENT COMPANY, a Delaware corporation (together with any permitted successors and assigns, the "Borrower"), the Guarantors (as defined herein), the Lenders (as defined herein), BANK OF AMERICA, N.A., as Administrative Agent and L/C Issuer (each, as defined herein), BANC OF AMERICA SECURITIES LLC, as Joint Lead Arranger and Joint Book Manager (each, as defined herein), DEUTSCHE BANK SECURITIES, INC., as Joint Lead Arranger and Joint Book Manager and DEUTSCHE BANK TRUST COMPANY AMERICAS, as Syndication Agent (as defined herein).

The Borrower has requested that the Lenders provide credit facilities in an initial aggregate available amount of \$600,000,000 (the "Credit Facilities ") for the purposes hereinafter set forth, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

1.01 DEFINED TERMS.

As used in this Agreement, the following terms shall have the meanings set forth below:

"Acquisition", by any Person, means the acquisition by such Person, in a single transaction or in a series of related transactions, of all of the Capital Stock or all or substantially all of the Property (or an entire business unit or product line) of another Person, whether or not involving a merger or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise.

"Adjusted Consolidated EBITDA" means, for any period, (a) Consolidated EBITDA for such period, minus (b) the FF&E/Capex Reserve.

"Adjusted NOI" means, for any period, (a) the NOI for such period, minus (b) the FF&E/Capex Reserve with respect to all Borrowing Base Properties held as of the end of such period.

"Administrative Agent" means Bank of America, in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02, or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent Lenders" means a collective reference to each Lender hereunder that also holds the title of Administrative Agent, Syndication Agent or Documentation Agent hereunder (whether such agency is held solely or jointly with another Person).

"Aggregate Revolving Commitments" means the Revolving Commitments of all the Lenders, as adjusted from time to time in accordance with the terms hereof. The initial amount of the Aggregate Revolving Commitments in effect on the Closing Date is THREE HUNDRED MILLION DOLLARS (\$300,000,000.00).

"Aggregate TL Borrowings" means, as of any date of determination, the aggregate amount of Term Loan Borrowings that have occurred under this Agreement on or prior to such date (regardless of whether the amounts of such Borrowings may have been previously repaid).

"Aggregate TL Commitments" means, as of any date of determination, the Term Loan Commitments of all of the Lenders, after reductions for Term Loan Borrowings made on or prior to such date and as otherwise adjusted from time to time in accordance with the terms hereof. The initial amount of the Aggregate TL Commitments in effect on the Closing Date (prior to any Borrowings of Term Loans hereunder) is THREE HUNDRED MILLION DOLLARS (\$300,000,000.00).

"Aggregate TL Principal Payments" means, as of any date of determination, the aggregate amount of principal payments (whether mandatory or voluntary) made by the Borrower on or prior to such date with respect to the Term Loans.

"Agreement" has the meaning assigned to such term in the heading hereof.

"Applicable Percentage" means as to each Lender (a) with respect to such Lender's Revolving Commitment at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Revolving Commitments represented by such Lender's Revolving Commitment at such time; provided that if the commitment of each Lender to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 9.02 or if the Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments, (b) with respect to such Lender's Term Loan Commitment at any time, the percentage (carried out to the ninth decimal place) of the Aggregate TL Commitments represented by such Lender's Term Loan Commitment at such time and (c) with respect to such Lender's outstanding Term Loans at any time, the percentage (carried out to the ninth decimal place), of the Total Term Loan Outstandings represented by Term Loans held by such Lender at such time. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Margin" means, for the purposes of calculating (a) the Letter of Credit Fees for the purposes of Section 2.03(i), 2.00% per annum, (b) the interest rate applicable to Eurodollar Rate Loans for the purposes of Section 2.08(a), 2.00% per annum and (c) the interest rate applicable to Base Rate Loans for the purposes of Section 2.08(a), 1.00% per annum; provided, however, that the per annum percentages set forth in clauses (a) through (c) shall be subject to the following adjustments (if applicable): (i) for the calendar quarter following any calendar quarter for which the Consolidated Leverage Ratio exceeded 6.00x, the per annum percentages set forth in clauses (a) through (c) above shall be increased by 0.25% per annum; (ii) for each calendar quarter during which the Leverage Ratio Election is in effect (and necessary to cause the Borrower to be in compliance with the covenant set forth in Section 8.11(a)), the per annum percentages set forth in clauses (a) through (c) above shall be increased by 0.50% per annum; and (iii) for each calendar quarter following any calendar quarter for which the Consolidated Leverage Ratio was less than 5.00x and to the extent that Substantial Completion of Gaylord National has occurred (as reasonably determined by the Agent based on the information provided it by the Borrower) prior to the calendar month for which such adjustment is to be made, the per annum percentages set forth in clauses (a) through (c) above shall be decreased by 0.25% per annum; provided, further, that the effect of the adjustments set forth above shall, if applicable, be cumulative with any other adjustments which may be applicable during a given period and any adjustments made to the Applicable Margin pursuant to the above provisions (i) through (iii) shall cease to be effective as of the beginning of the calendar quarter following the calendar quarter for which the conditions for such adjustment are no longer satisfied.

"Appraised Value" means, as of any date of determination, for each Borrowing Base Property existing as of such date, the most-recently obtained "as-is" appraised value of such Borrowing Base Property as set forth in an appraisal in form and substance acceptable to the Administrative Agent and each of the Arrangers (in each of their

respective discretion) and prepared by an appraiser acceptable to the Administrative Agent and each of the Arrangers (in each of their respective discretion); provided, however that (a) the "Appraised Value" for Gaylord National and the Gaylord National Property (if owned by any Loan Party as of the applicable date of determination) shall, for all dates prior to the date occurring twelve (12) months following the delivery of a certificate of occupancy with respect to such property, the aggregate capitalized construction costs incurred by the Loan Parties as of such date of determination plus the value of the underlying land, at cost; and (b) the "Appraised Value" for any Borrowing Base Property which is the subject of a Substantial Casualty or Substantial Condemnation and which is being rebuilt, reconstructed and restored pursuant to the terms of Section 7.07 hereof shall, following the receipt by the Administrative Agent by any new "as-completed" appraisal pursuant to Section 7.12 hereof and prior to the receipt by the Administrative Agent of a new "as-is" appraisal of such property following the completion of the applicable rebuilding, reconstruction and restoration, equal the "as-completed" appraised value of such Borrowing Base Property.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means a collective reference to BAS and Deutsche Bank Securities, Inc., in their capacities as joint lead arrangers and joint book managers.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit G or any other form approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the calendar year ended December 31, 2003, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such calendar year, including the notes thereto.

"Availability Period" means, (a) with respect to the Revolving Commitments, the period from the Closing Date to the earliest of (i) the Maturity Date, (ii) the date of termination of the Aggregate Revolving Commitments pursuant to Section 2.06 and (iii) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 9.02; and (b) with respect to the Term Loan Commitments, the period from the Closing Date to the earliest of (i) the Maturity Date, (ii) the date of termination of the Aggregate TL Commitments pursuant to Section 2.06; and (iii) the date of termination of the commitment of each Lender to make Loans pursuant to Section 9.02.

"Bank of America" means Bank of America, N.A. and its successors.

"Bankruptcy Code" means the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

"BAS" means Banc of America Securities LLC, its successors and assigns.

"Base Rate" means for any day a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1/2 of 1% and (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate." The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Base Rate Revolving Loan" means a Revolving Loan that is a Base Rate Loan.

"BBP Insurance Proceeds" has the meaning specified in Section 7.07(b).

"BBP Condemnation Proceeds" has the meaning specified in Section 7.07(c).

"BBP Value" means, as of any date of determination, the sum of the most recently obtained (or determined) Appraised Values of each of the Borrowing Base Properties existing as of such date.

"Borrower" has the meaning specified in the heading hereof.

"Borrowing" means a Committed Borrowing.

"Borrowing Base" means, as of any date of determination, an amount equal to (a) sixty percent (60.0%) (as such percentage may be irrevocably reduced pursuant to and in accordance with Section 2.05(b)(iv)), multiplied by (b) the BBP Value as of such date.

"Borrowing Base Properties" means, as of any date of determination, the properties (including, without limitation, all related land, improvements and fixtures) listed on Schedule 1.01(b) attached hereto (as such schedule may be adjusted (or deemed adjusted) pursuant to Section 7.13 hereof).

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Businesses" means, at any time, a collective reference to the businesses operated by the Consolidated Parties at such time.

"Capital Lease" means, as applied to any Person, any lease of any Property (whether real, personal or mixed) by that Person as lessee which, in accordance with GAAP, is required to be accounted for as a capital lease on the balance sheet of that Person.

"Capital Stock" means (i) in the case of a corporation, capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (iii) in the case of a partnership, partnership interests (whether general or limited), (iv) in the case of a limited liability company, membership interests, (v) 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; and (vi) means, with respect to any Person, all other ownership or profit interests in such Person (including partnership, member or trust interests therein), all of the warrants, options or other rights for the purchase or acquisition from such Person of any of the previously-noted interests in such Person, all of the securities convertible into or exchangeable for any of the previously-noted interests in such Person or warrants, rights or options for the purchase or acquisition from such Person of such interests, in each case, whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"Cash Collateralize" has the meaning specified in Section 2.03(g).

"Cash Equivalents" means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States 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 twelve months from the date of acquisition, (b) Dollar denominated time deposits and certificates of deposit of (i) any Lender, (ii) any domestic commercial bank of recognized standing having capital and surplus in excess of \$500,000,000 or (iii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any

such bank being an "Approved Bank"), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within six months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any of the Lenders) or recognized securities dealer having capital and surplus in excess of \$500,000,000 for direct obligations issued by or fully guaranteed by the United States in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations; (e) Investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940, as amended, which are administered by reputable financial institutions having capital of at least \$500,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing subdivisions (a) through (d); and (f) notwithstanding the GAAP classification of same, Investments in AAA-rated auction rate securities with maturities of thirty (30) days or less purchased pursuant to underwriting agreements and/or other documentation with terms and conditions reasonably acceptable to the Administrative Agent and which are administered by reputable financial institutions having capital of at least \$500,000,000.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"Change of Control" means an event or series of events by which:

(a) other than the creation of a holding company that does not involve a change in the beneficial ownership of the Borrower as a result of such transaction, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of thirty-five percent (35.0%) or more of the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or

(b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors).

(c) any Person or two or more Persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of the Borrower, or control over the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such

securities that such Person or group has the right to acquire pursuant to any option right) representing thirty-five percent (35.0%) or more of the combined voting power of such securities.

"Closing Date" means the first date all the conditions precedent in Section 5.01 are satisfied or waived in accordance with Section 10.01.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means a collective reference to all real and personal Property with respect to which Liens in favor of the Administrative Agent are purported to be granted pursuant to and in accordance with the terms of the Collateral Documents.

"Collateral Documents" means a collective reference to the Pledge Agreement, the Mortgage Instruments, the Security Agreement and such other security documents as may be executed and delivered by the Loan Parties pursuant to the terms of Section 7.13 and 7.14.

"Committed Borrowing" means a borrowing consisting of simultaneous Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

"Committed Loan" means each Revolving Loan and each Term Loan.

"Committed Loan Notice" means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A.

"Commitment" means, as to each Lender, the Revolving Commitment of such Lender and/or the Term Loan Commitment of such Lender.

"Compliance Certificate" means a certificate substantially in the form of Exhibit E setting forth detailed calculations of both (a) the financial covenants contained herein (including calculation of those covenants set forth in Sections 8.01(d), 8.02(f) and 8.11; provided, that with respect to the calculations of the amounts of existing Liens with respect to Section 8.01(d), such amounts shall, to the extent such Liens are related to work that has not yet been invoiced to the applicable Loan Party, be based on good faith estimates of the Loan Parties of the outstanding amount of such un-invoiced work); and (b) the Borrowing Base as of the date of the financial information provided in connection therewith.

"Consolidated Cash Taxes" means for any period for Consolidated Parties on a consolidated basis, the aggregate of all taxes, as determined in accordance with GAAP, to the extent the same are paid in cash during such period.

"Consolidated EBITDA" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income for such period, plus

(a) the following to the extent deducted in calculating such Consolidated Net Income (and, in each case, without duplication):

(i) Consolidated Fixed Charges for such period;

(ii) non-cash interest expenses;

(iii) the provision for Federal, state, local and foreign income taxes payable by the Borrower and its Subsidiaries for such period;

(iv) depreciation and amortization expense (including amortization of goodwill and other intangibles, but excluding amortization of prepaid cash expenses that were paid in a prior period);

(v) preopening costs relating to the hotel operations of the Borrower or its Subsidiaries for such period;

(vi) interest payments and other fixed charges payable for such period in connection with the SAILS Forward Exchange Contracts or any Permitted SAILS Refinancing Indebtedness;

(vii) losses related to discontinued operations (as calculated and presented in accordance with GAAP);

(viii) any unrealized losses related to the SAILS Forward Exchange Contracts or the refinancing thereof or to the sale of any of the Viacom Stock;

(ix) all other non-cash expenses (including, but not limited to, the non-cash portion of (A) non-cash write-offs of goodwill, intangibles and long-lived assets, (B) the amortization of prepaid deferred finance charges on the SAILS Forward Exchange Contracts, (C) ground rents expense and (D) expense with respect to the Naming Rights Agreement dated as of November 24, 1999 between Nashville Hockey Club Limited Partnership and the Borrower; provided, that in the case of clauses (C) and (D), the cash portion of each such expense not deducted in computing Consolidated Net Income in any future period shall be deducted in computing Consolidated EBITDA 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) and minus

(b) the following to the extent included in calculating such Consolidated Net Income (and without duplication):

(i) Federal, state, local and foreign income tax credits of the Borrower and its Subsidiaries for such period;

(ii) any unrealized gains related to the SAILS Forward Exchange Contracts or the refinancing thereof or to the sale of any of the Viacom Stock;

(iii) gains related to discontinued operations; and

(iv) all other non-cash items increasing Consolidated Net Income for such period.

Notwithstanding the preceding, provisions for taxes based on income or profits of, Consolidated Fixed Charges and other fixed charges of and the depreciation and amortization and other non-cash expenses of the Consolidated Parties which are Subsidiaries shall be added to Consolidated Net Income (A) in the same proportion that the net income of such Consolidated Party was added to compute Consolidated Net Income 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 Borrower by the applicable Consolidated Party 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 Consolidated Party or its stockholders.

"Consolidated Fixed Charge Coverage Ratio" means for the Consolidated Parties in connection with any four calendar quarter period for which the Borrower has delivered the Required Financial Information, the ratio of (a) Adjusted Consolidated EBITDA for such period (after giving effect on a Pro Forma Basis to any Dispositions or acquisitions of assets during such period) to (b) Consolidated Fixed Charges for such period.

"Consolidated Fixed Charges" means for any period for the Consolidated Parties, the sum of (a) Consolidated Interest Charges for such period, to the extent the same come due or are paid during such period (without duplication of amounts included in "Consolidated Fixed Charges" for prior period), plus (b) Consolidated Scheduled Funded Debt Payments for such period plus (c) all cash dividends required to be paid on preferred capital stock, whether expensed or capitalized; determined without duplication of items included in Consolidated Interest Charges.

"Consolidated Funded Indebtedness" means, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis, without duplication, the sum of (a) the principal portion of all obligations for borrowed money, (b) the principal portion of all obligations evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (c) the principal portion of all obligations under conditional sale or other title retention agreements relating to Property purchased by the Consolidated Parties (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (d) the principal portion of all obligations issued or assumed as the deferred purchase price of Property or services purchased by the Consolidated Parties (other than trade debt incurred in the ordinary course of business and due within six months of the incurrence thereof) which would appear as liabilities on a balance sheet of the Consolidated Parties, (e) the Attributable Indebtedness with respect to Capital Leases and Synthetic Lease Obligations, (f) all direct and contingent obligations arising under letters of credit (including standby and commercial and bankers' acceptances, including, without duplication, all unreimbursed drafts drawn thereunder (less the amount of any cash collateral securing any such letters of credit or and bankers' acceptances)), (g) all obligations to repurchase any securities issued by the Consolidated Parties at any time prior to the Maturity Date which repurchase obligations are related to the issuance thereof, including, without limitation, obligations commonly known as residual equity appreciation potential shares, (h) the aggregate amount of uncollected accounts receivable subject at such time to a sale or securitization of receivables (or similar transaction) to the extent such transaction is effected with recourse to the Consolidated Parties (whether or not such transaction would be reflected on the balance sheet of the Consolidated Parties in accordance with GAAP) (all such Indebtedness of the types described in the forgoing clauses (a) through (h), as to any Person, "Funded Indebtedness"), (i) all Funded Indebtedness of others secured by (or for which the holder of such Funded Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, Property owned or acquired by the Consolidated Parties, whether or not the obligations secured thereby have been assumed, (j) all Guarantees with respect to Funded Indebtedness of another Person and (k) the Funded Indebtedness of any partnership or unincorporated joint venture in which a Consolidated Party a general partner or a joint venturer to the extent such Indebtedness is recourse to a Consolidated Party; provided, that "Consolidated Funded Indebtedness shall not, in any case, include Indebtedness with regard to the SAILS Forward Exchange Contracts (but shall include any Indebtedness arising in connection with the refinancing or other termination of such SAILS Forward Exchange Contracts). To the extent that the rights and remedies of the obligee of any Consolidated Funded Indebtedness are limited to certain property and are otherwise non-recourse to any Consolidated Party, the amount of such Consolidated Funded Indebtedness shall be limited to the value of the Consolidated Parties' interest in such property (valued at the higher of book value or market value as of such date of determination).

"Consolidated Interest Charges" means for any period for the Consolidated Parties on a consolidated basis, interest expense (including the amortization of debt discount and premium, the interest component under Capital Leases and the implied interest component of Synthetic Lease Obligations), as determined in accordance with GAAP; provided, however, that notwithstanding the foregoing, (a) all non-cash interest expenses and (b) capitalized interest reflected on any entity's financial statements shall be excluded.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) the amount equal to (i) Consolidated Funded Indebtedness as of such date, minus (ii) the amount (not less than zero) equal to (A) the unrestricted cash and Cash Equivalents held by the Borrower and its Subsidiaries as of such date, minus (B) \$25,000,000, to (b) Consolidated EBITDA for the period of the four calendar quarters most recently ended for which the Borrower has delivered the Required Financial Information.

"Consolidated Net Income" means for any period for the Consolidated Parties on a consolidated basis, net income (excluding extraordinary items and applicable Designated Non-Recurring Items for such period (in each case, to the extent such items would increase or decrease such net income)) after interest expense, income taxes and depreciation and amortization, all as determined in accordance with GAAP; provided, that (a) net income attributable to any interests of the Consolidated Parties in non-Consolidated Parties shall be included in the determination of "Consolidated Net Income" only to the extent of the amount of cash dividends or distributions paid by such non-Consolidated Parties to Consolidated Parties during the applicable period and (b) notwithstanding contrary provisions of GAAP, proceeds of any business interruption or rent loss insurance received by any Consolidated Party in connection with any Property owned by them shall be included in the determination of net income upon the receipt thereof by the Borrower or the applicable Loan Party(ies); provided, however, that to the extent any such proceeds are delivered in lump sum format for the purpose of covering losses over a period

extending to more than one calendar quarter, addition of such proceeds to net income shall be pro rated over such period in a manner reasonably acceptable to the Administrative Agent.

"Consolidated Parties" means a collective reference to the Borrower and the Subsidiaries of the Borrower, and "Consolidated Party" means any one of them.

"Consolidated Scheduled Funded Debt Payments" means for any period for the Consolidated Parties on a consolidated basis, the sum of all scheduled payments of principal on Consolidated Funded Indebtedness, as determined in accordance with GAAP. For purposes of this definition, "scheduled payments of principal" (a) shall be determined without giving effect to any reduction of such scheduled payments resulting from the application of any voluntary or mandatory prepayments made during the most-recently ended calendar quarter (but shall give effect to all such payments made prior thereto), (b) shall be deemed to include the Attributable Indebtedness in respect of Capital Leases and Synthetic Lease Obligations and (c) shall not include any voluntary prepayments or mandatory prepayments required pursuant to Section 2.04.

"Consolidated Tangible Net Worth" means, as of any date of determination, the Tangible Net Worth of the Consolidated Parties as of that date.

"Consolidated Total Assets" means, as of any date of determination, the total assets (as determined by GAAP) of the Consolidated Parties.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Debt Issuance" means the issuance by any Consolidated Party of any Indebtedness of the type referred to in clause (a) or (b) of the definition thereof set forth in this Section 1.01.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (a) the Base Rate plus (b) the Applicable Margin, if any, applicable to Base Rate Loans plus (c) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Margin plus 2% per annum.

"Defaulting Lender" means any Lender that (a) has failed to fund any portion of the Loans or participations in L/C Obligations required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

"Designated Force Majeure Events" means strikes, lock-outs, war, civil disturbance, natural disaster, acts of terrorism or acts of God or other matters beyond the control of Borrower (which cannot be immediately cured merely through the payment of money) which cause a delay or cessation in Borrower's or its Subsidiaries' performance related to the work of construction on Gaylord National or which otherwise prevent the operation of any Borrowing Base Property; provided, however, that (a) events qualifying as "Designated Force Majeure Events" hereunder shall not, in any case, exceed fifteen (15) days in the aggregate during the term hereof with respect to either the construction of Gaylord National or the operation of any Borrowing Base Property except as set forth in the following clause (b); and (b) events qualifying as "Designated Force Majeure Events" hereunder may, notwithstanding the foregoing clause (a), continue with respect to any Designated Force Majeure Event (i) if the costs and expenses related to the construction, re-construction and/or restoration work necessitated by such Designated Force Majeure Event is, in the reasonable judgment of the Administrative Agent (based on the information provided by the Borrower), fully covered by casualty or other insurance then-maintained by any Consolidated Party (plus any applicable deductibles, to the extent the Consolidated Parties hold such deductible amount in cash and/or Cash Equivalents), (ii) to the extent the Borrower provides evidence of such insurance coverage promptly following such event, delivers all information required by the applicable insurer for processing of the applicable claim within thirty (30) days of the occurrence of such event (or, to the extent delivery within such time frame is not reasonably possible, as soon as reasonably practicable following such event) and proceeds to use commercially reasonable good faith efforts to pursue and resolve such claim with the applicable insurer as expeditiously as is reasonably possible without compromising any material rights of the Borrower or any other Loan Party with respect to such claim, and (iii) to the extent the Borrower has provided the Administrative Agent with restoration plans and other information with respect to the applicable damage to the extent required herein and is proceeding with the restoration, repair or reconstruction work with all due diligence and in good faith, and (c) circumstances that can be remedied or mitigated merely through the payment of money shall not constitute Designated Force Majeure Events hereunder to the extent such remedy or mitigation is deemed reasonable by Administrative Agent in its sole discretion.

"Designated Non-Recurring Items" means, for any period of determination, (a) lawsuit and settlement costs of the Consolidated Parties incurred during such period, plus (b) merger transaction and integration costs of the Consolidated Parties incurred during such period, plus (c) asset impairment charges of the Consolidated Parties incurred during such period, plus (d) the amount of other non-recurring charges paid or incurred by the Consolidated Parties during such period; provided that the amount calculated pursuant to this clause (d) shall not exceed \$5,000,000 for any twelve (12) month period.

"Designated Outparcels" means those parcels of Real Property referenced on Schedule 1.01(d) attached hereto.

"Disposition" or "Dispose" means any sale, disposition or other transfer (including pursuant to a Sale and Leaseback Transaction) of any or all of the Property (including without limitation the Capital Stock of a Subsidiary) of any Consolidated Party whether by sale, lease, licensing, transfer or otherwise, but other than pursuant to any casualty or condemnation event; provided, however, that the term "Disposition" shall be deemed to exclude any Equity Issuance.

"Dollar" and "\$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any political subdivision of the United States.

"Eligible Assignee" means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent and the L/C Issuer, and (ii) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed); provided that notwithstanding the foregoing, "Eligible Assignee" shall not include the Borrower or any of the Borrower's Affiliates or Subsidiaries

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, binding agreements or binding governmental restrictions relating to pollution and the protection of the environment or the release of any

materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Issuance" means any issuance by any Consolidated Party to any Person of (a) shares of its Capital Stock, (b) any shares of its Capital Stock pursuant to the exercise of options or warrants, (c) any shares of its Capital Stock pursuant to the conversion of any debt securities to equity or the conversion of any class equity securities to any other class of equity securities or (d) any options or warrants relating to its Capital Stock. The term "Equity Issuance" shall not be deemed to include any Disposition.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"Eurodollar Rate" means, for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period. If such rate is not available at such time for any reason, then the "Eurodollar Rate" for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on the Eurodollar Rate.

"Event of Default" has the meaning specified in Section 9.01.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient

is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 11.06), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.01(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 3.01(a).

"Existing Credit Facilities" means that certain \$100,000,000 revolving credit facility evidenced by that certain Credit Agreement dated as of November 20, 2003 entered into by and among the Borrower, certain of its Subsidiaries, the agent and lenders referenced therein, as the same may have been amended, restated, supplemented or otherwise modified from time to time prior to the date hereof.

