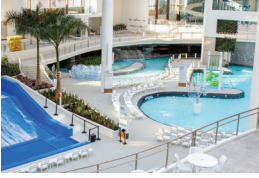


2020 ANNUAL REPORT





About Us

Ryman Hospitality Properties, Inc. (NYSE: RHP) is a leading lodging and hospitality real estate investment trust, or REIT, for federal income tax purposes, that specializes in upscale convention center resorts and country music entertainment experiences. The Company's core holdings* include a network of five of the top 10 largest non-gaming convention center hotels in the United States based on total indoor meeting space. These convention center resorts operate under the Gaylord Hotels brand and are managed by Marriott International. The Company also owns two adjacent ancillary hotels and a small number of attractions managed by Marriott International for a combined total of 10,412 rooms and more than 2.8 million square feet of total indoor and outdoor meeting space in top convention and leisure destinations across the country. The Company's Entertainment segment includes a growing collection of iconic and emerging country music brands, including the Grand Ole Opry; Ryman Auditorium, WSM 650 AM; Ole Red and Circle, a country lifestyle media network the Company owns in a joint-venture partnership with Gray Television. The Company operates its Entertainment segment as part of a taxable REIT subsidiary. For additional information about Ryman Hospitality Properties, visit www.rymanhp.com.

**The Company is the sole owner of Gaylord Opryland Resort & Convention Center; Gaylord Palms Resort & Convention Center; Gaylord Texan Resort & Convention Center; and Gaylord National Resort & Convention Center. It is the majority owner and managing member of the joint venture that owns Gaylord Rockies Resort & Convention Center.*

One Gaylord Drive
Nashville, TN 37214
615-316-6000
RymanHP.com



Dear Fellow Shareholders,

Last year was without question the most difficult and unusual year of my long career in the hospitality industry. Here in Nashville, the year started with a series of tornadoes that created widespread destruction. Soon after those events, our nation felt the impact of the global pandemic that we now know as COVID-19. And if that's not bad enough, here in Nashville, a Christmas Day bomb created massive damage to our historic Second Avenue downtown.

This series of events was unlike anything any of us have experienced in our lifetimes, and I am very proud of the way our leaders have navigated this last year. Our team, by and large, has led this organization for almost two decades, and in that time, they have seen us successfully through many difficult periods, such as 9/11, the global financial crisis of 2008 and the great flood here in Nashville in 2010. Just like these previous crises, I expect Ryman Hospitality Properties to emerge from the current challenges a stronger and more resilient company.

Whenever our Company faces difficult times, our tendency is to over-communicate with our precious stakeholders, be they shareholders, employees, communities where we operate, or bankers, and this has certainly been the case over this last year. So rather than rehash everything that occurred during 2020 that we have talked about many times, I will focus on several of the big decisions we made that I believe position us really well for the period ahead as we emerge from this COVID-inflicted environment.

Let's first address our Hospitality business. As COVID-19 took hold across the nation toward the end of the first quarter of last year, we decided, in consultation with Marriott, to temporarily close our five Gaylord Hotels properties. Perhaps the most important decision we made through this crisis was the retention of our on-property sales personnel. The reason was, in our opinion, straightforward since the meeting-planning business was undergoing massive disruption as basically every planned meeting in the country was being cancelled. Our view was that we needed to be of help in these times and, in collaboration with the meeting planners, rebook their cancelled events for some time in the future. From our outreach to you in the last year, you know that we have rebooked almost 60 percent of every group room cancelled for some time in the future. We believe this accomplishment sets us up for a quick recovery when the meetings sector comes back.

As you all know, it has been a major focus of our management team to consistently improve the physical qualities of our resorts. Over the last few years, we have materially enhanced our pool and spa complexes, upgraded sports bars and restaurants, and continued to refine our leisure programming. This strategy paid dividends as we reopened most of our hotels mid-summer, and as a result, we were able to generate impressive levels of transient demand even in the height of the pandemic. In fact, our hotel businesses produced positive property-level EBITDA in the fourth quarter of 2020.

Within our Entertainment business, several important steps were taken early on. Yes, just like our hotels, we temporarily shut down all our venues and bars. However, unlike our hotels, we decided to continue holding a weekly Grand Ole Opry show audience-free. Remarkably, the weekly *Opry Live* broadcast has been streamed over 55 million times across the United States and around the world. What's more, in a recent survey we conducted, 56 percent of U.S. country music fans say they have seen *Opry Live* in the last six months on TV or the internet. Of those respondents, 69 percent indicated that after seeing *Opry Live*, they are more likely to visit the Opry in person at a future date.

As you all know, we launched Circle on January 1, 2020. With folks locked at home from mid-March, our distribution of the platform has grown tremendously, not only through our partnerships with Gray and other local affiliates, but also on digital platforms like Roku and Peacock. At the time of writing, our Circle Network is available to about 150 million users across these digital platforms, based on publicly reported data.

Moving to our balance sheet and particularly our liquidity position, I feel our team has done a good job managing the Company's cash burn rate as well as working with our credit facility lenders to provide covenant relief through the end of the first quarter of 2022. Subsequent to the end of the year, we completed an eight-year \$600 million high yield note offering at a favorable 4.5% rate.

There have been many other things we have worked on over this last year that I think will position us so well as this country recovers from the COVID-19 pandemic, so let me shift to the future, which is what is really important as we reestablish our two lines of business as best-in-class.

It is our strong belief that over the coming months, consumers across this nation will be returning to the things they love, be they conventions, vacations, concerts, or watching their favorite sports teams. Certain organizations, particularly those who have treated their customers and employees well during this last year, have a chance to grow their market share. We see ourselves certainly in that group, and with the things we have learned through this "once in a lifetime" event, we are optimistic that we will be a stronger company in a year from now than we were a year ago.

We have so many good things ahead of us as the consumer returns to our hotels, including a new expansion at Gaylord Palms; a renovated Gaylord National; and the continued maturity of Gaylord Rockies, SoundWaves at Gaylord Opryland, and the Gaylord Texan expansion. We also have a strong book of group business for the back half of this year and the following several years. In regard to our leisure offerings, our resorts' physical attributes and programmatic qualities are exceptional and are primed to take advantage of the anticipated surge in leisure business as consumers become confident in travel. In our entertainment business, we also have lots of opportunities, be they the maturity of our Circle Network and the downstream launch of an SVOD platform or the expansion of our Ole Red brand and the continued expansion of the digital distribution of Grand Ole Opry performances. Indeed, we are very excited about our future and are quickly putting this last year behind us.

Before closing, let me briefly discuss our endeavors regarding ESG. During this last year, notwithstanding the complexities of COVID, we have made ESG a priority throughout our organization and the communities in which we operate. Regarding our environmental and sustainability efforts, we have made commitments that can be reviewed in our proxy statement and in our annual ESG program report. We have also had multiple discussions with our manager, Marriott, to find new ways to expand the existing programs at our hotels. Regarding diversity and inclusion, we are committed to transforming our approach by building upon our past successes, and again, you can find a detailed recap of our programs in our proxy statement and in our annual ESG program report.

Finally, as I reflect on this past year, I am extremely proud of how our Board, management team, partners and employees rose to the occasion despite the sense of loss we have all felt at different times over these past 12 months. Everyone on our team has made significant personal sacrifices that allowed us to not only navigate the early days of the crisis, but also to record some meaningful accomplishments throughout the year. I also want to thank the many Opry members and featured artists who braved COVID-19 lockdowns to keep the rich tradition of the Grand Ole Opry's Saturday night broadcast alive and well. And finally, I want to extend a sincere thank you to you, our shareholders, for your belief in our team to steward this company through this extraordinary time.

While the road to recovery on this one is likely to be longer than anyone would have imagined just one year ago, the light at the end of the tunnel has already gotten significantly brighter, and better days are just around the corner.

Warm Regards,

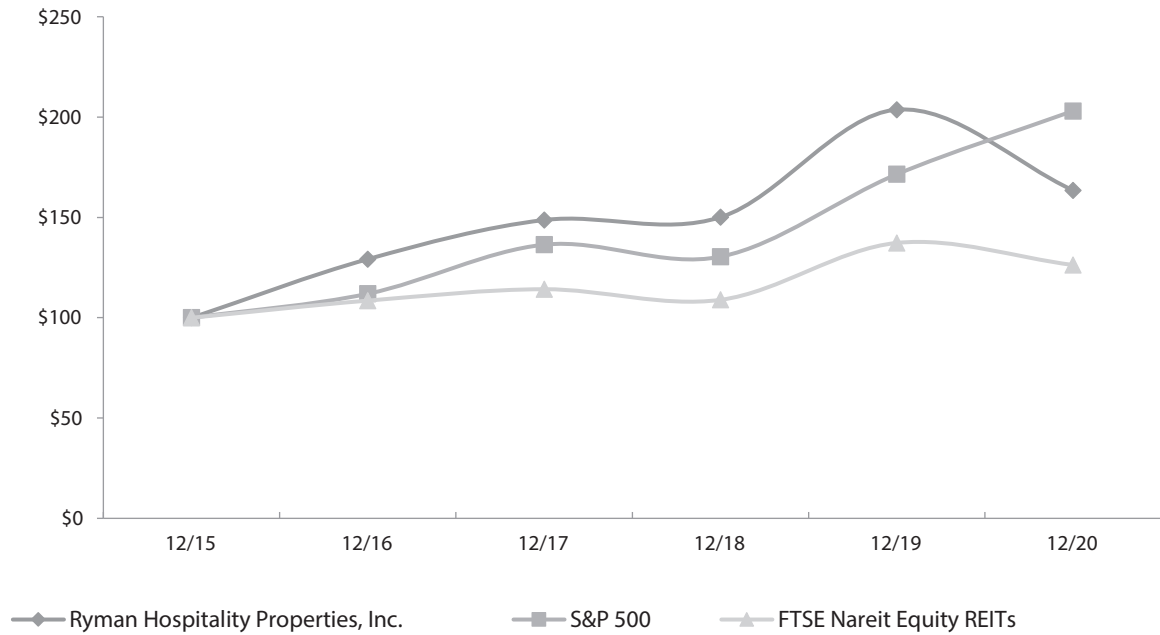
A handwritten signature in black ink, appearing to read "Colin V. Reed", with a horizontal line underneath.

Colin V. Reed

The following chart following chart shows how a \$100 investment in our common stock on December 31, 2015 would have grown to \$163.44 on December 31, 2020, with dividends reinvested quarterly. The chart also compares the TSR of our common stock to the same investment in the S&P 500 Index and the FTSE NAREIT Equity REITs Index over the same period, with dividends reinvested quarterly.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Ryman Hospitality Properties, Inc., the S&P 500 Index and the FTSE Nareit Equity REITs Index



* \$100 invested on 12/31/15 in stock or index, including reinvestment of dividends.
 Fiscal year ending December 31.
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The stock price performance included in this graph is not necessarily indicative of future stock price performance.

	<u>12/15</u>	<u>12/16</u>	<u>12/17</u>	<u>12/18</u>	<u>12/19</u>	<u>12/20</u>
Ryman Hospitality Properties, Inc.	100.00	129.20	148.68	150.08	203.63	163.44
S&P 500	100.00	111.96	136.40	130.42	171.49	203.04
FTSE NAREIT Equity REITs	100.00	108.52	114.19	108.91	137.23	126.25

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES

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OVERVIEW

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

Our owned assets include a network of five upscale, meetings-focused resorts totaling 9,615 rooms that are managed by Marriott under the Gaylord Hotels brand. These five resorts, which we refer to as our Gaylord Hotels properties, consist of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee (“Gaylord Opryland”), the Gaylord Palms Resort & Convention Center near Orlando, Florida (“Gaylord Palms”), the Gaylord Texan Resort & Convention Center near Dallas, Texas (“Gaylord Texan”), the Gaylord National Resort & Convention Center near Washington D.C. (“Gaylord National”), and the Gaylord Rockies Resort & Convention Center near Denver, Colorado (“Gaylord Rockies”), which is owned by a joint venture (the “Gaylord Rockies joint venture”), in which we own a 65% interest. Our other owned hotel assets managed by Marriott include the Inn at Opryland, an overflow hotel adjacent to Gaylord Opryland, and the AC Hotel at National Harbor, Washington D.C. (“AC Hotel”), an overflow hotel adjacent to Gaylord National.

We also own and operate media and entertainment assets including the Grand Ole Opry, the legendary weekly showcase of country music’s finest performers for 95 years; the Ryman Auditorium, the storied live music venue and former home of the Grand Ole Opry located in downtown Nashville; WSM-AM, the Opry’s radio home; Ole Red, a brand of Blake Shelton-themed bar, music venue and event spaces; and three Nashville-based assets managed by Marriott – Gaylord Springs Golf Links (“Gaylord Springs”), the Wildhorse Saloon, and the General Jackson Showboat (“General Jackson”). We also own a 50% interest in a joint venture intended to create and distribute a linear multicast and over-the-top channel dedicated to the country music lifestyle (“Circle”).

Our operations are organized into three principal business segments: (i) Hospitality, which includes our directly-owned hotel properties and the results of hotel operations, as well as the Gaylord Rockies joint venture; (ii) Entertainment, which includes our Grand Ole Opry assets, the Ryman Auditorium, WSM-AM, Ole Red, our other Nashville-based attractions, among others, as well as the Circle joint venture; and (iii) Corporate and Other, which includes corporate expenses. These three business segments — Hospitality, Entertainment, and Corporate and Other — represented approximately 89%, 11%, and 0%, respectively, of our total revenues for the fiscal year ended December 31, 2020.

Financial information by business segment and for each of our Gaylord Hotels properties as of December 31, 2020 and for each of the three years then ended appears in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” below and in “Note 15 – Financial Reporting by Business Segments” to our consolidated financial statements included herein.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

"Management's Discussion and Analysis of Financial Condition and Results of Operations" generally discusses 2020 and 2019 items and year-to-year comparisons between 2020 and 2019. Discussions of 2018 items and year-to-year comparisons between 2019 and 2018 that are not included in this annual report can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's annual report for the fiscal year ended December 31, 2019.

Overview

We are a Delaware corporation, originally incorporated in 1956, that, following our REIT conversion in 2012, began operating as a self-advised and self-administered REIT for federal income tax purposes on January 1, 2013, specializing in group-oriented, destination hotel assets in urban and resort markets. Our core holdings include a network of five upscale, meetings-focused resorts totaling 9,615 rooms that are managed by Marriott International, Inc. ("Marriott") under the Gaylord Hotels brand. These five resorts, which we refer to as our Gaylord Hotels properties, consist of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee ("Gaylord Opryland"), the Gaylord Palms Resort & Convention Center near Orlando, Florida ("Gaylord Palms"), the Gaylord Texan Resort & Convention Center near Dallas, Texas ("Gaylord Texan"), the Gaylord National Resort & Convention Center near Washington D.C. ("Gaylord National"), and the Gaylord Rockies Resort & Convention Center near Denver, Colorado ("Gaylord Rockies"), which is owned by the Gaylord Rockies joint venture, in which we own a 65% interest. Our other owned hotel assets managed by Marriott include the Inn at Opryland, an overflow hotel adjacent to Gaylord Opryland, and the AC Hotel at National Harbor, Washington D.C. ("AC Hotel"), an overflow hotel adjacent to Gaylord National.

We also own and operate media and entertainment assets including the Grand Ole Opry, the legendary weekly showcase of country music's finest performers for 95 years; the Ryman Auditorium, the storied live music venue and former home of the Grand Ole Opry located in downtown Nashville; WSM-AM, the Opry's radio home; Ole Red, a brand of Blake Shelton-themed bar, music venue and event spaces; and three Nashville-based assets managed by Marriott – Gaylord Springs Golf Links ("Gaylord Springs"), the Wildhorse Saloon, and the General Jackson Showboat ("General Jackson"). We also own a 50% interest in a joint venture intended to create and distribute a linear multicast and over-the-top channel dedicated to the country music lifestyle ("Circle").

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

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

See "Forward-Looking Statements" and "Risk Factors" in this annual report for important information regarding forward-looking statements made in this annual report and risks and uncertainties we face.

Impact of COVID-19 Pandemic

The novel coronavirus disease (COVID-19) pandemic continues to spread throughout the United States and is having an unprecedented impact on the U.S. economy. Due to the COVID-19 pandemic, we have experienced disruption of our business and in March 2020 temporarily suspended operations of most of our assets, as further described below. While most of our assets are operating at some capacity, there is significant uncertainty surrounding the full extent of the impact of the COVID-19 pandemic on our future results of operations and financial position.

In late February 2020, when the gravity of the COVID-19 pandemic became apparent, we formed an internal task force, which included members of management and our board of directors, to formulate and implement responses to COVID-19. The task force, in consultation with local governmental authorities, first determined to close our Nashville-based entertainment venues in mid-March 2020.

As cancellations at our Gaylord Hotels properties began to increase, we, with our hotel manager, Marriott, implemented a series of operational changes, culminating with the suspension of operations at our Gaylord

Hotels properties in late-March 2020. Gaylord Texan reopened June 8, 2020, and Gaylord Opryland, Gaylord Palms and Gaylord Rockies reopened June 25, 2020. Gaylord National remains closed.

In our Entertainment segment, in addition to the temporary closure of our entertainment assets in spring 2020, we have taken steps to reduce operating costs in all areas. Many of our Tennessee-based attractions reopened at reduced capacities in May and June 2020. The Grand Ole Opry and Ryman Auditorium began offering limited-capacity tours in June 2020, and in September 2020, they reopened for limited-capacity publicly attended performances. Our decision to offer publicly attended performances with additional capacity will be based on a number of factors and made in consultation with local health authorities.

Actions to Preserve Liquidity. We are also taking actions to preserve liquidity in order to weather the COVID-19 pandemic. We continue to pay all required debt service payments on our indebtedness, lease payments, taxes and other payables. At December 31, 2020, we had \$593.2 million available for borrowing under our revolving credit facility and \$56.7 million in unrestricted cash on hand. In 2020, we took steps to preserve our liquidity as follows:

- *Suspension of Dividend.* Following the payment of our first quarter 2020 dividend on April 15, 2020 to stockholders of record on March 31, 2020, we suspended our regular quarterly cash dividend payments to stockholders. Our board of directors will consider a future dividend as permitted by our credit agreement. Our credit facility amendments described below permits payment of dividends as necessary to maintain our REIT status and permits us to pay a dividend of \$0.01 per share each quarter. Any future dividend is subject to our board of director's determinations as to the amount of distributions and the timing thereof.
- *Deferral of Capital Expenditures.* We have deferred approximately \$82 million of non-essential capital projects, in addition to delaying the Gaylord Rockies expansion project, which was scheduled to begin construction in second quarter 2020. The Gaylord Palms expansion project is continuing, and we believe the expansion will allow us to serve groups that moved meetings to 2021 and beyond.
- *Amendments to Principal Debt Agreements.* On April 23, 2020, we entered into Amendment No. 1 (the "First Amendment"), and on December 22, 2020, we entered into Amendment No. 2 (the "Second Amendment" and collectively with the First Amendment, the "Amendments"), to the credit agreement governing our \$700 million revolving credit facility (of which \$106.0 million was outstanding at December 31, 2020), \$300 million term loan A facility and the original \$500 million term loan B facility (of which \$381.3 million was outstanding at December 31, 2020), which was obtained from a consortium of banks led by Wells Fargo Bank, National Association, as administrative agent. The First Amendment provided for a temporary waiver of financial covenants in the credit facility through March 31, 2021 and the Second Amendment extended that waiver through March 31, 2022 (unless terminated early by us at our option). The Amendments confirm the Company's continued ability to borrow the remaining amounts available under the revolving credit facility (subject to a minimum liquidity covenant). During the waiver period and thereafter until demonstration of financial covenant compliance, the Amendments provide for increased interest and fees, additional restrictions on debt, investments, dividends, share repurchases and capital expenditures, and a minimum liquidity requirement. In addition, all borrowings under the revolving credit facility made during the waiver period may only be used for payment of operating expenses, debt service and certain other specified uses. For additional discussion of the amendments to our credit agreement, see "Principal Debt Agreements" below.

On June 30, 2020, the Gaylord Rockies joint venture completed an amendment to its \$800 million term loan to (i) provide for the ability to use cash for certain purposes, even during a Cash Sweep Period (as defined in the Loan Agreement), (ii) extend the deadline to commence construction of an expansion to Gaylord Rockies, and (iii) provide favorable changes to the debt service coverage ratio provisions. For additional discussion of this amendment, see "Principal Debt Agreements" below. Beginning in July 2020, the Gaylord Rockies joint venture was in a Cash Sweep Period pursuant to the Loan Agreement.

- *Suspension of FF&E Reserve Requirement.* With respect to our properties that are operated under management agreements with Marriott, we are obligated to maintain an FF&E reserve account for future planned and emergency-related capital expenditures at these properties. The amount funded into each of these reserve accounts is determined pursuant to the management agreements and is generally 5.0% of the respective property's total annual revenue; however, Marriott has suspended this obligation from March 2020 through December 2021.
- *Cost Containment Initiatives.* Within our Hospitality segment, we, along with Marriott, implemented various actions in order to contain costs in all areas. We implemented similar cost containment initiatives in our Entertainment and Corporate segments, including voluntary temporary compensation decreases for each of our executive officers and our director and higher positions of management, including 50% of the salary for our chief executive officer, through December 2020.

Impact on Operations. Except for Gaylord National and the General Jackson that remain closed and the Wildhorse Saloon that closed subsequent to the December 2020 downtown Nashville bombing, our hotels and entertainment venues have reopened and are operating under reduced capacities. We, with our manager, Marriott, are implementing certain measures designed to prioritize the health and safety of our guests and to help mitigate the spread of COVID-19, including enhanced cleaning standards, mask protection, limitations on restaurant capacity, entertainment events and conventions, as well as other protocols to enforce social distancing.

During 2020, our Hospitality segment experienced total cancellations of approximately 2.4 million net room nights, which we believe are attributable to COVID-19, representing approximately \$488 million in rooms revenue.

We and Marriott's sales teams have been working closely with our customers to rebook previously cancelled business and, through December 31, 2020, we have rebooked approximately 1.4 million room nights, or approximately 58% of total room nights cancelled as a result of the COVID-19 pandemic. We have focused on offering flexibility rather than demanding attrition and cancellation payments in an effort to strengthen our relationships with our customers and meeting planners, although collections of attrition and cancellation fees increased in the fourth quarter of 2020. Our establishments are undergoing a phased reopening, and the customer mix at our Gaylord Hotels properties has been and may continue to be more heavily transient during this phased reopening than our historical trends. Our operating results are described below.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which among other things, provides employer payroll tax credits for wages paid to employees who are unable to work during the COVID-19 pandemic and options to defer payroll tax payments. Based on our evaluation of the CARES Act, we qualify for certain employer payroll tax credits, which we have accounted for as government subsidies to offset related operating expenses, as well as the deferral of payroll and other tax payments in the future. During 2020, qualified payroll tax credits reduced our operating expenses by \$10.2 million. We are deferring qualified payroll and other tax payments as permitted by the CARES Act.

Marriott's hotel employees that were laid off or furloughed were generally paid the equivalent of one week of compensation, and certain benefits for non-union hotel employees have been maintained throughout the individual properties' closures. We paid all full-time and part-time employees for temporarily closed properties in our Entertainment segment through June 27, 2020. Our results for 2020 include approximately \$39.7 million of operating costs specifically related to the COVID-19 pandemic, which is primarily comprised of employment costs, and is net of \$10.2 million in payroll tax credits provided by the CARES Act. The payroll credits provided by the CARES Act are included in other hotel expenses, entertainment expenses and corporate expenses, as applicable, in the accompanying consolidated statement of operations for 2020 included herein.

For additional discussion of the impact of the COVID-19 pandemic on our business and associated risk, see "Risk Factors" in this annual report.

Gaylord Rockies Joint Venture

We own a 65% interest in the Gaylord Rockies joint venture. Our management has concluded that the Company is the primary beneficiary of this variable interest entity (“VIE”) and the financial position and results of operations of the VIE have been consolidated in the accompanying consolidated financial statements included herein, beginning on December 31, 2018 with respect to the balance sheet and January 1, 2019 with respect to statements of operations and comprehensive income (loss) and statements of cash flows. Gaylord Rockies opened on a limited basis in December 2018 and on a fully operational basis in first quarter 2019 and is managed by Marriott.

Gaylord Palms Expansion

In 2018, we began construction of a \$158 million expansion of Gaylord Palms, which will include an additional 302 guest rooms and 96,000 square feet of meeting space, an expanded resort pool and events lawn, and a new multi-level parking structure. The expansion is expected to be completed in April 2021.

Gaylord Rockies Expansion

In February 2020, we and our joint venture partner in the Gaylord Rockies joint venture announced an \$80 million expansion of Gaylord Rockies, which was intended to include an additional 317 guest rooms. The expansion was expected to begin in the second quarter of 2020, but, as discussed under “Impact of COVID-19 pandemic” above, the expansion was deferred in response to the COVID-19 pandemic.

SoundWaves at Gaylord Opryland

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

Circle

In 2019, we acquired a 50% equity interest in Circle and we have made \$12.5 million in capital contributions through December 31, 2020. The joint venture agreement requires us to contribute up to an additional \$2.5 million through December 31, 2021, and we made such contribution in January 2021. Circle launched its broadcast network on January 1, 2020, with sixteen original shows and two major distribution partnerships. As of February 2021, Circle is available to more than 60% of U.S. television households via over-the-air and cable television and is available through multiple online streaming services covering over 100 million monthly average users.

Termination of Block 21 Acquisition

In December 2019, we entered into an agreement (the “Block 21 Agreement”) to purchase Block 21, a mixed-use entertainment, lodging, office and retail complex located in Austin, Texas, for \$275 million, which included the assumption of approximately \$141 million of existing mortgage debt. In May 2020, in response to the then-existing capital markets and economic environment caused by the COVID-19 pandemic, we determined it was not in the best interest of our shareholders to focus resources and capital on the project and terminated the related purchase agreement. We forfeited a nonrefundable deposit of \$15.0 million, which is included in other gains and (losses), net in the accompanying consolidated statement of operations for 2020.

Dividend Policy; Suspension of Dividend

On February 25, 2020, our board of directors declared our first quarter 2020 cash dividend in the amount of \$0.95 per share of common stock, or an aggregate of approximately \$52.2 million in cash, which was paid on April 15, 2020 to stockholders of record as of the close of business on March 31, 2020. Following payment of our first quarter 2020 cash dividend, we suspended our regular quarterly dividend payments, and our board of directors will consider a future dividend as permitted by our credit agreement. Our credit facility amendment described below under “Principal Debt Agreements” permits payment of dividends as necessary to maintain our REIT status and permits us to pay a dividend of \$0.01 per share each quarter. Prior to the suspension of

dividends as a result of the COVID-19 pandemic, we had planned to continue to pay a quarterly cash dividend to shareholders in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by us) less maintenance capital expenditures or 100% of REIT taxable income, whichever is greater. Any future dividend is subject to our board of directors' determinations as to the amount of distributions and the timing thereof.

During 2019, the Company's board of directors declared quarterly dividends totaling \$3.60 per share of common stock, or an aggregate of \$188.3 million in cash. During 2018, the Company's board of directors declared quarterly dividends totaling \$3.40 per share of common stock, or an aggregate of \$174.5 million in cash.

Senior Note Refinancing

On February 9, 2021, we commenced a cash tender offer for any and all outstanding \$400 million 5% senior notes due 2023 (the "\$400 Million 5% Senior Notes") at a redemption price of \$1,005.00 per \$1,000 principal amount of \$400 Million 5% Senior Notes accepted for purchase in the tender offer. In accordance with the indenture governing the \$400 Million 5% Senior Notes, subsequent to expiration of the tender offer, on February 17, 2021, we gave irrevocable notice of the redemption of all remaining \$400 Million 5% Senior Notes not tendered in the tender offer and irrevocably deposited with the trustee for the \$400 Million 5% Senior Notes an amount sufficient to pay the redemption price of the \$400 Million 5% Senior Notes called for redemption at that date, including interest. We used a significant portion of the proceeds from the issuance of the \$600 Million 4.50% Senior Notes described below to tender and redeem the \$400 Million 5% Senior Notes.

On February 17, 2021, the Operating Partnership and Finco (collectively, the "Issuers") closed on a private placement of \$600 million aggregate principal amount of 4.50% senior notes due 2029 (the "\$600 Million 4.50% Senior Notes"). The \$600 Million 4.50% Senior Notes will be senior unsecured obligations of the Issuers and guaranteed by the Company and its subsidiaries that guarantee the Credit Facility, the \$400 Million 5% Senior Notes and \$700 million 4.75% senior notes due 2027 (the "\$700 Million 4.75% Senior Notes"). The aggregate net proceeds from the sale of the \$600 Million 4.5% Senior Notes were approximately \$591 million, after deducting the initial purchasers' discounts and commissions and estimated offering expenses. After using a significant portion of these net proceeds to tender and redeem the \$400 Million 5% Senior Notes, we used the net proceeds to repay all of the amounts outstanding under our \$700 million revolving credit facility. We may use any remaining proceeds for general corporate purposes.

Our Current Operations

Our ongoing operations are organized into three principal business segments:

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

For the years ended December 31, 2020, 2019 and 2018, our total revenues were divided among these business segments as follows:

Segment	2020	2019	2018
Hospitality	89%	89%	88%
Entertainment	11%	11%	12%
Corporate and Other	0%	0%	0%

As described above, our hotels and entertainment assets were closed for a period of time and Gaylord National and certain other assets remain closed or at reduced capacities pending our decision to safely reopen facilities as discussed above. While facilities were closed or remain closed, we recorded or expect to record, as applicable,

negligible revenue, and we incurred expenses as described above under “Impact of COVID-19 Pandemic.” Our facilities that have reopened are operating at reduced capacities. Our short-term strategy is to safely reopen our assets, work with Marriott to rebook business in our hotels, pursue cost containment strategies and conserve liquidity.

Key Performance Indicators

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

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

For 2020, the method of calculation of these indicators has not been changed as a result of the COVID-19 pandemic and the resulting hotel closures and is consistent with prior periods. As such, performance metrics include closed hotel room nights available.

We also use certain “non-GAAP financial measures,” which are measures of our historical performance that are not calculated and presented in accordance with GAAP, within the meaning of applicable SEC rules. These measures include:

- Earnings Before Interest Expense, Income Taxes, Depreciation and Amortization for Real Estate (“EBITDA_{re}”), Adjusted EBITDA_{re} and Adjusted EBITDA_{re}, Excluding Noncontrolling Interest, and
- Funds from Operations (“FFO”) available to common shareholders and unit holders and Adjusted FFO available to common shareholders and unitholders.

See “Non-GAAP Financial Measures” below for further discussion.

The closure, limited reopening and pandemic-constrained business levels of our Gaylord Hotels properties have resulted in the significant decrease in performance reflected in these key performance indicators and non-GAAP financial measures for 2020, as compared to 2019.

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

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

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

Summary Financial Results

The following table summarizes our financial results for the years ended December 31, 2020, 2019 and 2018 (in thousands, except percentages and per share data):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Total revenues	\$ 524,475	(67.3)%	\$1,604,566	25.8%	\$1,275,118
Total operating expenses	828,306	(38.0)%	1,337,035	26.0%	1,060,849
Operating income (loss)	(303,831)	(213.6)%	267,531	24.9%	214,269
Net income (loss)	(460,821)	(459.2)%	128,294	(51.5)%	264,670
Net income (loss) available to common stockholders	(417,391)	(386.3)%	145,794	(44.9)%	264,670
Net income (loss) available to common stockholders per share - diluted	(7.59)	(370.1)%	2.81	(45.3)%	5.14

2020 Results as Compared to 2019 Results

The decrease in our total revenues during 2020, as compared to 2019, is attributable to decreases in our Hospitality segment and Entertainment segment revenues of \$955.4 million and \$124.7 million, respectively, as discussed more fully below.

The decrease in total operating expenses during 2020, as compared to 2019, is primarily the result of decreases in Hospitality segment, Entertainment segment and Corporate segment expenses of \$484.3 million, \$48.3 million and \$7.5 million respectively, partially offset by a credit loss on held-to-maturity investments that did not occur in the prior year of \$32.8 million.

The above factors resulted in a \$571.4 million decrease in operating income for 2020, as compared to 2019.

Our net loss of \$460.8 million in 2020, as compared to net income of \$128.3 million in 2019, was due to the change in our operating income described above, and the following factors, each as described more fully below:

- A \$15.8 million decrease in interest expense in 2020.
- A \$15.7 million increase in other losses, net in 2020, primarily due to the forfeiture of the \$15.0 million deposit on the proposed Block 21 acquisition.
- An \$8.6 million increase in the provision for income taxes in 2020.
- A \$5.3 million increase in loss from unconsolidated joint ventures in 2020.

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, 2020, 2019 and 2018 (in thousands, except percentages and performance metrics):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Revenues:					
Rooms	\$ 171,718	(69.2)%	\$ 557,562	22.7%	\$ 454,370
Food and beverage	187,538	(71.6)%	660,770	27.1%	519,843
Other hotel revenue	<u>106,789</u>	(47.4)%	<u>203,114</u>	32.2%	<u>153,690</u>
Total hospitality revenue	466,045	(67.2)%	1,421,446	26.0%	1,127,903
Hospitality operating expenses:					
Rooms	58,943	(59.3)%	144,834	22.7%	118,060
Food and beverage	146,141	(59.7)%	362,850	28.3%	282,906
Other hotel expenses	260,690	(36.4)%	409,883	20.7%	339,529
Management fees, net	7,066	(82.2)%	39,608	28.8%	30,744
Depreciation and amortization	<u>198,073</u>	(1.5)%	<u>201,068</u>	84.8%	<u>108,779</u>
Total Hospitality operating expenses	<u>670,913</u>	(42.1)%	<u>1,158,243</u>	31.6%	<u>880,018</u>
Hospitality operating income (loss) ⁽¹⁾⁽²⁾	<u>\$(204,868)</u>	(177.8)%	<u>\$ 263,203</u>	6.2%	<u>\$ 247,885</u>
Hospitality performance metrics:					
Occupancy	23.2%	(52.6)pts	75.8%	0.5pts	75.3%
ADR	\$ 200.02	0.4%	\$ 199.26	2.4%	\$ 194.64
RevPAR ⁽³⁾	\$ 46.41	(69.3)%	\$ 151.09	3.1%	\$ 146.50
Total RevPAR ⁽⁴⁾	\$ 125.95	(67.3)%	\$ 385.20	5.9%	\$ 363.66
Net Definite Group Room Nights Booked ⁽⁵⁾	(783,000)	(135.3)%	2,216,000	(10.1)%	2,465,000
Same-store Hospitality performance metrics ⁽⁶⁾ :					
Occupancy	23.1%	(53.9)pts	77.0%	1.7pts	75.3%
ADR	\$ 201.29	1.0%	\$ 199.31	2.4%	\$ 194.64
RevPAR ⁽³⁾	\$ 46.55	(69.7)%	\$ 153.42	4.7%	\$ 146.50
Total RevPAR ⁽⁴⁾	\$ 121.02	(68.2)%	\$ 380.26	4.6%	\$ 363.66
Net Definite Group Room Nights Booked ⁽⁵⁾	(670,000)	(136.5)%	1,836,000	(12.8)%	2,106,000

(1) Hospitality segment operating income (loss) does not include preopening costs of \$0.3 million, \$1.3 million and \$2.9 million in 2020, 2019 and 2018, respectively. Hospitality segment operating income also does not include gain on sale of assets of \$1.2 million and credit losses on held-to-maturity securities of \$32.8 million in 2020 or income from unconsolidated joint ventures of \$124.4 million in 2018. See the discussion of the 2020 items below.

(2) Net of CARES Act payroll credits, Hospitality segment operating loss for 2020 includes approximately \$34.5 million in expenses directly related to the COVID-19 pandemic, which are primarily employment costs.

(3) We calculate Hospitality segment RevPAR by dividing rooms revenue by room nights available to guests for the period. Room nights available to guests include nights the hotels are closed. Hospitality segment RevPAR is not comparable to similarly titled measures such as revenues.

(4) We calculate Hospitality segment Total RevPAR by dividing the sum of room, food and beverage, and other ancillary services revenue (which equals Hospitality segment revenue) by room nights available to guests for the period. Room nights available to guests include nights the hotels are closed. Hospitality segment Total RevPAR is not comparable to similarly titled measures such as revenues.

(5) Net definite room nights booked for 2020 includes approximately 2.4 million group room cancellations for the Hospitality segment and 2.0 million group room cancellations for same-store Hospitality segment.

(6) Same-store Hospitality segment performance metrics do not include Gaylord Rockies, which opened in December 2018.

Total Hospitality revenues in 2020 include \$32.8 million in attrition and cancellation fee collections, a \$14.5 million increase from 2019.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Group	52%	72%	71%
Transient	48%	28%	29%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Corporate Groups	61%	51%	53%
Associations	24%	29%	32%
Other Groups	15%	20%	15%

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

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Administrative employment costs	\$ 84,599	(42.6)%	\$147,302	25.6%	\$117,311
Utilities	23,628	(25.3)%	31,624	16.9%	27,060
Property taxes	36,823	3.0%	35,736	5.5%	33,872
Other	<u>115,640</u>	(40.8)%	<u>195,221</u>	21.0%	<u>161,286</u>
Total other hotel expenses	<u>\$260,690</u>	(36.4)%	<u>\$409,883</u>	20.7%	<u>\$339,529</u>

Administrative employment costs include salaries and benefits for hotel administrative functions, including, among others, senior management, accounting, human resources, sales, conference services, engineering and security. Administrative employment costs decreased during 2020, as compared to 2019, primarily due to hotel closures and cost containment efforts at each of our Gaylord Hotels properties. Utility costs decreased during 2020, as compared to 2019, primarily due to decreases at each of our Gaylord Hotels properties due to lower usage. Property taxes increased slightly during 2020, as compared to 2019, primarily due to slight increases at Gaylord National and Gaylord Rockies. Other expenses, which include supplies, advertising, maintenance costs and consulting costs, decreased during 2020, as compared to 2019, primarily as a result of various decreases at each of our Gaylord Hotels properties due to hotel closures and were aided by cost containment initiatives as a result of the COVID-19 pandemic.

As discussed in Note 1, “Description of the Business and Summary of Significant Accounting Policies,” each of our management agreements with Marriott for our four wholly-owned Gaylord Hotels properties requires us to pay Marriott a base management fee of approximately 2% of gross revenues from the applicable property for each fiscal year or portion thereof. Additionally, an incentive fee is based on the profitability of our four wholly-owned Gaylord Hotels properties calculated on a pooled basis. The Gaylord Rockies’ management agreement with Marriott requires Gaylord Rockies to pay a base management fee of 3% of gross revenues for each fiscal year or portion thereof, as well as an incentive management fee based on the profitability of the hotel. We incurred \$10.2 million, \$30.9 million and \$22.7 million in total base management fees to Marriott related to our Hospitality segment during 2020, 2019 and 2018, respectively. We also incurred \$0, \$11.8 million and \$11.3 million related to incentive management fees for our Hospitality segment during 2020, 2019 and 2018, respectively. Management fees are presented throughout this annual report net of the amortization of the deferred management rights proceeds discussed in Note 6, “Deferred Management Rights Proceeds,” to the consolidated financial statements included herein.

Hospitality segment depreciation and amortization expense decreased slightly in 2020, as compared to 2019.

Property-Level Results. The following presents property-level financial results for our four wholly-owned Gaylord Hotels properties for the years ended December 31, 2020, 2019 and 2018 and for Gaylord Rockies for the years ended December 31, 2020 and 2019. In 2020, the Gaylord Hotels properties experienced higher levels of attrition and cancellations which are directly related to the COVID-19 pandemic. Therefore, the property-level financial results for 2020 are not comparable to the prior year periods. Total revenue at each of our Gaylord

Hotels properties was lower than anticipated for 2020 due to the COVID-19 pandemic. Operating costs at each of our Gaylord Hotels properties were lower for 2020 as a result of cost containment initiatives and the temporary property closures that began in late-March 2020 due to the COVID-19 pandemic, as well as lower business levels after reopening.

Gaylord Opryland Results. The results of Gaylord Opryland for the years ended December 31, 2020, 2019 and 2018 are as follows (in thousands, except percentages and performance metrics):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Revenues:					
Rooms	\$ 53,272	(67.2)%	\$162,577	4.6%	\$155,501
Food and beverage	48,086	(69.6)%	157,933	1.6%	155,417
Other hotel revenue	<u>31,975</u>	(50.9)%	<u>65,100</u>	18.2%	<u>55,081</u>
Total revenue	133,333	(65.4)%	385,610	5.4%	365,999
Operating expenses:					
Rooms	16,119	(56.7)%	37,203	1.8%	36,547
Food and beverage	37,309	(55.8)%	84,351	3.6%	81,408
Other hotel expenses	72,601	(36.7)%	114,716	9.9%	104,405
Management fees, net	1,681	(86.0)%	12,024	0.1%	12,016
Depreciation and amortization	<u>35,126</u>	1.0%	<u>34,794</u>	0.4%	<u>34,665</u>
Total operating expenses ⁽¹⁾⁽²⁾	162,836	(42.5)%	283,088	5.2%	269,041
Performance metrics:					
Occupancy	25.0%	(53.5)pts	78.5%	1.3pts	77.2%
ADR	\$ 201.82	2.7%	\$ 196.54	2.8%	\$ 191.17
RevPAR	\$ 50.40	(67.3)%	\$ 154.23	4.5%	\$ 147.52
Total RevPAR	\$ 126.14	(65.5)%	\$ 365.81	5.4%	\$ 347.21

(1) Gaylord Opryland operating expenses do not include preopening costs of \$0.1 million and \$0.9 million in 2019 and 2018, respectively, and a gain on sale of assets of \$1.2 million in 2020.

(2) Net of CARES Act payroll credits, Gaylord Opryland operating expenses for 2020 include approximately \$7.1 million in expenses directly related to the COVID-19 pandemic, which are primarily employment costs.

Rooms revenue and RevPAR were negatively impacted in 2019 by a rooms renovation project, which resulted in approximately 31,500 room nights out of service during 2019. The rooms renovation project was completed in the fourth quarter of 2019.

Gaylord Palms Results. The results of Gaylord Palms for the years ended December 31, 2020, 2019 and 2018 are as follows (in thousands, except percentages and performance metrics):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Revenues:					
Rooms	\$28,455	(63.7)%	\$ 78,392	1.9%	\$ 76,901
Food and beverage	29,876	(69.8)%	98,831	3.0%	95,955
Other hotel revenue	<u>19,488</u>	(37.3)%	<u>31,075</u>	11.4%	<u>27,907</u>
Total revenue	77,819	(62.6)%	208,298	3.8%	200,763
Operating expenses:					
Rooms	7,802	(53.2)%	16,662	(1.8)%	16,960
Food and beverage	21,434	(58.7)%	51,865	2.6%	50,538
Other hotel expenses	52,909	(28.3)%	73,837	3.4%	71,397
Management fees, net	1,017	(82.7)%	5,868	11.2%	5,275
Depreciation and amortization	<u>16,586</u>	(14.5)%	<u>19,393</u>	(0.4)%	<u>19,465</u>
Total operating expenses ⁽¹⁾⁽²⁾	99,748	(40.5)%	167,625	2.4%	163,635
Performance metrics:					
Occupancy	26.2%	(51.2)pts	77.4%	(0.1)pts	77.5%
ADR	\$209.22	6.7%	\$ 196.06	2.1%	\$ 192.10
RevPAR	\$ 54.91	(63.8)%	\$ 151.68	1.9%	\$ 148.79
Total RevPAR	\$150.15	(62.7)%	\$ 403.02	3.8%	\$ 388.44

(1) Gaylord Palms operating expenses do not include preopening costs of \$0.3 million and \$0.6 million in 2020 and 2019, respectively.