"Existing Letters of Credit" means those letters of credit issued pursuant to one or more of the Existing Credit Facilities and set forth on Schedule 1.01(c) attached hereto, which letters of credit shall, as of the Closing Date, be deemed to be Letters of Credit hereunder.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

"Fee Letter" means the letter agreement, dated December __, 2004, among the Borrower, the Administrative Agent and the BAS.

"FF&E/Capex Reserve" means, for any period and with respect to any one or more of the Real Properties that are hotels which are owned at any time during such period, an amount equal to the applicable Reserve Percentage of Gross Revenues of such Real Properties. For purposes of this definition, the term "Reserve Percentage" means (a) for properties in operation for less than one (1) year, 1.0%; (b) for properties in operation for less than two (2) years, but equal to or more than one (1) year, 2.0%; (c) for properties in operation for less than three (3) years, but equal to or more than two (2) years, 3.0%; and (c) for all other properties, 4.0%.

"FIRREA" means the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, as amended, including, without limitation, 12 CFR part 34.41 to 34.47.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fully Satisfied" means, with respect to the Obligations as of any date, that, as of such date, (a) all principal of and interest accrued to such date which constitute Obligations shall have been irrevocably paid in full in cash, (b) all fees, expenses and other amounts then due and payable which constitute Obligations shall have been irrevocably paid in cash, (c) all outstanding Letters of Credit shall have been (i) terminated, (ii) fully irrevocably Cash Collateralized or (iii) secured by one or more letters of credit on terms and conditions, and with one or more

financial institutions, reasonably satisfactory to the L/C Issuer and (d) the Commitments shall have expired or been terminated in full.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funded Indebtedness" has the meaning given to such term in the definition of Consolidated Funded Indebtedness in Section 1.01.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Gaylord National" means the first-class hotel and convention center to be built on the Gaylord National Property.

"Gaylord National Property" means the real property described as such on Schedule 1.01(b) attached hereto.

"Gaylord Palms Ground Lease" means that certain Opryland Hotel - Florida Hotel Lease by and between GP Limited Partnership, as ground lessor/landlord, and Opryland Hotel - Florida Limited Partnership, as hotel lessee/tenant, dated as of March 3, 1999, as the same has been amended, restated, supplemented or otherwise modified from time to time prior to the date hereof (for purposes of this definition, the "Sub-Ground Lease"), which Sub-Ground Lease constitutes a sub-ground lease by GP Limited Partnership of its interest in the Property referenced therein arising pursuant to that certain GP / Xentury Master Ground Lease dated as of March 3, 1999 between GP Limited Partnership and Xentury City Development Company, L.C.).

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Gross Revenues" means, for any Real Property that is a hotel over any period, all receipts resulting from the operation of such Real Property, determined net of allowances in accordance with GAAP and consistent with the Uniform System of Accounts for the Lodging Industry, 9th Revised Edition, 1996, as published by the Hotel Association of New York City, as the same may be further revised from time to time, including, without limitation, rents or other payments from guests and customers, tenants, licensees and concessionaires and business interruption and rental loss insurance payments; provided, that Gross Revenues shall exclude (a) excise, sales, use, occupancy and similar taxes and charges collected from guests or customers and remitted or required to be remitted to governmental authorities, (b) gratuities collected for employees (excluding service charges), (c) security deposits and other advance deposits, unless and until same are forfeited to Borrower, (d) federal, state or municipal excise, sales, use or similar taxes collected directly from patrons or guests or included as part of the sales price of any goods or services, (e) interest income, and (f) rebates, refunds or discounts (including, without limitation, free or discounted accommodations).

"Guarantee" means, as to any Person, any (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial

statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantors" means a collective reference to the Persons identified as "Guarantors" on the signature pages hereto, and each other Person that subsequently becomes a Guarantor by executing a Joinder Agreement as contemplated by Section 7.13, and "Guarantor" means any one of them. A list of the Guarantors as of the Closing Date is set forth on Schedule 1.01(a) attached hereto.

"Guaranty" means the Guaranty made by the Guarantors in favor of the Administrative Agent and the Lenders pursuant to Article IV hereof.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Implied Debt Service Coverage Ratio" means, for any four (4) calendar quarter period for which the Borrower has delivered the Required Financial Information, the ratio of (a) Adjusted NOI for such period to (b) Minimum Debt Service for such period.

"Indebtedness" means, with respect to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, or upon which interest payments are customarily made, (c) all obligations of such Person under conditional sale or other title retention agreements relating to Property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (d) all obligations of such Person issued or assumed as the deferred purchase price of Property or services purchased by such Person (other than trade debt incurred in the ordinary course of business and due within six months of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (e) all obligations of such Person under take-or-pay or similar arrangements or under commodities agreements, (f) the Attributable Indebtedness of such Person with respect to Capital Leases and Synthetic Lease Obligations, (g) all net obligations of such Person under Swap Contracts, (h) all direct and contingent obligations arising under letters of credit (including standby and commercial) and bankers' acceptances, including, without duplication, all unreimbursed drafts drawn thereunder (less the amount of any cash collateral securing any such letters of credit or and bankers' acceptances), (i) all obligations of such Person to repurchase any securities issued by such Person at any time prior to the Maturity Date which repurchase obligations are related to the issuance thereof, including, without limitation, obligations commonly known as residual equity appreciation potential shares, (j) the aggregate amount of uncollected accounts receivable of such Person subject at such time to a sale or securitization of receivables (or similar transaction) to the extent such transaction is effected with recourse to such Person (whether or not such transaction would be reflected on the balance sheet of such Person in accordance with GAAP), (k) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, Property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (l) all Guarantees of such Person with respect to Indebtedness of another Person and (m) the Indebtedness of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer to the extent such Indebtedness is recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. To the extent that the rights and remedies of the obligee of any Indebtedness are limited to certain property and are otherwise non-recourse to such Person, the amount of such Indebtedness shall be limited to the value of the Person's interest in such property (valued at the higher of book value or market value as of such date of determination).

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitees" has the meaning specified in Section 11.04(b).

"Intangible Assets" means all assets which would be properly classified as intangible assets under GAAP. For purposes of clarification "Intangible Assets" shall include intangible lease assets.

"Intellectual Property" has the meaning specified in Section 6.17.

"Interest Payment Date" means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date.

"Interest Period" means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter (or such earlier date which is at least seven (7) days thereafter as may be approved by the Administrative Agent; provided, that the Administrative Agent shall not approve any such shorter Interest Periods to the extent any Lender has notified the Administrative Agent in writing that it is unable, for any reason, to fund, maintain or otherwise account for such shorter Interest Periods; and provided, further, that the Borrower shall not request any Interest Periods with a duration of less than one month with respect to any Loans hereunder more than once during every thirty (30) day period), as selected by the Borrower in its Committed Loan Notice; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period (subject to the effectiveness of an Interest Period which is shorter than one month, as provided for above); and

(iii) no Interest Period shall extend beyond the Maturity Date.

"Investment" by any Person (a) in any Person means (i) any Acquisition of such Person or its Property, (ii) any other acquisition of Capital Stock, bonds, notes, debentures, partnership, joint ventures or other ownership interests or other securities of such other Person, (iii) any deposit with, or advance, loan or other extension of credit to, such Person (other than deposits made in connection with the purchase of equipment inventory and supplies in the ordinary course of business) or (iv) any other capital contribution to or investment in such Person, including, without limitation, any Guarantee (including any support for a letter of credit issued on behalf of such Person) incurred for the benefit of such Person and any Disposition to such Person for consideration less than the fair market value of the Property disposed in such transaction, but excluding any Restricted Payment to such Person; and (b) means the purchase price paid, acquisition costs and expenses incurred and any other value given by such Person in connection with the purchase or other acquisition for value of any Property which qualifies as a capital asset or is otherwise purchased outside the ordinary course of business of such Person. Investments which are capital contributions or purchases of Capital Stock which have a right to participate in the profits of the issuer thereof shall be valued at the amount (or, in the case of any Investment made with Property other than cash, the book value of such Property) actually contributed or paid (including cash and non-cash consideration and any assumption of Indebtedness) to purchase such Capital Stock as of the date of such contribution or payment, less the amount of all repayments and returns of principal or capital thereon to the extent paid in cash or Cash Equivalents (or, in the case of any Investment made with Property other than cash, upon return of such Property, by an amount equal to the lesser of the book value of such Property at the time of such Investment or the fair market value of such Property at the time of such return) and received after the Closing Date. Investments which are loans, advances, extensions of credit or Guarantees shall be valued at the

principal amount of such loan, advance or extension of credit outstanding as of the date of determination or, as applicable, the principal amount of the loan or advance outstanding as of the date of determination actually guaranteed by such Guarantees.

"Involuntary Disposition" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any Property of any Consolidated Party.

"IRS" means the United States Internal Revenue Service. ---

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor the L/C Issuer and relating to any such Letter of Credit.

"Joinder Agreement" means a Joinder Agreement substantially in the form of Exhibit F hereto, executed and delivered by a new Guarantor in accordance with the provisions of Section 7.13.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing of Revolving Loans.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For the purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lease" means a lease, sublease, license, concession agreement or other agreement or other agreement (not including any ground lease) providing for the use or occupancy of any portion of any Real Property owned or leased by any Loan Party, including all amendments, supplements, restatements, assignments and other modifications thereto.

"Lenders" means a collective reference to the Persons identified as "Lenders" on the signature pages hereto, together with any Person that subsequently becomes a Lender by way of assignment in accordance with the terms of Section 11.7, together with their respective successors, and "Lender" means any one of them.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"Letter of Credit" means any letter of credit issued hereunder. A Letter of Credit may be a standby letter of credit only.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"Letter of Credit Fee" has the meaning specified in Section 2.03(i).

"Letter of Credit Expiration Date" means the day that is 35 days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Sublimit" means, as of any date of determination, an amount equal to the lesser of (a) \$50,000,000 and (b) the Aggregate Revolving Commitments as of such date. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"Leverage Ratio Election" has the meaning specified in Section 8.11(a).

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan" means any extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan and/or a Term Loan, as the context may require. The term "Loan" also shall mean, as appropriate, (i) any portion of the Revolving Loans bearing interest at the same rate of interest and having an Interest Period which begins and ends on the same date and (ii) any portion of the Term Loan bearing interest at the same rate of interest and having an Interest Period which begins and ends on the same date.

"Loan Documents" means this Agreement, each Note, each Letter of Credit, each Issuer Document, each Joinder Agreement, the Collateral Documents and the Fee Letter.

"Loan Parties" means, collectively, the Borrower and each Guarantor.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Maturity Date" means as to the Revolving Loans, Letters of Credit (and the related L/C Obligations) and the Term Loan, March 9, 2010.

"Minimum Debt Service" means, for any date of calculation over any specified period, the sum of the monthly principal and interest payments that would be required to be made during such period in order to amortize the aggregate of the Total Facility Outstandings as determined as of 12:00 p.m. Charlotte, North Carolina time on such date over a 25-year period at an interest rate equal to the then-current yield for a seven year U.S. Treasury Notes plus 250 basis points.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Mortgage Commitments" shall have the meaning assigned such term in Section 5.01(d).

"Mortgage Instruments" shall have the meaning assigned such term in Section 5.01(d).

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Cash Proceeds" means the aggregate cash or Cash Equivalents proceeds received by any Consolidated Party in respect of any Disposition, Equity Issuance, Debt Issuance or Involuntary Disposition, net of (a) direct costs incurred in connection therewith (including, without limitation, legal, accounting and investment banking fees, and sales commissions), (b) taxes paid or payable as a result thereof and (c) in the case of any Disposition, the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to any Lien of the Administrative Agent) on the related Property; it being understood that "Net Cash Proceeds" shall include, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by any such Consolidated Party in any Disposition, Equity Issuance, Debt Issuance or Involuntary Disposition.

"NOI" means, for any period, an amount equal to (a) Gross Revenues for such period for all Borrowing Base Properties existing as of the end of such period, minus, (b) Operating Expenses for such period for all such Borrowing Base Properties, where Gross Revenues and Operating Expenses are determined on an accrual basis, except for ground rents payable under the Gaylord Palms Ground Lease which, for the purposes of this definition will be determined on a cash basis.

"Note" or "Notes" means the Revolving Notes and/or the Term Notes, individually or collectively, as appropriate.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including (i) interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding and (ii) any Swap Contract of any Loan Party to which a Lender or any Affiliate of such Lender is a party and (iii) all obligations under any Treasury Management Agreement between any Loan Party and any Lender or Affiliate of a Lender.

"Operating Expenses" means, with respect to any Borrowing Base Property for any period, the actual costs and expenses of owning, operating, managing, repairing and maintaining such Borrowing Base Property during such period (other than extraordinary costs and expenses, pre-opening costs, applicable Designated Non-Recurring Items, in each case to the extent related to such Borrowing Base Properties), including ground rents payable for such period and actual real estate taxes, as determined in accordance with GAAP.

"Operating Lease" means, as applied to any Person, any lease (including, without limitation, leases which may be terminated by the lessee at any time) of any Property (whether real, personal or mixed) which is not a Capital Lease other than any such lease in which that Person is the lessor.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Covered Events" means all events and circumstances (other than those referenced in the definition of the term "Designated Force Majeure Events") which cause any shutdown or cessation of construction or operations at any Borrowing Base Property and (a) which either (i) is related to a condemnation event with respect to which any related condemnation award is or will be delivered to the Administrative Agent for application

pursuant to the terms of Section 7.07(c) hereof and which are reasonably expected to be (in the reasonable judgment of the Administrative Agent), together with any amounts on deposit with the Administrative Agent in any related escrow account, sufficient to rebuild or restore the applicable Property or (ii) gives rise to a fully insured claim (subject to applicable deductibles) in favor of the Borrower or any Loan Party pursuant to the terms of valid insurance policies and the proceeds of which are reasonably expected to be, together with any amounts on deposit with the Administrative Agent for the account of the Borrower or the applicable Loan Party, sufficient to rebuild or restore the applicable Property; (b) to the extent such circumstance or event is a casualty event, the Borrower provides evidence of the applicable insurance coverage promptly following such event, delivers all information required by the applicable insurer for processing of the applicable claim within thirty (30) days of the occurrence of such event (or, to the extent delivery within such time frame is not reasonably possible, as soon as reasonably practicable following such event) and proceeds to use commercially reasonable good faith efforts to pursue and resolve such claim with the applicable insurer as expeditiously as is reasonably possible without compromising any material rights of the Borrower or any other Loan Party with respect to such claim; and (c) the Borrower has provided the Administrative Agent with restoration plans and other information with respect to the applicable damage to the extent required herein and, in any case, is proceeding with the restoration, repair or reconstruction work with all due diligence and in good faith.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Outstanding Amount" means (i) with respect to Revolving Loans and Term Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Loans or Term Loans as the case may be, occurring on such date; and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"Participant" has the meaning specified in Section 11.07(d).

"PBG" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

"Permitted Investments" means, at any time, Investments by the Consolidated Parties permitted to exist at such time pursuant to the terms of Section 8.02.

"Permitted Liens" means, at any time, Liens in respect of Property of the Consolidated Parties permitted to exist at such time pursuant to the terms of Section 8.01; provided, that with respect to Liens related to Borrowing Base Properties, the term "Permitted Liens" means Liens permitted to exist at such time pursuant to the terms of Sections 8.01(c), (d), (g) or (j) which Liens, in the reasonable judgment of the Administrative Agent do not adversely affect in any material respect the value of the applicable Borrowing Base Property and such other Liens that have been approved in writing by the Administrative Agent in its sole discretion.

"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 Borrower 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 Borrower's Indebtedness represented by the SAILS Forward Exchange Contracts or Permitted SAILS Refinancing Indebtedness; provided that, (a) 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 (b) the Borrower's obligations with respect to the purchase price or principal amount of

such Permitted SAILS Refinancing Indebtedness (i) 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 Borrower 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 Borrower's obligations thereunder), provided that if the Borrower no longer owns sufficient Viacom Stock and/or related options on Viacom Stock to satisfy in full the Borrower's obligations under the Permitted SAILS Refinancing Indebtedness, such Indebtedness shall no longer be deemed to constitute "Permitted SAILS Refinancing Indebtedness," and (ii) are not secured by any Liens on any of the Borrower's or its Subsidiaries' assets other than the Viacom Stock and the related options on such Viacom Stock.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) established by the Borrower or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate.

"Pledge Agreement" means the pledge agreement in the form of Exhibit C dated as of the Closing Date executed in favor of the Administrative Agent by the Borrower and/or certain Subsidiaries of the Borrower (as required to meet the requirements set forth herein and therein), as amended, modified, restated or supplemented from time to time.

"Pledged Interests" means, as of any date of determination, a collective reference to 100.0% of the Capital Stock of each Person owning a Borrowing Base Property as of such date.

"Pro Forma Basis" means, for purposes of calculating (utilizing the principles set forth in Section 1.03(c)) the Borrowing Base or compliance with each of the financial covenants set forth in Section 8.11 in respect of a proposed transaction, that such transaction shall be deemed to have occurred as of the first day of the four calendar quarter period ending as of the most recent calendar quarter end preceding the date of such transaction with respect to which the Administrative Agent has received the Required Financial Information. As used herein, "transaction" shall mean (a) any incurrence or assumption of Indebtedness as referred to in Section 8.03(i), (b) any Disposition referred to in Section 8.05; (c) any Acquisition as referred to in Section 8.02; (d) any removal of a Real Property as a Borrowing Base Property pursuant to Section 7.13; or (e) any unwinding of the SAILS Forward Exchange Contracts pursuant to Section 8.12. In connection with any calculation of the financial covenants set forth in Section 8.11 upon giving effect to a transaction on a Pro Forma Basis:

- (i) for purposes of any such calculation in respect of any incurrence or assumption of Indebtedness as referred to in Section 8.03(i), any Indebtedness which is retired in connection with such incurrence or assumption shall be excluded and deemed to have been retired as of the first day of the applicable period;
- (ii) for purposes of any such calculation in respect of any Disposition as referred to in Section 8.05 or 7.13, all income statement items (whether positive or negative) attributable to the applicable Borrowing Base Property disposed of shall be excluded;
- (iii) for purposes of any such calculation in respect of any Acquisition as referred to in Section 8.02 or any such calculation in respect of the unwinding of the SAILS Forward Exchange Contracts pursuant to Section 8.12, (A) any Indebtedness incurred or assumed by any Consolidated Party (including the Person or Property acquired) in connection with such transaction and any Indebtedness of the Person or Property acquired which is not retired in connection with such transaction (1) shall be deemed to have been incurred as of the first day of the applicable period and (2) if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination, (B) income statement items (whether positive or negative) attributable to the Person or Property acquired shall be included beginning as of the first day of the applicable period, (C) pro forma adjustments may be included to the extent that such adjustments would give effect to events that

are (1) directly attributable to such transaction, (2) expected to have a continuing impact on the Consolidated Parties and (3) factually supportable (in the reasonable judgment of the Administrative Agent) and, if applicable, (D) any Indebtedness which is retired in connection with such transaction shall be excluded and deemed to have been retired as of the first day of the applicable period.

"Pro Forma Compliance Certificate" means a certificate of a Responsible Officer of the Borrower delivered to the Administrative Agent in connection with (a) any incurrence, assumption or retirement of Indebtedness as referred to in Section 8.03(i), (b) any Disposition as referred to in Section 8.05, (c) any Acquisition as referred to in Section 8.02, (d) any removal of a Real Property as a Borrowing Base Property pursuant to Section 7.13; or (e) any unwinding of the SAILS Forward Exchange Contracts pursuant to Section 8.12, as applicable, and containing reasonably detailed calculations, upon giving effect to the applicable transaction on a Pro Forma Basis, of the Consolidated Leverage Ratio, Implied Debt Service Coverage Ratio and Consolidated Tangible Net Worth as of the most recent calendar quarter end preceding the date of the applicable transaction with respect to which the Administrative Agent shall have received the Required Financial Information.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Real Properties" means, at any time, a collective reference to each of the facilities and real properties (including the Borrowing Base Properties) owned or leased by the Consolidated Parties at such time.

"Register" has the meaning specified in Section 11.07(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Committed Borrowing, conversion or continuation of Committed Loans, a Committed Loan Notice and (b) with respect to an L/C Credit Extension, a Letter of Credit Application.

"Required Financial Information" means, with respect to each calendar period or quarter of the Borrower, (a) the financial statements required to be delivered pursuant to Section 7.01(a) or (b) for such calendar period or quarter, and (b) the certificate of a Responsible Officer of the Borrower required by Section 7.02(b) to be delivered with the financial statements described in clause (a) above.

"Required Lenders" means, at any time, (a) the Required Revolver Lenders and (b) the Required Term Loan Lenders.

"Required Revolver Lenders" means, at any time, Lenders holding in the aggregate more than 50% of (a) the Aggregate Revolving Commitments (and participations therein) or (b) if the Aggregate Revolving Commitments have been terminated, the Total Revolving Outstandings (and participations therein). The unfunded Revolving Commitments of, and the share of Total Revolving Outstandings allocable to, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolver Lenders.

"Required Term Loan Lenders" means, at any time, Lenders holding in the aggregate more than 50% of (a) the Aggregate TL Commitments and Total Term Loan Outstandings (and participations therein) or (b) if the Aggregate TL Commitments have been terminated, the Total Term Loan Outstandings (and participations therein). The unfunded Term Loan Commitments of, and the Term Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Term Loan Lenders.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, vice president of treasury or assistant treasurer of a Loan Party. Any document delivered hereunder that is signed by a

Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means (a) any dividend or other payment or distribution, direct or indirect, on account of any shares of any class of Capital Stock of any Consolidated Party, now or hereafter outstanding (including without limitation any payment in connection with any dissolution, merger, consolidation or disposition involving any Consolidated Party), or to the holders, in their capacity as such, of any shares of any class of Capital Stock of any Consolidated Party, now or hereafter outstanding, (b) any purchase, redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of Capital Stock of any Consolidated Party, now or hereafter outstanding, or (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Capital Stock of any Consolidated Party, now or hereafter outstanding.

"Revolver Unused Fee" has the meaning specified in Section 2.09(a).

"Revolving Commitment" means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01(a), and (b) purchase participations in L/C Obligations, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Facility Usage Percentage" means, as of any date of determination, the percentage amount equal to (a) the Total Revolving Outstandings as of such date, divided by (b) the Aggregate Revolving Commitments as of such date.

"Revolving Loan" has the meaning specified in Section 2.01(a).

"Revolving Note" has the meaning specified in Section 2.11(a).

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

"SAILS Forward Exchange Contracts" means, collectively, the SAILS Mandatorily Exchangeable Securities Contract dated May 22, 2000, among Borrower, 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 Borrower, Credit Suisse First Boston International and Credit Suisse First Boston Corporation, 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 as of the date hereof.

"Sale and Leaseback Transaction" means any arrangement pursuant to which any Consolidated Party, directly or indirectly, becomes liable as lessee, guarantor or other surety with respect to any lease, whether an Operating Lease or a Capital Lease, of any Property (a) which such Consolidated Party has sold or transferred (or is to sell or transfer) to a Person which is not a Consolidated Party or (b) which such Consolidated Party intends to use for substantially the same purpose as any other Property which has been sold or transferred (or is to be sold or transferred) by such Consolidated Party to another Person which is not a Consolidated Party in connection with such lease.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Parties" mean a collective reference to the Administrative Agent, the L/C Issuer, the Lenders, each Lender or Affiliate of a Lender that is a party to a Swap Contract and each other Person to whom any Loan Party owes any of the Obligations which are secured by the Loan Documents.

"Security Agreement" means that certain Security Agreement dated as of the date hereof among the Loan Parties owning Borrowing Base Properties and the Administrative Agent (for the benefit of itself and the Lenders)

and in form and substance similar to the document attached as Exhibit B hereto, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Senior Note Indentures" means a collective reference to (a) that certain Indenture dated as of November 12, 2003 with respect to the 8% Senior Notes due 2013 issued by the Borrower, pursuant to which U.S. Bank National Association is the trustee and (b) that certain Indenture dated as of November 30, 2004 with respect to the 6.75% Senior Notes due 2014 issued by the Borrower, pursuant to which U.S. Bank National Association is the trustee; and "Senior Note Indenture" means either of them.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's Property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the Property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Capital Stock having ordinary voting power for the election of directors or other governing body (other than Capital Stock having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Substantial Casualty" has the meaning assigned to such term in Section 7.07(b).

"Substantial Completion" and "Substantially Completed" means, with respect to Gaylord National, that such property has been substantially completed or is substantially complete, is open for business to the general public and is accepting paying guests on a regular daily and nightly basis.

"Substantial Condemnation" has the meaning assigned to such term in Section 7.07(c).