(2) Net of CARES Act payroll credits, Gaylord Palms operating expenses for 2020 include approximately \$4.6 million in expenses directly related to the COVID-19 pandemic, which are primarily employment costs.

Gaylord Texan Results. The results of Gaylord Texan for the years ended December 31, 2020, 2019 and 2018 are as follows (in thousands, except percentages and performance metrics):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Revenues:					
Rooms	\$ 39,819	(60.8)%	\$101,604	11.0%	\$ 91,558
Food and beverage	43,611	(70.6)%	148,154	15.1%	128,676
Other hotel revenue	<u>27,806</u>	(35.0)%	<u>42,790</u>	6.5%	<u>40,184</u>
Total revenue	111,236	(62.0)%	292,548	12.3%	260,418
Operating expenses:					
Rooms	9,854	(54.1)%	21,469	13.2%	18,966
Food and beverage	29,005	(59.7)%	72,008	13.0%	63,739
Other hotel expenses	51,138	(34.4)%	77,989	7.1%	72,835
Management fees, net	1,511	(83.6)%	9,189	19.4%	7,695
Depreciation and amortization	<u>25,546</u>	(3.1)%	<u>26,362</u>	8.4%	<u>24,309</u>
Total operating expenses ⁽¹⁾	117,054	(43.5)%	207,017	10.4%	187,544
Performance metrics:					
Occupancy	29.3%	(48.9)pts	78.2%	3.3pts	74.9%
ADR	\$ 204.38	4.1%	\$ 196.26	(0.3)%	\$ 196.78
RevPAR	\$ 59.97	(60.9)%	\$ 153.45	4.1%	\$ 147.35
Total RevPAR	\$ 167.54	(62.1)%	\$ 441.84	5.4%	\$ 419.12

(1) Net of CARES Act payroll credits, Gaylord Texan operating expenses for 2020 include approximately \$3.6 million in expenses directly related to the COVID-19 pandemic, which are primarily employment costs.

Gaylord National Results. The results of Gaylord National for the years ended December 31, 2020, 2019 and 2018 are as follows (in thousands, except percentages and performance metrics):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Revenues:					
Rooms	\$ 19,531	(83.4)%	\$117,977	7.7%	\$109,511
Food and beverage	24,716	(81.0)%	130,210	(3.3)%	134,645
Other hotel revenue	<u>7,779</u>	(76.6)%	<u>33,180</u>	10.1%	<u>30,143</u>
Total revenue	52,026	(81.5)%	281,367	2.6%	274,299
Operating expenses:					
Rooms	13,197	(68.5)%	41,863	4.7%	39,986
Food and beverage	29,626	(64.3)%	83,101	(0.2)%	83,249
Other hotel expenses	43,449	(50.8)%	88,336	7.2%	82,405
Management fees, net	216	(95.4)%	4,736	3.1%	4,595
Depreciation and amortization	<u>27,641</u>	(0.5)%	<u>27,776</u>	0.8%	<u>27,565</u>
Total operating expenses ⁽¹⁾⁽²⁾	114,129	(53.6)%	245,812	3.4%	237,800
Performance metrics:					
Occupancy	12.9%	(62.2)pts	75.1%	2.8pts	72.3%
ADR	\$ 207.12	(4.0)%	\$ 215.74	3.8%	\$ 207.83
RevPAR	\$ 26.74	(83.5)%	\$ 161.94	7.7%	\$ 150.31
Total RevPAR	\$ 71.22	(81.6)%	\$ 386.21	2.6%	\$ 376.50

(1) Gaylord National operating expenses for 2020 do not include credit losses on held-to-maturity securities of \$32.8 million. See discussion of this item below.

(2) Net of CARES Act payroll credits, Gaylord National operating expenses for 2020 include approximately \$16.0 million in expenses directly related to the COVID-19 pandemic, which are primarily employment costs.

Gaylord Rockies Results. The results of Gaylord Rockies for the years ended December 31, 2020 and 2019 are as follows (in thousands, except percentages and performance metrics):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>
Revenues:			
Rooms	\$ 25,041	(66.8)%	\$ 75,475
Food and beverage	40,224	(66.7)%	120,634
Other hotel revenue	<u>19,450</u>	(36.2)%	<u>30,467</u>
Total revenue	84,715	(62.6)%	226,576
Operating expenses:			
Rooms	9,400	(57.5)%	22,127
Food and beverage	27,435	(59.4)%	67,565
Other hotel expenses	34,373	(26.8)%	46,930
Management fees, net	3,277	(63.5)%	8,987
Depreciation and amortization	<u>90,533</u>	0.5%	<u>90,038</u>
Total operating expenses ⁽¹⁾⁽²⁾	165,018	(30.0)%	235,647
Performance metrics:			
Occupancy	23.6%	(45.6)pts	69.2%
ADR	\$ 192.89	(3.0)%	\$ 198.94
RevPAR	\$ 45.58	(66.9)%	\$ 137.76
Total RevPAR	\$ 154.21	(62.7)%	\$ 413.56

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

(2) Net of CARES Act payroll credits, Gaylord Rockies operating expenses for 2020 include approximately \$3.0 million in expenses directly related to the COVID-19 pandemic, which are primarily employment costs.

Entertainment Segment

Due to the COVID-19 pandemic, we temporarily closed our Entertainment segment assets in mid-March 2020 and have reopened these assets in stages, with limited capacity (although the General Jackson remains closed and the Wildhorse Saloon is currently closed subsequent to the December 2020 downtown Nashville bombing). Therefore, the Entertainment segment financial results for 2020 are not comparable to prior periods. The following presents the financial results of our Entertainment segment for the years ended December 31, 2020, 2019 and 2018 (in thousands, except percentages):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Revenues	\$ 58,430	(68.1)%	\$183,120	24.4%	\$147,215
Operating expenses	78,301	(38.2)%	126,609	15.9%	109,249
Depreciation and amortization	<u>14,371</u>	28.9%	<u>11,150</u>	8.5%	<u>10,280</u>
Operating income (loss) ⁽¹⁾⁽²⁾	<u>\$(34,242)</u>	(175.5)%	<u>\$ 45,361</u>	63.8%	<u>\$ 27,686</u>

(1) Entertainment segment operating income (loss) does not include preopening costs of \$1.4 million, \$1.9 million and \$1.9 million in 2020, 2019 and 2018, respectively. Entertainment segment operating income (loss) also does not include impairment charges of \$23.8 million in 2018 primarily related to Opry City Stage or income (loss) from unconsolidated joint ventures of \$(6.5) million, \$(1.1) million and \$0.6 million in 2020, 2019 and 2018, respectively. The loss from unconsolidated joint ventures in 2020 and 2019 relates to Circle, and the income from unconsolidated joint ventures in 2018 relates to Opry City Stage.

(2) Net of CARES Act payroll credits, Entertainment segment operating loss for 2020 includes approximately \$4.6 million in expenses directly related to the COVID-19 pandemic, which are primarily employment costs.

Corporate and Other Segment

The following presents the financial results of our Corporate and Other segment for the years ended December 31, 2020, 2019 and 2018 (in thousands, except percentages):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Operating expenses	\$ 28,795	(20.6)%	\$ 36,282	17.7%	\$ 30,833
Depreciation and amortization	<u>2,638</u>	61.9%	<u>1,629</u>	(10.3)%	<u>1,817</u>
Operating loss ⁽¹⁾	<u><u>\$(31,433)</u></u>	(17.1)%	<u><u>\$(37,911)</u></u>	16.1%	<u><u>\$(32,650)</u></u>

(1) Corporate segment operating loss for 2020 includes approximately \$0.6 million in expenses directly related to the COVID-19 pandemic, which are primarily employment costs.

Corporate and Other operating expenses, which consist primarily of costs associated with senior management salaries and benefits, legal, human resources, accounting, pension and other administrative costs, decreased in 2020, as compared to 2019, primarily as a result of cost containment efforts, including temporary compensation decreases for each of our executive officers and our director and higher positions of management, including 50% of the salary for our chief executive officer, through December 2020.

Operating Results – Preopening costs

We expense the costs associated with start-up activities and organization costs as incurred. Our preopening costs for 2020 include costs associated with Ole Red Orlando, which opened in June 2020, and the Gaylord Palms expansion, which is expected to be completed in April 2021. Our preopening costs for 2019 include costs associated with Ole Red Gatlinburg, which opened in March 2019, Gaylord Rockies, which opened on a fully operational basis in first quarter 2019, and Gaylord Palms.

Operating Results – Gain on Sale of Assets

Gain on sale of assets of \$1.2 million during 2020 primarily represents the sale of certain assets at Gaylord Opryland.

Operating Results – Credit Losses on Held-to-Maturity Securities

Credit losses on held-to-maturity securities of \$32.8 million during 2020 relate to the bonds we received in 2008 related to the Gaylord National construction, which we hold as notes receivable. See further discussion regarding these credit losses in Note 3, “Notes Receivable,” to the consolidated financial statements included herein.

Operating Results – Impairment Charges

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

Non-Operating Results Affecting Net Income (Loss)

General

The following table summarizes the other factors which affected our net income (loss) for the years ended December 31, 2020, 2019 and 2018 (in thousands, except percentages):

	<u>2020</u>	<u>% Change</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>
Interest expense	\$115,783	(12.0)%	\$131,620	75.6%	\$ 74,961
Interest income	7,304	(37.9)%	11,769	12.4%	10,469
Loss from extinguishment of debt	—	100.0%	(494)	(100.0)%	—
Income (loss) from unconsolidated joint ventures	(6,451)	(481.2)%	(1,110)	(100.9)%	125,005
Other gains and (losses), net	(14,976)	(2,261.0)%	693	(57.6)%	1,633
Provision for income taxes	27,084	46.6%	18,475	57.3%	11,745

Interest Expense

Interest expense decreased \$15.8 million in 2020, as compared to 2019, due primarily to lower average borrowings and lower interest rates under our credit facility for 2020, partially offset by increased principal balances outstanding under our senior notes. Our weighted average interest rate on our borrowings, excluding the write-off of deferred financing costs and capitalized interest, was 4.4% in 2020 as compared to 5.0% in 2019. Cash interest expense decreased \$11.0 million to \$111.5 million in 2020, as compared to 2019, and non-cash interest expense, which includes amortization and write-off of deferred financing costs and the effects of interest rate swaps, and is offset by capitalized interest, decreased \$4.9 million to \$4.3 million in 2020, as compared to 2019.

Interest Income

Interest income for 2020 and 2019 primarily includes amounts earned on the bonds that we received in April 2008 in connection with the development of Gaylord National, which we hold as notes receivable.

Loss on Extinguishment of Debt

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

Income (Loss) from Unconsolidated Joint Ventures

The loss from unconsolidated joint ventures for 2020 and 2019 represents our equity method share of losses associated with Circle.

Other Gains and (Losses), net

Other gains and (losses), net for 2020 includes the forfeiture of a \$15.0 million deposit associated with the terminated Block 21 acquisition. See “Termination of Block 21 Acquisition” above for additional discussion.

Provision for Income Taxes

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

During 2020, we recorded an income tax provision of \$27.1 million, which includes the recording of a valuation allowance of \$26.7 million on the net deferred tax assets at the beginning of the year, as discussed in Note 12, “Income Taxes,” to the consolidated financial statements included herein. In 2020, we also recorded income tax expense of \$0.4 million, inclusive of valuation allowance, related to current period operations.

During 2019, we recorded an income tax provision of \$18.5 million, which differs from the statutory rate primarily due to the REIT dividends paid deduction.

Non-GAAP Financial Measures

We present the following non-GAAP financial measures, which we believe are useful to investors as key measures of our operating performance:

EBITDAre, Adjusted EBITDAre and Adjusted EBITDAre, Excluding Noncontrolling Interest in Consolidated Joint Venture Definition

We calculate EBITDAre, which is defined by the National Association of Real Estate Investment Trusts (“NAREIT”) in its September 2017 white paper as net income (calculated in accordance with GAAP) plus interest expense, income tax expense, depreciation and amortization, gains or losses on the disposition of depreciated property (including gains or losses on change in control), impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in the value of depreciated property or the affiliate, and adjustments to reflect the entity’s share of EBITDAre of unconsolidated affiliates.

Adjusted EBITDAre is then calculated as EBITDAre, plus to the extent the following adjustments occurred during the periods presented:

- preopening costs;
- non-cash lease expense;
- equity-based compensation expense;
- impairment charges that do not meet the NAREIT definition above;
- credit losses on held-to-maturity securities;
- any transaction costs of acquisitions;
- interest income on bonds;
- loss on extinguishment of debt;
- pension settlement charges;
- pro rata Adjusted EBITDAre from unconsolidated joint ventures; and
- any other adjustments we have identified herein.

We then exclude the pro rata share of Adjusted EBITDAre related to noncontrolling interests in consolidated joint ventures to calculate Adjusted EBITDAre, Excluding Noncontrolling Interest in Consolidated Joint Venture.

We use EBITDAre, Adjusted EBITDAre and Adjusted EBITDAre, Excluding Noncontrolling Interest in Consolidated Joint Venture to evaluate our operating performance. We believe that the presentation of these non-GAAP financial measures provides useful information to investors regarding our operating performance and debt leverage metrics, and that the presentation of these non-GAAP financial measures, when combined with the primary GAAP presentation of net income, is beneficial to an investor’s complete understanding of our operating performance. We make additional adjustments to EBITDAre when evaluating our performance because we believe that presenting Adjusted EBITDAre and Adjusted EBITDAre, Excluding Noncontrolling Interest in Consolidated Joint Venture provides useful information to investors regarding our operating performance and debt leverage metrics. Beginning in the first quarter 2020 with the Company’s adoption of ASU 2016-13, “*Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments*,” our definition of Adjusted EBITDAre includes an adjustment for credit loss on held-to-maturity securities; such charges in previous quarters were included in impairment charges that do not meet the NAREIT definition. The 2020 presentation has been used for the 2019 and 2018 periods.

FFO, Adjusted FFO, and Adjusted FFO available to common shareholders and unit holders Definition

We calculate FFO, which definition is clarified by NAREIT in its December 2018 white paper as net income (calculated in accordance with GAAP) excluding depreciation and amortization (excluding amortization of deferred financing costs and debt discounts), gains and losses from the sale of certain real estate assets, gains and

losses from a change in control, impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciated real estate held by the entity, income (loss) from consolidated joint ventures attributable to noncontrolling interest, and pro rata adjustments for unconsolidated joint ventures.

To calculate Adjusted FFO available to common shareholders and unit holders, we then exclude, to the extent the following adjustments occurred during the periods presented:

- right-of-use asset amortization;
- impairment charges that do not meet the NAREIT definition above;
- write-offs of deferred financing costs;
- amortization of debt discounts or premiums and amortization of deferred financing costs;
- (gains) losses on extinguishment of debt;
- non-cash lease expense;
- credit loss on held-to-maturity securities;
- pension settlement charges;
- additional pro rata adjustments from unconsolidated joint ventures;
- (gains) losses on other assets;
- transaction costs on acquisitions;
- deferred income tax expense (benefit); and
- any other adjustments we have identified herein.

FFO available to common shareholders and unit holders and Adjusted FFO available to common shareholders and unit holders exclude the ownership portion of the Gaylord Rockies joint venture not controlled or owned by the Company.

Beginning in the first quarter of 2020 with the Company's adoption of ASU 2016-13, "*Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments*," our definition of Adjusted FFO available to common shareholders and unitholders includes an adjustment for credit loss on held-to-maturity securities; such charges in previous quarters were included in impairment charges that do not meet the NAREIT definition. The 2020 presentation has been used for the 2019 and 2018 periods. Beginning in the third quarter of 2020, we refer to unitholders in these measures, reflecting outstanding OP units issued to noncontrolling interests for the first time during third quarter 2020.

We believe that the presentation of FFO available to common shareholders and unit holders and Adjusted FFO available to common shareholders and unit holders provides useful information to investors regarding the performance of our ongoing operations because they are a measure of our operations without regard to specified non-cash items such as real estate depreciation and amortization, gain or loss on sale of assets and certain other items, which we believe are not indicative of the performance of our underlying hotel properties. We believe that these items are more representative of our asset base than our ongoing operations. We also use these non-GAAP financial measures as measures in determining our results after considering the impact of our capital structure.

We caution investors that amounts presented in accordance with our definitions of Adjusted EBITDA_{re}, Adjusted EBITDA_{re}, Excluding Noncontrolling Interest, FFO available to common shareholders and unit holders, and Adjusted FFO available to common shareholders and unit holders may not be comparable to similar measures disclosed by other companies, because not all companies calculate these non-GAAP measures in the same manner. These non-GAAP financial measures, and any related per share measures, should not be considered as alternative measures of our Net Income (Loss), operating performance, cash flow or liquidity. These non-GAAP financial measures may include funds that may not be available for our discretionary use due to functional requirements to conserve funds for capital expenditures and property acquisitions and other commitments and

uncertainties. Although we believe that these non-GAAP financial measures can enhance an investor's understanding of our results of operations, these non-GAAP financial measures, when viewed individually, are not necessarily better indicators of any trend as compared to GAAP measures such as Net Income (Loss), Operating Income (Loss), or cash flow from operations.

The following is a reconciliation of our consolidated GAAP net income (loss) to EBITDA_{re} and Adjusted EBITDA_{re} for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net income (loss)	\$(460,821)	\$128,294	\$ 264,670
Interest expense, net.	108,479	119,851	64,492
Provision for income taxes	27,084	18,475	11,745
Depreciation and amortization.	215,082	213,847	120,876
(Gain) loss on disposal of assets	(1,154)	1	116
Pro rata EBITDA _{re} from unconsolidated joint ventures	<u>48</u>	<u>(11)</u>	<u>1,198</u>
EBITDA _{re}	(111,282)	480,457	463,097
Preopening costs.	1,665	3,122	4,869
Non-cash lease expense	4,474	4,910	5,291
Equity-based compensation expense	8,732	7,833	7,656
Pension settlement charge	1,740	1,904	1,559
Impairment charges	—	—	23,783
Credit loss on held-to-maturity securities	32,784	—	—
Interest income on Gaylord National & Gaylord Rockies bonds	6,171	10,272	10,128
Loss on extinguishment of debt.	—	494	—
Transaction costs of acquisitions	15,437	417	993
Pro rata adjusted EBITDA _{re} from unconsolidated joint ventures	<u>—</u>	<u>1,121</u>	<u>(128,598)</u>
Adjusted EBITDA _{re}	(40,279)	510,530	388,778
Adjusted EBITDA _{re} of noncontrolling interest in consolidated joint venture	<u>(3,989)</u>	<u>(31,138)</u>	<u>—</u>
Adjusted EBITDA _{re} , excluding noncontrolling interest in consolidated joint venture	<u>\$ (44,268)</u>	<u>\$479,392</u>	<u>\$ 388,778</u>

The following is a reconciliation of our consolidated GAAP net income (loss) to FFO and Adjusted FFO for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net income (loss)	\$(460,821)	\$128,294	\$ 264,670
Noncontrolling interest in consolidated joint venture	42,474	17,500	—
Net income (loss) available to common shareholders and unit holders	(418,347)	145,794	264,670
Depreciation and amortization	214,933	213,690	120,876
Adjustments for noncontrolling interest	(33,213)	(34,538)	—
Pro rata adjustments from joint ventures	50	—	(130,524)
FFO available to common shareholders and unit holders	(236,577)	324,946	255,022
Right-of-use asset amortization	149	157	—
Non-cash lease expense	4,474	4,910	5,291
Pension settlement charge	1,740	1,904	1,559
Impairment charges	—	—	23,783
Pro rata adjustments from joint ventures	—	—	(2,702)
Credit loss on held-to-maturity securities	32,784	—	—
(Gain) loss on other assets	(1,161)	(4)	80
Write-off of deferred financing costs	281	3,079	1,956
Amortization of deferred financing costs	7,948	7,662	5,632
Amortization of debt premiums	(267)	(66)	—
Loss on extinguishment of debt	—	494	—
Adjustments for noncontrolling interest	(932)	(1,282)	—
Transaction costs of acquisitions	15,437	417	993
Deferred tax expense	26,526	14,414	10,190
Adjusted FFO available to common shareholders and unit holders	<u>\$(149,598)</u>	<u>\$356,631</u>	<u>\$ 301,804</u>

Liquidity and Capital Resources

Cash Flows from Operating Activities. Cash flow from operating activities is the principal source of cash used to fund our operating expenses, interest payments on debt, maintenance capital expenditures, and dividends to stockholders. During 2020, with our hotels and other assets operating at limited capacity, our net cash flows used in operating activities were \$161.5 million, primarily reflecting cash used in our net loss before depreciation expense, amortization expense and other non-cash charges of approximately \$148.0 million and unfavorable changes in working capital of approximately \$13.5 million. The unfavorable changes in working capital primarily resulted from a decrease in accounts payable and accrued liabilities associated with the payment of incentive compensation and general payables due to property closures or reduced business levels, partially offset by a decrease in accounts receivable due to the collection of previous receivables and the decrease of new receivables due to property closures and a decrease in business for properties that have reopened.

During 2019, our net cash flows provided by our operating activities were \$354.7 million, reflecting primarily our income before depreciation expense, amortization expense and other non-cash charges of approximately \$376.2 million, partially offset by unfavorable changes in working capital of approximately \$21.6 million. The unfavorable changes in working capital primarily resulted from a decrease in accounts payable and accrued liabilities primarily attributable to the timing of payments.

Cash Flows from Investing Activities.

During 2020, our primary uses of funds for investing activities were purchases of property and equipment, which totaled \$165.5 million, and consisted primarily of the expansion of Gaylord Palms and ongoing maintenance capital expenditures for our existing properties.

During 2019, our primary use of funds for investing activities was the purchase of property and equipment of \$152.5 million and consisted primarily of the expansion of Gaylord Palms, a rooms renovation at Gaylord Opryland, construction of Ole Red Orlando, construction of SoundWaves, and ongoing maintenance for our

existing properties. We also paid a \$15.0 million earnest money deposit for the potential acquisition of Block 21. These uses of cash were partially offset by the receipt of \$13.2 million of principal received from the governmental bonds held by Gaylord National and the redemption of the governmental bonds previously held by the Gaylord Rockies joint venture, as further described in Note 3, “Notes Receivable,” to the consolidated financial statements included herein.

Cash Flows from Financing Activities. Our cash flows from financing activities reflect primarily the incurrence of and the repayment of long-term debt and the payment of dividends. During 2020, net cash flows used in financing activities were \$6.5 million, primarily reflecting the payment of \$102.3 million in cash dividends, partially offset by \$101.0 million in net borrowings under our credit facility.

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

Liquidity

At December 31, 2020, we had \$56.7 million in unrestricted cash and \$593.2 million available for borrowing under our revolving credit facility, down from year-end 2019 amounts of \$362.4 million and \$699.1 million, respectively. During 2020, we net borrowed \$101.0 million under our credit facility, paid cash dividends of \$102.3 million and incurred capital expenditures of \$165.5 million. These net outflows, when added to the cash flows used in operations discussed above, were the primary factors in the decrease in our cash balance from 2019 to 2020.

On February 25, 2020, our board of directors declared our first quarter 2020 cash dividend in the amount of \$0.95 per share of common stock, or an aggregate of approximately \$52.2 million in cash, which was paid on April 15, 2020 to stockholders of record as of the close of business on March 31, 2020. Following payment of our first quarter 2020 cash dividend, we suspended our regular quarterly dividend payments, and our board of directors will consider a future dividend as permitted by our credit agreement. Our credit facility amendment described below permits payment of dividends as necessary to maintain our REIT status and permits us to pay a dividend of \$0.01 per share each quarter. Prior to the suspension of dividends as a result of the COVID-19 pandemic, we had planned to continue to pay a quarterly cash dividend to shareholders in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by us) less maintenance capital expenditures or 100% of REIT taxable income, whichever is greater. Any future dividend is subject to our board of director’s determinations as to the amount of distributions and the timing thereof.

We anticipate investing in our operations during 2021 by spending between approximately \$70 million and \$95 million in capital expenditures, which primarily includes ongoing maintenance capital of our current facilities, the ongoing expansion of the guest rooms and convention space at Gaylord Palms, and a rooms renovation at Gaylord National that will be funded from the FF&E reserve account. The ongoing maintenance of our current facilities is typically also funded from the FF&E escrow balance, which was \$17.8 million at December 31, 2020.

We believe that our cash on hand, together with amounts available for borrowing under our revolving credit facility, will be adequate to fund our general short-term commitments, as well as: (i) current operating expenses, (ii) interest expense on long-term debt obligations, and (iii) financing lease and operating lease obligations until our assets are able to operate at pre-COVID-19 pandemic levels. Our ability to draw on our credit facility is subject to the satisfaction of provisions of the credit facility, as amended. Based on our current projections, we estimate that our monthly cash needs during the first quarter of 2021 will be approximately \$23 million to \$26 million, which includes the Gaylord Rockies joint venture’s operating costs and debt service fully consolidated, as well as interest for both the \$400 Million 5% Senior Notes that were tendered and redeemed in 2021 and the new \$600 Million 4.50% Senior Notes that were issued in February 2021.

Our outstanding principal debt agreements are described below. At December 31, 2020, there were no defaults under the covenants related to our outstanding debt, and our lenders had extended the allowable closure period in the covenant in our credit facility that prohibits closure of a Gaylord Hotels property for longer than a specified period of time.

Principal Debt Agreements

Credit Facility. On October 31, 2019, we entered into a Sixth Amended and Restated Credit Agreement (the “Credit Agreement”) among the Company, as a guarantor, the Operating Partnership, as borrower, certain other subsidiaries of the Company party thereto, as guarantors, certain subsidiaries of the Company party thereto, as pledgors, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent, which amended and restated the Company’s existing credit facility. As amended, our credit facility consists of a \$700.0 million senior secured revolving credit facility (the “Revolver”), a \$300.0 million senior secured term loan A (the “Term Loan A”), and a \$500.0 million senior secured term loan B (the “Term Loan B”), each as discussed below. The Credit Agreement also includes an accordion feature of \$600 million and a \$50.0 million letter of credit sublimit. On April 23, 2020, we entered into Amendment No. 1 (the “First Amendment”) to the Credit Agreement among the same parties, and on December 22, 2020, the Company entered into Amendment No. 2 (the “Second Amendment” and collectively with the First Amendment, the “Amendments”), to the Credit Agreement among the same parties, each as discussed below.

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

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

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

The First Amendment provided for a waiver of the foregoing financial covenants through March 31, 2021 and the Second Amendment extended that waiver through March 31, 2022 (the “Temporary Waiver Period”). In addition, the Amendments contain a covenant that we must maintain unrestricted liquidity (in the form of unrestricted cash on hand or undrawn availability under the Revolver) of at least \$100 million. In the event we are unable to comply with the Credit Agreement’s financial covenants following the Temporary Waiver Period, we expect to further amend the Credit Agreement or take other mitigating actions prior to a potential breach.

We may elect to terminate the Temporary Waiver Period prior to expiration. For the first quarter following expiration or termination of the Temporary Waiver Period, we will calculate compliance with the financial covenants in the Credit Agreement using a designated annualized calculation based on our most recently completed fiscal quarter. Thereafter, we will be required to satisfy financial covenants at the levels set forth in the Credit Agreement using a designated annualized calculation based on our most recently completed fiscal

quarters, as applicable. Pursuant to the Amendments, we are required to use any proceeds from borrowings drawn during the Temporary Waiver Period and until we demonstrate financial covenant compliance following the expiration or earlier termination of the Temporary Waiver Period (the “Restricted Period”) to fund operating expenses, debt service of the Company and its subsidiaries, and permitted capital expenditures and investments.

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

Revolving Credit Facility. Pursuant to the Credit Agreement, we extended the maturity of the Revolver to March 31, 2024, with two additional six-month extension options, at our election. Borrowings under the Revolver bear interest at an annual rate equal to, at our option, either (i) LIBOR plus the applicable margin ranging from 1.40% to 1.95%, dependent upon our funded debt to total asset value ratio (as defined in the Credit Agreement) or (ii) a base rate as set in the Credit Agreement. Pursuant to the Amendments, through March 31, 2021, the interest rate on the LIBOR-based borrowings under the Revolver will be LIBOR plus 1.95%, and beginning April 1, 2021 through the end of the Restricted Period, the interest rate on LIBOR-based borrowings under the Revolver will be LIBOR plus 2.25%. Principal is payable in full at maturity.

At December 31, 2020, \$106.0 million of borrowings were outstanding under the Revolver, and the lending banks had issued \$0.8 million of letters of credit under the Credit Agreement, which left \$593.2 million of availability under the Revolver (subject to the satisfaction of debt incurrence tests under the indentures governing our \$400 Million 5% Senior Notes and our \$700 Million 4.75% Senior Notes, which we met at December 31, 2020).

Term Loan A Facility. Pursuant to the Credit Agreement, the Term Loan A was increased from \$200 million to \$300 million and the maturity date was extended to March 31, 2025. Borrowings bear interest at an annual rate equal to, at our option, either (i) LIBOR plus the applicable margin ranging from 1.35% to 1.90%, dependent upon our funded debt to total asset value ratio (as defined in the Credit Agreement) or (ii) a base rate as set in the Credit Agreement. Pursuant to the Amendments, through March 31, 2021, the interest rate on LIBOR-based borrowings under the Term Loan A will be LIBOR plus 1.90%, and beginning April 1, 2021 through the end of the Restricted Period, the interest rate on LIBOR-based borrowings under the Term Loan A will be LIBOR plus 2.25%. Amounts borrowed under the Term Loan A that are repaid or prepaid may not be reborrowed. Net proceeds from the increase in the Term Loan A pursuant to the Credit Agreement in 2019 were approximately \$94 million and, along with cash on hand, were used to repay \$100 million of the outstanding indebtedness under the Term Loan B.

Term Loan B Facility. The Term Loan B has a maturity date of May 11, 2024. The applicable interest rate margins on borrowings under the Term Loan B are, at our option, either (i) LIBOR plus 2.00% or (ii) a base rate as set in the Credit Agreement. At December 31, 2020, the interest rate on the Term Loan B was LIBOR plus 2.00%. In October 2019, we entered into four interest rate swaps with a total notional amount of \$350.0 million to fix the LIBOR portion of the interest rate, at rates between 1.2235% and 1.2315%, through May 11, 2023. We have designated these interest rate swaps as effective cash flow hedges. The Term Loan B amortizes in equal quarterly installments in aggregate annual amounts equal to 1.0% of the original principal amount of \$500.0 million, with the balance due at maturity. In addition, if for any fiscal year there is Excess Cash Flow (as defined in the Credit Agreement), an additional principal amount is required. Amounts borrowed under the Term Loan B that are repaid or prepaid may not be reborrowed. At closing in 2017, we drew down on the Term Loan B in full. At December 31, 2020, \$381.3 million in borrowings were outstanding under the Term Loan B.

\$700 Million 4.75% Senior Notes. In September 2019, the Operating Partnership and Finco completed the private placement of \$500.0 million in aggregate principal amount of senior notes due 2027, which are guaranteed by the Company and its subsidiaries that guarantee the Credit Agreement. The \$500 Million 4.75% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The \$500 Million 4.75% Senior Notes have a maturity date of October 15, 2027 and bear interest at 4.75% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year, beginning on April 15, 2020. The \$500 Million 4.75% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of payment with such subsidiaries’ existing and future senior unsecured indebtedness, including the \$400 Million 5% Senior

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

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

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

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

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

We completed a registered offer to exchange the \$700 Million 4.75% Senior Notes for registered notes with substantially identical terms as the \$700 Million 4.75% Senior Notes in July 2020.

\$600 Million 4.50% Senior Notes. On February 17, 2021, the Operating Partnership and Finco completed the private placement of \$600.0 million in aggregate principal amount of senior notes due 2029, which are guaranteed by the Company and its subsidiaries that guarantee the Credit Agreement. The \$600 Million 4.50% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The \$600 Million 5% Senior Notes have a maturity date of February 15, 2029 and bear interest at 4.50% per annum, payable semi-annually in cash in arrears on February 15 and August 15 each year, beginning on August 15, 2021. The \$600 Million 4.50% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of payment with such subsidiaries' existing and future senior unsecured indebtedness, including the \$700 Million 4.75% Senior Notes, and senior in right of payment to future subordinated indebtedness, if any. The \$600 Million 4.50% Senior Notes are effectively subordinated to the issuing subsidiaries' secured indebtedness to the extent of the value of the assets securing such indebtedness. The guarantees rank equally in right of payment with the applicable guarantor's existing and future senior unsecured indebtedness and senior in right of payment to any future subordinated indebtedness of such guarantor. The \$600 Million 4.50% Senior Notes are effectively subordinated to any secured indebtedness of any guarantor to the extent of the value of the assets securing such indebtedness and structurally subordinated to all indebtedness and other obligations of the Operating Partnership's subsidiaries that do not guarantee the \$600 Million 4.50% Senior Notes.

The net proceeds from the issuance of the \$600 Million 4.50% Senior Notes totaled approximately \$591 million, after deducting the initial purchasers' discounts, commissions and offering expenses. We used a significant portion of these proceeds to tender and redeem our previous \$400 Million 5% Senior Notes, as discussed below, and to repay all of the amounts outstanding under the Revolver. We may use any remaining net proceeds for general corporate purposes.

The \$600 Million 4.50% Senior Notes are redeemable before February 15, 2024, in whole or in part, at 100.00%, plus accrued and unpaid interest thereon to, but not including, the redemption date, plus a make-whole premium. The \$600 Million 4.50% Senior Notes will be redeemable, in whole or in part, at any time on or after February 15, 2024 at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 102.250%, 101.500%, 100.750%, and 100.000% beginning on February 15 of 2024, 2025, 2026, and 2027, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

\$400 Million 5% Senior Notes. In 2015, the Operating Partnership and Finco completed the private placement of \$400.0 million in aggregate principal amount of senior notes due 2023.

On February 9, 2021, we commenced a cash tender offer for any and all outstanding \$400 Million 5% Senior Notes at a redemption price of \$1,005.00 per \$1,000 principal amount. Pursuant to the tender offer, \$161.9 million aggregate principal amount of the \$400 Million 5% Senior Notes were validly tendered. We used a portion of the proceeds from the issuance of the \$600 Million 4.50% Senior Notes to fund the tender offer. In accordance with the indenture governing the \$400 Million 5% Senior Notes, subsequent to the expiration of the tender offer, on February 17, 2021, we gave irrevocable notice of the redemption of all remaining \$400 Million 5% Senior Notes not tendered in the tender offer and irrevocably deposited with the trustee for the \$400 Million 5% Senior Notes an amount sufficient to pay the redemption price of the \$400 Million 5% Senior Notes called for redemption at that date, including interest. We used a portion of the proceeds from the issuance of the \$600 Million 4.50% Senior Notes to fund the redemption.

\$800 Million Term Loan (Gaylord Rockies Joint Venture). On July 2, 2019, Aurora Convention Center Hotel, LLC and Aurora Convention Center Hotel Lessee, LLC, subsidiaries of the entities comprising the Gaylord Rockies joint venture, entered into a Second Amended and Restated Loan Agreement (the “Gaylord Rockies Loan”) with Wells Fargo Bank, National Association, as administrative agent, which refinanced the Gaylord Rockies joint venture’s existing \$500 million construction loan and \$39 million mezzanine loan, which were scheduled to mature in December 2019. The Gaylord Rockies Loan consists of an \$800.0 million secured term loan facility and also includes the option for an additional \$80.0 million of borrowing capacity should the Gaylord Rockies joint venture pursue a future expansion of Gaylord Rockies, which was announced in February 2020 but has been postponed as a result of the COVID-19 pandemic. The Gaylord Rockies Loan matures July 2, 2023 with three, one-year extension options, subject to certain requirements in the Gaylord Rockies Loan, and bears interest at LIBOR plus 2.50%. Simultaneous with closing, the Gaylord Rockies joint venture entered into an interest rate swap to fix the LIBOR portion of the interest rate at 1.65% for the first three years of the loan. We have designated this interest rate swap as an effective cash flow hedge.

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

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

On June 30, 2020, the Loan Parties entered into Amendment No. 1 (the “Loan Amendment”) to the Gaylord Rockies Loan, by and among the Loan Parties, Wells Fargo Bank, National Association, as administrative agent, and the lenders from time to time party thereto.

The Loan Amendment modified the Gaylord Rockies Loan to (i) provide for the ability to use cash for certain purposes, even during a Cash Sweep Period (as defined in the Loan Agreement), which the Gaylord Rockies joint venture was in beginning in July 2020, (ii) extend the deadline for Hotel Owner to commence construction of an expansion to Gaylord Rockies, and (iii) provide favorable changes to the debt service coverage ratio provisions.

The Loan Amendment includes restrictions on distributions to the owners of the Gaylord Rockies joint venture and requires a certain level of equity financing for a Gaylord Rockies expansion.

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

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

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

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

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

Gaylord Rockies is not a Pooled Hotel for this purpose.

Estimated Interest on Principal Debt Agreements

Based on the stated interest rates on our fixed-rate debt and the rates in effect at December 31, 2020 for our variable-rate debt after considering interest rate swaps, our estimated interest obligations over the next five years are \$353.9 million. These estimated obligations are \$107.1 million in 2021, \$104.0 million in 2022, \$64.7 million in 2023, \$43.2 million in 2024, and \$34.9 million in 2025. Variable rates, as well as outstanding principal balances, could change in future periods. See “Principal Debt Agreements” above for a discussion of our outstanding long-term debt. See “Supplemental Cash Flow Information” in Note 1 to our consolidated financial statements included herein for a discussion of the interest we paid during 2020, 2019 and 2018.

Supplemental Guarantor Financial Information

On March 2, 2020, the SEC adopted final rules that amend the financial disclosure requirements for subsidiary issuers and guarantors of registered debt securities in Rule 3-10 of Regulation S-X. The amended rules are effective January 4, 2021, but earlier compliance is permitted.

The Company’s \$400 million 5% senior notes, \$700 million 4.75% senior notes and \$600 million 4.50% senior notes were each issued by the Operating Partnership and RHP Finance Corporation, a Delaware corporation (collectively, the “Issuers”), and are guaranteed on a senior unsecured basis by the Company (as the parent company), each of the Operating Partnership’s four wholly-owned subsidiaries that own the four wholly-owned Gaylord Hotels properties, and certain other of the Company’s subsidiaries, each of which also guarantees the Operating Partnership’s Credit Agreement, as amended (such subsidiary guarantors, together with the Company, the “Guarantors”). The Guarantors are 100% owned by the Operating Partnership or the Company, and the guarantees are full and unconditional and joint and several. The guarantees rank equally in right of payment with each Guarantor’s existing and future senior unsecured indebtedness and senior in right of payment to all future subordinated indebtedness, if any, of such Guarantor. Not all of the Company’s subsidiaries have guaranteed the Company’s \$400 million 5% senior notes, \$700 million 4.75% senior notes and \$600 million 4.50% senior notes, and the guarantees are structurally subordinated to all indebtedness and other obligations of such subsidiaries that have not guaranteed the Company’s \$400 million 5% senior notes, \$700 million 4.75% senior notes and \$600 million 4.50% senior notes.

The following tables present summarized financial information for the Issuers and the Guarantors on a combined basis and the intercompany balances and transactions between these parties, as well as any investments in or equity in earnings from non-guarantor subsidiaries, have been eliminated (amounts in thousands):

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Net receivables due from non-guarantor subsidiaries	\$ 138,241	\$ 35,231
Other assets	<u>1,660,137</u>	<u>1,845,704</u>
Total assets.	<u>\$1,798,378</u>	<u>\$1,880,935</u>
Total liabilities	<u>\$1,995,509</u>	<u>\$1,943,325</u>
Total noncontrolling interest	<u>\$ 14,516</u>	<u>\$ —</u>

	<u>Year Ended December 31, 2020</u>
Revenues from third-parties	\$ 544
Revenues from non-guarantor subsidiaries	121,869
Operating expenses (excluding expenses to non-guarantor subsidiaries)	112,630
Expenses to non-guarantor subsidiaries	11,678
Operating loss	(1,895)
Net loss	(80,619)
Net loss available to common stockholders.	(79,663)

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.

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

Impairment of long-lived and other assets. In accounting for our long-lived and other assets, we assess our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable.

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

Credit losses on financial assets. We assess our financial assets, including the bonds we received in 2008 related to the Gaylord National construction ("Gaylord National Bonds"), and our accounts receivable for credit losses utilizing the expected loss model prescribed by ASC 326, "*Financial Instruments – Credit Losses*," and record a reserve, in the form of an allowance for credit losses, against the amortized cost basis for the portion of the financial asset that will not be recovered due to credit losses.

We provide credit loss reserves for the Gaylord National Bonds by comparing the amortized cost basis to their fair value. If the amortized cost basis exceeds the fair value, an expected credit loss exists and the allowance for credit losses is measured as the difference between the bonds' amortized cost basis and fair value, which is estimated using discounted cash flow analyses that utilize comprehensive cash flow projections over the contractual life of the bonds, as well as observable market data to the extent available. Our estimate of the fair value of the Gaylord National Bonds is sensitive to the significant assumptions of the discounted cash flow analysis, which include the projections of hotel taxes (which are based on expected hotel rooms revenues) and property taxes, both of which are affected by expectations about future market and economic conditions, particularly those in the Washington D.C. market. Further, such assumptions are judgmental as the Gaylord National Bonds and related projected cash flows continue for an extended period of time through 2037 and include the uncertainty of the impact of the COVID-19 pandemic.

We provide for credit loss reserves for trade receivables based upon a percentage of accounts receivable that considers historical write-offs, current economic conditions, and management's expectations about future economic conditions, as well as periodic evaluations of the aging of accounts receivable.

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

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

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

We or the Gaylord Rockies joint venture, as applicable, determine the fair values of our interest rate swap contracts based on a widely accepted valuation methodology of netting the discounted future fixed cash flows and the discounted expected variable cash flow, using interest rates derived from observable market interest rate curves and volatilities, with appropriate adjustments for any significant impact of non-performance risk of the

parties to the swap contracts. We believe it is unlikely that materially different estimates for the fair value of financial derivative instruments would be made or reported based on other reasonable assumptions or conditions suggested by actual historical experience and other data available at the time the estimates were made.

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

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

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

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

In addition, we must evaluate uncertainties in the application of complex tax regulations in the calculation of tax liabilities. We provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. We make this assessment based on only the technical merits of the tax position. At December 31, 2020 and 2019, we had no accruals for unrecognized tax benefits. We recognize interest and penalties related to uncertain tax positions, if any, in income tax expense. At December 31, 2020 and 2019, we have accrued no interest or penalties related to uncertain tax positions.

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

The discount rate utilized for determining future benefit obligations is based on the market rate of a broad-based index of high-quality bonds receiving an AA- or better rating from a recognized rating agency on our annual measurement date that is matched to the future expected cash flows of the benefit plans by annual periods. The resulting discount rate decreased from 2.85% for the pension plan and 2.70% for the postretirement benefits other than pension plans at December 31, 2019 to 1.95% and 1.70%, respectively, at December 31, 2020.