"Supermajority Lenders" means, at any time, Lenders holding in the aggregate more than 662/3% of (a) (i) the Aggregate Revolving Commitments (and participations therein) or (ii) if the Aggregate Revolving Commitments have been terminated, the Total Revolving Outstandings (and participations therein); plus (b)(i) the Aggregate TL Commitments and Total Term Loan Outstandings (and participations therein) or (ii) if the Aggregate TL Commitments have been terminated, the Total Term Loan Outstandings (and participations therein); provided, that the unfunded Revolving Commitments of, the share of Total Revolving Outstandings allocable to, the unfunded Term Loan Commitments of, and the Term Loans held or deemed held by any Defaulting Lender shall be excluded for purposes of making a determination of Supermajority Lenders

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master

agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Syndication Agent" means Deutsche Bank Trust Company Americas, in its capacity as the syndication agent hereunder.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Tangible Net Worth" means, for any Person as of any date of determination, the consolidated shareholders' equity of such Person determined in accordance with GAAP, less (without duplication), the sum of the following: (a) all intangibles determined in accordance with GAAP (including, without limitation, goodwill and deferred or capitalized acquisition costs), (b) unamortized debt discount and expense, (c) any non-cash gain (or plus any non-cash loss, as applicable) resulting from any mark-to-market adjustments made directly to consolidated shareholders' equity as a result of fluctuations in the value of financial instruments owned by Borrower or any of its Subsidiaries as mandated under FAS 133.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loans" has the meaning specified in Section 2.01(b).

"Term Loan Commitment" means, as to each Lender, its obligation to make its Term Loans to the Borrower pursuant to Section 2.01(b), in a principal amount not to exceed the amount set forth opposite such Lender's name on Schedule 2.01; provided, that the Term Loan Commitments of the Lenders shall be reduced by each such Lender's Applicable Percentage of the amount of each Term Loan Borrowing concurrently with each such Borrowing.

"Term Note" has the meaning specified in Section 2.11(a).

"Threshold Amount" means \$10,000,000.

"Title Insurance Company" means Fidelity National Title Insurance Company.

"TL Facility Usage Percentage" means, as of any date of determination, an amount equal to (a) the sum of (i) the Total Term Loan Outstandings as of such date, plus (ii) the amount of Aggregate TL Principal Payments as of such date, divided by (b) the sum of (i) the Aggregate TL Commitments as of such date, plus (ii) the amount of Aggregate TL Principal Payments as of such date.

"TL Unused Fee" has the meaning specified in Section 2.09(b).

"Total Facility Outstandings" means, as of any date of determination, the Total Revolving Outstandings as of such date plus the Total Term Loan Outstandings as of such date.

"Total Revolving Outstandings" means, as of any date of determination, the aggregate Outstanding Amount of all Revolving Loans and all L/C Obligations as of such date.

"Total Term Loan Outstandings" means, as of any date of determination, the aggregate Outstanding Amount of all Term Loans as of such date.

"Treasury Management Agreement" means any agreement governing the provision of treasury or cash management services, including deposit accounts, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services.

"Type" means, with respect to any Revolving Loan or Term Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"Unfunded Pension Liability" means the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"Unused Fee" means either or both of the Revolver Unused Fee or the TL Unused Fee, as applicable.

"Unused Rate" means, with respect to the Aggregate Revolving Commitments or the Aggregate TL Commitments as of any date, the fee amount set forth below (as determined based on the then-applicable Revolving Facility Usage Percentage or TL Facility Usage Percentage, as applicable):

Revolving Facility Usage Percentage / TL Facility Usage Percentage	Unused Rate (bps)
> 66 2/3:	25.0
>33 1/3, but < or = 66 2/3:	37.5
< or = 33 1/3:	50.0

"Viacom Stock" means the 10,937,900 shares of Class B common stock, par value \$0.01 per share, of Viacom, Inc. owned by the Borrower, and any other securities into which such shares may be converted or reclassified or that may be issued in respect of, in exchange for, or in substitution of, such shares of Class B common stock by reason of any stock splits, stock dividends, distributions, mergers, consolidations or other similar events.

"Wholly Owned Subsidiary" means any Person 100% of whose Capital Stock is at the time owned by the Borrower directly or indirectly through other Persons 100% of whose Capital Stock is at the time owned, directly or indirectly, by the Borrower.

1.02 OTHER INTERPRETIVE PROVISIONS.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to

any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, and (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 ACCOUNTING TERMS.

(a) Generally. Except as otherwise specifically prescribed herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements; provided, however, that calculations of Attributable Indebtedness under any Synthetic Lease Obligations or the implied interest component of any Synthetic Lease Obligations shall be made by the Borrower in accordance with accepted financial practice and consistent with the terms of such Synthetic Lease Obligations.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Effect of Transactions on Calculations. Notwithstanding the above, the parties hereto acknowledge and agree that, for purposes of all calculations made under the financial covenants set forth in Section 8.11 (including without limitation for purposes of the definitions of "Applicable Margin" and "Pro Forma Basis" set forth in Section 1.01), (i) after consummation of any Disposition (A) income statement items (whether positive or negative) and capital expenditures attributable to the Property disposed of shall be excluded and (B) Indebtedness which is retired shall be excluded and deemed to have been retired as of the first day of the applicable period, (ii) after consummation of any Acquisition (A) income statement items (whether positive or negative) and capital expenditures attributable to the Person or Property acquired shall, to the extent not otherwise included in such income statement items for the Consolidated Parties in accordance with GAAP or in accordance with any defined terms set forth in Section 1.01, be included to the extent relating to any period applicable in such calculations, (B) to the extent not retired in connection with such Acquisition, Indebtedness of the Person or Property acquired shall be deemed to have been incurred as of the first day of the applicable period and (C) pro forma adjustments may be included to the extent that such adjustments would give effect to items that are (1) directly attributable to such transaction, (2) expected to have a continuing impact on the Consolidated Parties and (3) factually supportable (in the reasonable judgment of the Administrative Agent) and (iii) commencing as of the

first quarter during which operations at Gaylord National or any other hotel built or owned by the Consolidated Parties during the term hereof have continued for thirty (30) days or more, all calculations of income, net income, revenues, costs, expenses, operating income, net operating income or other items related to the financial covenant calculations set forth herein shall, for each of the first four calendar quarters in which Gaylord National or such hotel is in operation, be annualized based on the information and calculations for the period elapsed since the opening of such property.

1.04 ROUNDING.

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 TIMES OF DAY.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06 LETTER OF CREDIT AMOUNTS.

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 REVOLVING LOANS AND THE TERM LOAN.

(a) Revolving Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Revolving Loan") to the Borrower from time to time, on any Business Day during the applicable Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (ii) the Total Facility Outstandings shall not exceed the Borrowing Base and (iii) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(a), prepay under Section 2.05(a), and reborrow under this Section 2.01(a). Revolving Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(b) Term Loan. Subject to the terms and conditions set forth herein, each Lender severally agrees to make term loans (the "Term Loans") to the Borrower from time to time, on any Business Day during the applicable Availability Period, in an aggregate amount (as determined cumulatively over the term of this Agreement and disregarding any principal payments made on the Term Loans) not to exceed such Lender's Term Loan Commitment; provided, however, that after giving effect to any Borrowing of Term Loans, (i) the Total Term Loan Outstandings plus the aggregate amount of Aggregate TL Principal Payments as of such date shall not exceed the amount equal to Aggregate TL Commitments plus the Aggregate TL Borrowings as of such date; and (ii) the Total Facility Outstandings shall not exceed the Borrowing Base. Amounts repaid on the Term Loans may not be reborrowed. The Term Loans may consist of Base Rate Loans or Eurodollar Rate Loans, as further provided herein

2.02 BORROWINGS, CONVERSIONS AND CONTINUATIONS OF COMMITTED LOANS.

(a) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the irrevocable notice from the Borrower to the Administrative Agent, which may be given by telephone (provided that such telephonic notice complies with the information requirements of the form of Committed Loan Notice attached hereto). Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans; provided, however, all Committed Borrowings made on the Closing Date shall be made as Base Rate Loans; and provided further, that if the Borrower wishes to request Eurodollar Rate Loans having an Interest Period other than one, two, three or six months in duration as provided in the definition of "Interest Period", the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. four Business Days prior to the requested date of such Borrowing, conversion or continuation, whereupon the Administrative Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., three Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed, converted or continued, (iv) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Committed Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 5.02 (and, if such Borrowing is the initial Credit Extension, Section 5.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date a Committed Loan Notice with respect to a Borrowing consisting of Revolving Loans is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing first shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrower as provided above.

(c) Subject to Section 3.05, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans having Interest Periods greater than one month

without the consent of the Required Lenders. During the existence of an Event of Default, no Loans may be converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Committed Borrowings, all conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than (i) ten (10) Interest Periods in effect with respect to Revolving Loans, and (ii) ten (10) Interest Periods in effect with respect to the Term Loan.

2.03 LETTERS OF CREDIT.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrower or its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w) the Total Facility Outstandings shall not exceed the Borrowing Base, (x) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (y) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations shall not exceed such Lender's Revolving Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit if, subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any

unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer; or

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, such Letter of Credit is in an initial stated amount less than \$250,000.

(D) such Letter of Credit is to be denominated in a currency other than Dollars;

(E) such Letter of Credit contains any provision for automatic reinstatement of the stated amount after any drawing thereunder; or

(F) a default of any Lender's obligations to fund under Section 2.03(c) exists or any Lender is at such time a Defaulting Lender hereunder, unless the L/C Issuer has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the L/C Issuer's risk with respect to such Lender.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article X with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article X included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the L/C Issuer may require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more of the applicable conditions contained in Article V shall not then be satisfied, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation at such time to issue such Letter of Credit in its revised form under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or any Loan Party that one or more of the applicable conditions specified in Section 5.02 is not then satisfied, and in each case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Revolving Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Revolving Commitments and the conditions set forth in Section 5.02 (other than the delivery of a Committed Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available to the Administrative Agent for the account of the L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Revolving Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Base Rate Revolving Loans because the conditions set forth in Section 5.02 (other than delivery of a Committed Loan Notice) cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 5.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the Federal Funds Rate from time to time in effect. A certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.06 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, set-off, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, any Agent-Related Person nor any of the respective correspondents, participants or assignees of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Letter of Credit Application. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, any Agent-Related Person, nor any of the respective correspondents, participants or

assignees of the L/C Issuer, shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) Cash Collateral. Upon the request of the Administrative Agent, (i) if the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Letter of Credit Expiration Date, any Letter of Credit for any reason remains outstanding and partially or wholly undrawn, the Borrower shall immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations (in an amount equal to such Outstanding Amount determined as of the date of such L/C Borrowing or the Letter of Credit Expiration Date, as the case may be). Sections 2.05 and 9.02(c) set forth certain additional requirements to deliver Cash Collateral hereunder. For purposes of this Section 2.03, Section 2.05 and Section 9.02(c), "Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the L/C Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuer (which documents are hereby consented to by the Lenders). Derivatives of such term have corresponding meanings. The Borrower hereby grants to the Administrative Agent, for the benefit of the L/C Issuer and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America.

(h) Applicability of ISP. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each Letter of Credit.

(i) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Margin times the daily amount available to be drawn under such Letter of Credit. For the purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears, and (ii) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. If there is any change in the Applicable Margin during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect. Notwithstanding anything to the contrary contained herein, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(j) Fronting Fee and Processing Charges Payable to L/C Issuer. The Borrower shall, in connection with the issuance or extension (whether or not pursuant to an automatic extension) of each Letter of Credit, pay directly to the L/C Issuer for its own account a fronting fee for each Letter of Credit equal to the greater of (i) \$1,500.00 and (ii) 0.125% times the maximum amount available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect with respect to such Letter of Credit). Such fronting fee shall be payable upon issuance or extension of the applicable Letter of Credit. For the purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition to the foregoing, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(k) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Documents, the terms hereof shall control.

(l) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

2.04 INTENTIONALLY OMITTED.

2.05 PREPAYMENTS.

(a) Voluntary Prepayments of Loans. The Borrower may, upon notice to the Administrative Agent, at any time or from time to time (i) voluntarily prepay Base Rate Loans in whole or in part without premium or penalty, and (ii) subject to Section 3.05 hereof, voluntarily prepay Eurodollar Rate Loans in whole or in part on the last day of the applicable Interest Period without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of Eurodollar Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); (iii) any prepayment of Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); and (iv) any prepayment of the Term Loan shall be applied ratably to the Term Loan. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Committed Loans to be prepaid. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) Mandatory Prepayments.

(i) Aggregate Revolving Commitments. If for any reason the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect, the Borrower shall immediately prepay Revolving Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(i) unless after the prepayment in full of the Revolving Loans the Total Revolving Outstandings exceed the Letter of Credit Sublimit.

(ii) Maximum Term Loan Amount Exceeded. If for any reason (A) the Total Term Loan Outstandings plus the aggregate amount of Aggregate TL Principal Payments as of any date of determination exceed (B) the Aggregate TL Commitments plus the Aggregate TL Borrowings as of such date, the Borrower shall immediately prepay the Term Loans in an aggregate amount equal to such excess.

(iii) Total Facility Outstandings. If for any reason the Total Facility Outstandings as of any date of determination exceed the Borrowing Base as of such date, the Borrower shall immediately prepay the Term Loans or Revolving Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(iii) unless after the prepayment in full of the Term Loans and Revolving Loans the remaining L/C Obligations exceed the Letter of Credit Sublimit.

(iv) Borrowing Base Property Dispositions.

(A) Upon the Disposition of any Borrowing Base Property, the Borrower shall, immediately upon the receipt of the Net Cash Proceeds related thereto (and, in any case, not later than the day following the date on which an applicable Disposition occurs) prepay the Term Loans or Revolving Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to the lesser of (1) 100.0% of such Net Cash Proceeds and (2) the amount of the prepayment required to cause the Total Facility Outstandings as of the date of such prepayment to be equal to or less than fifty percent (50.0%) of the then-applicable BBP Value. Notwithstanding anything to the contrary contained herein, upon the first occurrence of any such Disposition of a Borrowing Base Property, the percentage referenced in clause (b) of the definition of the term "Borrowing Base" contained in Section 1.01 shall, immediately upon the consummation of such Disposition, be irrevocably reduced from sixty percent (60.0%) to fifty percent (50.0%). Further, all Dispositions of Borrowing Base Properties hereunder remain subject to the terms and conditions set forth in Section 8.05 (including, without limitation, the timely delivery by the Borrower of a Pro Forma Compliance Certificate giving Pro Forma Effect to such Disposition). The Administrative Agent shall, in connection with any assertion or claim by the Borrower that it is entitled to prepay an amount that is less than 100% of the Net Cash Proceeds with respect to any Disposition of a Borrowing Base Property, have the right to obtain, at the expense of the Borrower, a new appraisal with respect to any one or more of the remaining Borrowing Base Properties as of such date for recalculation of the Appraised Values associated therewith (such appraisal to be in form and substance acceptable to the Administrative Agent, in its discretion). The Borrower shall, pending the completion of such re-appraisals, deposit 100.0% of the Net Cash Proceeds related to such Disposition in an account controlled by the Administrative Agent to be held in escrow pending the final determination of the new Appraised Values for the remaining Borrowing Base Properties and shall execute any and all other documents, instruments or agreements requested by Administrative Agent in connection with such account or to establish Administrative Agent's rights with respect thereto. Upon the final determination of the new Appraised Values for the remaining Borrowing Base Properties, the Administrative Agent shall release any amount of such Net Cash Proceeds to which the Borrower may be entitled pursuant to the proviso set forth above.

(B) In addition to any prepayments required pursuant to item (A) above, to the extent any Net Cash Proceeds from the Disposition of a Borrowing Base Property are applied to pay down any Indebtedness of any Loan Party or any of their Subsidiaries, such Net Cash Proceeds shall be applied to discharge or otherwise prepay the Obligations prior to any payment being made against any Indebtedness evidenced by or related to any Senior Note Indenture.

(v) Casualty and Condemnation Events Related to Borrowing Base Properties. The Borrower shall deliver to the Administrative Agent the Net Cash Proceeds related to any Involuntary Disposition with respect to any Borrowing Base Property immediately upon the receipt of such Net Cash Proceeds. Such Net Cash Proceeds will be held in escrow by the Administrative Agent subject to the terms of Section 7.07 hereof. If the Borrower and Loan Parties elect, pursuant to Section 7.07 hereof, not to fully rebuild, reconstruct and otherwise restore the applicable Borrowing Base Property with such Net Cash Proceeds, such Net Cash Proceeds will, following the sixty (60) day decision period provided the Borrower in such Section 7.07 or upon the written direction of the Borrower, be applied to the Obligations in the manner described in subsection (vi) below except to the extent that (A) such prepayment would be in an amount that would necessarily result in a paydown of the principal balance of the Term Loans (assuming the Borrower's election to cause such proceeds to be first applied to the Revolving Loans and the Cash Collateralization of the L/C Obligations); (B) the Borrower delivers to the Administrative Agent, prior to the end of such sixty (60) day period and prior to its delivery of any written direction for application of the funds against the Obligations, a request for the re-appraisal of such Borrowing Base Property (which such appraisal shall constitute an appraisal obtained in connection with a casualty or condemnation event pursuant to Section 7.12 hereof) and return of any Net Cash Proceeds held by the Administrative Agent which would otherwise necessarily be used for the prepayment of the Term Loans; (C) there exists, at the time of the Borrower's written request and upon receipt of such new appraisal, no Default or Event of Default hereunder; (D) the Borrowing Base, once calculated taking into account such new appraisal, is sufficient to cover the Total Facility Outstandings as of the date on which such new appraisal is obtained. If Borrower provides a request pursuant to item (B) above, the Net Cash Proceeds

held in escrow by the Administrative Agent (1) shall, upon the receipt of the Borrower's request pursuant to item (B) above, be applied, to the extent possible, to the outstanding Revolving Loans and to the Cash Collateralization of the L/C Obligations; and (2) if items (A) - (D) are fully satisfied, the excess proceeds remaining after application to the Revolving Loans and to the Cash Collateralization of the L/C Obligations shall be returned to the Borrower. To the extent the Borrower delivers a request pursuant to item (B) above and the new appraisal obtained shows that the Borrowing Base is not sufficient to cover the Total Facility Outstandings, the remaining amount held by the Administrative Agent in escrow shall be immediately applied to the Obligations in accordance with subclause (vi) below. The parties hereto each acknowledge and agree that the funds held by the Administrative Agent in escrow shall, at all times prior to application to the Obligations or return to the Borrower, be subject to a first priority security interest in favor of the Administrative Agent for the benefit of the Secured Parties.

(vi) Application of Mandatory Prepayments. All amounts required to be paid pursuant to this Section 2.05(b) shall be applied as follows:

(A) with respect to all amounts prepaid pursuant to Section 2.05(b)(i), to Revolving Loans and (after all Revolving Loans have been repaid) to Cash Collateralize L/C Obligations;

(B) with respect to all amounts prepaid pursuant to Section 2.05(b)(ii), to Term Loans; and

(C) with respect to all amounts prepaid pursuant to Sections 2.05(b)(iii), (iv) or (v), to Term Loans or Revolving Loans (at the option and written direction of the Borrower delivered concurrently with such prepayment) and (after all Term Loans and Revolving Loans have been repaid) to Cash Collateralize L/C Obligations; provided, that to the extent no direction is given by Borrower with respect to the application of any such prepayments, such prepayments shall be applied first, to the Revolving Loans and, second, to the Term Loans.

Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans and then to Eurodollar Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

(vii) Prepayment Account. If the Borrower is required to make a mandatory prepayment of Eurodollar Rate Loans under this Section 2.05(b), the Borrower shall have the right, in lieu of making such prepayment in full, to deposit an amount equal to such mandatory prepayment with the Administrative Agent in a cash collateral account maintained (pursuant to documentation reasonably satisfactory to the Administrative Agent) by and in the sole dominion and control of the Administrative Agent. Any amounts so deposited shall be held by the Administrative Agent as collateral for the prepayment of such Eurodollar Rate Loans and shall be applied to the prepayment of the applicable Eurodollar Rate Loans at the end of the current Interest Periods applicable thereto. At the request of the Borrower, amounts so deposited shall be invested by the Administrative Agent in Cash Equivalents maturing prior to the date or dates on which it is anticipated that such amounts will be applied to prepay such Eurodollar Rate Loans; any interest earned on such Cash Equivalents will be for the account of the Borrower and the Borrower will deposit with the Administrative Agent the amount of any loss on any such Cash Equivalents to the extent necessary in order that the amount of the prepayment to be made with the deposited amounts may not be reduced.

(viii) Availability. Without limiting the provisions contained in Section 2.05(b)(iv) relating to the reduction of the percentages used in determining the Borrowing Base, prepayments of the Revolving Loans made pursuant to this Section 2.05(b) shall not be deemed to permanently reduce the Revolving Commitments.

2.06 TERMINATION, REDUCTION OR INCREASE OF COMMITMENTS.

(a) Voluntary Reductions. The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Revolving Commitments or the remaining Aggregate TL Commitments, or from time to time

permanently reduce the Aggregate Revolving Commitments or Aggregate TL Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Revolving Commitments or Aggregate TL Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, (A) with respect to the termination or reduction of any of the Aggregate Revolving Commitments, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments, or (B) with respect to any Commitment reduction or termination, the Total Facility Outstandings would exceed the Borrowing Base, and (iv) if, after giving effect to any reduction of the Aggregate Revolving Commitments, the Letter of Credit Sublimit exceeds the amount of the Aggregate Revolving Commitments, the Letter of Credit Sublimit shall be automatically reduced by the amount of such excess.

(b) Voluntary Increases. Following the Closing Date, the Aggregate Revolving Commitments or the Aggregate TL Commitments may, at the option of the Borrower, be increased by an aggregate amount of up to \$300,000,000.00 (with the total amount of such increase (up to a total of \$300,000,000.00 across the Aggregate Revolving Commitments and Aggregate TL Commitments) and the allocation of such increase between the Aggregate Revolving Commitments and Aggregate TL Commitments to be at the option of the Borrower; provided, however, that notwithstanding the foregoing, the amount of any requested increase under this clause (b) shall be equal to or in excess of \$10,000,000 or \$500,000 increments in excess thereof) if:

(i) to the extent it desires to increase one or both of the Aggregate Revolving Commitments or the Aggregate TL Commitments, the Borrower, on or before the date occurring one year prior to the Maturity Date, shall request such increase in writing to the Administrative Agent and shall specify therein its desired allocation of such increase between the Aggregate Revolving Commitments and Aggregate TL Commitments;

(ii) BAS is able, within ninety (90) days of receiving an increase request pursuant to subclause (i) above, to syndicate the amount of such increase (A) to one or more Lenders or one or more financial institutions qualifying as an Eligible Assignee and otherwise acceptable to the Borrower, Administrative Agent and BAS and (B) in a manner otherwise in accordance with the terms and conditions set forth in the Fee Letter; provided, that the Borrower shall pay all fees, costs and expenses due and owing pursuant to the terms of the Fee Letter regardless of whether BAS is able to syndicate the amount of the requested increase;

(iii) such increase does not increase the amount of the Revolving Commitment or Term Loan Commitment of any Lender without the written consent of such Lender;

(iv) the Borrower executes a signature page to this Agreement and/or new Notes reflecting the increase in the Aggregate Revolving Commitments and/or Aggregate TL Commitments (in each case, to the extent requested by the Administrative Agent or any Lender in connection with the documentation of such increase) and executes such other amendments to the Loan Documents as are reasonably deemed necessary by the Administrative Agent;

(v) no Default or Event of Default exists as of the date of such request or as of the date on which such increase is to occur; and

(vi) the Borrower pays to BAS (or such other parties entitled thereto) all fees required in connection with such increase in the Aggregate Revolving Commitments and/or Aggregate TL Commitments (including those set forth in the Fee Letter and any other fees agreed to between the Borrower and BAS) and all costs and expenses (including attorneys' costs and fees) incurred by the Administrative Agent in documenting or implementing such increase.

Notwithstanding anything contained herein to the contrary, the Borrower may make a request for increase (whether with respect to the Aggregate Revolving Commitments, the Aggregate TL Commitments or both) pursuant to this Section 2.06(b) not more than once during the term of this Agreement.

Upon the effectiveness of any increase in the Aggregate Revolving Commitments or the Aggregate TL Commitments pursuant to this section, all of the terms and conditions of the Loan Documents shall apply to the such

increased amounts as if such amounts were in effect as of the date hereof. Each Lender that may be a party hereto from time to time hereby acknowledges that the Aggregate Revolving Commitments or the Aggregate TL Commitments may be increased pursuant to this Section 2.05(b) regardless of whether such Lender approves such increase or increases its Revolving Commitment or Aggregate TL Commitments hereunder.

(c) General. The Administrative Agent will promptly notify the Lenders of any such notice of termination, reduction or increase of the Aggregate Revolving Commitments or Aggregate TL Commitments (as applicable). Any reduction of the Aggregate Revolving Commitments shall be applied to the Revolving Commitment of each Lender according to its Applicable Percentage and any reduction of the Aggregate TL Commitments shall be applied to the Term Loan Commitment of each Lender according to its Applicable Percentage. All Unused Fees accrued until the effective date of any termination of the Aggregate Revolving Commitments or Aggregate TL Commitments shall be paid on the effective date of such termination. To the extent the Aggregate Revolving Commitments or the Aggregate TL Commitments are increased pursuant to clause (b) above, all Lenders (including both previously-existing and new Lenders) shall receive new Notes reflecting their respective Commitments and new Lenders shall, to the extent necessary to cause the outstanding principal amount of the Obligations allocable to each Lender to equal each such Lender's Applicable Percentage, fund Term Loans or Revolving Loans (as applicable) directly to the other Lenders, as directed by the Administrative Agent. The Loan Parties hereby agree to execute and deliver any new Notes required pursuant to this Section 2.05 to evidence the Loans made by the Lenders and acknowledge, consent and agree to the funding by any new Lenders of Term Loans or Revolving Loans pursuant to the previous sentence for the purpose of causing the Outstanding Amount thereof to equal each Lender's Applicable Percentage.