We determine the overall expected long-term return on plan assets based on our estimate of the return that plan assets will provide over the period that benefits are expected to be paid out. In preparing this estimate, we assess the rates of return on each allocation of plan assets and advice by our third-party actuary and investment consultants. The expected return on plan assets is a long-term assumption that is determined at the beginning of each year and generally does not significantly change annually. While historical returns are considered, the rate of return assumption is primarily based on projections of expected returns, using economic data and financial models to estimate the probability of returns. The probability distribution of annualized returns for the portfolio using current asset allocations is used to determine the expected range of returns for a ten-to-twenty-year horizon. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our pension expense. The expected return on plan assets assumption used for determining net periodic pension expense for 2020 and 2019 was 6.5%. Actual return on plan assets for 2020

and 2019 was 16.8% and 22.1%, respectively. Our historical actual return averaged 9.1% for the ten-year period ended December 31, 2020. In the future, we may make additional discretionary contributions to the plan or we could be required to make mandatory cash funding payments.

The mortality rate assumption used for determining future benefit obligations as of December 31, 2020 and 2019 was based on the Pri-2012 Total Dataset Mortality Table.

While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our pension obligations and expense. For example, holding all other assumptions constant, a 1% increase or decrease in the assumed discount rate related to the retirement plan would increase (decrease) 2020 net periodic pension expense by approximately \$0.1 million and \$(0.2) million, respectively. Likewise, a 1% increase or decrease in the assumed rate of return on plan assets would (decrease) increase 2020 net periodic pension expense by approximately \$(0.7) million and \$0.6 million, respectively.

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

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

Recently Issued Accounting Standards

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

Quantitative and Qualitative Disclosures about Market Risk

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

Risk Related to Changes in Interest Rates

At December 31, 2020, borrowings outstanding under our Revolver bore interest at an annual rate of LIBOR plus 1.95%, subject to adjustment as defined in the agreement. If LIBOR were to increase by 100 basis points, our annual interest cost on the \$106.0 million in borrowings outstanding under the Revolver at December 31, 2020 would increase by approximately \$1.1 million.

At December 31, 2020, borrowings outstanding under our Term Loan A bore interest at an annual rate of LIBOR plus 1.90%, subject to adjustment as defined in the agreement. If LIBOR were to increase by 100 basis points, our annual interest cost on the \$300.0 million in borrowings outstanding under the Term Loan A at December 31, 2020 would increase by approximately \$3.0 million.

At December 31, 2020, borrowings outstanding under our Term Loan B bore interest at an annual rate of LIBOR plus 2.00%, subject to adjustment as defined in the agreement. We have hedged our interest rate exposure on \$350.0 million of borrowings under the Term Loan B with interest rate swaps that fix the LIBOR portion of interest payments through May 2023. If LIBOR were to increase by 100 basis points, our annual interest cost on the \$31.3 million in borrowings outstanding under the Term Loan B that are not hedged at December 31, 2020 would increase by approximately \$0.3 million.

At December 31, 2020, borrowings outstanding under the Gaylord Rockies Loan bore interest at an annual rate of LIBOR plus 2.50%. The Gaylord Rockies joint venture has hedged its interest rate exposure with an interest rate swap that fixes the LIBOR portion of interest payments through August 2022. If the Gaylord Rockies joint venture does not enter into an additional interest rate swap, the joint venture will be subject to interest rate risk from August 2022 through the maturity date of July 2023.

Certain of our outstanding cash balances are occasionally invested overnight with high credit quality financial institutions. We do not have significant exposure to changing interest rates on invested cash at December 31, 2020. As a result, the interest rate market risk implicit in these investments at December 31, 2020, if any, is low.

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

The expected rates of return on the assets that fund our defined benefit pension plan are based on the asset allocation of the plan and the long-term projected return on those assets, which represent a diversified mix of equity securities, fixed income securities and cash. At December 31, 2020, the value of the investments in the pension fund was \$71.2 million, and an immediate ten percent decrease in the value of the investments in the fund would have reduced the value of the fund by approximately \$7.1 million.

Summary

Based upon our overall market risk exposures at December 31, 2020, we believe that the effects of changes in interest rates related to our borrowings and asset values of investments that fund our pension plan could be material to our consolidated financial position, results of operations or cash flows.

Forward-Looking Statements

This annual report contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements concern our goals, beliefs, expectations, strategies, objectives, plans, future operating results and underlying assumptions, and other statements that are not necessarily based on historical facts. Without limitation, you can identify these statements by the fact that they do not relate strictly to historical or current facts, and these statements may contain words such as “may,” “will,” “could,” “should,” “might,” “projects,” “expects,” “believes,” “anticipates,” “intends,” “plans,” “continue,” “estimate,” or “pursue,” or the negative or other variations thereof or comparable terms. In particular, they include statements relating to, among other things, future actions, strategies, future performance, the outcome of contingencies such as legal proceedings and future financial results. These also include statements regarding (i) the anticipated impact of the novel coronavirus (COVID-19) pandemic on travel, transient and group demand, the anticipated impact of the COVID-19 pandemic on our results from operations, liquidity, collection of cancellation and attrition fees, cost containment efforts, efforts to rebook customers for later dates in 2021 and later years, and our plans for reopening and operating our Gaylord Hotels properties and other assets during the ongoing pandemic and when the COVID-19 pandemic subsides; (ii) the effect of our election to be taxed as a real estate investment trust (“REIT”) and maintain REIT status for U.S. federal income tax purposes; (iii) the holding of our non-qualifying REIT assets in one or more taxable REIT subsidiaries (“TRSs”); (iv) the suspension of our dividend and our dividend policy, including the frequency and amount of any dividend we may pay; (v) potential growth opportunities, including future expansion of the geographic diversity of our existing asset portfolio through acquisitions and investment in joint ventures; (vi) Marriott International, Inc.’s (“Marriott”) ability to effectively manage our hotels and other properties; (vii) our anticipated capital expenditures and investments; (viii) the potential operating and financial restrictions imposed on our activities under existing and future financing agreements including our credit facility and other contractual arrangements with third parties, including management agreements with Marriott; (ix) our use of cash during 2021; (x) our ability to borrow available funds under our credit facility; (xi) our expectations about successfully amending the agreements governing our indebtedness should the need arise; and (xii) any other business or operational matters. We have based these forward-looking statements on our current expectations and projections about future events.

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

RISK FACTORS SUMMARY

Our business faces significant risks and uncertainties. If any of the following risks are realized, our business, financial condition and results of operations could be materially and adversely affected. You should carefully review and consider the full discussion of our risk factors in the section titled “Risk Factors” in this annual report. Set forth below is a summary list of the principal risk factors as of the date of the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020:

- The novel coronavirus (COVID-19) pandemic has had and is expected to continue to have a material adverse effect on our financial condition, results of operations, cash flows and our ability to make distributions to our shareholders and may have an adverse effect on our access to financial markets and our ability to service our indebtedness.
- If Marriott or any future third-party hotel manager does not manage our hotel properties or other businesses successfully, our financial condition, results of operations and our ability to service debt and make distributions to our stockholders may be negatively impacted. Further, the operation and management of our current hotel properties, the operation of which generates substantially all our Hospitality segment revenue, is concentrated in Marriott.
- Restrictive covenants and other provisions in our hotel management agreements with third-party hotel managers could limit our ability to sell or lease our hotel properties or refinance our existing debt. In addition, Marriott and any future third-party hotel manager may own or operate hotels that compete with our hotel properties.
- Our concentration in the hospitality industry, and in particular the group-oriented meetings sector of the hospitality industry, exposes us to certain risks outside of our and Marriott’s control. In addition, due to the geographic concentration of our current hotel properties, we are subject to a greater degree of risk to certain factors.
- The hotel business is capital-intensive, and our inability to obtain financing or successfully complete acquisitions or capital improvements, or the disruption associated with them, could limit our growth.
- Our TRS lessee structure will subject us to the risk of increased hotel operating expenses and the inability of our TRS lessees to make lease payments to us.
- We and our third-party hotel manager rely on information technology in our operations, and any material failure, inadequacy, interruption, or security failure could harm our business. In addition, cyber security incidents could have a disruptive effect on our business.
- Our real estate assets are subject to numerous risks, including environmental regulations that could impose significant financial liability on us. Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our hotel properties and harm our financial condition. Moreover, compliance with the Americans with Disabilities Act could require us to incur substantial costs.
- As an owner of hotel properties and operator of leisure businesses, we are subject to risks relating to acts of God, outbreaks of pandemic disease, terrorist activity and war. Also, our operating results and ability to service debt and make distributions to our stockholders may be adversely affected by various operating risks common to the lodging industry.
- We are subject to risks associated with our hotel managers’ employment of hotel personnel, particularly with hotels whose managers employ unionized labor, which could increase our hotels’ operating costs, reduce the flexibility of our third-party hotel managers to adjust the size of the workforce at our hotel properties and impair our ability to make distributions to our stockholders.
- Any failure to protect the trademarks and intellectual property used in our business could reduce the value of our brand names and harm our business.
- If we fail to remain qualified as a REIT, we would be subject to tax at corporate income tax rates and would not be able to deduct distributions to stockholders when computing our taxable income. As a REIT, failure to make required distributions to our stockholders would subject us to federal and state corporate income tax.

- Even though we are conducting our business as a REIT, certain of our business activities will be subject to corporate level income tax, which will continue to reduce our cash flows, and we will have potential deferred and contingent tax liabilities.
- Complying with REIT requirements may limit our ability to hedge effectively and increase the costs of our hedging, may cause us to incur tax liabilities, and may limit our flexibility or cause us to forego otherwise attractive opportunities. Further, we may be required to borrow funds, sell assets, or issue equity to satisfy our REIT distribution requirements or maintain the asset ownership tests.
- Legislative or other actions affecting REITs could have a negative effect on us or our stockholders, and even as a REIT, changes in federal, state, or local tax law, interpretations of existing tax law or agreements with tax authorities could affect our profitability and financial condition by increasing our tax costs. Further, U.S. federal tax reform legislation could affect REITs generally, the geographic markets in which we operate, our stock and our results of operations, both positively and negatively in ways that are difficult to anticipate.
- The ability of our board of directors to revoke our REIT qualification, without stockholder approval, may cause adverse consequences to our stockholders.
- Our planned use of TRSs may cause us to fail to qualify as a REIT, and if our leases of our hotel properties to TRS lessees are not true leases for federal income tax purposes, we may fail to qualify as a REIT.
- If Marriott or any future third-party hotel manager fails to qualify as an “eligible independent contractor,” or if our hotels are not “qualified lodging facilities,” we may fail to qualify as a REIT.
- Our dividend is currently suspended, and covenants in our current and future debt instruments may limit our ability to make required distributions to our stockholders in accordance with our announced intended dividend policy.
- Our cash distributions are not guaranteed and may fluctuate. Further, we may not have sufficient funds to make cash distributions to stockholders at intended payment levels, and we may be unable to generate sufficient cash flows from our operations to make distributions to our stockholders at any time in the future.
- We have invested in, and in the future may invest in, mortgage loans, mezzanine debt, joint ventures or certain minority equity interests over which we may not have significant control, to or for which we may owe significant funding or obligations and for which there is no readily available market, and these investments may not be profitable.
- Our substantial debt could reduce our cash flow and limit our business activities, and our indebtedness is secured by a substantial portion of our assets. In addition, we could be required to refinance our debt before it matures and there is no assurance that we will be able to refinance our debt on acceptable terms.
- To service our debt and pay other obligations, we will require a significant amount of cash, which may not be available to us. In addition, any replacement of LIBOR as the basis on which interest on our variable-rate debt is calculated may harm our financial results, profitability and cash flows.
- The agreements governing our debt contain various covenants that may limit our ability to operate our business and impair our ability to make distributions to our stockholders.
- We are a holding company and depend upon our subsidiaries’ cash flow to meet our debt service obligations.
- Our organizational documents, Delaware law and our issuance of preferred stock could make it difficult for a third party to acquire control of us and could adversely affect our stockholders. In addition, the ownership limitations in our charter may restrict or prevent stockholders from engaging in certain transfers of our common stock.
- We are subject to certain general risks, including, but not limited to, risks related to our environmental, social and governance practices, class actions and other lawsuits, healthcare reform legislation, the market price of our common stock, and our board of directors’ ability to change our major policies.

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 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 annual report are “forward-looking statements” and are qualified by the cautionary language regarding such statements. See “Forward-Looking Statements” above.

Risks Relating to Our Business

The novel coronavirus (COVID-19) pandemic has had and is expected to continue to have a material adverse effect on our financial condition, results of operations, cash flows and our ability to make distributions to our shareholders. Depending on its length and severity, the COVID-19 pandemic may also have an adverse effect on our access to financial markets and our ability to service our indebtedness.

The COVID-19 pandemic has caused unprecedented restrictions on travel, group gatherings and non-essential activities, including orders and guidance issued by U.S. federal, state and local governmental authorities, such as “social distancing” guidance and Safer at Home orders. There have also been significant business closures and a substantial reduction in economic activity in the United States as a result of the COVID-19 pandemic. Despite the phased reopening of the U.S. economy and the growing availability of vaccines, significant uncertainty remains as to the potential future impact of the COVID-19 pandemic on the U.S. economy as a whole, our businesses, and the lodging and entertainment industries. The longer and more severe the pandemic, the greater the material adverse effect on our financial condition, our results of operations, cash flows and our ability to make distributions to our shareholders. Further, depending on its duration and severity, the COVID-19 pandemic may have an adverse effect on our access to financial markets and our ability to service or refinance our indebtedness.

The COVID-19 pandemic caused significant disruption to our business and we, working with our hotel manager, Marriott, suspended operations at our Gaylord Hotels properties and substantially all of our entertainment assets by late March 2020. We have not yet reopened all of our assets, and most of our assets are operating at limited capacity. We have taken steps to conserve our liquidity and contain costs, including suspending our regular quarterly cash dividend payments to stockholders, deferring most non-essential capital projects, including our previously announced expansion at Gaylord Rockies, and obtaining waivers under and amendments to our Credit Agreement as described below, but we cannot be certain that these efforts will be sufficient to sustain our business through the pandemic.

While we were successful in amending our Credit Agreement to obtain waivers of the financial covenants and the Gaylord Rockies Loan to obtain certain other favorable modifications, as described under “Management’s Discussion and Analysis of Financial Conditions and Results of Operations – Liquidity and Capital Resources – Principal Debt Agreements,” the Amendments also increased the interest rates under our Revolver and Term Loan A, and imposed additional restrictions on debt, investments, dividends, share repurchases and capital expenditures, and included a minimum liquidity requirement, which will increase our interest costs and impose constraints on the manner in which we do business. The amendment to the Gaylord Rockies Loan also includes restrictions on distributions to the owners of the Gaylord Rockies joint venture and requires a certain level of equity financing for a Gaylord Rockies expansion, which may increase the cost of pursuing the previously announced expansion of Gaylord Rockies. The restrictions in these agreements may prevent us from taking advantage of opportunities available to us. In the future, our access to and cost of financing will depend on, among other things, global economic conditions, the availability of sufficient amounts of financing, our prospects and our credit ratings. Certain of our credit ratings have been downgraded during 2020, and if our credit ratings were to be further downgraded, or general market conditions were to ascribe higher risk to our rating levels, our industry or us, our access to capital and the cost and terms of any debt financing would be negatively affected.

The material adverse effect of the pandemic on our businesses will continue during such time as any of our assets remain closed (including Gaylord National) and during phased reopenings and may continue after that time. We cannot predict how soon we will be able to fully reopen all of our Gaylord Hotels properties or our entertainment assets and operate at normal capacity when the COVID-19 pandemic subsides, as our ability to reopen and to resume normal operations will depend in part on the actions of a number of governmental authorities over which we have no control. Modified social distancing requirements or recommendations have

altered the way we do business during reopening, and changes may persist for an extended period of time. For example, we have implemented additional safety and cleaning protocols, and these and other changes may result in higher costs and lower profit margins at our assets. Changes we make in response to the COVID-19 pandemic may negatively affect our business, our brand reputation and ability to attract and retain employees. Even after the COVID-19 pandemic subsides, we could still experience long-term impacts on our operating costs as a result of steps we may take to counteract future outbreaks of COVID-19 or other viruses through, for example, enhanced health and hygiene requirements or other such measures in one or more properties. Some of our businesses, such as the ticketed performances at the Grand Ole Opry and Ryman Auditorium may be held at limited capacity for an extended period of time during reopening. Of our Gaylord Hotels properties, Gaylord National remains closed. As a result, our revenues and consolidated financial results and results of operations for periods in which our operations are subject to capacity limits and in which Gaylord National remains closed will not be comparable with periods prior to the pandemic. We have experienced a significant decline in occupancy, RevPAR and Total RevPAR and other metrics at our Gaylord Hotels properties that have reopened, and those and other declines associated with the COVID-19 pandemic may continue.

Depending on the severity of the pandemic and our business levels, we cannot assure you that we will not make the decision to temporarily reclose any of our Gaylord Hotels properties or our entertainment assets in response to further outbreaks of COVID-19, including new variants of the virus.

Further, we cannot predict the full impact that the COVID-19 pandemic will have on third parties with whom we do business, including meeting planners, Marriott, our manager, other third-party service providers, travel agencies, suppliers and other vendors, and the degree to which the impact on third parties will affect our business. To the extent these third parties are severely impacted, it may harm our business or change the way we operate.

The pace of recovery in demand and business levels following the reopening of our Gaylord Hotels properties may be affected by adverse economic conditions, including job losses, corporate financial performance, group customers' spending and meeting budget constraints, debt loads, diminished business travel and other factors. For our managed assets, we will rely on Marriott to safely reopen, to operate these assets in a manner consistent with their obligations under their management agreements with us and to increase business levels at our properties, whether by rebooking cancelled stays for future periods or otherwise, and we cannot assure you that Marriott will be successful in doing so. Further, room bookings for future periods may yet be cancelled as a result of the COVID-19 pandemic, and we cannot assure you that Marriott will be successful in rebooking cancellations for future periods or that groups that have already rebooked to future periods will fulfill their stays. Moreover, once restrictions are relaxed or lifted, it is unclear whether consumer demand for convention center resorts, business travel, group meetings, leisure travel and country music entertainment experiences will return, in part, because we cannot predict the levels of consumer confidence in the safety of travel and group gatherings following the COVID-19 pandemic. Although we have implemented new hygiene and cleaning standards, we cannot fully predict their impact on customers' or meeting planners' beliefs as to whether it is safe to travel and meet in groups. We cannot predict the pace of recovery of our Gaylord Hotels properties and other assets, or the timing of a return to pre-pandemic demand, occupancy, business mix or pricing.

If we determine the carrying value of our assets are not recoverable through the future cash flows associated with those assets, we could have to recognize significant non-cash impairment charges to our results of operations.

The COVID-19 pandemic has also resulted in significant financial market volatility and uncertainty, including on the market price of our common stock. A continuation or worsening of the levels of market disruption and volatility seen during the pandemic could have a further adverse effect on the market price of our common stock or our debt securities.

The extent of the effects of the COVID-19 pandemic on our business and the hospitality industry at large remains highly uncertain and will ultimately depend on future developments, including, but not limited to, the duration and severity of the outbreak, the timing and availability of vaccinations and treatments to combat COVID-19, whether or not a recession occurs in the United States or globally, the state of the financial markets and the length of time it takes for demand and pricing to recover and stabilize, particularly in the large group meeting segment of the lodging industry, and normal economic and operating conditions to resume. Given the

uncertainty as to the extent and timing of the potential future spread or mitigation of COVID-19 and the impositions or relaxation of protective measures, we are presently unable to estimate the full impact to our future business, results of operations, cash flows, financial condition or ability to make distributions to our stockholders.

The potential effects of the COVID-19 pandemic also could intensify or otherwise affect many of our other risk factors that are included in “Risk Factors” of this annual report and our filings with the Securities and Exchange Commission, including, but not limited to, risks inherent in the hospitality industry, macroeconomic factors beyond our control, competition for hotel guests, meeting customers and customers to our entertainment assets, risks related to doing business with third parties, including vendors and suppliers, performance of our information technology systems and risks related to our indebtedness. Because the COVID-19 pandemic is unprecedented and continuously evolving, the other potential impacts to our risk factors contained herein and that are further described in this annual report are uncertain.

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

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

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

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

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

Our current hotel properties, the operation of which generates substantially all our Hospitality segment revenue, are operated and managed by Marriott. As a result, our operational risk is concentrated in one third-party hotel manager, which makes us more vulnerable economically to any weakness of Marriott than if we entered into

hotel management agreements with several third-party hotel managers. We cannot assure you that Marriott will satisfy its obligations to us or successfully operate and manage our current hotel properties. Any adverse developments in Marriott's business and affairs, financial strength or ability to operate and manage our current hotel properties successfully could materially reduce our revenues and net income, which could in turn reduce the amount of distributions to our stockholders. Additionally, we rely on the resources of and financial information provided by Marriott to report the financial results of our hotel properties. A failure by Marriott to accurately report the financial results of our hotel properties could materially affect our understanding of the hotel properties' performance as well as our ability to accurately report on the hotel properties' performance. Further, Marriott now owns the Gaylord Hotels brand and trademarks, and a failure on their part to maintain quality standards could harm the brand and damage our business.

Revenue growth and cost synergies for our hotel operations are largely dependent on the efforts of Marriott. Prior to the COVID-19 pandemic, Marriott's efforts to leverage its rewards program, customer channels and brands, as well as its management of demand for rooms, meeting space and banquets, resulted in revenue growth and Marriott's efforts to reduce hotel-level costs yielded cost savings. There can be no assurance that improvements in revenue or cost savings can be achieved by Marriott during a recovery or after the COVID-19 pandemic ends or that they thereafter can be sustained.

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

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

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

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

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

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

The group-oriented meetings sector has suffered during the COVID-19 pandemic, and while we believe meeting planners will continue to rebook large group meetings to periods when a vaccine is widely available, there can be no assurance as to the timing and pace of our recovery.