2.07 REPAYMENT OF LOANS.

(a) Revolving Loans. The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of Revolving Loans outstanding on such date.

(b) Term Loans. The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of the Term Loans outstanding on such date.

2.08 INTEREST.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Margin; and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then, unless otherwise agreed to by the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default (other than an Event of Default predicated on the failure of the Borrower to pay amounts due under the Loan Documents, as addressed in subclauses (i) and (ii) above) exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 FEES.

In addition to certain fees described in subsections (i) and (j) of Section 2.03:

(a) Revolver Unused Fees. The Borrower shall, for each day during the term of this Agreement on which there exist any Revolving Commitments, pay to the Administrative Agent for the account of each Lender holding a Revolving Commitment (in accordance with such Lender's Applicable Percentage thereof), an unused fee (the "Revolver Unused Fee") equal to the applicable Unused Rate times the actual daily amount by which the Aggregate Revolving Commitments exceed the Total Revolver Outstandings as of such date. The Revolver Unused Fee shall accrue at all times during the term of this Agreement on which there exist any Revolving Commitments, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date. The Revolver Unused Fee shall be calculated quarterly in arrears, based on the applicable daily Unused Rates during each day of such quarter.

(b) Term Loan Unused Fees. The Borrower shall, for each day during the term of this Agreement on which there exist any Aggregate TL Commitments, pay to the Administrative Agent for the account of each Lender holding a Term Loan Commitment (in accordance with such Lender's Applicable Percentage thereof), an unused fee (the "TL Unused Fee") equal to the applicable Unused Rate times the actual daily amount of the Aggregate TL Commitments as of such date. The TL Unused Fee shall accrue at all times during the term of this Agreement on which there exist any Term Loan Commitments, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date. The TL Unused Fee shall be calculated quarterly in arrears, based on the applicable daily Unused Rates during each day of such quarter.

(c) Other Fees. The Borrower shall pay to BAS and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter (without duplication of fees otherwise referenced herein). Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 COMPUTATION OF INTEREST AND FEES.

All computations of interest for Base Rate Loans when the Base Rate is determined by Bank of America's "prime rate" shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 EVIDENCE OF DEBT.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest

error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall (i) in the case of Revolving Loans, be in the form of Exhibit D-1 (a "Revolving Note"), and (ii) in the case of the Term Loan, be in the form of Exhibit D-2 (a "Term Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 PAYMENTS GENERALLY; ADMINISTRATIVE AGENT'S CLAWBACK.

(a) General. All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) Fundings and Payments; Presumptions by Administrative Agent.

(i) Funding by Lenders. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Committed Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Committed Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Committed Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans and to fund participations in Letters of Credit and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, purchase its participation or make its payment pursuant to Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 SHARING OF PAYMENTS BY LENDERS.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Committed Loans made by it, or the participations in L/C Obligations held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Committed Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Committed Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 TAXES.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or L/C Issuer, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Lender and the L/C Issuer, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Lender or the L/C Issuer, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States, any Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the

Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(f) Treatment of Certain Refunds. If the Administrative Agent, any Lender or the L/C Issuer determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent, such Lender or the L/C Issuer, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Administrative Agent, such Lender or the L/C Issuer, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or the L/C Issuer in the event the Administrative Agent, such Lender or the L/C Issuer is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent, any Lender or the L/C Issuer to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

3.02 ILLEGALITY.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurodollar Rate Loans, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 INABILITY TO DETERMINE RATES.

If the Required Lenders determine that for any reason in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan,

(b) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan, or (c) the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

3.04 INCREASED COSTS.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e)) or the L/C Issuer;

(ii) subject any Lender or the L/C Issuer to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender or the L/C Issuer in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 3.01 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or the L/C Issuer); or

(iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05 COMPENSATION FOR LOSSES.

Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment or other termination of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13 or in connection with Section 2.06(b);

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 MITIGATION OBLIGATIONS; REPLACEMENT OF LENDERS.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to

Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrower may replace such Lender in accordance with Section 11.13.

3.07 SURVIVAL.

All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Revolving Commitments and repayment of all other Obligations hereunder.

ARTICLE IV GUARANTY

4.01 THE GUARANTY.

Each of the Guarantors hereby jointly and severally guarantees to each Lender, each Affiliate of a Lender that enters into a Swap Contract, and the Administrative Agent as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. The Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents or Swap Contracts, the obligations of each Guarantor under this Agreement and the other Loan Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws, any comparable provisions of any applicable state Law or any applicable corporate or other organizational Laws relating to the ability of an entity to approve and authorize Guarantees or Indebtedness (or the effectiveness of any such approval or authorization) in excess of an amount that would render such entity insolvent or such other amount as may be established by such Law.

4.02 OBLIGATIONS UNCONDITIONAL.

The obligations of the Guarantors under Section 4.01 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents or Swap Contracts, or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 4.02 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against the Borrower or any other Guarantor for amounts paid under this Article IV until such time as the Obligations have been Fully Satisfied. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents, any Swap Contract between any Consolidated Party and any Lender, or any Affiliate of a Lender, or any other agreement or instrument referred to in the Loan Documents or such Swap Contracts shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents, any Swap Contract between any Consolidated Party and any Lender, or any Affiliate of a Lender, or any other agreement or instrument referred to in the Loan Documents or such Swap Contracts shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any Lender or Lenders as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents, any Swap Contract between any Consolidated Party and any Lender, or any Affiliate of a Lender, or any other agreement or instrument referred to in the Loan Documents or such Swap Contracts, or against any other Person under any other guarantee of, or security for, any of the Obligations.

4.03 REINSTATEMENT.

The obligations of the Guarantors under this Article IV shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, fees and expenses of counsel) incurred by the Administrative Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

4.04 CERTAIN ADDITIONAL WAIVERS.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.02 and through the exercise of rights of contribution pursuant to Section 4.06.

4.05 REMEDIES.

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 9.02 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 9.02) for purposes of Section 4.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.01. The Guarantors acknowledge and agree that

their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the Lenders may exercise their remedies thereunder in accordance with the terms thereof.

4.06 RIGHTS OF CONTRIBUTION.

The Guarantors hereby agree as among themselves that, in connection with payments made hereunder, each Guarantor shall have a right of contribution from each other Guarantor in accordance with applicable Law. Such contribution rights shall be subordinate and subject in right of payment to the Obligations until such time as the Obligations have been Fully Satisfied, and none of the Guarantors shall exercise any such contribution rights until the Obligations have been Fully Satisfied.

4.07 GUARANTEE OF PAYMENT; CONTINUING GUARANTEE.

The guarantee in this Article IV is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

ARTICLE V CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

5.01 CONDITIONS OF CLOSING DATE AND INITIAL CREDIT EXTENSION.

The occurrence of the Closing Date, the effectiveness of this Agreement and the obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:

(a) Loan Documents, Organization Documents, Etc. The Administrative Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) executed counterparts of this Agreement and the other Loan Documents (provided, that with respect to the Mortgage Instruments, the originals thereof shall have been delivered to title agents or other parties acceptable to the Administrative Agent for recording in the land records of the applicable jurisdictions in which the Borrowing Base Properties are located and the Administrative Agent shall have received fully executed copies of same);

(ii) Notes executed by the Borrower in favor of each Lender requesting same;

(iii) copies of the Organization Documents of each Loan Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of such Loan Party to be true and correct as of the Closing Date;

(iv) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party; and

(v) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in (A) the jurisdiction of its incorporation or organization and (B) each jurisdiction where its ownership, lease or operation of properties or the

conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Opinions of Counsel. The Administrative Agent shall have received, in each case dated as of the Closing Date and in form and substance reasonably satisfactory to the Administrative Agent:

(i) a legal opinion of Bass, Berry & Sims, PLC, general counsel for the Loan Parties;

(ii) a legal opinion of special local counsel for each Loan Party not organized in the State of Tennessee or Delaware; and

(iii) a legal opinion of special local counsel for the Loan Parties for each state in which any Borrowing Base Property is located.

(c) Personal Property Collateral. The Administrative Agent shall have received:

(i) searches of Uniform Commercial Code filings in the jurisdiction of organization of each Loan Party and each jurisdiction where any Collateral is located or where a filing would need to be made in order to perfect the Administrative Agent's security interest in the Collateral, copies of the financing statements on file in such jurisdictions and evidence that no Liens exist other than Permitted Liens;

(ii) duly executed UCC financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the Collateral;

(iii) searches of ownership of, and Liens on, intellectual property of each Loan Party in the appropriate governmental offices;

(iv) all certificates evidencing any certificated Capital Stock pledged to the Administrative Agent pursuant to the Pledge Agreement, together with duly executed in blank, undated stock powers attached thereto;

(v) duly executed notices of grant of security interest in the form required by the Pledge Agreement as are necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the Collateral;

(vi) all instruments and chattel paper (if any) in the possession of any of the Loan Parties, together with allonges or assignments as may be necessary or appropriate to perfect the Administrative Agent's security interest in the Collateral; and

(vii) duly executed consents as are necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the Collateral.

(d) Real Property Collateral. The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent:

(i) fully executed and notarized mortgages, deeds of trust or deeds to secure debt (each, as the same may be amended, modified, restated or supplemented from time to time, a "Mortgage Instrument" and collectively the "Mortgage Instruments") encumbering the fee interest and/or leasehold interest of any Loan Party in each of the Borrowing Base Properties existing as of the Closing Date;

(ii) in the case of each real property leasehold interest of any Loan Party constituting a Borrowing Base Property, (A) such estoppel letters, consents and waivers from the landlords on such real property as may be required by the Administrative Agent, which estoppel

letters shall be in the form and substance reasonably satisfactory to the Administrative Agent and (B) evidence that the applicable lease, a memorandum of lease with respect thereto, or other evidence of such lease in form and substance reasonably satisfactory to the Administrative Agent, has been or will be recorded in all places to the extent necessary or desirable, in the reasonable judgment of the Administrative Agent, so as to enable the Mortgage Instrument encumbering such leasehold interest to effectively create a valid and enforceable first priority lien (subject only to Liens acceptable to the Administrative Agent, in its discretion) on such leasehold interest in favor of the Administrative Agent (or such other Person as may be required or desired under local law) for the benefit of Lenders;

(iii) maps or plats of an ALTA (or other form acceptable to the Administrative Agent in its discretion) survey of the sites of the real property covered by the Mortgage Instruments certified to the Administrative Agent and the Title Insurance Company in a manner reasonably satisfactory to each of the Administrative Agent and the Title Insurance Company, dated a date reasonably satisfactory to each of the Administrative Agent and the Title Insurance Company by an independent professional licensed land surveyor, which maps or plats and the surveys on which they are based shall be sufficient to delete any standard printed survey exception contained in the applicable title policy and be made in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by the American Land Title Association and the American Congress on Surveying and Mapping in 1997 with all items from Table A thereof completed, except for Nos. 5 and 12;

(iv) marked-up or pro forma commitments for ALTA mortgagee title insurance policies issued by the Title Insurance Company (the "Mortgage Commitments") with respect to each Borrowing Base Property, assuring the Administrative Agent that each of the Mortgage Instruments creates a valid and enforceable first priority mortgage lien on the applicable Borrowing Base Property, free and clear of all defects and encumbrances except Permitted Liens, which Mortgage Commitments shall otherwise be in form and substance reasonably satisfactory to the Administrative Agent and shall include such endorsements as are reasonably requested by the Administrative Agent, together with evidence of recording of the Mortgage Instruments in the land records of the proper jurisdictions and evidence of the Borrower's payment of all premiums required to be paid as a condition to the issuance of policies with respect to such Commitments;

(v) evidence as to (A) whether any Borrowing Base Property is in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards (a "Flood Hazard Property") and (B) if any Borrowing Base Property is a Flood Hazard Property, (1) whether the community in which such Borrowing Base Property is located is participating in the National Flood Insurance Program, (2) the applicable Loan Party's written acknowledgment of receipt of written notification from the Administrative Agent (a) as to the fact that such Borrowing Base Property is a Flood Hazard Property and (b) as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (3) copies of insurance policies or certificates of insurance of the Consolidated Parties evidencing flood insurance satisfactory to the Administrative Agent and naming the Administrative Agent as sole loss payee on behalf of the Lenders;

(vi) evidence reasonably satisfactory to the Administrative Agent that each of the Borrowing Base Properties, and the uses of the Borrowing Base Properties, are in compliance in all material respects with all applicable zoning laws (the evidence submitted as to which should include the zoning designation made for each of the Borrowing Base Properties, the permitted uses of each such Borrowing Base Properties under such zoning designation and, if available, zoning requirements as to parking, lot size, ingress, egress and building setbacks);

(vii) an "as-is" appraisal of each Borrowing Base Property (other than Gaylord National, for which "as completed" and "as stabilized" appraisals shall be required) in form and substance acceptable to the Administrative Agent in its discretion and from an appraiser acceptable to the Administrative Agent in its discretion; provided, that to the extent required by

FIRREA, such appraisals shall either satisfy the requirements of FIRREA or be accompanied by appraisals meeting such requirements;

(viii) a recent environmental site assessment with respect to each Borrowing Base Property showing no significant environmental conditions which have not been properly addressed through a duly approved and completed remediation (or such other resolution which has been accepted in writing by either the Administrative Agent or all applicable Governmental Authority(ies) with jurisdiction relating to the applicable property and such conditions and having authority to enforce any Environmental Laws with respect thereto) and otherwise showing conditions which are acceptable to the Administrative Agent, together with a property condition report with respect to each Borrowing Base Property in form and substance acceptable to the Administrative Agent; and

(ix) evidence of insurance with respect to each Borrowing Base Property in form and substance acceptable to the Administrative Agent and otherwise meeting the requirements set forth in Section 7.07 hereof and in the Mortgage Instrument executed with respect thereto.

(e) Evidence of Insurance. Receipt by the Administrative Agent of copies of all other insurance policies or certificates of insurance of the Loan Parties evidencing liability and casualty insurance meeting the requirements set forth in Section 7.07 hereof and otherwise set forth in the Loan Documents, including, but not limited to, naming the Administrative Agent as additional insured (in the case of liability insurance) or loss payee (in the case of hazard insurance) on behalf of the Lenders.

(f) Officer's Certificates. The Administrative Agent shall have received a certificate or certificates executed by a Responsible Officer of the Borrower as of the Closing Date, in form and substance satisfactory to the Administrative Agent, stating that (A) the conditions specified in Sections 5.02(a) and (b) have been satisfied, (B) each Loan Party is in compliance with all existing financial obligations, (C) all material governmental, shareholder and third party consents and approvals, if any, with respect to the Loan Documents and the transactions contemplated thereby have been obtained (and attaching copies thereof), and (D) no action, suit, investigation or proceeding is pending or threatened in any court or before any arbitrator or governmental instrumentality that purports to affect any Loan Party or any transaction contemplated by the Loan Documents, if such action, suit, investigation or proceeding could reasonably be expected to have a Material Adverse Effect.

(g) Solvency. The Administrative Agent shall have received (i) a certificate executed by a Responsible Officer of the Borrower as of the Closing Date, in form and substance satisfactory to the Administrative Agent, regarding the Solvency of each of the Loan Parties on a consolidated basis.

(h) Fees. Any fees required to be paid on or before the Closing Date shall have been paid.

(i) Attorney Costs. The Borrower shall have paid all reasonable fees, charges and disbursements of counsel of the Administrative Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

(j) Compliance Certificate. The Administrative Agent shall have received a duly completed Compliance Certificate as of September 30, 2004, signed by a Responsible Officer of the Borrower and a Pro Forma Compliance Certificate as of the Closing Date and taking into account any unwinding of the SAILS Forward Exchange Contracts, any material Acquisitions, Dispositions or Debt Issuances or any other events or circumstances which, on a Pro Forma Basis, have had an effect on the calculations presented in the Compliance Certificate as of September 30, 2004;

(k) Existing Credit Facilities. The Administrative Agent shall have received evidence, in form and substance satisfactory to the Administrative Agent, that the Existing Credit Facilities have been or

concurrently with the Closing Date are being terminated and all Liens securing obligations under the Existing Credit Facilities have been or concurrently with the Closing Date are being released.

(l) Accuracy of Representations and Warranties. The representations and warranties of the Borrower and each other Loan Party contained in Article VI or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the Closing Date.

(m) No Default. No Default shall exist, or would result from, such proposed Credit Extension or from the application of the proceeds thereof.

(n) Material Adverse Changes. There shall not have occurred a material adverse change (i) in the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise) of the Loan Parties and their respective Subsidiaries, taken as a whole, during the period from September 30, 2004 through and including the Closing Date or (ii) in the facts and information regarding such entities as represented to date and the Administrative Agent shall have completed a due diligence investigation of the Loan Parties (with the aid of such parties) revealing no material adverse changes or departures from the information and materials previously provided by such parties.

(o) Material Adverse Effect. The absence of any condition, circumstance, action, suit, investigation or proceeding pending or, to the knowledge of the Borrower and/or Guarantors, threatened in any court or before any arbitrator or governmental authority that could reasonably be expected to have a Material Adverse Effect.

(p) Other. Receipt by the Lenders of such other documents, instruments, agreements or information as reasonably requested by any Lender, including, but not limited to, information regarding litigation, tax, accounting, labor, insurance, pension liabilities (actual or contingent), real estate leases, material contracts, environmental conditions, asset valuations/appraisals, debt agreements, property ownership and contingent liabilities of the Consolidated Parties.

5.02 CONDITIONS TO ALL CREDIT EXTENSIONS.

The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower and each other Loan Party contained in Article VI or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 5.02, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01.

(b) No Default shall exist, or would result from, such proposed Credit Extension.

(c) There shall not have been commenced against any Consolidated Party an involuntary case under any applicable Debtor Relief Law, now or hereafter in effect, or any case, proceeding or other action for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of its Property or for the winding up or liquidation of its affairs, and such involuntary case or other case, proceeding or other action shall remain undismissed.

(d) The Administrative Agent and, if applicable, the L/C Issuer shall have received a Request for Credit Extension in accordance with the requirements hereof.

(e) Assuming the effectiveness of the requested Credit Extension, (i) the Total Facility Outstandings as of such date do not exceed the Borrowing Base; (ii) the Total Revolving Outstandings do not exceed the Aggregate Revolving Commitments; and (iii) the Total Term Loan Outstandings plus the aggregate amount of Aggregate TL Principal Payments as of such date do not exceed the amount equal to Aggregate TL Commitments plus the Aggregate TL Borrowings as of such date.

(f) With respect to any requested advance of Term Loan proceeds, the Borrower shall have, prior to the date on which such proceeds are requested, delivered to the Administrative Agent the following with respect to Gaylord National and the Gaylord National Property: (i) a copy of the projected construction budget and completion schedule for the property, together with the plans and specifications for such project; (ii) copies of all material contracts relating to the construction of such project; and (iii) such other materials and information relating to the construction of the project that the Administrative Agent may reasonably request.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a), (b), (c), (e) and (f) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE VI REPRESENTATIONS AND WARRANTIES

The Loan Parties represent and warrant to the Administrative Agent and the Lenders that:

6.01 EXISTENCE, QUALIFICATION AND POWER; COMPLIANCE WITH LAWS.

Each Consolidated Party (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority under the laws of its jurisdiction of incorporation or organization and all requisite governmental licenses, authorizations, consents and approvals to (i) own its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents, if any, to which it is a party and (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.02 AUTHORIZATION; NO CONTRAVENTION.

The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or result in or require the creation of any Lien under, or require any payment to be made under (i) any material Contractual Obligation to which such Person is a party or affecting such Person or the Property of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law (including, without limitation, Regulation U or Regulation X issued by the FRB). Each Loan Party and each Subsidiary thereof is in compliance with all Contractual Obligations referred to in clause (b)(i), except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.03 GOVERNMENTAL AUTHORIZATION; OTHER CONSENTS.

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for (a) consents, authorizations, notices and filings described in Schedule 6.03, all of which have been obtained or made or

have the status described in such Schedule 6.03 and (b) filings or recordations to perfect the Liens created by the Collateral Documents.

6.04 BINDING EFFECT.

This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms except as enforceability may be limited by applicable Debtor Relief Laws and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

6.05 FINANCIAL STATEMENTS; NO MATERIAL ADVERSE EFFECT.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Consolidated Parties as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material Indebtedness, material commitments for Indebtedness and material tax liabilities of the Consolidated Parties as of the date of such financial statements.

(b) The unaudited consolidated balance sheet of the Consolidated Parties dated September 30, 2004, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the calendar quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Consolidated Parties as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments. Schedule 6.05 sets forth all material Indebtedness, material commitments for Indebtedness and material tax liabilities of the Consolidated Parties as of the date of such financial statements.

(c) Except as disclosed on Schedule 6.05, during the period from September 30, 2004 to and including the Closing Date, there has been no sale, transfer or other disposition by any Consolidated Party of any material part of the business or Property of the Consolidated Parties, taken as a whole, and no purchase or other acquisition by any of them of any business or property (including any Capital Stock of any other Person) material in relation to the consolidated financial condition of the Consolidated Parties, taken as a whole, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Closing Date.

(d) The financial statements delivered pursuant to Section 7.01(a) and (b) have been prepared in accordance with GAAP (except as may otherwise be permitted under Section 7.01(a) and (b)) and present fairly (on the basis disclosed in the footnotes to such financial statements) the consolidated financial condition, results of operations and cash flows of the Consolidated Parties as of such date and for such periods.

(e) During the period from September 30, 2004, to and including the Closing Date, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(f) Each delivery hereunder by the Borrower or any of its Subsidiaries of any financial statements, compliance certificates or other calculations involving pro forma determinations or calculations fairly presents the pro forma financial condition of the Borrower and/or its Subsidiaries (as applicable) as at the date set forth thereon.

6.06 LITIGATION.

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Consolidated Party or against any of its properties or revenues that (a) purport to affect or pertain to this

Agreement or any other Loan Document, or any of the transactions contemplated hereby or (b) except as specifically disclosed in Schedule 6.06, either individually or in the aggregate, if determined adversely, could reasonably be expected to have a Material Adverse Effect, and there has been no material adverse change in the status, or financial effect on any Loan Party or any Subsidiary thereof, of the matters described on Schedule 6.06.

6.07 NO DEFAULT.

No Consolidated Party is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

6.08 OWNERSHIP OF PROPERTY; LIENS.

Each Consolidated Party has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of the Consolidated Parties is subject to no Liens, other than Permitted Liens.

6.09 ENVIRONMENTAL COMPLIANCE.

Except, with respect to the Borrowing Base Properties, as disclosed and described in Schedule 6.09 attached hereto and, with respect to all Real Properties, where the occurrence and/or existence of any of the following could not reasonably be expected to have a Material Adverse Effect:

(a) Each of the Real Properties and all operations at the Real Properties are in material compliance with all applicable Environmental Laws, there is no material violation of any Environmental Law with respect to the Real Properties or the Businesses, and there are no conditions relating to the Real Properties or the Businesses that could give rise to material liability of any Consolidated Party under any applicable Environmental Laws.

(b) None of the Real Properties contains, or, to the best knowledge of the Consolidated Parties, has previously contained, any Hazardous Materials at, on or under the Real Properties in amounts or concentrations that constitute or constituted a material violation of, or could give rise to material liability of any Consolidated Party under, Environmental Laws.

(c) In the past five (5) years, no Consolidated Party has received any written notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Real Properties or the Businesses, nor does any Responsible Officer of any Loan Party have knowledge or reason to believe that any such notice will be received or is being threatened.

(d) Hazardous Materials have not been transported or disposed of from the Real Properties, or generated, treated, stored or disposed of at, on or under any of the Real Properties or any other location, in each case by or on behalf of any Consolidated Party in material violation of, or in a manner that could give rise to material liability under, any applicable Environmental Law.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Responsible Officers of the Loan Parties, threatened, under any Environmental Law to which any Consolidated Party is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other binding administrative or judicial requirements outstanding under any Environmental Law with respect to the Consolidated Parties, the Real Properties or the Businesses.

(f) There has been no release, or threat of release, of Hazardous Materials at or from the Real Properties, or arising from or related to the operations (including, without limitation, disposal) of any

Consolidated Party in connection with the Real Properties or otherwise in connection with the Businesses, in violation of or in amounts or in a manner that could give rise to material liability of any Consolidated Party under Environmental Laws.

6.10 INSURANCE.

The properties of the Borrower and its Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates and otherwise in compliance with the requirements of Section 7.07. The present insurance coverage of the Loan Parties is outlined as to carrier, policy number, expiration date, type and amount on Schedule 6.10.

6.11 TAXES.

The Consolidated Parties have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Borrower or any Subsidiary that Borrower or any Subsidiary has received written notice of and would, if made, be reasonably expected to have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement.

6.12 ERISA COMPLIANCE.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the best knowledge of the Loan Parties, nothing has occurred which would prevent, or cause the loss of, such qualification. Each Loan Party and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) no Pension Plan has, except as set forth on Schedule 6.12 hereof, any Unfunded Pension Liability and the existence of the Unfunded Pension Liabilities set forth on Schedule 6.12 is not reasonably likely to result in a Material Adverse Effect; (iii) no Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) no Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) no Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

6.13 CAPITAL STRUCTURE/SUBSIDIARIES.

The corporate capital and ownership structure of the Consolidated Parties as of the Closing Date is as described in Schedule 6.13(a). Set forth on Schedule 6.13(b) is a complete and accurate list as of the Closing Date with respect to each of the direct and indirect Subsidiaries of the Borrower of (i) jurisdiction of incorporation, (ii) percentage of outstanding shares of each class owned (directly or indirectly) by the Consolidated Parties and the number of such shares

owned by the Consolidated Parties with respect to the Loan Parties or where the Consolidated Parties own less than 100.0% of the applicable entity and (iii) number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and all other similar rights with respect thereto as of the Closing Date. The outstanding Capital Stock of all such Persons is validly issued, fully paid and non-assessable and is owned by the Consolidated Parties, directly or indirectly, in the manner set forth on Schedule 6.13(b), free and clear of all Liens (other than those arising under or contemplated in connection with the Loan Documents). Other than as set forth in Schedule 6.13(b), neither the Borrower nor any of the other Loan Parties has outstanding any securities convertible into or exchangeable for its Capital Stock nor does any such Person have outstanding any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to its Capital Stock. As of the Closing Date, the Borrower has no equity investments in any other Person constituting 10.0% or more of the outstanding equity interests in such Person other than those equity investments set forth on Schedule 6.13(c) hereto.

6.14 MARGIN REGULATIONS; INVESTMENT COMPANY ACT; PUBLIC UTILITY HOLDING COMPANY ACT.

(a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) None of the Borrower, any Person Controlling the Borrower, or any Subsidiary (i) is a "holding company," or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," as such terms are defined in the Public Utility Holding Company Act of 1935, (ii) is or is required to be registered as an "investment company" under the Investment Company Act of 1940 or (iii) subject to regulation under any other Law which limits its ability to incur Indebtedness other than corporate or other organizational statutes relating to the approval and authorization of Indebtedness; provided, that each of the Loan Parties have fully complied with such statutes to the extent necessary to properly approve and authorize the Indebtedness evidenced hereby and by the other Loan Documents.

6.15 DISCLOSURE.

Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

6.16 COMPLIANCE WITH LAWS.

Each Consolidated Party is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.17 INTELLECTUAL PROPERTY.

Each Loan Party owns, or has the legal right to use, all material trademarks, service marks, trade names, trade dress, patents, copyrights, technology, know-how and processes (the "Intellectual Property") necessary for each of them to conduct its business as currently conducted, except to the extent that failure to own or maintain the right to use such Intellectual Property could not reasonably be expected to have a Material Adverse Effect. Set forth on Schedule 6.17 is a list of all Intellectual Property registered or pending registration with the United States Copyright Office or the United

States Patent and Trademark Office and owned by each Loan Party or that any Loan Party has the right to use and that are necessary or useful in the operation, ownership, maintenance, development or marketing of any one or more of the Borrowing Base Properties or otherwise related thereto. The Intellectual Property set forth on such Schedule 6.17 constitutes all of the material Intellectual Property required for the continued operation, ownership, maintenance, development or marketing of the Borrowing Base Properties. Except as provided on Schedule 6.17, no claim has been asserted and is pending by any Person challenging or questioning the use of such Intellectual Property or the validity or effectiveness of such Intellectual Property, nor does any Loan Party know of any such claim, and, to the knowledge of the Responsible Officers of the Loan Parties, the use of such Intellectual Property by any Loan Party or the granting of a right or a license in respect of any such Intellectual Property from any Loan Party does not infringe on the rights of any Person, except for such claims and infringements that, in the aggregate, could not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, none of the material Intellectual Property of the Loan Parties set forth on Schedule 6.17 is subject to any licensing agreement or similar arrangement providing for material rights with respect thereto except as set forth on such Schedule 6.17.

6.18 SOLVENCY.

The Loan Parties are Solvent on a consolidated basis.

6.19 INVESTMENTS.

All Investments of each Consolidated Party are Permitted Investments.

6.20 BUSINESS LOCATIONS.

Set forth on Schedule 6.20(a) is a list of all Real Properties located in the United States that are owned or leased by the Loan Parties as of the Closing Date. Set forth on Schedule 6.20(b) is a list of all locations where any tangible personal property of a Loan Party is located as of the Closing Date. Set forth on Schedule 6.20(c) is the chief executive office, jurisdiction of incorporation or formation and principal place of business of each Loan Party as of the Closing Date.

6.21 BROKERS' FEES.

No Consolidated Party has any obligation to any Person in respect of any finder's, broker's, investment banking or other similar fee in connection with any of the transactions contemplated under the Loan Documents.

6.22 LABOR MATTERS.

Except as set forth on Schedule 6.22, there are no collective bargaining agreements or Multiemployer Plans covering the employees of a Consolidated Party as of the Closing Date and none of the Consolidated Parties has suffered any strikes, walkouts, work stoppages or other material labor difficulty within the last five years.

6.23 REPRESENTATIONS AND WARRANTIES FROM OTHER LOAN DOCUMENTS.

Each of the representations and warranties made by any of the Loan Parties in any of the other Loan Documents is true and correct in all material respects.

6.24 COLLATERAL DOCUMENTS.

The provisions of the Collateral Documents are effective to create in favor of the Administrative Agent for the benefit of the Lenders and any other secured parties identified therein, a legal, valid and enforceable first priority (subject only to Permitted Liens) security interest or Lien in all right, title and interest of the Borrower and its Subsidiaries in the Collateral described therein and all proceeds thereof. Except for filings completed prior to the Closing Date and as contemplated by this Agreement and the Collateral Documents, no filing or other action will be necessary to perfect or protect such security interest.

6.25 BORROWING BASE PROPERTIES; LEASES AND GROUND LEASES.

(a) Each of the Borrowing Base Properties is either (i) wholly owned in fee by a Loan Party or (ii) leased by a Loan Party pursuant to a long term ground lease which has been reviewed and approved by the Administrative Agent in its discretion, in each case subject to no Liens other than Permitted Liens.

(b) To the extent a Borrowing Base Property is leased by a Loan Party pursuant to a ground lease, (i) such lease is in full force and effect and remains unmodified except to the extent disclosed to the Administrative Agent in writing; (ii) no rights in favor of the applicable Loan Party lessee have been waived, canceled or surrendered; (iii) no election or option under such ground lease has been exercised by the Loan Party lessee; (iv) all rental and other charges due and payable thereunder have been paid in full (except to the extent such payment is not yet overdue); (v) no Loan Party or other Consolidated Party is in default under or has received any notice of default with respect to such ground lease; (vi) to the knowledge of the Loan Parties, no lessor under such a ground lease is in default thereunder; (vii) a true and correct copy of such ground lease (together with any amendments, modifications, restatements or supplements thereof) has been delivered to the Administrative Agent; and (viii) there exist no adverse claims as to the applicable Loan Party's title or right to possession of the leasehold premises referenced therein.

6.26 NATURE OF BUSINESS.

As of the Closing Date, the Loan Parties are engaged principally in the business of developing, owning and operating hotel properties, providing vacation condominiums and home rental property management services and other businesses described in the Borrower's SEC Filings.

6.27 SAILS FORWARD EXCHANGE CONTRACTS.

Borrower has furnished to the Administrative Agent true, complete and correct copies of the SAILS Forward Exchange Contracts, which remain unmodified and in full force and effect.

ARTICLE VII AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall not be Fully Satisfied, or any Letter of Credit shall remain outstanding, each Loan Party shall, and shall (except in the case of the covenants set forth in Sections 7.01, 7.02, 7.03 and 7.11) cause each Subsidiary to:

7.01 FINANCIAL STATEMENTS.

Deliver to the Administrative Agent, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) as soon as available, but in any event within 90 days after the end of each calendar year (commencing with the calendar year ended 2004), a consolidated balance sheet of the Consolidated Parties as at the end of such calendar year, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such calendar year, setting forth in each case in comparative form the figures for the previous calendar year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification, exception, assumption or explanatory language or any qualification, exception, assumption or explanatory language as to the scope of such audit and such statements to be certified by a Responsible Officer of the Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Borrower and its Subsidiaries; and

(b) as soon as available, but in any event within 45 days after the end of each of the first three calendar quarters of each calendar year, a consolidated balance sheet of the Consolidated Parties as at the end of such calendar quarter, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such calendar quarter and for the portion of the calendar year then ended, setting forth in each case in comparative form the figures for the corresponding calendar quarter of the previous calendar year and the corresponding portion of the previous calendar year, all in reasonable detail, such consolidated statements to be certified by a Responsible Officer of the Borrower as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Consolidated Parties in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes and such statements to be certified by a Responsible Officer of the Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Borrower and its Subsidiaries.

As to any information contained in materials furnished pursuant to Section 7.02(h), the Borrower shall not be separately required to furnish such information under clause (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in clauses (a) and (b) above at the times specified therein.

7.02 CERTIFICATES; OTHER INFORMATION.

Deliver to the Administrative Agent, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in Section 7.01(a), a certificate of its independent certified public accountants certifying such financial statements;

(b) concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), (i) a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower and calculating the financial covenants and Borrowing Base using the financial information provided in such financial statements and (ii) operating statements for each of the Borrowing Base Properties for the most-recently ended calendar quarter;

(c) within thirty (30) days following the final completion thereof and, in any case, not more than sixty (60) days following the end of each calendar year, beginning with the calendar year ending December 31, 2005, an annual budget and forecasted balance sheet of the Consolidated Parties containing, among other things, pro forma financial statements for the next calendar year, in each case prepared in good faith on the basis of the assumptions stated therein, which assumptions shall be fair in light of the conditions existing at the time of delivery of such forecasts, and shall represent, at the time of delivery, the Borrower's best estimate of its future financial performance;

(d) within 90 days after the end of each calendar year, a certificate containing information regarding the amount of all material Dispositions, Debt Issuances, Equity Issuances and Acquisitions that occurred during the prior calendar year;

(e) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them;

(f) promptly after the furnishing thereof, copies of any statement or report furnished to any holder of debt securities of any Loan Party or any Subsidiary thereof pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to Section 7.01 or any other clause of this Section 7.02;

(g) promptly, and in any event within five Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or

comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof; and

(h) promptly after the same are available, (i) copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Borrower, and copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934 or to a holder of any Indebtedness owed by any Consolidated Party in its capacity as such a holder and not otherwise required to be delivered to the Administrative Agent pursuant hereto and (ii) upon the request of the Administrative Agent, all reports and written information to and from the United States Environmental Protection Agency, or any state or local agency responsible for environmental matters, the United States Occupational Health and Safety Administration, or any state or local agency responsible for health and safety matters, or any successor agencies or authorities concerning environmental, health or safety matters;

(i) promptly upon receipt thereof, a copy of any other report or "management letter" submitted by independent accountants to any Consolidated Party in connection with any annual, interim or special audit of the books of such Person;

(j) promptly, (i) a copy of the construction contract(s) entered into with the general contractor(s) with respect to Gaylord National; provided, that all such contracts shall be guaranteed maximum price contracts in form and substance reasonably acceptable to the Administrative Agent and (ii) notice of the commencement of any material construction activities on or with respect to Gaylord National by any Loan Party (such activities to include any material site work or grading or other foundation work with respect to such property);

(k) upon demand by the Administrative Agent, evidence of any lien waivers and/or affirmative title coverage with respect to Gaylord National required to evidence the Loan Parties' compliance with the terms and conditions hereof and of the other Loan Documents;

(l) promptly following the completion thereof, each of the following with respect to Gaylord National and the Gaylord National Property: (i) a copy of the projected construction budget and completion schedule for the property, together with the plans and specifications for such project; (ii) copies of all material contracts relating to the construction of such project; and (iii) such other materials and information relating to the construction of the project that the Administrative Agent may reasonably request; and

(m) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 7.01(a) or (b) or Section 7.02(f) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto, on the Borrower's website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the Compliance Certificates required by Section 7.02(b) to the Administrative Agent and each of the Lenders. Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arranger will make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a "Public Lender"). The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Arranger, the L/C Issuer and the Lenders to treat such Borrower Materials as either publicly available information or not material information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws; (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) the Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

7.03 NOTICES AND INFORMATION.

(a) Promptly notify the Administrative Agent and each Lender of the occurrence of any Default and the nature thereof.

(b) Promptly notify the Administrative Agent and each Lender of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect (including, without limitation, any of the following (to the extent reasonably expected to result in a Material Adverse Effect): (i) breach or non-performance of, or any default under, a Contractual Obligation of the Borrower or any Subsidiary; (ii) any dispute, litigation, investigation, proceeding or suspension between the Borrower or any Subsidiary and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting the Borrower or any Subsidiary, including pursuant to any applicable Environmental Laws).

(c) Promptly notify the Administrative Agent and each Lender of the occurrence of any ERISA Event.

(d) Promptly notify the Administrative Agent and each Lender of any material change in accounting policies or financial reporting practices by the Borrower or any Subsidiary.

(e) Upon the reasonable written request of the Administrative Agent following the occurrence of any event or the discovery of any condition which the Administrative Agent or the Required Lenders reasonably believe has caused (or could be reasonably expected to cause) the representations and warranties set forth in Section 6.09 to be untrue in any material respect, the Loan Parties will furnish or cause to be furnished to the Administrative Agent, at the Loan Parties' expense, a report of an environmental assessment of reasonable scope, form and depth, (including, where appropriate, invasive soil or groundwater sampling) by a consultant reasonably acceptable to the Administrative Agent as to the nature and extent of the presence of any Hazardous Materials on any Real Properties and as to the compliance by any Consolidated Party with Environmental Laws at such Real Properties. If the Loan Parties fail to deliver such an environmental report within seventy-five (75) days after receipt of such written request then the Administrative Agent may arrange for same, and the Consolidated Parties hereby grant to the Administrative Agent and its representatives access to the Real Properties to reasonably undertake such an assessment (including, where appropriate, invasive soil or groundwater sampling). The reasonable cost of any assessment arranged for by the Administrative Agent pursuant to this provision will be payable by the Loan Parties on demand and added to the obligations secured by the Collateral Documents.

(f) At the time of delivery of the financial statements and reports provided for in Section 7.01(a), deliver to the Administrative Agent a report signed by an Responsible Officer of the Borrower setting forth (i) a list of registration numbers for all patents, trademarks, service marks, trade names and copyrights awarded to any Loan Party since the last day of the immediately preceding calendar year and (ii) a list of all patent applications, trademark applications, service mark applications, trade name applications and copyright applications submitted by any Loan Party since the last day of the immediately preceding calendar year and the status of each such application, all in such form as shall be reasonably satisfactory to the Administrative Agent.

Each notice pursuant to this Section 7.03(a) through (e) shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

7.04 BORROWING BASE PROPERTY OWNERSHIP; GUARANTORS.

Each of the Real Properties set forth on Schedule 1.01(b) shall, at all times during the term hereof, either (a) be wholly owned in fee by a Loan Party, (b) be ground leased by a Loan Party pursuant to a long-term ground lease in form and substance acceptable to the Administrative Agent or (c) have been transferred, sold or otherwise disposed of by the applicable Loan Party strictly in accordance with the terms and conditions contained herein permitting such transfers, sales or other dispositions (although treatment of such Real Properties as "Borrowing Base Properties" shall, at all times, remain subject to the terms of Section 7.13 hereof and the other terms and conditions set forth herein). To the extent any Subsidiary of the Borrower owns any interest in any of the Real Properties set forth on Schedule 1.01(b), such Subsidiary shall be a Guarantor hereunder. If any such Subsidiary obtains, for any reason, such interest following the date hereof, such Subsidiary shall, immediately upon obtaining such interest, (x) enter into and deliver to the Administrative Agent a Joinder Agreement and (y) deliver to the Administrative Agent the materials and information which would have been required from such Subsidiary pursuant to Sections 5.01(a)(iii) - (v), (b), (c) and (e), together with any additional information or materials as may be reasonably requested by the Administrative Agent in connection therewith.

7.05 PRESERVATION OF EXISTENCE, ETC.

(a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or 8.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business; and (c) preserve or renew all of its material registered copyrights, patents, trademarks, trade names and service marks to the extent necessary for the continued conduct of its business.

7.06 MAINTENANCE OF PROPERTIES.

With respect to each of the Borrowing Base Properties: (a) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear and Involuntary Dispositions excepted; (b) make all necessary repairs thereto and renewals and replacements thereof; (c) use the standard of care typical in the industry in the operation and maintenance of its facilities and the personal property related thereto; (d) comply in all material respects with the terms, conditions, restrictions and other requirements of all recorded documents related thereto; (e) comply in all material respects with the terms, conditions, restrictions and other requirements set forth in all applicable local, state and Federal ordinances, zoning laws and other applicable laws; and (f) cause the Loan Party owning each such respective Borrowing Base Property to also own all material personal and real Property (including, without limitation, furnishings, equipment, software and other Property) required for the continued operation and maintenance of such Borrowing Base Property in the ordinary course of business (except for (i) such Property as has been traditionally leased by such Loan Party in connection with such operation and maintenance, to the extent such leases have been disclosed to the Administrative Agent in writing prior to the date of this Agreement and (ii) leasing arrangements with respect to the central plant equipment related to such Borrowing Base Property, to the extent such arrangements are on terms and conditions similar to those typically found in the convention center hotel industry and otherwise on terms and conditions and subject to documentation acceptable to the Administrative Agent in its discretion).

7.07 MAINTENANCE OF INSURANCE; CONDEMNATION AND CASUALTY.

(a) Maintain in full force and effect insurance (including worker's compensation insurance, liability insurance, property insurance and business interruption insurance) in such amounts, covering such risks and liabilities and with such deductibles or self insurance retentions (i) as are, with respect to the Borrowing Base Properties, generally maintained by Persons who own, operate and/or maintain convention center hotel properties or as may be otherwise

reasonable given the risks and liabilities associated with the operation, ownership and maintenance of convention center hotel properties; (ii) as are, with respect to all other Property held by such Persons, in accordance with normal industry practice; (iii) in any case (with respect to all Properties), as may be required pursuant to the terms of the Collateral Documents; and (iv) with respect to any self-insurance retentions, in amounts and subject to terms and conditions disclosed in writing to the Administrative Agent and reasonably acceptable to the Administrative Agent; provided, that the Administrative Agent hereby pre-approves changes or other increases in such retention amounts to an amount up to \$1,100,000 per Borrowing Base Property. The Administrative Agent shall be named as mortgagee and loss payee, as its interest may appear or as it may deem necessary, and as certificate holder and additional insured with respect to any such insurance providing coverage in respect of any Collateral, and each provider of any such insurance shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Administrative Agent, that it will give the Administrative Agent thirty (30) days prior written notice before any such policy or policies shall be altered or canceled. Not in limitation of the foregoing, the Loan Parties shall, with respect to each Borrowing Base Property, maintain builder's risk and contractor's liability insurance during any period of construction in an amount equal to not less than 100% of the value of the work completed and, upon completion, "all risk" insurance in an amount equal to not less than 100% of the replacement cost of such assets, in all cases with insurers having an A.M. Best policyholder's rating of not less than A- and financial size category of not less than IX (or, in the case of any general liability coverage of the Loan Parties in excess of \$50,000,000, but less than \$100,000,000, B++/VII (or such lesser rating and size as may be approved by the Administrative Agent in its sole discretion), and above \$100,000,000 at the option and discretion of the Borrower), which insurance shall in any event not provide for materially less coverage than the insurance in effect on the date hereof; provided, that (A) in the case of general liability insurance, coverage equal to or in excess of \$100,000,000 per occurrence/annual aggregate shall not be deemed to be "materially less" coverage for purposes of this provision and (B) with respect to "all risk" coverage of the Loan Parties in excess of \$50,000,000, the A.M. Best rating of the applicable insurer may be less than A- and/or have a financial size category of less than VII to the extent requested by the Borrower and consented to by the Administrative Agent (such consent to be in the absolute discretion of the Administrative Agent). The Loan Parties will deliver to the Administrative Agent upon request of the Administrative Agent from time to time full information as to the insurance carried and within ten (10) days of receipt of notice from any insurer a copy of any notice of cancellation or material change in coverage from that existing on the date hereof.

(b) If any loss occurs at any time when any applicable Loan Party has failed to perform any of the covenants and agreements set forth in this Section 7.07 with respect to any insurance payable because of loss sustained to any part of the Borrowing Base Properties or the Property related thereto, whether or not such insurance is required by Administrative Agent, Administrative Agent shall (for the benefit of the Secured Parties) nevertheless be entitled to the benefit of all insurance covering the loss and held by or for any such Loan Party, to the same extent as if it had been made payable to Administrative Agent. Upon any foreclosure hereof or transfer of title to any Borrowing Base Property in extinguishment of the whole or any part of the Obligations, all of the applicable Loan Party's right, title and interest in and to the insurance policies referred to in this Agreement (including unearned premiums) and all proceeds payable thereunder shall thereupon vest in the purchaser at foreclosure or other such transferee, to the extent permissible under such policies. Insurance proceeds from any loss with respect to any Borrowing Base Property (or the Property related thereto) shall also be subject to the following terms and conditions:

(i) Administrative Agent shall (for the benefit of the Secured Parties) have the right (but not the obligation) to make proof of loss for, settle and adjust any claim under, and receive the proceeds of, all insurance for loss of or damage to the Borrowing Base Properties or the Property related thereto regardless of whether or not such insurance policies are required by Administrative Agent, and the expenses incurred by Administrative Agent in the adjustment and collection of insurance proceeds shall be a part of the Obligations and shall be due and payable to Administrative Agent in accordance with Section 11.04 hereof. Administrative Agent shall not be, under any circumstances, liable or responsible for failure to collect or exercise diligence in the collection of any of such proceeds or for the obtaining, maintaining or adequacy of any insurance or for failure to see to the proper application of any amount paid over to any Loan Party.

(ii) To the extent any of the proceeds related to insurance coverage with respect to any of the Borrowing Base Properties or the Property related thereto (the "BBP Insurance Proceeds") are delivered to or otherwise obtained by the Borrower or any other Loan Party and are (A) in the aggregate, in a gross amount in excess of \$50,000,000 (the applicable casualty constituting, in such case, a "Substantial

Casualty") or (B) the Borrower and Loan Parties do not intend to use such BBP Insurance Proceeds for the purpose of restoring or rebuilding the applicable Borrowing Base Property or the Property related thereto, such proceeds shall be immediately delivered to the Administrative Agent to be held or applied in accordance with the provisions of this Section 7.07(b). Prior to any required delivery of BBP Insurance Proceeds by the Loan Parties to the Administrative Agent, such BBP Insurance Proceeds shall be held in escrow by the applicable Loan Party(ies) for the account and benefit of the Administrative Agent and the Secured Parties.

(iii) Any BBP Insurance Proceeds received by Administrative Agent (whether from the applicable insurer or from a Loan Party pursuant to subclause (ii) above) shall, after deduction therefrom of all reasonable expenses actually incurred by Administrative Agent in the collection of the same, including attorneys' fees, be (A) held by the Administrative Agent in escrow in a cash collateral account subject to a first priority security interest in favor of the Administrative Agent (for the benefit of the Secured Parties), to the extent such BBP Insurance Proceeds relate to a Substantial Casualty and the Borrower has elected to fully rebuild, reconstruct and restore the Property pursuant to and in accordance with the terms of this Section 7.07(b); (B) applied by the Administrative Agent to the Obligations in the priority set forth in Section 2.05(b)(vi), to the extent the Borrower has elected not to fully rebuild, reconstruct and restore the Property pursuant to and in accordance with the terms of this Section 7.07(b) (provided, that the Borrower will have a period of sixty (60) days following the delivery of such proceeds to the Administrative Agent in which to deliver written notice to the Administrative Agent stating whether it intends to rebuild, reconstruct and restore the Property or cause such proceeds to be applied to the Obligations and provided, further, that any failure to deliver any such notice shall evidence the Borrower's election to cause such proceeds to be applied to the Obligations in accordance with this subclause (iii)(B)); or (C) delivered to the Borrower or any Loan Party designated by the Borrower for the purpose of financing the rebuilding, reconstruction and restoration of the applicable Property, to the extent such BBP Insurance Proceeds do not relate to a Substantial Casualty and the Borrower has elected to fully rebuild, reconstruct and restore the Property pursuant to and in accordance with the terms of this Section 7.07(b); provided, that if (1) the BBP Insurance Proceeds paid in connection with any given casualty event are in excess of the amount that is spent on the reconstruction, rebuilding or restoration of the applicable Borrowing Base Property, (2) the Borrower requests in writing the return of such funds following the completion of such rebuilding, reconstruction and restoration and (3) there is no then-continuing Default or Event of Default, the Administrative Agent shall return such excess funds to the Borrower. The Borrower and each Loan Party hereby assigns to, and grants Administrative Agent a security interest in, all BBP Insurance Proceeds (prior to application thereof) and to any escrow account established pursuant to the terms of this Section 7.07(b) and in the funds held therein to secure the payment and performance of the Obligations.