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

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

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

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

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

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

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

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

Acquisitions of hotels will require significant capital expenditures, and hotels that we acquire may need renovations and capital improvements at the time of acquisition. All of our hotel properties will require periodic

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

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

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

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

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

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

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

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

We and our third-party hotel manager rely on information technology systems, including networks and the Internet, to process, transmit, and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, personal identifying information, reservations, billing and operating data. Our businesses require collection of large volumes of internal and customer data, including credit card numbers and other personally identifiable information of our customers in various information systems and those of our service providers. The integrity and protection of customer, employee, and company data is critical to us. If that data is inaccurate or incomplete, we or the hotel managers could make faulty decisions. Customers and employees also have a high expectation that we and our third-party service providers and processors will

adequately protect their personal information. The regulatory environment surrounding information, security and privacy is also increasingly demanding and evolving. For example, in June 2018, the State of California enacted the California Consumer Privacy Act (the “CCPA”), which became effective in January 2020, requiring companies that process information on California residents to, among other things, provide new disclosures and options to consumers about data collection, use and sharing policies. Our existing systems may be unable to satisfy changing regulatory requirements and employee and customer expectations, or may require significant additional investments or time to do so. Despite implementation of various measures designed to protect our information systems and records, including those we maintain with our service providers, we, the hotel managers and/or our third-party service providers may be subject to security breaches, system failures, viruses, operator error, unauthorized or inadvertent releases of data. A significant theft, loss, or fraudulent use of customer, employee, or company data maintained by us or by a service provider or failure to comply with the various U.S. and international laws and regulations applicable to the protection of such data, including the CCPA, or with Payment Card Industry (PCI) data security standards, could divert our attention, adversely impact our reputation, result in remedial and other fines or litigation, cause us to incur substantial liabilities or costs, result in a loss of valuable data, or a loss of consumer confidence. A breach in the security of our information systems or those of our service providers, or the unauthorized use of such data by us or our third-party providers, could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits.

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

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

Our real estate assets are subject to numerous risks.

Because we own hotels and attractions properties, we are subject to the risks that generally relate to investments in real property. The investment returns available from equity investments in real estate depend in large part on the amount of income earned and capital appreciation generated by the related properties, as well as the expenses incurred. In addition, a variety of other factors affect income from properties and real estate values, including governmental regulations, insurance, zoning, tax and eminent domain laws, interest rate levels and the availability of financing. For example, new or existing real estate zoning or tax laws can make it more expensive and/or time-consuming to develop real property or expand, modify or renovate properties. When interest rates increase, the cost of acquiring, developing, expanding or renovating real property increases, particularly as the cost of borrowing increases, and real property values may decrease as the number of potential buyers decreases. Similarly, as financing becomes less available, it becomes more difficult both to acquire and to sell real property.

Finally, governments can, under eminent domain laws, take real property. Sometimes this taking is for less compensation than the owner believes the property is worth. Any of these factors could have a material adverse impact on our results of operations or financial condition. In addition, equity real estate investments, such as the investments we hold and any additional properties that we may acquire, are relatively difficult to sell quickly. If our properties do not generate revenue sufficient to meet operating expenses, including debt service and capital expenditures, our income will be reduced.

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

Environmental laws, ordinances and regulations of various federal, state, local and foreign governments regulate certain of our properties and could make us liable for the costs of removing or cleaning up hazardous or toxic substances on, under or in the properties we currently own or operate or those we previously owned or operated. Those laws could impose liability without regard to whether we knew of, or were responsible for, the presence of hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to properly clean up such substances when present, could jeopardize our ability to develop, use, sell or rent the real property or to borrow using the real property as collateral. If we arrange for the disposal or treatment of hazardous or toxic wastes, we could be liable for the costs of removing or cleaning up wastes at the disposal or treatment facility, even if we never owned or operated that facility. Other laws, ordinances and regulations could require us to manage, abate or remove lead- or asbestos-containing materials. Similarly, the operation and closure of storage tanks are often regulated by federal, state, local and foreign laws. Finally, certain laws, ordinances and regulations, particularly those governing the management or preservation of wetlands, coastal zones and threatened or endangered species, could limit our ability to develop, use, sell or rent our real property. Existing governmental laws and regulations may be revised or new laws and regulations relating to climate change, air quality or other environmental and health concerns may be adopted or become applicable to us, which could affect the operations of our hotels and/or result in significant additional expense and operating restrictions. The costs to clean up a contaminated property, to defend a claim, or to comply with environmental laws could be material and could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to make distributions to our stockholders. Additionally, because we rely on third-party managers to operate our hotel properties and certain attractions, we have limited control over ensuring compliance at those locations with applicable environmental laws or regulations or approving certain remediation action taken by the manager to resolve such issues.

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

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

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

Our operating income and ability to make distributions to our stockholders may be reduced by acts of God, outbreaks of pandemic disease, or acts of terrorism in locations where we own and/or operate significant properties and areas of the world from which we draw a large number of customers. Gaylord Opryland, which is located adjacent to the Cumberland River and is protected by levees built to sustain a 100-year flood, suffered

flood damage on May 3, 2010 as the river rose to levels that over-topped the levees. The per occurrence flood insurance limit for our Gaylord Opryland hotel is now \$350 million. We have also completed enhancements to the levees that protect the hotel to increase the height of the levees. While we believe these steps are reasonable given the likelihood of flood damage at Gaylord Opryland, there can be no assurances that flooding will not occur at Gaylord Opryland in the future. Some types of losses, such as from flood, earthquake, terrorism and environmental hazards, may be either uninsurable, subject to sublimit, or too expensive to justify insuring against. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in a hotel, as well as the anticipated future revenue from the hotel. In that event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property. Similarly, outbreaks of pandemic disease, wars (including the potential for war), terrorist activity (including threats of terrorist activity), political unrest and other forms of civil strife as well as geopolitical uncertainty, may cause our future results to differ materially from anticipated results.

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

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

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

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

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

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

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

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

- adverse changes in international, national, regional and local economic and market conditions;

- changes in interest rates and in the availability, cost and terms of debt financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- the ongoing need for capital improvements, particularly in older structures;
- changes in operating expenses; and
- civil unrest, acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses, and acts of war or terrorism, including the consequences of the terrorist acts.

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

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

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

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

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

- competition from other hotel properties and publicly-financed civic convention centers in our markets;
- over-building of hotels in our markets, which could adversely affect occupancy and revenues at our hotel properties;
- dependence on business and commercial travelers and tourism;
- increases in energy costs and other expenses affecting travel, which may affect travel patterns and reduce the number of business and commercial travelers and tourists;
- increases in operating costs due to inflation and other factors that may not be offset by increased room rates;
- changes in interest rates and in the availability, cost and terms of debt financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;
- adverse effects of international, national, regional and local economic and market conditions;
- the impact of the use of Internet travel intermediaries by consumers;

- unforeseen events beyond our control, such as terrorist attacks, travel-related health concerns including pandemics and epidemics (including a widespread outbreak of coronavirus in the United States), political instability, regional hostilities, imposition of taxes or surcharges by regulatory authorities, travel-related accidents and unusual weather patterns, including natural disasters, such as hurricanes and earthquakes;
- adverse effects of a downturn in the lodging industry; and
- risks generally associated with the ownership of hotels and real estate.

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

Risks Relating to Our Status as a REIT

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

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

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income; and
- we would be subject to federal and state income tax on our taxable income at regular corporate rates.

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

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

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

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

Prior to 2012, we had not paid a cash distribution on our common stock since 1999. Beginning in 2013 we declared, and we intend to continue to declare when appropriate, regular quarterly distributions, the amount of which will be determined, and will be subject to adjustment, by our board of directors. Our board of directors formerly maintained a dividend policy pursuant to which we paid a quarterly cash dividend in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by us) less maintenance capital expenditures or 100% of REIT taxable income on an annual basis, whichever is greater. Our dividend policy may be altered at any time by our board of directors, and certain provisions of our debt agreements may prohibit us from paying dividends in accordance with the policy. In 2020, we suspended our regular quarterly dividend, but our dividends paid will satisfy the distribution requirement. To qualify as a REIT, we are generally required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders. If our cash available for distribution falls short of our estimates, we may be unable to maintain the proposed quarterly distributions that approximate our taxable income and may fail to qualify for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the recognition of income for federal and state income tax purposes, or the effect of nondeductible expenditures.

To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to federal and state corporate income tax on our undistributed taxable income. In

addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders for a calendar year is less than a minimum amount specified under the Code.

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

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

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

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

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

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

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

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

At any time, the federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. Federal and state tax laws are constantly under review by persons involved in the legislative process, the IRS, the United States Department of the Treasury and state taxing authorities. Changes to the tax laws, regulations and administrative interpretations, which may have retroactive application, could adversely affect us. We cannot predict with certainty whether, when, in what forms, or with what effective dates, the tax laws, regulations and administrative interpretations applicable to us may be changed. Accordingly, we cannot assure you that any such change will not significantly affect our ability to qualify for taxation as a REIT or the federal income tax consequences to us of such qualification.

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

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

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

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

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

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

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

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

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

We hold our non-qualifying REIT assets in one or more TRSs. These non-qualifying REIT assets consist primarily of non-real estate assets related to our Hospitality segment and the assets related to our Entertainment segment as historically structured and operated. We conduct a significant portion of our business activities through these TRSs. Under the Code, no more than 25% of the value of the assets of a REIT may be represented by securities of one or more TRSs and other non-qualifying assets and no more than 20% of the value of the assets of a REIT may be represented by securities of one or more TRSs. These limitations may affect our ability to make additional investments in our Entertainment segment as historically structured and operated or in other

non-REIT qualifying operations or assets. To meet our annual distribution requirements, we may be required to distribute amounts that may otherwise be used for our operations, including amounts that may otherwise be invested in future acquisitions, capital expenditures or repayment of debt, and it is possible that we might be required to borrow funds, sell assets or issue equity to fund these distributions, even if the then-prevailing market conditions are not favorable for these borrowings, sales or offerings.

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

The net income of our TRSs is not required to be distributed to us, and income that is not distributed to us generally will not be subject to the REIT income distribution requirement. However, there may be limitations on our ability to accumulate earnings in our TRSs and the accumulation or reinvestment of significant earnings in our TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in our TRSs causes the fair market value of our securities in our TRSs and certain other non-qualifying assets to exceed 25% of the fair market value of our assets, we would fail to qualify as a REIT.

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

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

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

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

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

Finally, each property with respect to which our TRS lessees pay rent must be a “qualified lodging facility.” A “qualified lodging facility” is a hotel, motel or other establishment more than one-half of the dwelling units in which are used on a transient basis, including customary amenities and facilities, provided that no wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of

accepting wagers and who is legally authorized to engage in such business at or in connection with such facility. We believe that our current hotel properties are “qualified lodging facilities.” Although we intend to monitor future acquisitions and improvements of properties, REIT provisions of the Code provide only limited guidance for making determinations under the requirements for “qualified lodging facilities,” and there can be no assurance that these requirements will be satisfied.

Risks Relating to Our Capital Structure

Our dividend is currently suspended, and covenants in our current and future debt instruments may limit our ability to make required distributions to our stockholders in accordance with our announced intended dividend policy.

Our credit facility imposes, and future financing agreements are likely to impose, operating and financial restrictions on our activities, including restrictions on the payment of dividends. These restrictions are currently in place, and these restrictions currently permit only the payment of dividends as necessary to maintain our REIT status and payment of a dividend of \$0.01 per share each quarter, and may prevent us from making distributions to our stockholders in accordance with any announced intended dividend policy. Our dividend was suspended in March 2020.

Our cash distributions are not guaranteed and may fluctuate.

A REIT generally is required to distribute at least 90% of its REIT taxable income to its stockholders. Generally, our board of directors, in its sole discretion, will determine on a quarterly basis the amount of cash to be distributed to our stockholders based on a number of factors including, but not limited to, our results of operations, cash flow and capital requirements, economic conditions, tax considerations, borrowing capacity and other factors, including debt covenant restrictions that may impose limitations on cash payments and plans for future acquisitions and divestitures. Our board of directors formerly maintained a dividend policy pursuant to which we paid a quarterly cash dividend based on an annualized amount of at least 50% of adjusted funds from operations (as defined by us) less maintenance capital expenditures or 100% of REIT taxable income on an annual basis, whichever is greater. As part of the actions taken to preserve liquidity in light of the COVID-19 pandemic, in March 2020, our board of directors suspended our regular quarterly dividend payments, and our board of directors will consider a future dividend as permitted by our credit agreement, which currently permits payment of dividends as necessary to maintain our REIT status and permits us to pay a dividend of \$0.01 per share each quarter. The dividend policy may be altered at any time by our board of directors (as otherwise permitted by our credit agreement) and certain provisions of our agreements governing our other indebtedness may prohibit us from paying dividends in accordance with the prior policy. Consequently, our distribution levels may be minimal and may fluctuate.

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

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

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

We currently have a significant amount of debt. At December 31, 2020, we had approximately \$2.7 billion of total debt (which includes approximately \$0.8 billion of debt related to our Gaylord Rockies joint venture, in which we own a 65% interest). We may incur additional debt in connection with any additional hotel acquisitions, development, investment in new projects, renovations, or capital improvement.

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

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

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

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

Our ability to refinance each of our agreements governing our indebtedness on acceptable terms will be dependent upon a number of factors, including our degree of leverage, the value of our assets, borrowing restrictions which may be imposed by lenders and conditions in the credit markets at the time we refinance. In addition, although we have been successful in negotiating amendments to our credit agreement, which waive the financial covenants imposed by the credit agreement through March 31, 2022, and in negotiating an amendment to the Gaylord Rockies Loan, which provides for other favorable modifications, we may be unsuccessful in negotiating any further amendments or modifications to the agreements governing our indebtedness as we may deem necessary in response to the COVID-19 pandemic. To the extent the COVID-19 pandemic continues or our business levels do not recover to pre-pandemic levels or we are otherwise unable to refinance our debt on acceptable terms, we may be forced to choose from a number of unfavorable options, including agreeing to otherwise unfavorable financing terms, selling one or more hotel properties at unattractive prices or on disadvantageous terms, or defaulting on mortgages and allowing our lenders to foreclose. Any one of these options could have a material adverse effect on our business, financial condition, results of operations and our ability to make distributions to our stockholders.

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

Our ability to make payments on, or repay or refinance, our debt, including our obligations under our senior notes and any future debt we may incur, and to fund planned capital expenditures will depend largely upon our future operating performance and our ability to generate cash from operations. Our future performance, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control, including pace of economic recovery from the COVID-19 pandemic. In addition, our ability to borrow funds in the future to make payments on our debt and other obligations will depend on the satisfaction of the covenants and financial ratios in our senior credit facility and our other debt agreements, including other agreements we may enter into in the future. Our business may not generate sufficient cash flow from operations or we may not have future borrowings available to us under our credit facility or from other sources in an amount sufficient to enable us to pay our debt or to fund our other liquidity needs.

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

Our existing financial agreements, including our credit facility and term loan B impose, and future financing agreements are likely to impose, operating and financial restrictions on our activities, including our ability to make distributions to any stockholder. Our credit facility has required and in the future will require us to comply with or maintain certain financial tests and ratios, including minimum fixed charge coverage ratio, minimum implied debt service coverage ratio and maximum funded debt to asset value ratio, and we expect will require us to comply with these tests in the future (subject to the covenant waiver described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”). Our financial agreements prohibit or limit our ability to, among other things:

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

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

Various risks, uncertainties and events beyond our control, including those related to the COVID-19 pandemic, could affect our ability to comply with these covenants and maintain applicable financial tests and ratios. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt, including, in the case of our existing credit facility, our four wholly-owned Gaylord Hotels properties. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability to pay dividends, incur additional debt and to take other actions might significantly impair our ability to obtain other financing and to make distributions to our stockholders in accordance with any dividend policy.

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

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

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

We are a holding company and we conduct our operations through our subsidiaries, including our TRSs. As a result, our ability to meet our debt service obligations substantially depends upon our subsidiaries’ cash flows and payments of funds to us by our subsidiaries as dividends, loans, advances, leases or other payments. The

payment of dividends and/or making of loans, advances, leases or other payments by our subsidiaries will be subject to the approval of those subsidiaries' boards. Our subsidiaries' ability to pay such dividends and/or make such loans, advances, leases or other payments may also be restricted by, among other things, applicable laws and regulations, current and future debt agreements and management agreements into which our subsidiaries may enter.

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

At December 31, 2020, we had \$1.6 billion of variable interest rate debt that was indexed to the London Inter-Bank Offered Rate ("LIBOR"). The United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced on July 27, 2017 that it intends to stop persuading or compelling banks to submit LIBOR quotations after 2021 (the "FCA Announcement"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be assured after 2021, and LIBOR may cease to exist or otherwise be unsuitable for use as a benchmark. Recent proposals for LIBOR reforms may result in the establishment of new methods for calculating LIBOR or the establishment of one or more alternative benchmark rates. Although the agreements governing our indebtedness provide for successor base rates, as applicable, the successor base rates may be related to LIBOR, and the consequences of any potential cessation, modification or other reform of LIBOR cannot be predicted at this time. If LIBOR ceases to exist, we may need to amend the agreements governing our indebtedness, and we cannot predict what alternative interest rate(s) will be negotiated with our counterparties. As a result, our interest expense may increase, our ability to refinance some or all of our existing indebtedness and/or interest rate swaps may be impacted and our available cash flow may be adversely affected.

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

As a REIT, we will generally be required to distribute to our stockholders at least 90% of our REIT taxable income (subject to certain adjustments and excluding any net capital gains) each year for us to maintain our qualification as a REIT under the Code, which requirement we currently intend to satisfy, and we must distribute 100% of our REIT taxable income, including capital gains, to eliminate federal corporate income tax liability. To the extent we satisfy the 90% distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income.

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

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

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

In addition, distributions that we make to our stockholders will generally be taxable to our stockholders as ordinary income and will generally not be eligible for reduced rates applicable to "qualified" dividend income. However, a portion of our distributions may be designated by us as long-term capital gains to the extent that they are attributable to capital gains income recognized by us or may constitute a return of capital to the extent that

they exceed our earnings and profits as determined for tax purposes. A return of capital is not taxable, but has the effect of reducing the basis of a stockholder's investment in our common stock.

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

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

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

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

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

Our Charter permits our board of directors to issue up to 100 million shares of preferred stock without any action on the part of our stockholders. As of the date hereof, we have no shares of preferred stock outstanding. Our board of directors also has the power, without stockholder approval, to set the terms of any new series of preferred stock that may be issued, including voting rights, dividend rights, preferences over our common stock with respect to dividends or in the event of a dissolution, liquidation or winding up and other terms. In the event that we issue shares of preferred stock in the future that have preference over our common stock with respect to payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of the holders of our common stock or the market price of our common stock could be adversely affected. In addition, the ability of our board of directors to issue shares of preferred stock without any action on the part of our stockholders may impede a takeover of us and prevent a transaction favorable to our stockholders.

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

To qualify and remain qualified as a REIT, no more than 50% in value of our outstanding shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include various kinds of entities) during the last half of any taxable year. To assist us in qualifying as a REIT, our Charter contains a share ownership limit. Generally, any of our shares owned by affiliated owners will be added together for purposes of the share ownership limit. This share ownership limit provides that (subject to certain exceptions) no person may beneficially own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8%, in value or in number of shares, whichever is more restrictive, of the outstanding shares of our capital stock, or any class or series of our capital stock. If anyone transfers shares in a manner that would violate the share ownership limit or prevent us from qualifying as a REIT, those shares instead will be transferred to a trust for the benefit of

a charitable beneficiary and will be either redeemed by us or sold to a person whose ownership of the shares will not violate the share ownership limit or we will consider the transfer to be null and void from the outset, and the intended transferee of those shares will be deemed never to have owned the shares.

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

General Risk Factors

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

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

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

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

Health care reform efforts could adversely affect our results of operations.

In recent years, the U.S. Congress and certain state governments have considered and enacted legislation and regulations intended to effect major change within the U.S. healthcare system, including changes intended to increase access to health insurance. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the “Affordable Care Act”), is the most prominent of these reform efforts. The Affordable Care Act affects how health care services are covered, delivered, and reimbursed through a combination of public program expansion and private sector health insurance reforms. It includes a requirement, known as the “employer mandate,” that large employers make health insurance coverage available to employees or pay a penalty. However, the Affordable Care Act has been subject to legislative and regulatory changes and court challenges and may be subject to additional efforts to repeal or make additional

significant changes to the law, its implementation and/or its interpretation. For example, effective in January 2019, the penalty associated with the individual mandate to maintain health insurance was repealed. As a result of this change, a federal judge in Texas ruled in December 2018 that the entire Affordable Care Act was unconstitutional. This decision was appealed, and in November 2020, the Supreme Court heard oral arguments regarding the case. The law remains in effect pending the appeals process. We anticipate that Congress and state governments will continue to review and assess alternative health care delivery and payment systems and may in the future propose or adopt legislation, regulations and policies resulting in additional fundamental changes in the health care system. For example, some members of Congress have suggested expanding the coverage of government-funded insurance programs, including single-payor models (such reforms are often referred to as “Medicare for All”).

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

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

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

The market price of our common stock may vary substantially based on changes in market interest rates and other factors.

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

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

- actual or anticipated variations in our quarterly results of operations;
- changes in market valuations of companies in the hotel or real estate industries;
- changes in expectations of future financial performance or changes in estimates of securities analysts;
- fluctuations in stock market prices and volumes;
- issuances of common stock or other securities in the future;
- disputes with our hotel managers;
- the addition or departure of key personnel;
- announcements by us or our competitors of acquisitions, investments or strategic alliances; and
- unforeseen events beyond our control, such as terrorist attacks, travel related health concerns including pandemics and epidemics (including a widespread outbreak of coronavirus in the United States), political instability, regional hostilities, increases in fuel prices, imposition of taxes or surcharges by regulatory authorities, travel related accidents and unusual weather patterns, including natural disasters, such as hurricanes, tsunamis or earthquakes.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2020. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) in Internal Control - Integrated Framework.

Based on management's assessment and those criteria, management believes that, as of December 31, 2020, the Company's internal control over financial reporting was effective.