(iv) In the event that the Borrower elects to cause the full rebuilding, restoration and reconstruction of any Borrowing Base Property or the Property related thereto following any casualty resulting in BBP Insurance Proceeds, the Borrower and Loan Parties shall (A) if such BBP Insurance Proceeds relate to a Substantial Casualty, (1) certify to the Administrative Agent that, in its good faith judgment, such casualty event is covered by the insurance held by the Borrower or the applicable Loan Party; (2) deliver all information required by the applicable insurer for processing of the applicable claim within thirty (30) days of the occurrence of such event (or, to the extent delivery within such time frame is not reasonably possible, as soon as reasonably practicable following such event); (3) upon receipt of the applicable BBP Insurance Proceeds or, if earlier, upon receipt of the applicable insurer's confirmation of the approved amounts thereof, deliver evidence to the Administrative Agent (in form and substance reasonably acceptable to the Administrative Agent) that there are sufficient funds from such BBP Insurance Proceeds (or prospective BBP Insurance Proceeds) and from cash and Cash Equivalents available to the applicable Loan Party, if needed, to completely restore or repair the applicable Property to its use, value and condition immediately prior to the casualty as well as to maintain compliance with the financial and other covenants set forth herein; and (4) proceed to use commercially reasonable good faith efforts to pursue and resolve such claim with the applicable insurer as expeditiously as is reasonably possible without compromising any material rights of the Borrower or any other Loan Party with respect to such claim; (B) diligently commence to (1) prepare (or cause to be prepared) all plans and specifications with respect to the full rebuilding, reconstruction and restoration of the applicable Property (to the extent necessary in connection with such rebuilding, reconstruction and/or restoration), such plans and specifications to be, in

the case of a Substantial Casualty, in all material respects acceptable to the Administrative Agent in its reasonable discretion, and (2) enter into any necessary engineering, architects and construction contracts required to fully complete such rebuilding, reconstruction and restoration on reasonable market-based terms and conditions; provided that the Borrower shall, in the case of a Substantial Casualty, complete items (1) and (2) of this subclause (iv)(B) within twelve (12) months following the applicable casualty event in a manner that is satisfactory to the Administrative Agent, in its reasonable discretion and shall, within (6) months following the applicable casualty, provide preliminary plans and specifications and a summary budget with respect to the applicable restoration; (C) in the case of any Substantial Casualty, deposit into the escrow account being maintained by the Administrative Agent pursuant to clause (iii) above any amount of cash and Cash Equivalents (in addition to the BBP Insurance Proceeds held therein), which, in the reasonable judgment of Administrative Agent, is necessary and sufficient to fund the full rebuilding, reconstruction and restoration of the applicable Property to its use, value and condition immediately prior to the casualty; provided, that the Administrative Agent shall be entitled, at the expense of the Loan Parties, to consult such professionals as Administrative Agent may deem necessary, in its sole discretion, to determine the total costs of restoring the applicable Property; (D) cause the applicable rebuilding, reconstruction and restoration to be diligently completed in a workmanlike manner under, if necessary for such rebuilding, reconstruction and restoration, the supervision of an architect and/or engineer selected and paid for by the Borrower or the Loan Parties but, in the case of a Substantial Casualty, approved in advance by the Administrative Agent in its reasonable discretion, and, in the case of a Substantial Casualty, by a general contractor who must be acceptable in all material respects to Administrative Agent, in its reasonable discretion and who shall have, if required by the Administrative Agent, obtained (1) payment and performance bonds from a corporate surety reasonably acceptable to Administrative Agent and naming Administrative Agent as dual obligee or (2) such other protections concerning performance of the applicable contractor as may be reasonably satisfactory to the Administrative Agent; and (E) have otherwise complied with any of the terms, conditions or restrictions set forth herein or in any Mortgage Instrument or other Loan Document with respect to the consummation of such rebuilding, reconstruction and restoration. If any of the foregoing conditions are not satisfied, Administrative Agent may, in its sole discretion (subject to the direction of the Required Lenders), apply all BBP Insurance Proceeds held by it to the payment of the Obligations in accordance with the priorities established pursuant to Section 2.05(b)(vi).

(v) With respect to BBP Insurance Proceeds held by the Administrative Agent pursuant to the terms of this Section 7.07(b) in connection with any Substantial Casualty, the Administrative Agent shall, following the satisfaction of the conditions set forth in subclauses (iv)(B)(1) and (2), disburse such BBP Insurance Proceeds to the Borrower or any Loan Party for the payment of invoices related to the rebuilding, reconstruction or restoration of the applicable Property (A) to the extent the Administrative Agent will not incur any liability to any other person as a result of such use or release of such BBP Insurance Proceeds; (B) subject to such holdbacks and other terms, conditions and restrictions as may be in accordance with the construction lending practices of the Administrative Agent and (C) to the extent no Default or Event of Default is then-continuing.

(vi) Notwithstanding anything contained in the foregoing to the contrary, (1) immediately upon the occurrence and during the continuance of any Default, Administrative Agent may cease the distribution of any amounts related to the BBP Insurance Proceeds or otherwise held in the escrow account related thereto until such Default is cured or waived by the Lenders in accordance with the terms hereof; (2) immediately upon the occurrence and during the continuance of any Event of Default, Administrative Agent may apply all BBP Insurance Proceeds and any other sums deposited with Administrative Agent pursuant to the terms of this Section 7.07(b) to the repayment of the Obligations in accordance with the priorities established pursuant to Section 2.05(b)(vi); and (3) Administrative Agent may apply all BBP Insurance Proceeds and any other sums deposited with Administrative Agent pursuant to the terms of this Section 7.07(b) and held by Administrative Agent as of the Maturity Date to the repayment of the Obligations in accordance with the priorities established pursuant to Section 2.05(b)(vi).

(vii) Regardless of whether any BBP Insurance Proceeds are applied to reduce the Obligations pursuant to the terms of this Section 7.07(b), the unpaid portion of the Obligations shall remain in full force and effect and the payment thereof shall not be excused. The Loan Parties shall at all times comply with the requirements of the insurance policies required hereunder and of the issuers of such policies and of any

board of underwriters or similar body as applicable to or affecting the Borrowing Base Properties or the Property related thereto.

(c) The Borrower shall notify Administrative Agent immediately of any threatened or pending proceeding for condemnation affecting any Borrowing Base Property or the Property related thereto or arising out of damage to any Borrowing Base Property or the Property related thereto, and Borrower shall, at Borrower's expense, diligently prosecute any such proceedings. Administrative Agent shall (for the benefit of the Secured Parties) have the right (but not the obligation) to participate in any such proceeding and to be represented by counsel of its own choice. Proceeds related to any condemnation event with respect to any Borrowing Base Property or the Property related thereto shall also be subject to the following terms and conditions:

(i) Administrative Agent shall be entitled to receive all sums which may be awarded or become payable to any Loan Party for the condemnation of any Borrowing Base Property or the Property related thereto, or any part thereof, for public or quasi-public use, or by virtue of private sale in lieu thereof (such proceeds constituting the "BBP Condemnation Proceeds"). The applicable Loan Party(ies) shall, promptly upon request of Administrative Agent, execute such additional assignments and other documents as may be necessary from time to time to permit such participation and to enable Administrative Agent to collect and receive any such BBP Condemnation Proceeds. Administrative Agent shall not be, under any circumstances, liable or responsible for failure to collect or to exercise diligence in the collection of any BBP Condemnation Proceeds or for failure to see to the proper application of any amount paid over to any Loan Party. Administrative Agent is hereby authorized, in the name of any applicable Loan Party, to execute and deliver valid acquittances for, and to appeal from, any award, judgment or decree constituting BBP Condemnation Proceeds. All costs and expenses (including but not limited to attorneys' fees) incurred by Administrative Agent in connection with any condemnation shall be a demand obligation owing by the Borrower and the Loan Parties payable to Administrative Agent in accordance with Section 11.04 hereof.

(ii) To the extent any of the BBP Condemnation Proceeds are delivered to or otherwise obtained by the Borrower or any other Loan Party and are (A) in the aggregate, in a gross amount in excess of \$50,000,000 (the applicable condemnation constituting, in such case, a "Substantial Condemnation") or (B) the Borrower and Loan Parties do not intend to use such BBP Condemnation Proceeds for the purpose of restoring or rebuilding the applicable Borrowing Base Property or the Property related thereto, such proceeds shall be immediately delivered to the Administrative Agent to be held or applied in accordance with the provisions of this Section 7.07(c). Prior to any required delivery of BBP Condemnation Proceeds by the Loan Parties to the Administrative Agent, such BBP Condemnation Proceeds shall be held in escrow by the applicable Loan Party(ies) for the account and benefit of the Administrative Agent and the Secured Parties.

(iii) Any BBP Condemnation Proceeds received by Administrative Agent (whether from the applicable Governmental Authority or from a Loan Party pursuant to subclause (ii) above) shall, after deduction therefrom of all reasonable expenses actually incurred by Administrative Agent in the collection of the same, including attorneys' fees, be (A) held by the Administrative Agent in escrow in a cash collateral account subject to a first priority security interest in favor of the Administrative Agent (for the benefit of the Secured Parties), to the extent such BBP Condemnation Proceeds relate to a Substantial Condemnation and the Borrower has elected to fully rebuild, reconstruct and restore the Property pursuant to and in accordance with the terms of this Section 7.07(c); (B) applied by the Administrative Agent to the Obligations in the priority set forth in Section 2.05(b)(vi), to the extent the Borrower has elected not to fully rebuild, reconstruct and restore the Property pursuant to and in accordance with the terms of this Section 7.07(c) (provided, that the Borrower will have a period of sixty (60) days following the delivery of such proceeds to the Administrative Agent in which to deliver written notice to the Administrative Agent stating whether it intends to rebuild, reconstruct and restore the Property or cause such proceeds to be applied to the Obligations and provided, further, that any failure to deliver any such notice shall evidence the Borrower's election to cause such proceeds to be applied to the Obligations in accordance with this subclause (iii)(B)); or (C) delivered to the Borrower or any Loan Party designated by the Borrower for the purpose of financing the rebuilding, reconstruction and restoration of the applicable Property, to the extent such BBP Condemnation Proceeds do not relate to a Substantial Condemnation and the Borrower has

elected to fully rebuild, reconstruct and restore the Property pursuant to and in accordance with the terms of this Section 7.07(c); provided, that if (1) the BBP Condemnation Proceeds paid in connection with any given condemnation event are in excess of the amount that is spent on the reconstruction, rebuilding or restoration of the applicable Borrowing Base Property, (2) the Borrower requests in writing the return of such funds following the completion of such rebuilding, reconstruction and restoration and (3) there is no then-continuing Default or Event of Default, the Administrative Agent shall return such excess funds to the Borrower. The Borrower and each Loan Party hereby assigns to, and grants Administrative Agent a security interest in, all BBP Condemnation Proceeds (prior to application thereof) and to any escrow account established pursuant to the terms of this Section 7.07(c) and in the funds held therein to secure the payment and performance of the Obligations.

(iv) In the event that the Borrower elects to cause the full rebuilding, restoration and reconstruction of any Borrowing Base Property or the Property related thereto following any condemnation resulting in BBP Condemnation Proceeds, the Borrower and Loan Parties shall (A) if such BBP Condemnation Proceeds relate to a Substantial Condemnation, provide to the Administrative Agent, within thirty (30) days of the related condemnation event (or, to the extent delivery within such time frame is not reasonably possible, as soon as reasonably practicable following such event), evidence satisfactory to the Administrative Agent in its reasonable discretion that there are sufficient funds from the BBP Condemnation Proceeds and from cash and Cash Equivalents available to the applicable Loan Party, if needed, to completely restore or repair the applicable Property to its use, value and condition immediately prior to the condemnation as well as to maintain compliance with the financial and other covenants set forth herein; (B) diligently commence to (1) prepare (or cause to be prepared) all plans and specifications with respect to the full rebuilding, reconstruction and restoration of the applicable Property (to the extent necessary in connection with such rebuilding, reconstruction and/or restoration), such plans and specifications to be, in the case of a Substantial Condemnation, in all material respects acceptable to the Administrative Agent in its reasonable discretion, and (2) enter into any necessary engineering, architects and construction contracts required to fully complete such rebuilding, reconstruction and restoration on reasonable market-based terms and conditions; provided that the Borrower shall, in the case of a Substantial Condemnation, complete items (1) and (2) of this subclause (iv)(B) within twelve (12) months following the applicable condemnation event in a manner that is satisfactory to the Administrative Agent, in its reasonable discretion and shall, within (6) months following the applicable condemnation event, provide preliminary plans and specifications and a summary budget with respect to the applicable restoration; (C) in the case of any Substantial Condemnation, deposit into the escrow account being maintained by the Administrative Agent pursuant to clause (iii) above any amount of cash and Cash Equivalents (in addition to the BBP Condemnation Proceeds held therein), which, in the reasonable judgment of Administrative Agent, is necessary and sufficient to fund the full rebuilding, reconstruction and restoration of the applicable Property to its use, value and condition immediately prior to the condemnation; provided, that the Administrative Agent shall be entitled, at the expense of the Loan Parties, to consult such professionals as Administrative Agent may deem necessary, in its sole discretion, to determine the total costs of restoring the applicable Property; (D) cause the applicable rebuilding, reconstruction and restoration to be diligently completed in a workmanlike manner under the supervision of an architect and/or engineer, if necessary for such rebuilding, reconstruction and restoration, selected and paid for by the Borrower or the Loan Parties but, in the case of a Substantial Condemnation, approved in advance by the Administrative Agent in its reasonable discretion, and, in the case of a Substantial Condemnation, by a general contractor who must be acceptable in all material respects to Administrative Agent, in its reasonable discretion and who shall have, if required by the Administrative Agent, obtained (1) payment and performance bonds from a corporate surety reasonably acceptable to Administrative Agent and naming Administrative Agent as dual obligee or (2) such other protections concerning performance of the applicable contractor as may be reasonably satisfactory to the Administrative Agent; and (E) have otherwise complied with any of the terms, conditions or restrictions set forth herein or in any Mortgage Instrument or other Loan Document with respect to the consummation of such rebuilding, reconstruction and restoration. If any of the foregoing conditions are not satisfied, Administrative Agent may, in its sole discretion (subject to the direction of the Required Lenders), apply all BBP Condemnation Proceeds held by it to the payment of the Obligations in accordance with the priorities established pursuant to Section 2.05(b)(vi).

(v) With respect to BBP Condemnation Proceeds held by the Administrative Agent pursuant to the terms of this Section 7.07(c) in connection with any Substantial Condemnation, the Administrative Agent shall, following the satisfaction of the conditions set forth in subclauses (iv)(B)(1) and (2), disburse such BBP Condemnation Proceeds to the Borrower or any Loan Party for the payment of invoices related to the rebuilding, reconstruction or restoration of the applicable Property (A) to the extent the Administrative Agent will not incur any liability to any other person as a result of such use or release of such BBP Condemnation Proceeds; (B) subject to such holdbacks and other terms, conditions and restrictions as may be in accordance with the construction lending practices of the Administrative Agent and (C) to the extent no Default or Event of Default is then-continuing.

(vi) Notwithstanding anything contained in the foregoing to the contrary, (1) immediately upon the occurrence and during the continuance of any Default, Administrative Agent may cease the distribution of any amounts related to the BBP Condemnation Proceeds or otherwise held in the escrow account related thereto until such Default is cured or waived by the Lenders in accordance with the terms hereof; (2) immediately upon the occurrence and during the continuance of any Event of Default, Administrative Agent may apply all BBP Condemnation Proceeds and any other sums deposited with Administrative Agent pursuant to the terms of this Section 7.07(c) to the repayment of the Obligations in accordance with the priorities established pursuant to Section 2.05(c)(v); and (3) Administrative Agent may apply all BBP Condemnation Proceeds and any other sums deposited with Administrative Agent pursuant to the terms of this Section 7.07(c) and held by Administrative Agent as of the Maturity Date to the repayment of the Obligations in accordance with the priorities established pursuant to Section 2.05(b)(vi).

(vii) Regardless of whether any BBP Condemnation Proceeds are applied to reduce the Obligations pursuant to the terms of this Section 7.07(c), the unpaid portion of the Obligations shall remain in full force and effect and the payment thereof shall not be excused.

7.08 COMPLIANCE WITH LAWS AND MATERIAL CONTRACTUAL OBLIGATIONS.

Comply with the requirements of all Laws, all material Contractual Obligations and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law, material Contractual Obligation or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

7.09 BOOKS AND RECORDS.

(a) Maintain proper books of record and account, in which entries that are full, true and correct in all material respects in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or such Subsidiary, as the case may be.

7.10 INSPECTION RIGHTS.

Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Administrative Agent and Lenders (as applicable) and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, however, that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice. The Loan Parties agree that the Administrative Agent, and its representatives, may, notwithstanding the foregoing provisions concerning the allocation of expenses related to inspections, conduct an annual audit of the Collateral and books and records of the Consolidated Parties at the expense of the Loan Parties.

7.11 USE OF PROCEEDS.

Use the proceeds of the Credit Extensions: (a) in the case of the Revolving Loans and Letters of Credit, for working capital, capital expenditures, and other lawful corporate purposes; and (b) in the case of the Term Loans, to finance the costs and expenses (direct and indirect, soft and hard) related to the construction of Gaylord National and for working capital, capital expenditures, and other lawful corporate purposes, as designated by the Borrower from time to time. At any time, and from time to time, Borrower may designate some or all of the Term Loans as construction indebtedness, which shall thereafter be used solely for financing the cost of the design, development, construction and opening of Gaylord National.

7.12 ADDITIONAL/UPDATE APPRAISALS.

Acknowledge and agree that the Administrative Agent shall have the right, in its discretion, to obtain, at the expense of the Borrower, a new or updated "as-is" appraisal with respect to any Borrowing Base Property once every eighteen (18) months during the term for use in determining such Borrowing Base Property's Appraised Value. In addition to the foregoing, the Loan Parties hereby acknowledge and agree that the Administrative Agent shall, upon the occurrence of any Substantial Casualty or Substantial Condemnation, have the right to obtain a new appraisal with respect to the Borrowing Base Property which is the subject thereof both upon the delivery of the plans and specifications related to the rebuilding, reconstruction and restoration of such Property and upon the completion of such rebuilding, reconstruction and restoration; provided, that the appraisal obtained in connection with the delivery of the applicable plans and specifications related to such rebuilding, reconstruction and restoration shall be performed on an "as-completed" basis. To the extent the Administrative Agent initially incurs any costs or expenses related to any new appraisal provided for in this Section 7.12, the Borrower and/or other Loan Parties shall reimburse the Administrative Agent upon demand in the amount of such costs or expenses. Each appraisal obtained pursuant to this Section 7.12 shall be in form and substance and from an appraiser acceptable to the Administrative Agent and each of the Arrangers (in each of their respective discretion).

7.13 REMOVAL OF BORROWING BASE PROPERTIES.

Notwithstanding anything contained herein to the contrary, to the extent any property qualifying as a Borrowing Base Property (a) ceases to be wholly owned by a Loan Party or ground leased by a Loan Party pursuant to an acceptable ground lease; or (b) ceases to be encumbered by a first priority perfected Lien (subject only to Permitted Liens) in favor of the Administrative Agent (for the benefit of the Lenders, Administrative Agent and other secured parties referenced herein), such property shall cease to qualify as a Borrowing Base Property hereunder and Schedule 1.01(b) attached hereto shall be deemed to have been amended to remove such Real Property from the list of Borrowing Base Properties; provided, that no such removal of a Borrowing Base Property from qualification as such shall result in the release of any remaining Liens in favor of the Administrative Agent except to the extent otherwise provided herein or in any other Loan Document.

7.14 PLEDGED ASSETS.

Each Loan Party will (a) cause all real Property interests related to the Borrowing Base Properties (other than the Designated Outparcels), all personal Property owned by the Loan Parties which own any Borrowing Base Properties (other than vehicles subject to certificates of title) and all of the Pledged Interests to be subject at all times to first priority, perfected and, in the case of the real Property interest in each Borrowing Base Property (whether leased or owned), title insured Liens in favor of the Administrative Agent to secure the Obligations pursuant to the terms and conditions of the Collateral Documents or, with respect to any such Property acquired subsequent to the Closing Date, such other additional security documents as the Administrative Agent shall reasonably request, subject in any case only to Permitted Liens; (b) deliver such other documentation as the Administrative Agent may reasonably request in connection with the foregoing, including, without limitation, appropriate UCC-1 financing statements, real estate title insurance policies, surveys, environmental reports, landlord's waivers, certified resolutions and other organizational and authorizing documents of such Person, favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to above and the perfection of the Administrative Agent's Liens thereunder) and other items of the types required to be delivered pursuant to Section 5.01(c) and (d), all in form, content and scope reasonably satisfactory to the Administrative Agent and (c) indemnify and/or reimburse (as applicable) the Administrative

Agent for any and all costs, expenses, losses, claims, fees or other amounts paid or incurred by the Administrative Agent to the extent paid or incurred in connection with the filing or recording of any documents, agreement or instruments related to the Collateral, the protection of any of the Collateral, its rights and interests therein or any Loan Party's underlying rights and interests therein or the enforcement of any of its other rights with respect to the Collateral; provided, that the reimbursement and indemnity obligations set forth in this clause (c) shall be in addition to and in furtherance of all other reimbursement or indemnity obligations of the Loan Parties referenced herein or in any other Loan Document.

7.15 GROUND LEASES.

Shall (and Borrower shall cause such Loan Parties to), with respect to any ground lease related thereto or material easement agreements in favor of such Loan Party and related thereto:

(a) pay when due the rent and other amounts due and payable thereunder (subject to applicable cure or grace periods);

(b) timely perform and observe all of the material terms, covenants and conditions required to be performed and observed by it as tenant thereunder (subject to applicable cure or grace periods);

(c) do all things necessary to preserve and keep unimpaired such ground lease or easement agreement and its rights thereunder;

(d) not waive, excuse or discharge any of the material obligations of the lessor or other obligor thereunder;

(e) diligently and continuously enforce the material obligations of the lessor or other obligor thereunder;

(f) not do, permit or suffer (i) any act, event or omission which would be likely to result in a default or permit the applicable lessor or other obligor to terminate or exercise any other remedy with respect to the applicable ground lease or easement or (ii) any act, event or omission which, with the giving of notice or the passage of time, or both, would constitute a default or permit the lessor or such other obligor to exercise any other remedy under the applicable agreement;

(g) cancel, terminate, surrender, modify or amend any of the provisions of any such ground lease or easement or agree to any termination, amendment, modification or surrender thereof without the prior written consent of the Administrative Agent;

(h) deliver to the Administrative Agent all default and other material notices received by it or sent by it under the applicable ground lease or easement agreement;

(i) at Administrative Agent's request, provide to Administrative Agent any information or materials relating to such ground lease or easement agreement and evidencing such Loan Party's due observance and performance of its obligations thereunder;

(j) not permit or consent to the subordination of such ground lease or easement agreement to any mortgage or other leasehold interest of the premises related thereto;

(k) execute and deliver (to the extent permitted to do so under such ground lease or easement agreement), upon the request of the Administrative Agent, any documents, instruments or agreements as may be required to permit the Administrative Agent to cure any default under such ground lease or easement agreement;

(l) provide to Administrative Agent written notice of its intention to exercise any option or renewal or extension rights with respect to such ground lease or easement at least thirty (30) days prior to the expiration of the time to exercise such right or option and, upon the direction of the Administrative Agent, duly exercise any renewal or extension option with respect to any such ground lease or easement (provided, that Borrower and each Loan Party

hereby appoints the Administrative Agent its attorney-in-fact, coupled with an interest, to execute and deliver, for and in the name of such Person, all instruments, documents or agreements necessary to extend or renew any such ground lease or easement;

(m) not treat, in connection with the bankruptcy or other insolvency proceedings of any ground lessor or other obligor, any ground lease or easement agreement as terminated, cancelled or surrendered pursuant to the Bankruptcy Code without the Administrative Agent's prior written consent;

(n) in connection with the bankruptcy or other insolvency proceedings of any ground lessor or other obligor, ratify the legality, binding effect and enforceability of the applicable ground lease or easement agreement within the applicable time period therefore in such proceedings, notwithstanding any rejection by such ground lessor or obligor or trustee, custodian or receiver related thereto;

(o) provide to the Administrative Agent not less than thirty (30) days prior written notice of the date on which the applicable Loan Party shall apply to any court or other governmental authority for authority or permission to reject the applicable ground lease or easement agreement in the event that there shall be filed by or against any Loan Party any petition, action or proceeding under the Bankruptcy Code or any similar federal or state law; provided, that the Administrative Agent shall have the right, but not the obligation, to serve upon the applicable Loan Party within such thirty (30) day period a notice stating that (i) the Administrative Agent demands that such Loan Party assume and the assign the relevant ground lease or easement agreement to the Administrative Agent subject to an in accordance with the Bankruptcy Code and (ii) the Administrative Agent covenants to cure or provide reasonably adequate assurance thereof with respect to all defaults susceptible of being cured by the Administrative Agent and of future performance under the applicable ground lease or easement agreement; provided, further, that if the Administrative Agent serves such notice upon the applicable Loan Party, such Loan Party shall not seek to reject the applicable agreement and shall promptly comply with such demand;

(p) permit the Administrative Agent (at its option), during the continuance of any Event of Default, to (i) perform and comply with all obligations under the applicable ground lease or easement agreement; (ii) do and take such action as the Administrative Agent deems necessary or desirable to prevent or cure any default by such Loan Party under such ground lease or easement agreement and (iii) enter in and upon the applicable premises related to such ground lease or easement agreement to the extent and as often as the Administrative Agent deems necessary or desirable in order to prevent or cure any default under the applicable ground lease or easement agreement;

(q) in the event of any arbitration, court or other adjudicative proceedings under or with respect to any such ground lease or easement agreement, permit the Administrative Agent (at its option) to exercise all right, title and interest of the applicable Loan Party in connection with such proceedings; provided, that (i) Borrower and each other Loan Party hereby irrevocably appoint the Administrative Agent as their attorney-in-fact (which appointment shall be deemed coupled with an interest) to exercise such right, interest and title and (ii) the Loan Parties shall bear all costs, fees and expenses related to such proceedings; provided, further, that each Loan Party hereby further agrees that the Administrative Agent shall have the right, but not the obligation, to proceed in respect of any claim, suit, action or proceeding relating to the rejection of any of the ground leases or easement agreements referenced above by the relevant ground lessor or obligor as a result of bankruptcy or similar proceedings (including, without limitation, the right to file and prosecute all proofs of claims, complaints, notices and other documents in any such bankruptcy case or similar proceeding); and

(r) deliver to the Administrative Agent (or, subject to the requirements of the subject ground lease, cause the applicable lessor or other obligor to deliver to the Administrative Agent) an estoppel certificate in relation to such ground lease or easement agreement in form and substance acceptable to the Administrative Agent, in its discretion, and, in any case, setting forth (i) the name of lessee and lessor under the ground lease (if applicable); (ii) that such ground lease or easement agreement is in full force and effect and has not been modified except to the extent Administrative Agent has received notice of such modification; (iii) that no rental and other payments due thereunder are delinquent as of the date of such estoppel; and (iv) whether such Person knows of any actual or alleged defaults or events of default under the applicable ground lease or easement agreement;

provided, that each Loan Party hereby agrees to execute and deliver to Administrative Agent, within ten (10) days of any request therefor, such documents, instruments, agreements, assignments or other conveyances reasonably requested by the Administrative Agent in connection with or in furtherance of any of the provisions set forth above or the rights granted to the Administrative Agent in connection therewith.

ARTICLE VIII
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall not be Fully Satisfied, or any Letter of Credit shall remain outstanding, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

8.01 LIENS.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the date hereof and listed on Schedule 8.01 and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased, (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 8.03(b);

(c) Liens (other than Liens imposed under ERISA) for taxes, assessments or governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and suppliers and other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the ordinary course of business and in an aggregate amount not to exceed (in the aggregate), with respect to the Borrowing Base Properties, (i) an amount equal to (A) ten percent (10.0%) of the construction budget of any hotel then being constructed by the Loan Parties (excluding pre-opening costs and capitalized interest related thereto), plus (B) \$50,000,000 in the aggregate with respect to all other operating properties; provided, further, that with respect to all Liens referenced in this subclause (i), such Liens shall secure only amounts not yet due and payable or, if due and payable, (A) are unfiled and no other action has been taken to enforce the same or (B) with respect to Liens related to Property subject to the Laws of the State of Maryland, such Liens have not yet attached to the applicable Property or otherwise been established pursuant to any other judicial action (whether interim or permanent) and, in any case, for which adequate reserves determined in accordance with GAAP have been established; plus (ii) \$5,000,000 in the aggregate with respect to any Liens which have been filed or subject to some enforcement action (or, with respect to Liens related to Property subject to the Laws of the State of Maryland, Liens which have attached to the applicable Property or otherwise been established pursuant to any other judicial action (whether interim or permanent)) and, in each case, for which adequate reserves determined in accordance with GAAP have been established; provided, that Liens referenced in this subclause (ii) with respect to which the Borrower has procured bonding such that the applicable Lien does not, under the laws of the applicable jurisdiction, attach to the subject Borrowing Base Property(ies) or has otherwise provided security reasonably satisfactory to the Administrative Agent shall not be considered "Liens" with respect to the Borrowing Base Properties for purposes of this Section 8.01(d);

(e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety bonds (other than bonds related to judgments or litigation), performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person and which, with respect to Borrowing Base Properties, have been reviewed and approved by the Administrative Agent (such approval to be in the sole discretion of the Administrative Agent);

(h) Liens securing judgments for the payment of money not constituting an Event of Default under Section 9.01(h) or securing appeal or other surety bonds related to such judgments;

(i) Liens securing Indebtedness permitted under Section 8.03;

(j) Leases or subleases permitted under Section 8.17;

(k) any interest of title of a lessor under, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 8.02;

(m) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(n) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection; and

(o) Liens of sellers of goods to the Borrower and any of its Subsidiaries arising under Article 2 of the Uniform Commercial Code or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses.

8.02 INVESTMENTS.

Make any Investments, except:

(a) Investments held by the Borrower or such Subsidiary in the form of Cash Equivalents;

(b) Investments existing as of the Closing Date and set forth in Schedule 8.02;

(c) Investments consisting of advances or loans to directors, officers, employees, agents, customers or suppliers in an aggregate principal amount (including Investments of such type set forth in Schedule 8.02) not to exceed \$10,000,000 at any time outstanding; provided that all such advances must be in compliance with applicable Laws, including, but not limited to, the Sarbanes-Oxley Act of 2002.

(d) Investments (whether constituting Acquisitions or otherwise) in Wholly Owned Subsidiaries of the Borrower (or Persons that will, immediately upon the consummation of such Investment, be Wholly Owned Subsidiaries of the Borrower) or in the assets of such Persons, to the extent such Investments are made in Persons or Property relating to the types of businesses which are not prohibited by Section 8.07 hereof;

(e) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments

received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss; or

(f) Investments (whether constituting Acquisitions or otherwise) in Persons that are not Wholly Owned Subsidiaries of the Borrower (and that will not, immediately upon the consummation of such Investment, be Wholly Owned Subsidiaries of the Borrower) or in the assets of such Persons, to the extent (i) such Investments are made in Persons or Property relating to the types of businesses which are not prohibited by Section 8.07 hereof and (ii) if Gaylord National has not reached Substantial Completion, such Investments either (A) constitute non-cash Investments in such Persons or assets (and the applicable non-cash Property used to make such Investment was not obtained from cash or Cash Equivalents of any Consolidated Party solely for the purpose of making such Investment) or (B) to the extent such Investments are cash Investments, such Investments are in an aggregate amount not in excess of (1) \$75,000,000 during any calendar year, plus (2) the amount of cash equity raised by the Loan Parties during the term hereof for the purpose of making such Investments;

provided, that all Investments made pursuant to this Section 8.02 (other than Section 8.02(e)) in Persons that are not Wholly Owned Subsidiaries of the Borrower (and that will not, immediately upon the consummation of such Investment, be Wholly Owned Subsidiaries of the Borrower) shall be subject to the restrictions set forth in Section 8.11(e).

8.03 INDEBTEDNESS.

Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness of the Borrower and its Subsidiaries outstanding on the Closing Date and set forth in Schedule 8.03 (and renewals, refinancings and extensions thereof on terms and conditions no less favorable to such Person than such existing Indebtedness; provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder);

(c) intercompany Indebtedness and Guarantees with respect to Indebtedness, so long as in each case the related Investment made by the holder of such Indebtedness or by the provider of such Guarantee, as applicable, is permitted under Section 8.02 (other than Section 8.02(f));

(d) obligations (contingent or otherwise) of the Borrower or any Subsidiary existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(e) Indebtedness with respect to the SAILS Forward Exchange Contracts and any Permitted SAILS Refinancing Indebtedness;

(f) Guarantees with respect to any Indebtedness permitted under this Section 8.03;

(g) Indebtedness in the form of Capital Lease obligations and purchase money Indebtedness; provided that (i) the total of all such Indebtedness for all such Persons taken together shall not exceed an aggregate principal amount of \$5,000,000 at any one time outstanding; (ii) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed; and (iii) no such Indebtedness shall be refinanced for a principal amount in excess of the principal balance outstanding thereon at the time of such refinancing;

(h) Guarantees of Operating Lease obligations of Subsidiaries of the Borrower;

(i) other Indebtedness hereafter incurred by the Borrower or any of its Subsidiaries in an amount not to exceed an aggregate amount of \$25,000,000 at any time outstanding; provided, that the Borrower (i) shall provide the Administrative Agent with copies of any certifications, computations or other information or materials required to be provided by it under the Senior Note Indentures with respect to the incurrence of any such Indebtedness (if any) and (ii) shall not incur any such Indebtedness if it has reason to believe that the incurrence of such Indebtedness is likely to result in the occurrence of a Default or Event of Default hereunder or under any Loan Document; and

(j) other Indebtedness hereafter incurred by the Borrower or any of its Subsidiaries provided that the Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating that, upon giving effect on a Pro Forma Basis to the incurrence of such Indebtedness and to the concurrent retirement of any other Indebtedness of any Consolidated Party, the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 as of the most recent calendar quarter end with respect to which the Administrative Agent has received the Required Financial Information.

8.04 FUNDAMENTAL CHANGES.

Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person; provided that, notwithstanding the foregoing provisions of this Section 8.04 but subject to the terms of Sections 7.13 and 7.14, (a) the Borrower may merge or consolidate with any of its Subsidiaries provided that the Borrower shall be the continuing or surviving corporation, (b) any Loan Party other than the Borrower may merge or consolidate with any other Loan Party or the Borrower, (c) any Consolidated Party which is not a Loan Party may be merged or consolidated with or into any Loan Party provided that such Loan Party shall be the continuing or surviving corporation, (d) any Consolidated Party which is not a Loan Party may be merged or consolidated with or into any other Consolidated Party which is not a Loan Party, (e) any Subsidiary of the Borrower may merge with any Person that is not a Loan Party in connection with a Disposition permitted under Section 8.05, and (f) any Wholly Owned Subsidiary of the Borrower that is not a Loan Party may dissolve, liquidate or wind up its affairs at any time provided that such dissolution, liquidation or winding up, as applicable, could not reasonably be expected to have a Material Adverse Effect.

8.05 DISPOSITIONS.

Make any Disposition of any Borrowing Base Property unless:

(a) the consideration paid in connection therewith shall be in an amount not less than the fair market value of the Property disposed of and in cash or Cash Equivalents with such payment to be made contemporaneously with consummation of the applicable transaction;

(b) no later than five (5) Business Days prior to any such Disposition, the Borrower shall have delivered to the Administrative Agent (i) a Pro Forma Compliance Certificate demonstrating that, upon giving effect on a Pro Forma Basis to such transaction and any prepayments to be made in connection therewith pursuant to Section 2.05, the Loan Parties would be in compliance with the provisions of Article II hereof concerning the Total Revolving Outstandings, Total Term Loan Outstandings and Total Facility Outstandings and the financial covenants set forth in Section 8.11 as of the most recent calendar quarter end with respect to which the Administrative Agent has received the Required Financial Information and (ii) a certificate of a Responsible Officer of the Borrower specifying the anticipated date of such Disposition, briefly describing the asset(s) to be sold or otherwise disposed of and setting forth the value of such assets, the aggregate consideration and the Net Cash Proceeds to be received for such assets in connection with such Disposition;

(c) the Loan Parties, to the extent required by Section 2.05(b), prepay the Loans (and Cash Collateralize L/C Obligations) in the amount and as of the date required pursuant to such section;

(d) for all Dispositions of Borrowing Base Properties following (or occurring concurrently with) the Disposition of any other Borrowing Base Property hereunder, such Disposition has been approved in writing by the Supermajority Lenders;

(e) the Net Cash Proceeds derived from any such Disposition are applied to Indebtedness or otherwise reinvested in a manner not prohibited hereunder or a binding commitment to so reinvest is entered into within 360 days following the receipt of such Net Cash Proceeds by the Loan Parties; and

(f) immediately following such Disposition, there shall exist at least two (2) hotel Borrowing Base Properties that continue to fully qualify as such pursuant to the terms of this Agreement.

8.06 RESTRICTED PAYMENTS.

Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Subsidiary may make Restricted Payments (directly or indirectly) to any Loan Party and any other Person that owns any Capital Stock in such Subsidiary, ratably according to their respective holdings of the type of Capital Stock in respect of which such Restricted Payment is being made;

(b) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the Capital Stock of such Person;

(c) the Borrower and each Subsidiary may purchase, redeem or otherwise acquire Capital Stock issued by it with the proceeds received from the substantially concurrent issue of new shares of its common stock or other common Capital Stock;

(d) the Borrower may make Restricted Payments to the holders of its Capital Stock to the extent not prohibited by the Senior Note Indentures, as such documents may be from time to time amended in accordance with its terms; provided, however, that (i) the Borrower shall not, in any case, use the proceeds of any Disposition of any asset previously qualifying as a Borrowing Base Property to fund any Restricted Payment prior to the Substantial Completion of Gaylord National and (ii) to the extent each of the Senior Note Indentures is, for any reason, terminated (whether in connection with the full and final satisfaction of the obligations thereunder or otherwise), the Borrower shall, for the remainder of the term hereof, be permitted to make Restricted Payments to the holders of its Capital Stock to the extent permitted in the last Senior Note Indenture to be terminated, as existing immediately prior to the termination thereof.

8.07 CHANGE IN NATURE OF BUSINESS.

Engage in any material line of business substantially different from those lines of business conducted by the Borrower and its Subsidiaries on the date hereof or any business substantially related or incidental thereto or any other line of business related to the entertainment or hospitality industries.

8.08 TRANSACTIONS WITH AFFILIATES AND INSIDERS.

Enter into or permit to exist any transaction or series of transactions with any officer, director or Affiliate of such Person other than (a) advances of working capital to any Loan Party, (b) transfers of cash and assets to any Loan Party, (c) intercompany transactions expressly permitted by Section 8.02, Section 8.03, Section 8.04, Section 8.05 or Section 8.06, (d) compensation and reimbursement of expenses of officers and directors approved in accordance with company policies and (e) except as otherwise specifically limited in this Agreement, other transactions which are entered into in the ordinary course of such Person's business on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate.

8.09 BURDENSOME AGREEMENTS.

(a) Enter into any Contractual Obligation that encumbers or restricts the ability of any such Person to (i) pay dividends or make any other distributions to any Loan Party on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, (ii) pay any Indebtedness or other obligation owed to any Loan Party, (iii) make loans or advances to any Loan Party, (iv) sell, lease or transfer any of its Property to any Loan Party or (v) except in respect of any Consolidated Party which is not a Loan Party, (A) pledge its Property pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof or (B) act as a Loan Party pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (i)-(v)(A) above) for (1) this Agreement and the other Loan Documents, (2) any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien or (3) customary restrictions and conditions contained in any agreement relating to the sale of any Property permitted under Section 8.05 pending the consummation of such sale.

(b) Enter into any Contractual Obligation that prohibits or otherwise restricts the existence of any Lien upon any of its Property in favor of the Administrative Agent (for the benefit of the Lenders) for the purpose of securing the Obligations, whether now owned or hereafter acquired, or requiring the grant of any security for any obligation if such Property is given as security for the Obligations, except (i) in connection with any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien and (ii) pursuant to customary restrictions and conditions contained in any agreement relating to the sale of any Property permitted under Section 8.05, pending the consummation of such sale.

8.10 USE OF PROCEEDS.

Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

8.11 FINANCIAL COVENANTS.

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the end of any calendar quarter to be greater than (i) for calendar quarters ending during calendar year 2007, 7.00x; and (ii) for all other calendar quarters ending during the term hereof, 6.25x; provided, however, that, upon the written election of the Borrower received by the Administrative Agent (which such election shall be made not more than once during the term of this Agreement), the amounts set forth in subclauses (i) and (ii) above shall, for the following three (3) consecutive calendar quarters for which the Consolidated Leverage Ratio is to be calculated (which such quarters may include, at the option of the Borrower as set forth in its election, the calendar quarter for which the Borrower is, concurrently with such election, delivering the Required Financial Information), be increased to 7.25x (in the case of calendar quarters ending during calendar year 2007) or 7.00x (in the case of all other calendar quarters) (any such election of the Borrower constituting a "Leverage Ratio Election"); provided, further, that (x) following the three (3) calendar quarters which are subject to the Leverage Ratio Election, the Consolidated Leverage Ratio requirement set forth in subclauses (i) and (ii) above shall, again, govern compliance with this clause (a); and (y) if the Leverage Ratio Election is made, Borrower shall, concurrently with its written election (and as a condition to the effectiveness thereof) provide Administrative Agent with pro forma operating and financial statements and a Pro Forma Compliance Certificate demonstrating that the Borrower will be in compliance with all covenants set forth in this Section 8.11 and with all requirements relating to the amount of the Obligations during the term of the election period (accounting for the adjustment of the Consolidated Leverage Ratio as noted above).

(b) Consolidated Tangible Net Worth. Permit Consolidated Tangible Net Worth at any time to be less than the sum of \$550,000,000.00, increased on a cumulative basis as of the end of each calendar quarter, commencing with the calendar quarter ending March 31, 2005 by an amount equal to (i) 75% of Consolidated Net Income (to the extent positive) for the calendar quarter then ended, plus (ii) 75% of the proceeds received by any Consolidated Party in connection with any Equity Issuance.

(c) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as of the end of any calendar quarter to be less than (i) for any reporting calendar quarter during which the Leverage Ratio Election is effective, 1.50x; and (ii) for all other calendar quarters during the term hereof, 2.00x.

(d) Implied Debt Service Coverage Ratio. Permit the Implied Debt Service Coverage Ratio as of the end of any calendar quarter to be less than 1.60x.

(e) Investments in Non-Wholly Owned Subsidiaries. Permit the Investments of the Borrower and the other Loan Parties in Persons which are not Wholly Owned Subsidiaries of the Borrower to, at any time, exceed an amount equal to ten percent (10.0%) of Consolidated Total Assets.

8.12 SAILS FORWARD EXCHANGE CONTRACTS.

Cause or permit the unwinding of the SAILS Forward Exchange Contracts prior to the scheduled expiry date thereof unless, prior to the consummation of such unwinding transaction (and notwithstanding the provisions of Section 8.13 hereof, the Borrower delivers to the Administrative Agent (a) a Pro Forma Compliance Certificate showing that such transaction shall not, on a Pro Forma Basis, cause any of the financial covenants contained herein to be violated and (b) a certification that no other Default or Event of Default will result directly from the consummation of such transaction and the immediate effects thereof on the Borrower and its Subsidiaries.

8.13 PREPAYMENT OF OTHER INDEBTEDNESS, ETC.

Permit any Consolidated Party to, if any Default or Event of Default has occurred and is continuing or would be directly or indirectly caused as a result thereof, (a) amend or modify any of the terms of any Indebtedness of such Consolidated Party (other than Indebtedness under the Loan Documents) if such amendment or modification would add or change any terms in a manner adverse to such Consolidated Party, or shorten the final maturity or average life to maturity or require any payment to be made sooner than originally scheduled or increase the interest rate applicable thereto, or (b) make (or give any notice with respect thereto) any voluntary, optional or other non-scheduled payment, prepayment, redemption, acquisition for value (including without limitation, by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), refund, refinance or exchange of any Indebtedness of such Consolidated Party (other than Indebtedness under the Loan Documents) (in each case, whether or not mandatory).

8.14 ORGANIZATION DOCUMENTS; FISCAL YEAR.

Permit any Consolidated Party to (a) amend, modify or change its Organization Documents in a manner materially adverse to the Lenders or (b) change its fiscal year.

8.15 OWNERSHIP OF SUBSIDIARIES.

Notwithstanding any other provisions of this Agreement to the contrary, (a) permit any Person (other than the Borrower or any Wholly Owned Subsidiary of the Borrower) to own any Capital Stock of any Loan Party that owns a Borrowing Base Property, except (i) to qualify directors where required by applicable law or (ii) as a result of or in connection with a dissolution, merger, consolidation or disposition of a Subsidiary not prohibited by Section 8.04 or Section 8.05, (b) permit any Loan Party that owns a Borrowing Base Property to issue or have outstanding any shares of preferred Capital Stock or (c) permit, create, incur, assume or suffer to exist any Lien on any Capital Stock constituting Pledged Interests.

8.16 SALE LEASEBACKS.

Permit any Consolidated Party to enter into any Sale and Leaseback Transaction with respect to any Borrowing Base Property.

8.17 LEASES.

Permit any Consolidated Party to enter into, terminate, cancel, amend, restate, supplement or otherwise modify any Lease relating to any Borrowing Base Property without the prior written consent of the Administrative Agent (such consent to be granted or withheld in the reasonable discretion of the Administrative Agent, subject to the applicable tenant's entering into of a subordination, non-disturbance and attornment agreement with respect to the applicable Lease in form and substance acceptable to the Administrative Agent); provided, that this Section 8.17 shall not be deemed (a) to prohibit the applicable Loan Party's continued performance under any Existing Lease; (b) to require the Administrative Agent's approval for any Lease or any such termination, cancellation, amendment, restatement, supplement or modification thereof (i) with respect to any parking, restaurant, retail, business, spa or laundry service spaces or any other leases for uses that are customary or ancillary to the operation of the applicable Borrowing Base Property; (ii) on market-rate terms and conditions and (iii) by its terms is expressly subordinated to the Mortgage Instrument related to the applicable Borrowing Base Property; (c) to prohibit the applicable Loan Party from terminating any Lease by reason of a default by the tenant thereunder, provided that such termination is commercially reasonable; or (d) to prohibit the entering into by a Loan Party of any ground lease with respect to outparcels held in connection with the applicable Borrowing Base Property, to the extent (i) the value of such ground leased outparcels are not material to the operation of the applicable hotel and (ii) the applicable ground lessee has entered into a subordination, non-disturbance and attornment agreement with respect to the applicable ground lease in form and substance acceptable to the Administrative Agent.

8.18 FOREIGN SUBSIDIARIES.

Permit the owner of any Borrowing Base Property to be a Foreign Subsidiary.

8.19 BORROWING BASE PROPERTY MATTERS.

Permit (a) any Borrowing Base Property to cease to be wholly owned by a Loan Party or ground leased by a Loan Party pursuant to an acceptable ground lease, except in connection with a Disposition completed in accordance with Section 8.05; (b) the existence of (i) any default or event of default of a Loan Party under any ground lease underlying any Loan Party's ownership of any Borrowing Base Property or (ii) any default or event of default by a ground lessor under any such ground lease which default or event of default has caused or otherwise resulted in or could reasonably be expected to cause or otherwise result in any material interference with the applicable Loan Party lessee's occupancy or other rights under the applicable ground lease; (c) any Borrowing Base Property to cease to be encumbered by a first priority perfected Lien (subject only to Liens acceptable to the Administrative Agent, in its discretion) in favor of the Administrative Agent (for the benefit of the Lenders, Administrative Agent and other secured parties referenced herein), except in connection with a Disposition completed in accordance with Section 8.05; or (d) any Borrowing Base Property to be subject to any Lien other than a Permitted Lien.

8.20 PROHIBITIONS ON DEBT AND EQUITY ISSUANCES AND OTHER MATTERS RELATED TO GAYLORD NATIONAL.

Notwithstanding anything contained herein to the contrary, (a) conduct any Debt Issuance or Equity Issuance or otherwise borrow additional funds for the purpose of investing the proceeds of such Debt Issuance or Equity Issuance or such other funds in Gaylord National or the Gaylord National Property unless and until the Aggregate TL Commitments have been fully drawn and reduced to zero (0) (exclusive of any amount that may be added thereto pursuant to Section 2.06(b)); and provided that, notwithstanding the above, the Loan Parties shall be able to draw Revolving Loans and obtain L/C Credit Extensions for such purpose prior to such full funding of the Aggregate TL Commitments); or (b) incur construction costs and expenses (excluding pre-opening costs and capitalized interest) in excess of \$575,000,000 in connection with the completion of the Gaylord National; provided, that the provisions of this Section 8.20 shall not, in any case, be interpreted to prevent, limit or otherwise restrict the Borrower's ability to exercise its option to increase the Aggregate Revolving Commitments and/or Aggregate TL Commitments in accordance with Section 2.06(b).