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except per share data)

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
ASSETS:		
Property and equipment, net of accumulated depreciation (including \$932,473 and \$979,012 from VIEs, respectively)	\$3,117,247	\$3,130,252
Cash and cash equivalents - unrestricted (including \$14,441 and \$33,772 from VIEs, respectively)	56,697	362,430
Cash and cash equivalents - restricted (including \$4,167 and \$3,653 from VIEs, respectively)	23,057	57,966
Notes receivable, net	71,923	110,135
Trade receivables, net (including \$2,184 and \$16,523 from VIEs, respectively) . . .	20,106	70,768
Deferred income tax assets, net	—	25,959
Prepaid expenses and other assets (including \$32,966 and \$27,888 from VIEs, respectively)	100,494	123,845
Intangible assets (including \$162,366 and \$202,366 from VIEs, respectively)	166,971	207,113
Total assets	<u>\$3,556,495</u>	<u>\$4,088,468</u>
LIABILITIES AND EQUITY:		
Debt and finance lease obligations (including \$794,416 and \$792,696 from VIEs, respectively)	\$2,658,008	\$2,559,968
Accounts payable and accrued liabilities (including \$59,573 and \$57,590 from VIEs, respectively)	203,121	264,915
Dividends payable	843	50,711
Deferred management rights proceeds	172,724	175,332
Operating lease liabilities	107,569	106,331
Deferred income tax liabilities, net	665	—
Other liabilities (including \$18,978 and \$2,174 from VIEs, respectively)	<u>92,779</u>	<u>64,971</u>
Total liabilities	3,235,709	3,222,228
Commitments and contingencies		
Noncontrolling interest in consolidated joint venture	100,969	221,511
Equity:		
Preferred stock, \$.01 par value, 100,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$.01 par value, 400,000 shares authorized, 54,982 and 54,897 shares issued and outstanding, respectively	550	549
Additional paid-in capital	1,192,261	1,185,168
Treasury stock of 648 and 619 shares, at cost	(18,467)	(17,315)
Accumulated deficit	(911,092)	(495,514)
Accumulated other comprehensive loss	<u>(57,951)</u>	<u>(28,159)</u>
Total stockholders' equity	<u>205,301</u>	<u>644,729</u>
Noncontrolling interest in Operating Partnership	<u>14,516</u>	<u>—</u>
Total equity	<u>219,817</u>	<u>644,729</u>
Total liabilities and equity	<u>\$3,556,495</u>	<u>\$4,088,468</u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2020, 2019 and 2018
(Amounts in thousands, except per share data)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:			
Rooms	\$ 171,718	\$ 557,562	\$ 454,370
Food and beverage	187,538	660,770	519,843
Other hotel revenue	106,789	203,114	153,690
Entertainment	<u>58,430</u>	<u>183,120</u>	<u>147,215</u>
Total revenues	524,475	1,604,566	1,275,118
Operating expenses:			
Rooms	58,943	144,834	118,060
Food and beverage	146,141	362,850	282,906
Other hotel expenses	260,690	409,883	339,529
Management fees, net	<u>7,066</u>	<u>39,608</u>	<u>30,744</u>
Total hotel operating expenses	472,840	957,175	771,239
Entertainment	78,301	126,609	109,249
Corporate	28,795	36,282	30,833
Preopening costs	1,665	3,122	4,869
Gain on sale of assets	(1,161)	—	—
Credit loss on held-to-maturity securities	32,784	—	—
Impairment charges	—	—	23,783
Depreciation and amortization	<u>215,082</u>	<u>213,847</u>	<u>120,876</u>
Total operating expenses	<u>828,306</u>	<u>1,337,035</u>	<u>1,060,849</u>
Operating income (loss)	(303,831)	267,531	214,269
Interest expense	(115,783)	(131,620)	(74,961)
Interest income	7,304	11,769	10,469
Loss on extinguishment of debt	—	(494)	—
Income (loss) from unconsolidated joint ventures	(6,451)	(1,110)	125,005
Other gains and (losses), net	<u>(14,976)</u>	<u>693</u>	<u>1,633</u>
Income (loss) before income taxes	(433,737)	146,769	276,415
Provision for income taxes	<u>(27,084)</u>	<u>(18,475)</u>	<u>(11,745)</u>
Net income (loss)	(460,821)	128,294	264,670
Net loss attributable to noncontrolling interest in consolidated joint venture	42,474	17,500	—
Net loss attributable to noncontrolling interest in Operating Partnership	<u>956</u>	<u>—</u>	<u>—</u>
Net income (loss) available to common stockholders	<u><u>\$(417,391)</u></u>	<u><u>\$ 145,794</u></u>	<u><u>\$ 264,670</u></u>
Basic income (loss) per share available to common stockholders	<u><u>\$ (7.59)</u></u>	<u><u>\$ 2.82</u></u>	<u><u>\$ 5.16</u></u>
Diluted income (loss) per share available to common stockholders	<u><u>\$ (7.59)</u></u>	<u><u>\$ 2.81</u></u>	<u><u>\$ 5.14</u></u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Years Ended December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net income (loss)	\$(460,821)	\$128,294	\$264,670
Other comprehensive income (loss), before tax:			
Gain (loss) on minimum pension liability:			
Gains (losses) arising during the period	(2,901)	693	(2,231)
Amount reclassified from accumulated other comprehensive loss	<u>194</u>	<u>97</u>	<u>(64)</u>
	<u>(2,707)</u>	<u>790</u>	<u>(2,295)</u>
Interest rate derivatives:			
Gains (losses) arising during period	(39,958)	3,539	—
Amount reclassified from accumulated other comprehensive loss	<u>10,505</u>	<u>(1,905)</u>	<u>—</u>
	<u>(29,453)</u>	<u>1,634</u>	<u>—</u>
Other-than-temporary impairment loss on held-to-maturity securities:			
Non-credit loss on other-than-temporary impairment	—	—	—
Amount reclassified from accumulated other comprehensive loss	<u>210</u>	<u>333</u>	<u>333</u>
	<u>210</u>	<u>333</u>	<u>333</u>
Other comprehensive income (loss), before tax	(31,950)	2,757	(1,962)
Income tax (provision) benefit related to items of comprehensive loss	<u>—</u>	<u>(185)</u>	<u>630</u>
Other comprehensive income (loss), net of tax	<u>(31,950)</u>	<u>2,572</u>	<u>(1,332)</u>
Comprehensive income (loss)	\$(492,771)	\$130,866	\$263,338
Comprehensive loss attributable to noncontrolling interest in consolidated joint venture	48,989	18,328	—
Comprehensive loss attributable to noncontrolling interest in Operating Partnership	<u>869</u>	<u>—</u>	<u>—</u>
Comprehensive income (loss) available to common stockholders	<u><u>\$(442,913)</u></u>	<u><u>\$149,194</u></u>	<u><u>\$263,338</u></u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:			
Net income (loss)	\$(460,821)	\$ 128,294	\$ 264,670
Amounts to reconcile net income (loss) to net cash flows provided by (used in) operating activities:			
Provision for deferred income taxes	26,526	14,414	10,190
Depreciation and amortization	215,082	213,847	120,876
Amortization of deferred financing costs	7,948	7,662	5,632
Credit loss on held-to-maturity securities	32,784	—	—
Impairment charges	—	—	23,783
Forfeiture of Block 21 earnest deposit	15,000	—	—
Write-off of deferred financing costs	281	3,079	1,956
(Income) loss from unconsolidated joint ventures	6,451	1,110	(125,005)
Stock-based compensation expense	8,732	7,833	7,656
Changes in:			
Trade receivables	50,501	(2,844)	(8,320)
Accounts payable and accrued liabilities	(59,828)	(13,674)	22,201
Other assets and liabilities	(4,180)	(5,035)	(1,720)
Net cash flows provided by (used in) operating activities	<u>(161,524)</u>	<u>354,686</u>	<u>321,919</u>
Cash Flows from Investing Activities:			
Purchases of property and equipment	(165,463)	(152,541)	(188,217)
Collection of notes receivable	2,985	13,211	2,560
Purchase of additional interest in Gaylord Rockies joint venture, net of cash acquired	—	(5,481)	(223,564)
Earnest money deposit for potential Block 21 acquisition	—	(15,000)	—
Investment in other joint ventures	(8,868)	(4,241)	(2,199)
Purchase of remaining interest in Opry City Stage, net of cash acquired	—	—	(3,963)
Other investing activities, net	(1,302)	1,015	(7,927)
Net cash flows used in investing activities	<u>(172,648)</u>	<u>(163,037)</u>	<u>(423,310)</u>
Cash Flows from Financing Activities:			
Net borrowings (repayments) under revolving credit facility	106,000	(525,000)	354,000
Borrowings under term loan A	—	100,000	—
Repayments under term loan B	(5,000)	(105,000)	(5,000)
Issuance of senior notes	—	702,500	—
Redemption of senior notes	—	(350,000)	—
Borrowing under Gaylord Rockies term loan	—	800,000	—
Repayment of Gaylord Rockies construction and mezzanine loans	—	(496,612)	—
Deferred financing costs paid	(2,214)	(27,666)	(642)
Issuance of common stock	—	282,908	—
Payment of dividends	(102,331)	(183,346)	(172,415)
Distributions from consolidated joint venture to noncontrolling interest partners	(992)	(113,894)	—
Payment of tax withholdings for share-based compensation	(1,688)	(3,989)	(4,164)
Other financing activities, net	(245)	(243)	(9)
Net cash flows provided by (used in) financing activities	<u>(6,470)</u>	<u>79,658</u>	<u>171,770</u>
Net change in cash, cash equivalents, and restricted cash	(340,642)	271,307	70,379
Cash, cash equivalents, and restricted cash, beginning of period	420,396	149,089	78,710
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 79,754</u>	<u>\$ 420,396</u>	<u>\$ 149,089</u>
Reconciliation of cash, cash equivalents, and restricted cash to balance sheet:			
Cash and cash equivalents - unrestricted	\$ 56,697	\$ 362,430	\$ 103,437
Cash and cash equivalents - restricted	23,057	57,966	45,652
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 79,754</u>	<u>\$ 420,396</u>	<u>\$ 149,089</u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY AND NONCONTROLLING INTEREST
For the Years Ended December 31, 2020, 2019 and 2018
(Amounts in thousands)

	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interest in Operating Partnership	Total Equity	Noncontrolling Interest in Consolidated Joint Venture
BALANCE,									
December 31, 2017 ..	\$512	\$896,759	\$(13,253)	\$(479,170)	\$(26,692)	\$ 378,156	\$—	\$ 378,156	\$ —
Net income	—	—	—	264,670	—	264,670	—	264,670	—
Transition adjustment related to adoption of ASU 2014-09...	—	—	—	(134)	—	(134)	—	(134)	—
Other comprehensive loss, net of income taxes	—	—	—	—	(1,332)	(1,332)	—	(1,332)	—
Payment of dividends (\$3.40 per share) ..	—	514	(1,930)	(173,890)	—	(175,306)	—	(175,306)	—
Exercise of stock options	—	11	—	—	—	11	—	11	—
Restricted stock units and stock options surrendered	1	(4,145)	—	—	—	(4,144)	—	(4,144)	—
Stock-based compensation expense	—	7,656	—	—	—	7,656	—	7,656	—
Establishment of noncontrolling interest in consolidated joint venture	—	—	—	—	—	—	—	—	287,433
BALANCE,									
December 31, 2018 ..	\$513	\$900,795	\$(15,183)	\$(388,524)	\$(28,024)	\$ 469,577	\$—	\$ 469,577	\$ 287,433
Net income	—	—	—	145,794	—	145,794	—	145,794	(17,500)
Adjustment of noncontrolling interest to redemption value ..	—	—	—	(68,054)	—	(68,054)	—	(68,054)	68,054
Transition adjustment related to adoption of ASU 2018-02...	—	—	—	2,707	(2,707)	—	—	—	—
Other comprehensive income, net of income taxes	—	—	—	—	2,572	2,572	—	2,572	—
Purchase of additional ownership interest in consolidated joint venture	—	(2,899)	—	—	—	(2,899)	—	(2,899)	(2,582)
Distributions from consolidated joint venture to noncontrolling interest partners ...	—	—	—	—	—	—	—	—	(113,894)
Issuance of common stock	35	282,873	—	—	—	282,908	—	282,908	—
Payment of dividends (\$3.60 per share) ..	—	532	(2,132)	(187,437)	—	(189,037)	—	(189,037)	—
Exercise of stock options	—	35	—	—	—	35	—	35	—
Restricted stock units and stock options surrendered	1	(4,001)	—	—	—	(4,000)	—	(4,000)	—
Stock-based compensation expense	—	7,833	—	—	—	7,833	—	7,833	—

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

	Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interest in Operating Partnership	Total Equity	Noncontrolling Interest in Consolidated Joint Venture
BALANCE,									
December 31, 2019 ..	\$549	\$1,185,168	\$(17,315)	\$(495,514)	\$(28,159)	\$ 644,729	\$ —	\$ 644,729	\$221,511
Net loss	—	—	—	(417,391)	—	(417,391)	(956)	(418,347)	(42,474)
Adjustment of noncontrolling interest to redemption value ..	—	—	—	60,106	—	60,106	—	60,106	(60,106)
Transition adjustment related to adoption of ASU 2016-13...	—	—	—	(5,343)	2,158	(3,185)	—	(3,185)	—
Other comprehensive loss, net of income taxes	—	—	—	—	(31,950)	(31,950)	—	(31,950)	—
Issuance of partnership units in Operating Partnership	—	—	—	—	—	—	15,472	15,472	—
Distributions from consolidated joint venture to noncontrolling interest partners ...	—	—	—	—	—	—	—	—	(992)
Payment of dividends (\$0.95 per share) ..	—	135	(1,152)	(51,450)	—	(52,467)	—	(52,467)	—
Redemption of noncontrolling interests	—	—	—	(1,500)	—	(1,500)	—	(1,500)	(16,970)
Restricted stock units and stock options surrendered	1	(1,774)	—	—	—	(1,773)	—	(1,773)	—
Stock-based compensation expense	—	8,732	—	—	—	8,732	—	8,732	—
BALANCE,									
December 31, 2020 ..	<u>\$550</u>	<u>\$1,192,261</u>	<u>\$(18,467)</u>	<u>\$(911,092)</u>	<u>\$(57,951)</u>	<u>\$ 205,301</u>	<u>\$14,516</u>	<u>\$ 219,817</u>	<u>\$100,969</u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

On January 1, 2013, the Company began operating as a REIT for federal income tax purposes, specializing in group-oriented, destination hotel assets in urban and resort markets. The Company’s owned assets include a network of upscale, meetings-focused resorts that are managed by Marriott International, Inc. (“Marriott”) under the Gaylord Hotels brand. These five resorts, which the Company refers to as the Gaylord Hotels properties, consist of the Gaylord Opryland Resort & Convention Center in Nashville, Tennessee (“Gaylord Opryland”), the Gaylord Palms Resort & Convention Center near Orlando, Florida (“Gaylord Palms”), the Gaylord Texan Resort & Convention Center near Dallas, Texas (“Gaylord Texan”), the Gaylord National Resort & Convention Center near Washington D.C. (“Gaylord National”), and the Gaylord Rockies Resort & Convention Center near Denver, Colorado (“Gaylord Rockies”), which is owned by a joint venture (the “Gaylord Rockies joint venture”) in which the Company owns a 65% interest. The Company’s other owned hotel assets managed by Marriott include the Inn at Opryland, an overflow hotel adjacent to Gaylord Opryland, and the AC Hotel at National Harbor, Washington D.C. (“AC Hotel”), an overflow hotel adjacent to Gaylord National. For more information regarding the Company’s increase in its ownership percentage in the Gaylord Rockies joint venture as of December 31, 2018, see Note 4, “Investment in Gaylord Rockies Joint Venture.”

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

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

The Company conducts its business through an umbrella partnership REIT, in which all of its assets are held by, and all of its operations are conducted through, RHP Hotel Properties, LP, a subsidiary operating partnership (the “Operating Partnership”) that the Company formed in connection with its REIT conversion. Ryman and the non-controlling operating partnership unit holders discussed in Note 11, “Equity” are the sole limited partners of the Operating Partnership, and Ryman currently owns, either directly or indirectly, 99.2% of the partnership units of the Operating Partnership. RHP Finance Corporation, a Delaware corporation (“Finco”), was formed as a wholly-owned subsidiary of the Operating Partnership for the sole purpose of being an issuer of debt securities

with the Operating Partnership. Neither Ryman nor Finco has any material assets, other than Ryman's investment in the Operating Partnership and its 100%-owned subsidiaries. As 100%-owned subsidiaries of Ryman, neither the Operating Partnership nor Finco has any business, operations, financial results or other material information, other than the business, operations, financial results and other material information described in this annual report and Ryman's other reports, documents or other information filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

On December 31, 2018, the Company amended the limited partnership agreement of the Operating Partnership to provide that its partnership units may be exchanged on a one-for-one basis for shares of the Company's common stock. Under certain circumstances, the Company may issue such partnership units as consideration to acquire hotel properties. See Note 11, "Equity," for further disclosure.

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

Business Segments

Hospitality

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

Entertainment

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

Corporate and Other

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

Principles of Consolidation

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

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

The terms of the Company's increased investment in the Gaylord Rockies joint venture and certain related agreements provide that a subsidiary of the Company is the managing member and is responsible for day-to-day management of the joint venture and for future financings meeting certain parameters. Designated decisions, such as refinancings that do not meet established parameters, future expansions of the hotel, transactions with affiliates, selling the hotel, and admitting additional members of the joint venture, are to be approved by a majority vote of a committee consisting of two members designated by the Company and two members designated by the minority partner. Based on management's analysis of these updated agreements, management

concluded the Company's responsibility for the day-to-day management of the joint venture and for future financings meeting certain parameters results in the Company having the power to direct the activities that most significantly impact the economic performance of the joint venture. In addition, the shared decisions represent protective rights of both parties. Thus, the Company became the primary beneficiary of this variable interest entity at December 31, 2018. As such, the Company consolidated the assets and liabilities of the joint venture effective December 31, 2018 and began consolidating the ongoing operations of the joint venture effective January 1, 2019. See "Noncontrolling Interest in Consolidated Joint Venture" and Note 4, "Investment in Gaylord Rockies Joint Venture," below for further discussion.

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

Impact of COVID-19 Pandemic

The novel coronavirus disease (COVID-19) pandemic continues to spread throughout the United States and is having an unprecedented impact on the U.S. economy. Due to the COVID-19 pandemic, the Company has experienced disruption of its business and in March 2020 temporarily suspended operations of most of its assets, as further described below. While most of the Company's assets are reopening at some capacity, there is significant uncertainty surrounding the full extent of the impact of the COVID-19 pandemic on the Company's future results of operations and financial position.

The Company, in consultation with local governmental authorities, first determined to close its Nashville-based entertainment venues in mid-March 2020. As cancellations at the Gaylord Hotels properties began to increase, the Company and its hotel manager, Marriott, implemented a series of operational changes, culminating with the suspension of operations at the Gaylord Hotels properties in late March 2020. Gaylord Texan reopened June 8, 2020, and Gaylord Opryland, Gaylord Palms and Gaylord Rockies reopened June 25, 2020. Gaylord National remains closed.

In the Company's Entertainment segment, in addition to the temporary closure of its entertainment assets, the Company took steps to reduce operating costs in all areas. Many of the Company's attractions reopened at reduced capacities in May and June 2020. The Grand Ole Opry and Ryman Auditorium began offering limited-capacity tours in June 2020, and in September 2020, they reopened for limited-capacity publicly attended performances.

The Company amended its credit facility on April 23, 2020, and again on December 22, 2020. As described more fully in Note 5, "Debt", the amendments provide temporary waivers of covenants within the facility, among other temporary changes. The Company continues to pay all required debt service payments on its indebtedness, lease payments, taxes and other payables.

At December 31, 2020, the Company had an additional \$593.2 million available for borrowing under its revolving credit facility and \$56.7 million in unrestricted cash on hand. In addition, following the payment of the Company's first quarter 2020 dividend as discussed in Note 11, "Equity," the Company suspended its regular quarterly dividend payments. The Company's board of directors will consider a future dividend as permitted by the Company's credit agreement. The Company's credit agreement amendments described in Note 5, "Debt," permits payment of dividends as necessary to maintain the Company's REIT status and permits the Company to pay a dividend of \$0.01 per share each quarter. Any future dividend is subject to the Company's board of director's determinations as to the amount of distributions and timing thereof.

The Company has deferred substantially all non-essential capital projects, in addition to delaying the Gaylord Rockies expansion project, which was scheduled to begin construction in second quarter 2020. The Gaylord Palms expansion project is continuing, and the Company believes the expansion will allow Gaylord Palms to serve groups moving meetings to 2021.

Termination of Block 21 Acquisition

In December 2019, the Company entered into an agreement to purchase Block 21, a mixed-use entertainment, lodging, office and retail complex located in Austin, Texas, for \$275 million, which included the assumption of

approximately \$141 million of existing mortgage debt. In May 2020, in response to the then-existing capital markets and economic environment caused by the COVID-19 pandemic, the Company determined it was not in the best interest of shareholders to focus resources and capital on the project and terminated the related purchase agreement. The Company forfeited a nonrefundable December 2019 deposit of \$15 million and recorded a loss, which is included in other gains and (losses), net in the accompanying consolidated statement of operations for 2020.

Property and Equipment

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

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

Cash and Cash Equivalents — Unrestricted

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

Cash and Cash Equivalents — Restricted

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

Supplemental Cash Flow Information

Cash paid for interest, net of amounts from interest rate swaps, for the years ended December 31 was comprised of (amounts in thousands):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt interest paid	\$113,743	\$121,876	\$ 74,821
Capitalized interest	<u>(3,753)</u>	<u>(1,618)</u>	<u>(10,013)</u>
Cash paid for interest, net of capitalized interest	<u>\$109,990</u>	<u>\$120,258</u>	<u>\$ 64,808</u>

Net cash payments of income taxes in 2020, 2019 and 2018 were \$1.7 million, \$3.6 million and \$1.6 million, respectively.