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

9.01 EVENTS OF DEFAULT.

Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation, or (ii) within five (5) days after the same becomes due, any interest on any Loan or on any L/C Obligation, any fee due hereunder or any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 7.01, 7.02, 7.03, 7.05, 7.10, 7.11, 7.13, 7.14 or 7.15 or Article VIII or any Guarantor fails to perform or observe any term, covenant or agreement contained in Article IV hereof; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days after the earlier of (i) the Borrower's obtaining knowledge thereof or (ii) the delivery of notice from the Administrative Agent; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. (i) The Borrower or any Subsidiary (A) fails to perform or observe (beyond the applicable grace period with respect thereto, if any) any Contractual Obligation if such failure could reasonably be expected to have a Material Adverse Effect, (B) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (including, without limitation, any Senior Note Indenture, but other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (C) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Borrower or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Borrower or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Borrower or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) Insolvency Proceedings, Etc.. Any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60

calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) The Borrower or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 30 days after its issue or levy; or

(h) Judgments. There is entered against the Borrower or any Subsidiary (i) any one or more final judgments or orders for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents; Guarantees. (i) Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or (ii) except as the result of or in connection with a dissolution, merger or disposition of a Subsidiary not prohibited by Section 8.04 or Section 8.05, the Guaranty given by any Guarantor hereunder or any provision thereof shall cease to be in full force and effect, or any Guarantor hereunder or any Person acting by or on behalf of such Guarantor shall deny or disaffirm such Guarantor's obligations under its Guaranty, or any Guarantor shall default in the due performance or observance of any term, covenant or agreement on its part to be performed or observed pursuant to its Guaranty; or

(k) Change of Control. There occurs any Change of Control; or

(l) Abandonment of Collateral/Construction. The Loan Parties (i) abandon or otherwise cease operations with respect to any Borrowing Base Property for a period in excess of (A) seven (7) consecutive days or (B) twenty (20) days in the aggregate over the term hereof (subject, in each case, to Designated Force Majeure Events or Other Covered Events, but regardless of whether any other conditions typically described as "force majeure" may exist with respect to any such property); (ii) cease material construction activities with respect to Gaylord National (as determined by the Administrative Agent in its sole discretion) for a period in excess of sixty (60) cumulative days following the acquisition of such property and the commencement of construction with respect thereto (subject to Designated Force Majeure Events and Other Covered Events, but regardless of whether any other conditions typically described as "force majeure" may exist with respect to the construction of such property); or (iii) fail, for any reason (subject to any Other Covered Events, but not subject to Designated Force Majeure Events which are not, in the reasonable judgment of the Administrative Agent, covered by any insurance held by or adequate condemnation award to be paid to the Borrower or other Loan Parties), to cause Gaylord National to be Substantially Completed by June 30, 2008.

9.02 REMEDIES UPON EVENT OF DEFAULT.

If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and

(d) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

9.03 APPLICATION OF FUNDS.

After the acceleration of the Obligations as provided for in Section 9.02(b) (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 9.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including Attorney Costs and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, L/C Borrowings and Swap Contracts between any Loan Party and any Lender or Affiliate of any Lender and to Cash Collateralize the undrawn amounts of Letters of Credit, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Fourth held by them;

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Section 2.03(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE X

ADMINISTRATIVE AGENT

10.01 APPOINTMENT AND AUTHORITY.

(a) Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

10.02 RIGHTS AS A LENDER.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

10.03 EXCULPATORY PROVISIONS.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 9.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default

unless and until notice describing such Default is given to the Administrative Agent by the Borrower, a Lender or the L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

10.04 RELIANCE BY ADMINISTRATIVE AGENT.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

10.05 DELEGATION OF DUTIES.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

10.06 RESIGNATION/REMOVAL OF ADMINISTRATIVE AGENT.

The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. In addition, the Administrative Agent may be removed at the written direction of the Required Lenders to the extent the Administrative Agent is shown to be grossly negligent in the performance of its material obligations and/or duties hereunder or to have engaged in willful misconduct in the performance of such obligations and/or duties; provided that any such removal of an Administrative Agent shall also constitute its removal as L/C Issuer. Upon receipt of any such notice of resignation or upon any removal of the Administrative Agent by the Required Lenders, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. In the case of a retiring Administrative Agent, if no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the

other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. In the case of the removal of an Administrative Agent by the Required Lenders, such removal shall constitute the immediate termination of such Administrative Agent's position hereunder and (1) the removed Administrative Agent shall be immediately discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Any resignation by or removal of an Administrative Agent pursuant to this Section shall also constitute its resignation or removal as L/C Issuer, if applicable. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, (b) the retiring or removed L/C Issuer shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangement satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

10.07 NON-RELIANCE ON ADMINISTRATIVE AGENT AND OTHER LENDERS.

Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.08 NO OTHER DUTIES, ETC..

Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or Syndication Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder.

10.09 ADMINISTRATIVE AGENT MAY FILE PROOFS OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(i) and (j), 2.08 and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.08 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

10.10 COLLATERAL AND GUARANTY MATTERS.

The Lenders and the L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Aggregate Revolving Commitments and the Aggregate TL Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit, (ii) that is transferred or to be transferred as part of or in connection with any Disposition permitted hereunder or under any other Loan Document (provided, that in the case of any transfer of a Borrowing Base Property, such transfer shall be accompanied by the prepayment (if any) of the Obligations required pursuant to Section 2.05(b)), or (iii) subject to Section 11.01, if approved, authorized or ratified in writing by the Required Lenders; and

(b) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary of the Borrower as a result of a transaction permitted hereunder.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of Property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 10.11.

ARTICLE XI

MISCELLANEOUS

11.01 AMENDMENTS, ETC.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 9.02) without the written consent of such Lender (it being understood and agreed that a waiver of any condition precedent set forth in Section 5.02 or of any Default or Event of Default or mandatory reduction in the Commitments shall not constitute a change in the terms of any Commitment of any Lender); provided, however, that this clause shall not be deemed to prevent the Required Lenders and Loan Parties from approving (i) any increase in the aggregate Commitments of the Lenders hereunder (to the extent such increase does not increase the Commitment of any individual Lender without such Lender's written consent); and/or (ii) the addition of one or more borrowing tranches to this Agreement and providing for the ratable sharing of the benefits of this Agreement and the other Loan Documents with the other then-outstanding Obligations in respect of the extensions of credit from time to time outstanding under such additional borrowing tranche(s) and the accrued interest and fees in respect thereof; and/or (iii) the inclusion of such lenders under any additional borrowing tranches in the determination of the "Required Lenders" or "Lenders" hereunder and/or consent rights in favor of such Persons under any or all of subsections (b) - (j) of this Section 11.01 corresponding to the consent rights of the other Lenders thereunder;

(b) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate;

(d) change Section 2.12 or Section 9.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(e) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(f) (i) except as the result of or in connection with a Disposition not prohibited by Section 8.05, release all or substantially all of the Collateral and (ii) except as otherwise provided in Section 10.10, release any Guarantor, in each case, without the written consent of each Lender;

(g) except as the result of or in connection with a dissolution, merger or disposition of a Loan Party not prohibited by Section 8.04 or Section 8.05, release the Borrower or substantially all of the other Loan Parties from its or their obligations under the Loan Documents without the written consent of each Lender;

(h) without the consent of Lenders (other than Defaulting Lenders) holding in the aggregate at least a majority of the Revolving Commitments (or if the Revolving Commitments have been terminated, the

outstanding Revolving Loans (and participations in any L/C Obligations)), waive any Default or Event of Default for purposes of the funding of a Revolving Loan under Section 5.02(b);

(i) without the consent of Lenders (other than Defaulting Lenders) holding in the aggregate at least a majority of the Aggregate TL Commitments, waive any Default or Event of Default for purposes of the funding of a Term Loan under Section 5.02(b);

(j) without the consent of each Agent Lender, modify the provisions of Section 8.11(d) or increase the percentage multiplier set forth in the definition of "Borrowing Base";

(k) without the express written approval of each of the Lenders, permit the addition of any Property to the list set forth on Schedule 1.01(b) or otherwise permit any additional Property to be treated as a "Borrowing Base Property" for purposes of this Agreement; provided, that this provision shall not be deemed to restrict the removal of Properties from Schedule 1.01(b) to the extent otherwise permitted herein; or

(l) without the written consent of (i) Lenders holding a majority of the Revolving Commitments (or if the Revolving Commitments have been terminated, the outstanding Revolving Loans and participations in any L/C Obligations) and (ii) Lenders holding a majority of the outstanding Term Loan (and participations therein), impose any greater restriction on the ability of any Lender to assign any of its rights or obligations hereunder. For purposes of this clause, the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations shall be deemed to be held by such Lender.

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it (including, without limitation, the priority of any payments, indemnities or reimbursements due to the L/C Issuer hereunder); (ii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document (including, without limitation, the priority of any payments, indemnities or reimbursements due to the Administrative Agent); and (iii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

Notwithstanding the fact that the consent of all the Lenders is required in certain circumstances as set forth above, (x) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code supersedes the unanimous consent provisions set forth herein and (y) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

11.02 NOTICES. EFFECTIVENESS OF ELECTRONIC COMMUNICATIONS.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower, the Administrative Agent or the L/C Issuer, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc. Each of the Borrower, the Administrative Agent and the L/C Issuer may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent and the L/C Issuer.

(d) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

(e) Delivery of Documents to Lenders. Promptly upon any Lender's reasonable request, the Administrative Agent shall deliver to such Lender any materials or information delivered by any Loan Party to it in its capacity as Administrative Agent hereunder. In addition, the Administrative Agent shall promptly deliver to the Lenders any notices or other materials received by it indicating the occurrence or continuance of any Default or Event of Default hereunder, in each case, to the extent such notices or materials are clearly marked as a "Notice of Default/Event of Default" or Administrative Agent has actual knowledge that such notices or other materials contain such information.

11.03 NO WAIVER; CUMULATIVE REMEDIES.

No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.04 EXPENSES; INDEMNITY; DAMAGE WAIVER.

(a) Costs and Expenses. The Borrower shall pay (without duplication of other amounts required to be paid by Borrower hereunder): (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, the L/C Issuer or, during the continuance of an Event of Default, the Lenders (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or the L/C Issuer), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, the L/C Issuer or, during the continuance of any Event of Default, any Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Agent Lender (in their respective agent capacities), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or L/C Issuer in connection with

such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent and the L/C Issuer, the replacement of any Lender, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 PAYMENTS SET ASIDE.

To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 SUCCESSORS AND ASSIGNS.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations) at the time owing to it); provided that:

(i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Revolving Commitments are not then in effect, the outstanding principal balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned;

(iii) any assignment of a Revolving Commitment must be approved by the Administrative Agent, and the L/C Issuer unless the Person that is the proposed assignee is itself a Lender (whether or not the proposed assignee would otherwise qualify as an Eligible Assignee; provided that any such approval shall not be unreasonably withheld by the Administrative Agent or the L/C Issuer); and

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$2,500, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by each of the Borrower and the L/C Issuer at any reasonable time and from time to time upon reasonable prior notice. In addition, at any time that a request for a consent for a material or other substantive change to the Loan Documents is pending, any Lender wishing to consult with other Lenders in connection therewith may request and receive from the Administrative Agent a copy of the Register.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations) owing to it); provided that (i) such Lender's obligations under this

Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.12 as though it were a Lender.

(e) Limitation on Participation Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Intentionally Omitted.

(i) Resignation as L/C Issuer after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America may, upon 30 days' notice to the Borrower and the Lenders, resign as L/C Issuer. In the event of any such resignation as L/C Issuer, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer. If Bank of America resigns as L/C Issuer, it shall retain all the rights and obligations of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)).

11.07 TREATMENT OF CERTAIN INFORMATION; CONFIDENTIALITY.

Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such

Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

11.08 SET-OFF.

If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent (which consent shall only be withheld for the purpose of preventing any triggering of any applicable "single action" laws), to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer, irrespective of whether or not such Lender or the L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or the L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 INTEREST RATE LIMITATION.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 COUNTERPARTS; INTEGRATION; EFFECTIVENESS.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 SURVIVAL OF REPRESENTATIONS AND WARRANTIES.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 SEVERABILITY.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.13 REPLACEMENT OF LENDERS.

If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, if any Lender is a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with applicable Laws.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

11.14 GOVERNING LAW; JURISDICTION; ETC.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, the LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NORTH CAROLINA SITTING IN MECKLENBURG COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE WESTERN DISTRICT OF NORTH CAROLINA AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NORTH CAROLINA STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS

AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 USA PATRIOT ACT NOTICE.

Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Borrower in accordance with the Act.

11.17 ENTIRE AGREEMENT.

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

11.19 SUBORDINATION OF INTERCOMPANY DEBT.

Each Loan Party agrees that all intercompany Indebtedness among Loan Parties (the "Intercompany Debt") is subordinated in right of payment, to the prior payment in full of all Obligations. Notwithstanding any provision of this Agreement to the contrary, provided that no Event of Default has occurred and is continuing, Loan Parties may make and receive payments with respect to the Intercompany Debt to the extent otherwise permitted by this Agreement; provided, that in the event of and during the continuation of any Event of Default, no payment shall be made by or on behalf of any Loan Party on account of any Intercompany Debt. In the event that any Loan Party receives any payment of any Intercompany Debt at a time when such payment is prohibited by this Section 11.19 hereof, such payment shall be held by such Loan Party, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to, the Administrative Agent.

[remainder of page left intentionally blank - signature page(s), schedule(s) and exhibit(s) to follow]

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

BORROWER:

GAYLORD ENTERTAINMENT COMPANY

By: /s/ David C. Kloeppe

David C. Kloeppe
Executive Vice President; Chief Financial Officer

GUARANTORS:

OPRYLAND HOTEL NASHVILLE, LLC

By: /s/ David C. Kloeppe

David C. Kloeppe
Executive Vice President

OPRYLAND HOTEL-FLORIDA LIMITED PARTNERSHIP

By: Opryland Hospitality, LLC, its general partner

By: /s/ David C. Kloeppe

David C. Kloeppe
Executive Vice President

OPRYLAND HOTEL-TEXAS LIMITED PARTNERSHIP

By: Opryland Hospitality, LLC, its general partner

By: /s/ David C. Kloeppe

David C. Kloeppe
Executive Vice President

GAYLORD NATIONAL, LLC

By: /s/ David C. Kloeppe

David C. Kloeppe
Executive Vice President

RESORTQUEST INTERNATIONAL, INC.

By: /s/ David C. Kloeppe

David C. Kloeppe
Executive Vice President

AGENTS AND LENDERS:

BANK OF AMERICA, N.A., in its respective capacities as
Administrative Agent and L/C Issuer

By: /s/ Roger C. Davis

Name: Roger C. Davis
Title: Senior Vice President

BANK OF AMERICA, N.A., in its capacity as a Lender

By: /s/ Roger C. Davis

Name: Roger C. Davis
Title: Senior Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS, in its capacity
as a Lender and in its capacity as Syndication Agent

By: /s/ George R. Reynolds

Name: George R. Reynolds

Title: Vice President

KEY BANK, NATIONAL ASSOCIATION, in its capacity as a
Lender and in its capacity as Co-Documentation Agent

By: /s/ Michael M. Pomposelli

Name: Michael M. Pomposelli
Title: Relationship Manager

WACHOVIA BANK, NATIONAL ASSOCIATION, in its capacity
as a Lender and in its capacity as Co-Documentation
Agent

By: /s/ LeRoy Sarage

Name: LeRoy Sarage
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, in
its capacity as a Lender and in its capacity as Co-
Documentation Agent

By: /s/ J. Kent Howard

Name: J. Kent Howard
Title: Senior Vice President

CITIGROUP NORTH AMERICA INC., in its capacity as a
Lender and in its capacity as Managing Agent

By: /s/ Blake Gronich

Name: Blake Gronich

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, in its capacity as
a Lender

By: /s/ Gregory Buckhout

Name: Gregory Buckhout

Title: Vice President

CIBC INC.
in its capacity as a Lender

By: /s/ Dean J. Decker

Name: Dean J. Decker
Title: Managing Director, CIBC World Markets
Corp., AS AGENT

CALYON NEW YORK BRANCH, in its capacity as a Lender

By: /s/ Joseph A. Ascioffa

Name: Joseph A. Ascioffa
Title: Managing Director

By: /s/ David Bowers

Name: David Bowers
Title: Director

MIDFIRST BANK, A FEDERALLY CHARTERED
SAVINGS ASSOCIATION, in its capacity as a Lender

By: /s/ Todd Wright

Name: Todd Wright

Title: Vice President

EMIGRANT SAVINGS BANK, in its capacity as a Lender

By: /s/ Jansen Noyes

Name: Jansen Noyes

Title: Senior Vice President

BANK MIDWEST, N.A., in its capacity as a Lender

By: /s/ Paul P. Holewinski

Name: Paul P. Holewinski

Title: Executive Vice-President

UNITED OVERSEAS BANK LIMITED
LOS ANGELES AGENCY, in its capacity as a Lender

By: /s/ Hoong Chen

Name: Hoong Chen

Title: First Vice President & General Manager

FORM OF REVOLVING NOTE

_____, 20__

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to _____ or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of each Revolving Loan from time to time made by the Lender to the Borrower under that certain Credit Agreement, dated as of [_____, ____] (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, the Guarantors from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent and L/C Issuer, Banc of America Securities LLC and Deutsche Bank Securities, Inc., collectively, as the Arranger and Deutsche Bank Trust Company Americas, as Syndication Agent.

The Borrower promises to pay interest on the unpaid principal amount of each Revolving Loan from the date of such Revolving Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Note is one of the Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. Revolving Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Revolving Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF _____.

<>

By: _____
Name: _____
Title: _____

FORM OF TERM NOTE

_____, 20__

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to _____ or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of each Term Loan from time to time made by the Lender to the Borrower under that certain Credit Agreement, dated as of [_____, ____] (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, the Guarantors from time to time party thereto, the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent and L/C Issuer, Banc of America Securities LLC and Deutsche Bank Securities, Inc., collectively, as the Arranger and Deutsche Bank Trust Company Americas, as Syndication Agent.

The Borrower promises to pay interest on the unpaid principal amount of each Term Loan from the date of such Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Note is one of the Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Note is also entitled to the benefits of the Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. Term Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Note and endorse thereon the date, amount and maturity of its Term Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF _____.

<>

By: _____
Name: _____
Title: _____

SUBSIDIARIES OF THE COMPANY

SUBSIDIARY NAME	JURISDICTION OF ORGANIZATION
1. Acuff-Rose Music, LLC	Tennessee
2. Acuff-Rose Music Publishing, LLC	Tennessee
3. CCK Holdings, LLC	Delaware
4. Corporate Magic, Inc.	Texas
5. Country Music Television International, Inc.	Delaware
6. Gaylord Creative Group, Inc.	Delaware
7. Gaylord Digital, LLC	Delaware
8. Gaylord Hotels, LLC	Delaware
9. Gaylord Investments, Inc.	Delaware
10. Gaylord National, LLC	Maryland
11. Gaylord Program Services, Inc.	Delaware
12. Grand Ole Opry Tours, Inc.	Tennessee
13. Hickory Music, LLC	Tennessee
14. Milene Music, LLC	Tennessee
15. OLH, G.P.	Tennessee
16. OLH Holdings, LLC	Delaware
17. Opryland Attractions, Inc.	Delaware
18. Opryland Hospitality, LLC	Tennessee
19. Opryland Hotel - Florida Limited Partnership	Florida
20. Opryland Hotel Nashville, LLC	Delaware
21. Opryland Hotel - Texas Limited Partnership	Delaware
22. Opryland Hotel - Texas, LLC	Delaware
23. Opryland Productions, Inc.	Tennessee
24. Opryland Theatricals, Inc.	Delaware
25. Springhouse Music, LLC	Tennessee

SUBSIDIARY NAME	JURISDICTION OF ORGANIZATION
26. Wildhorse Saloon Entertainment Ventures, Inc.	Tennessee
27. ResortQuest International, Inc.	Delaware
28. Abbott & Andrews Realty, LLC	Florida
29. Abbott Resorts, LLC	Florida
30. Accommodations Center, Inc.	Colorado
31. Advantage Vacation Homes by Styles, LLC	Florida
32. Aspen Lodging Company, LLC	Delaware
33. B&B on the Beach, Inc.	North Carolina
34. Base Mountain Properties, Inc.	Delaware
35. Brindley & Brindley Realty & Development, Inc.	North Carolina
36. Catering Concepts, LLC	South Carolina
37. Coastal Resorts Management, Inc.	Delaware
38. Coastal Resorts Realty, L.L.C.	Delaware
39. Coates, Reid & Waldron, Inc.	Delaware
40. Collection of Fine Properties, Inc.	Colorado
41. Columbine Management Company	Colorado
42. Cove Management Services, Inc.	California
43. CRW Property Management, Inc.	Delaware
44. Exclusive Vacation Properties, Inc.	Delaware
45. Great Beach Vacations, LLC	Delaware
46. High Country Resorts, Inc.	Delaware
47. Hilton Head Ocean Front Sales and Rentals, Inc.	South Carolina
48. Houston and O'Leary Company	Colorado
49. K-T-F Acquisition Co.	Delaware
50. Maui Condominium and Home Realty, Inc.	Hawaii

	SUBSIDIARY NAME	JURISDICTION OF ORGANIZATION
51.	Mountain Memories Accommodations, Ltd.	British Columbia
52.	Mountain Valley Properties, Inc.	Delaware
53.	Office and Storage LLC	Hawaii
54.	Peak Ski Rentals, LLC	Colorado
55.	Plantation Resort Management, Inc.	Delaware
56.	Powder Resort Townhomes, Ltd.	British Columbia
57.	R&R Resort Rental Properties, Inc.	North Carolina
58.	Realty Referral Consultants, LLC	Florida
59.	REP Holdings, Ltd.	Hawaii
60.	Resort Property Management, Inc.	Utah
61.	Resort Rental Vacations, LLC	Tennessee
62.	ResortQuest Hawaii, LLC	Hawaii
63.	ResortQuest Hilton Head, Inc.	Delaware
64.	ResortQuest Real Estate of Florida, Inc.	Florida
65.	ResortQuest Realty Aspen, LLC	Delaware
66.	ResortQuest Southwest Florida, LLC	Delaware
67.	ResortQuest at Summit County, LLC	Colorado
68.	ResortQuest Technologies, Inc.	Colorado
69.	ResortQuest Whistler Property Management, Inc.	British Columbia, Canada
70.	Ridgepine, Inc.	Delaware
71.	RQI Acquisition, LLC	Delaware
72.	RQI Holdings, Ltd.	Hawaii
73.	Ryan's Golden Eagle Management, Inc.	Montana
74.	Sand Dollar Management Investors, LLC	Delaware
75.	Sand Dollar Ocean, LLC	Delaware
76.	Scottsdale Resort Accommodations, Inc.	Delaware

SUBSIDIARY NAME	JURISDICTION OF ORGANIZATION
77. Spearhead Rentals, Ltd.	British Columbia
78. Steamboat Premier Properties, Inc.	Delaware
79. Telluride Resort Accommodations, Inc.	Colorado
80. Ten Mile Holdings, Ltd.	Colorado
81. THE Management Company	Georgia
82. The Maury People, Inc.	Massachusetts
83. The Tops'l Group, Inc.	Florida
84. Tops'l Club of NW Florida, LLC	Florida
85. Trupp-Hodnett Enterprises, Inc.	Georgia
86. Whistler Chalets Holding Corp.	Canada (Federal)
87. Whistler Exclusive Property Management, Ltd.	British Columbia
88. Whistler Lodging Company Ltd.	Canada (Federal)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in: (1) the Registration Statement (Form S-8 No. 333-37051) pertaining to the Amended and Restated Gaylord Entertainment Company 401(K) Savings Plan of Gaylord Entertainment Company; (2) the Registration Statement (Form S-8 No. 333-37053) pertaining to the 1997 Stock Option and Incentive Plan of Gaylord Entertainment Company; (3) the Registration Statement (Form S-8 No. 333-79223) pertaining to the Employee Stock Purchase Plan of Gaylord Entertainment Company; (4) the Registration Statement (Form S-8 No. 333-31254) pertaining to the Amended and Restated 1997 Stock Option and Incentive Plan of Gaylord Entertainment Company; (5) the Registration Statement (Form S-8 No. 333-40676) pertaining to the 1997 Omnibus Stock Option and Incentive Plan of Gaylord Entertainment Company; and (6) the Registration Statement (Form S-8 No. 333-110636) pertaining to the ResortQuest International, Inc. Amended and Restated 1998 Long-Term Incentive Plan of Gaylord Entertainment Company; (7) the Registration Statement (Form S-8 No. 333-118011) pertaining to the ResortQuest Savings & Retirement Plan of Gaylord Entertainment Company; and (8) the Registration Statement (Form S-3 No. 333-111813) of Gaylord Entertainment Company, of our reports dated March 10, 2005 with respect to the consolidated financial statements and financial statement schedules of Gaylord Entertainment Company, and Gaylord Entertainment Company management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Gaylord Entertainment Company, included in this Annual Report (Form 10-K) for the year ended December 31, 2004.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
March 10, 2005

CERTIFICATION

I, Colin V. Reed, certify that:

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

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

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

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2005

By: /s/ Colin V. Reed

Colin V. Reed
Chief Executive Officer and
President

CERTIFICATION

I, David C. Kloeppel, certify that:

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

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

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

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2005

By: /s/ David C. Kloeppel

David C. Kloeppel
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Gaylord Entertainment Company (the "Company") on Form 10-K for the period ending December 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Colin V. Reed, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Colin V. Reed

- - - - -

Colin V. Reed
Chief Executive Officer and President
March 14, 2005

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Gaylord Entertainment Company (the "Company") on Form 10-K for the period ending December 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David C. Kloeppe, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David C. Kloeppe

David C. Kloeppe
Chief Financial Officer
March 14, 2005

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.