Accounts Receivable

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

Credit Loss Reserves on Accounts Receivable

The Company provides credit loss reserves based upon a percentage of accounts receivable that considers historical write-offs, current economic conditions, and management's expectations about future economic conditions, as well as periodic evaluations of the aging of accounts receivable.

Prepaid Expenses and Other Assets

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

	<u>2020</u>	<u>2019</u>
Prepaid expenses	\$ 19,447	\$ 18,888
Supplemental deferred compensation plan assets	31,277	29,174
Tax rebate receivables	27,096	20,389
Earnest money deposit for potential Block 21 acquisition	—	15,000
Inventories	7,157	10,329
Deferred financing costs on revolving credit facility	—	8,493
Derivative assets	—	3,808
Other	<u>15,517</u>	<u>17,764</u>
Total prepaid expenses and other assets	<u>\$100,494</u>	<u>\$123,845</u>

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

The Gaylord Rockies joint venture is party to an incentive agreement with the local government that provides that the joint venture is entitled to receive monthly rebates of certain city and state taxes, including property, sales and lodging taxes. The term of the rebate agreement varies by type of tax but ranges from 25-33 years from commencement of the construction of Gaylord Rockies. The joint venture earned \$41.4 million and \$34.6 million in rebates in 2020 and 2019, respectively, which are generally recorded as a reduction in other hotel expenses in the accompanying consolidated statement of operations for 2020 and 2019.

Intangible Assets

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

The gross carrying amount of intangible assets at December 31, 2020 and 2019 was \$252.8 million and \$252.7 million, respectively. Accumulated amortization of intangible assets at December 31, 2020 and 2019 was \$85.8 million and \$45.6 million, respectively. Amortization expense related to intangible assets during 2020, 2019 and 2018 was \$40.2 million, \$40.2 million and \$0.2 million, respectively. The estimated amounts of amortization expense for the next five years are as follows (amounts in thousands):

2021	\$40,198
2022	22,240
2023	4,282
2024	4,044
2025	<u>4,038</u>
	<u>\$74,802</u>

Investments

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

Accounts Payable and Accrued Liabilities

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

	<u>2020</u>	<u>2019</u>
Trade accounts payable	\$ 23,125	\$ 40,238
Property and other taxes payable	51,821	57,668
Deferred revenues	70,441	76,744
Accrued salaries and benefits	20,598	35,303
Accrued interest payable	14,263	16,520
Other accrued liabilities	<u>22,873</u>	<u>38,442</u>
Total accounts payable and accrued liabilities	<u>\$203,121</u>	<u>\$264,915</u>

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

Income Taxes

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

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

Deferred Management Rights Proceeds

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

Other Liabilities

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

	<u>2020</u>	<u>2019</u>
Pension and postretirement benefits liability	\$32,686	\$32,670
Deferred compensation liability	31,277	29,174
Derivative liabilities	27,819	2,174
Other	<u>997</u>	<u>953</u>
Total other liabilities	<u>\$92,779</u>	<u>\$64,971</u>

Deferred Financing Costs

DFCs consist of loan fees and other costs of financing that are amortized over the term of the related financing agreements, using the effective interest method, and are generally presented as a reduction of the related debt liability. DFCs on the Company's revolving credit facility are included in prepaid expenses and other assets when the related revolving credit facility has no outstanding balance. During 2020, 2019 and 2018, DFCs of \$7.9 million, \$7.7 million and \$5.6 million, respectively, were amortized and recorded as interest expense in the accompanying consolidated statements of operations.

As a result of refinancing portions of the Company's outstanding debt, the Company wrote off \$0.3 million, \$3.1 million and \$2.0 million of DFCs during 2020, 2019 and 2018, respectively, which are included in interest expense in the accompanying consolidated statements of operations.

Noncontrolling Interest

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

The initial value of the noncontrolling interest, which includes certain put rights, was estimated based on the purchase price allocation performed and is discussed further in Note 4, "Investment in Gaylord Rockies Joint Venture." In general, the carrying value on a go-forward basis will be based on the greater of the accumulated historical cost or the put right redemption value, and at December 31, 2020, approximates the fair value of the noncontrolling interest. Beginning in 2019, an adjustment is also made for the minority partners' proportionate share of income or loss in the accompanying consolidated statement of operations.

The noncontrolling interest in the Operating Partnership represents the limited partners' proportionate share of the equity of the Operating Partnership. The noncontrolling interest is classified in the equity section of the consolidated balance sheets, separately from stockholders' equity, as the related redemptions options are redeemable for cash, or if the Company so elects, in unregistered shares of the Company's common stock, as discussed further in Note 11, "Equity." An adjustment is made for the limited partners' proportionate share of income or loss in the accompanying consolidated statement of operations.

Revenue Recognition

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Hotel group rooms	\$ 88,606	\$ 387,741	\$ 312,364
Hotel transient rooms	83,112	169,821	142,006
Hotel food and beverage - banquets	116,624	453,612	360,181
Hotel food and beverage - outlets	70,914	207,158	159,662
Hotel other	106,789	203,114	153,690
Entertainment admissions/ticketing	16,564	81,434	69,291
Entertainment food and beverage	21,506	63,815	45,961
Entertainment retail and other	<u>20,360</u>	<u>37,871</u>	<u>31,963</u>
Total revenues	<u>\$524,475</u>	<u>\$1,604,566</u>	<u>\$1,275,118</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Gaylord Opryland	\$133,333	\$ 385,610	\$ 365,999
Gaylord Palms	77,819	208,298	200,763
Gaylord Texan	111,236	292,548	260,418
Gaylord National	52,026	281,367	274,299
Gaylord Rockies	84,715	226,576	—
AC Hotel	3,332	11,725	10,761
Inn at Opryland and other	<u>3,584</u>	<u>15,322</u>	<u>15,663</u>
Total Hospitality segment revenues	<u>\$466,045</u>	<u>\$1,421,446</u>	<u>\$1,127,903</u>

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

The Company records deferred revenues when cash payments are received in advance of its performance obligations, primarily related to advanced deposits on hotel rooms in its Hospitality segment and advanced ticketing in its Entertainment segment. At December 31, 2020 and 2019, the Company had \$70.4 million and \$76.7 million, respectively, in deferred revenues, which are included in accounts payable and accrued liabilities in the accompanying consolidated balance sheets. Of the amount outstanding at December 31, 2019, approximately \$45.4 million was recognized in revenues during 2020.

Management Fees

The Company pays Marriott a base management fee of approximately 2% of revenues for the wholly-owned properties that Marriott manages and a base management fee of approximately 3% of revenues for Gaylord Rockies, as well as an incentive fee for each managed property that is based on profitability. The Company incurred \$10.3 million, \$31.6 million and \$23.3 million in base management fees to Marriott during 2020, 2019 and 2018, respectively. The Company incurred \$0, \$12.6 million and \$11.8 million in incentive fees to Marriott during 2020, 2019 and 2018, respectively. Management fees are presented in the consolidated statements of operations net of the amortization of the deferred management rights proceeds discussed further in Note 6, "Deferred Management Rights Proceeds."

Advertising Costs

Advertising costs are expensed as incurred and were \$23.0 million, \$53.2 million, and \$41.2 million for 2020, 2019 and 2018, respectively.

Stock-Based Compensation

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

Preopening Costs

The Company expenses the costs associated with start-up activities and organization costs associated with its development or reopening of hotels and significant attractions as incurred. The Company's preopening costs during 2020 include costs associated with Ole Red Orlando, which opened in June 2020, and the Gaylord Palms expansion, which is expected to be completed in April 2021. The Company's preopening costs during 2019 include costs associated with Ole Red Gatlinburg, which opened in March 2019, costs associated with the opening of Gaylord Rockies, which opened on a fully operational basis in the first quarter of 2019, and costs associated with the expansion at Gaylord Palms. The Company's preopening costs during 2018 include costs associated with an expansion of the guest rooms and convention space at Gaylord Texan, which opened in May 2018, costs associated with Ole Red Nashville, which opened in May 2018, and costs associated with SoundWaves, an indoor/outdoor luxury waterpark at Gaylord Opryland, the indoor portion of which opened in December 2018.

Derivative Financial Instruments

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

For derivatives designated as and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative resulting from recording each instrument at estimated fair value is recorded in accumulated other comprehensive loss and subsequently reclassified to interest expense in the same period during which the hedged transaction affects earnings. These amounts reported in accumulated other comprehensive loss will be reclassified to interest expense as interest payments are made on the related variable-rate debt. The Company estimates that \$16.0 million will be reclassified from accumulated other comprehensive loss to interest expense in the next twelve months.

Impairment of Long-Lived and Other Assets

In accounting for the Company's long-lived and other assets (including its property and equipment and intangible assets), the Company assesses its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable.

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

Income (Loss) Per Share

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

	2020		
	Income (Loss)	Shares	Per Share
Net income (loss) available to common stockholders	\$(417,391)	54,962	\$(7.59)
Effect of dilutive stock-based compensation.....	—	—	—
Net income (loss) available to common stockholders — assuming dilution	<u>\$(417,391)</u>	<u>54,962</u>	<u>\$(7.59)</u>

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

For 2020, the effect of dilutive stock-based compensation was the equivalent of 0.1 million shares of common stock outstanding. Because the Company had a loss available to common stockholders in 2020, these incremental shares were excluded from the computation of dilutive earnings per share as the effect of their inclusion would have been anti-dilutive.

As more fully discussed in Note 4, “Investment in Gaylord Rockies Joint Venture,” certain affiliates of Ares Management, L.P. (“Ares”) each had a put right to require the Company to purchase their joint venture interests in the Gaylord Rockies joint venture in consideration of cash or operating partnership units (“OP Units”) of the Operating Partnership. These put rights were exercised in 2020. The OP Units held by the noncontrolling interest holders have been excluded from the denominator of the diluted loss per share calculation for 2020 as there would be no effect on the calculation of diluted earnings per share because the loss attributable to the OP Units held by the noncontrolling interest holders would also be subtracted to derive net loss available to common shareholders.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Newly Issued Accounting Standards

In February 2016, the FASB issued ASU No. 2016-02, “Leases” (ASC 842), that requires lessees to put most leases on their balance sheet, but recognize expenses on their income statements in a manner similar to previous accounting. ASC 842 also eliminates the required use of bright-line tests for determining lease classification. The Company adopted ASC 842 as of January 1, 2019 using the modified retrospective approach. Existing leases were recorded at the adoption date and comparative periods were not restated and are presented based on previous existing guidance. The Company also adopted several practical expedients, which allowed the Company to avoid reassessing (i) whether an expired or existing contract meets the definition of a lease; (ii) the lease classification at the adoption date for existing leases; and (iii) whether costs previously capitalized as initial direct costs would continue to be amortized. In addition, the Company elected to adopt a practical expedient that allows the Company to avoid reassessing existing or expired land easements that were not previously accounted for as a lease, as well as a practical expedient that allows the Company to avoid separating nonlease components from lease components and instead to account for each separate lease component and related nonlease component as a single lease component. As permitted, the Company has elected to not apply the recognition requirements of ASC 842 to short-term leases. Adoption of this new standard resulted in the recording of right-of-use operating lease assets and operating lease liabilities of \$100.9 million as of January 1, 2019. However, after considering the Company’s previous straight-line lease liability of \$100.1 million, the Company recorded \$0.8 million in net right-of-use assets related to its operating leases as of January 1, 2019. Right-of-use assets are recorded in prepaid expenses and other assets in the accompanying consolidated balance sheets at December 31, 2020 and 2019. See Note 2, “Property and Equipment,” and Note 7, “Leases,” for additional disclosures regarding the Company’s leases.

In June 2016, the FASB issued ASU No. 2016-13, “*Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments*,” which changes how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The ASU replaces the current “incurred loss” approach with an “expected loss” model for instruments measured at amortized cost. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities are required to use a new forward-looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. The Company has applied these amendments with a modified-retrospective approach, with a cumulative-effect adjustment to retained earnings as of the beginning of period of adoption. For debt securities for which an other-than-temporary impairment has been previously recognized, a prospective transition approach for the prior other-than-temporary impairment is required. The Company adopted this ASU in the first quarter of 2020 and recorded an adjustment to beginning retained earnings of \$5.3 million and an adjustment to accumulated other comprehensive loss of \$2.2 million. See Note 3, “Notes Receivable,” for additional disclosure.

In March 2020, the FASB issued ASU No. 2020-04, “*Reference Rate Reform – Facilitation of the Effects of Reference Rate Reform on Financial Reporting*,” which provides temporary optional expedients and exceptions to the existing guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate (“SOFR”). The guidance in ASU 2020-04 is optional, effective immediately, and may be elected over time as reference rate reform activities occur generally through December 31, 2022. During 2020, the Company elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. The Company continues to evaluate the impact of this guidance and may apply other elections as applicable as additional market changes occur.

In October 2020, the FASB issued ASU No. 2020-09, “*Debt – Amendments to SEC Paragraphs Pursuant to SEC Release No. 33-10762*,” which addresses disclosure rules on guaranteed debt securities offerings. The new rules allow for more summarized information regarding issuer and guarantor subsidiaries, as well as the option to provide the required disclosures in a footnote to the consolidated financial statements or in management’s discussion and analysis of financial condition and results of operations. The updated guidance is effective for the Company in January 2021; however, early adoption is permitted. The Company elected to adopt this guidance in the third quarter of 2020 and has included the applicable disclosures within management’s discussion and analysis of financial condition and results of operations in this annual report.

2. Property and Equipment

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

	December 31, 2020	December 31, 2019
Land and land improvements	\$ 351,618	\$ 349,024
Buildings	3,462,218	3,432,136
Furniture, fixtures and equipment	960,666	968,858
Right-of-use finance lease assets	1,613	1,613
Construction-in-progress	166,084	82,906
	4,942,199	4,834,537
Accumulated depreciation and amortization	(1,824,952)	(1,704,285)
Property and equipment, net	<u>\$ 3,117,247</u>	<u>\$ 3,130,252</u>

Property and equipment includes all property and equipment of the Gaylord Rockies joint venture, which was recorded at fair value as of December 31, 2018, according to the Company’s purchase price allocation described in Note 4, “Investment in Gaylord Rockies Joint Venture.” Depreciation expense, including amortization of assets under finance lease obligations, during 2020, 2019 and 2018 was \$173.3 million, \$172.2 million, and \$119.5 million, respectively.

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

3. Notes Receivable

In connection with the development of Gaylord National, Prince George’s County, Maryland (“the County”) issued a bond with a face value of \$95 million (“Series A Bond”) and an additional bond with a face value of \$50 million (“Series B Bond”), which were delivered to the Company upon substantial completion and opening of Gaylord National on April 2, 2008. The interest rate on the Series A Bond and Series B Bond is 8.0% and 10.0%, respectively. The maturity date of the Series A Bond and the Series B Bond is July 1, 2034 and September 1, 2037, respectively.

Upon receipt in 2008, the Company calculated the present value of the future debt service payments from the Series A Bond and Series B Bond based on their effective interest rates of 8.04% and 11.42%, respectively, and recorded the notes receivable at their discounted values of \$93.8 million and \$38.3 million, respectively. The Company records the amortization of discount on these notes receivable as interest income over the terms of the notes. The Company is currently holding the bonds, which have aggregate carrying values and approximate fair values of \$71.9 million and \$110.1 million at December 31, 2020 and 2019, respectively, net of a credit loss reserve of \$38.0 million and \$0, respectively. The Company is receiving the debt service on the notes receivable, which are payable from tax increments, hotel taxes and special hotel rental taxes generated from the development through the maturity date. The Company’s estimate of credit loss reserves is sensitive to the significant assumptions, which include the projections of hotel taxes (which are based on expected hotel revenues) and property taxes, both of which are affected by expectations about future market and economic conditions, particularly those in the Washington D.C. market. These assumptions are based on Level 3 inputs. Further, such assumptions are judgmental as the bonds and related projected cash flows continue for an extending period of time through 2037 and include uncertainty of the impact of the COVID-19 pandemic.

The Company has the intent and ability to hold the Series A Bond and Series B Bond to maturity and had at inception expected to receive all debt service payments due. As a result of reduced long-range tax revenue projections over the remaining life of the Series B Bond, in 2017, the Company no longer believed it would receive all debt service payments due under the note, and the Company considered the Series B Bond to be other-than-temporarily impaired (“OTTI”). The amount of the OTTI related to changing market conditions, or the increase in the discount rate, of \$6.5 million was recorded as an increase to other comprehensive loss in 2017 and is amortized as an adjustment to the carrying value of the Series B Bond in the accompanying consolidated balance sheets. The discount rate was determined based on current market interest rates of notes receivable with comparable market ratings and current expectations about the timing of debt service payments under the note.

In the first quarter 2020, in accordance to the adoption of ASU No. 2016-13, as discussed in Note 1, the Company recorded an initial transition adjustment of \$5.2 million and has since performed its quarterly assessment of credit losses under the new standard, which considers the estimate of projected tax revenues that will service the bonds over its remaining term. These tax revenue projections were updated each quarter in connection with the Company’s preparation of its quarterly financial statements as a result of the closure of Gaylord National during the COVID-19 pandemic and to reflect updated industry projections as to future anticipated operations of the hotel. As a result of these reduced tax revenue projections over the remaining life of the bonds, the Company increased its credit loss reserve by \$38.0 million in 2020, which includes the initial transition adjustment. At December 31, 2020, the Series B Bond is fully reserved. The Series A Bond is of higher priority than other tranches which fall between the Company’s two issuances.

During 2020, 2019 and 2018, the Company recorded interest income of \$6.2 million, \$10.2 million and \$10.1 million, respectively, on these bonds. The Company received payments of \$8.8 million, \$11.3 million and \$10.9 million during 2020, 2019 and 2018, respectively, relating to these notes receivable, which includes principal and interest payments. At December 31, 2020 and 2019, before consideration of the credit loss reserve, the Company had accrued interest receivable related to these bonds of \$40.9 million and \$38.2 million, respectively.

In connection with the development of certain infrastructure adjacent to Gaylord Rockies, in December 2015, Colorado International Center Metropolitan District No. 4 (“CIC4”) issued a bond with a face value of \$20.4 million (“GR Series A Bond”) and an additional bond with a face value of \$1.5 million (“GR Series B Bond”), of which \$9.0 million of the GR Series A Bond and all of the GR Series B Bond were purchased by the Gaylord Rockies joint venture at issuance at face value. The interest rate on both bonds was 2.5% through November 30, 2020; 6.0% from December 1, 2020 through November 30, 2024; and 8.0% from December 1, 2024 through the respective maturity date. The original maturity date of the GR Series A Bond and the GR Series B Bond was December 1, 2030 and December 1, 2040, respectively. In April 2019, these bonds were redeemed by CIC4, and the joint venture received the outstanding principal and interest, which resulted in no impact to the Company’s consolidated statement of operations for 2019.

4. Investment in Gaylord Rockies Joint Venture

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

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

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

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

The Company performed a valuation of the overall fair value of the Gaylord Rockies joint venture and the acquired assets and liabilities as of December 31, 2018. This valuation was determined based on a variety of factors and inputs, including future projected cash flows, market data for similar assets, future projected

occupancy and ADR, replacement values of land and property, and advanced bookings already received for the hotel, all of which the Company considers as Level 3 fair value measurements. This valuation resulted in an estimation that the fair value of the Company's existing joint venture interest immediately prior to the purchase of additional interest was \$218.4 million, which exceeded the carrying value of the Company's existing interest in the joint venture. The resulting gain of \$131.4 million related to the re-measurement of the pre-existing equity method investment prior to consolidation was recorded as income from unconsolidated joint ventures in the accompanying consolidated statement of operations for 2018.

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

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

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

Pursuant to the amended and restated joint venture agreements, certain affiliates of Ares each had a put right to require the Company to purchase their joint venture interests at a defined appraised value during an annual window period, or under certain other circumstances, in consideration of cash or OP Units of the Operating Partnership. During 2020, put right holders totaling 0.5% ownership in the Gaylord Rockies joint venture exercised their put rights for \$2.9 million in cash, and the remaining put right holders, totaling 2.4% ownership in the Gaylord Rockies joint venture, exercised their put rights for approximately \$14.0 million in OP Units, which was equivalent to approximately 0.4 million OP Units. Such OP Units have economic terms that are substantially similar to shares of the Company's common stock and are redeemable at the option of the holders thereof. Redemptions will be paid in cash, or if the Company so elects, in shares of the Company's common stock on a one-for-one basis, subject to certain adjustments in accordance with the Operating Partnership's partnership agreement. Subsequent to these transactions, the Company owned 65% of the Gaylord Rockies joint venture.

Affiliates of RIDA also have a put right at an appraised value for cash, which will become exercisable at the earlier of December 31, 2023 or the date on which a certain change of control of RIDA occurs.

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

5. Debt

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

	<u>2020</u>	<u>2019</u>
\$700M Revolving Credit Facility, less unamortized DFCs of \$7,579 and \$0	\$ 98,421	\$ —
\$300M Term Loan A, less unamortized DFCs of \$2,321 and \$2,478	297,679	297,522
\$500M Term Loan B, less unamortized DFCs of \$3,524 and \$4,501	377,726	381,749
\$400M Senior Notes, less unamortized DFCs of \$2,301 and \$3,222.	397,699	396,778
\$700M Senior Notes, less unamortized DFCs of \$10,676 and \$11,808, plus unamortized premium of \$2,167 and \$2,434	691,491	690,626
\$800M Term Loan (Gaylord Rockies JV), less unamortized DFCs of \$6,103 and \$8,015.	793,897	791,985
Finance lease obligations	<u>1,095</u>	<u>1,308</u>
Total debt.	<u>\$2,658,008</u>	<u>\$2,559,968</u>

See Note 16, "Subsequent Events" for further disclosure.

At December 31, 2020, there were no defaults under the covenants related to the Company's outstanding debt, and the lenders had extended the allowable closure period in the covenant in the credit facility that prohibits closure of the Gaylord Hotels properties for longer than a specified period of time.

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Years Thereafter</u>	<u>Total</u>
\$700M Revolving Credit Facility.	\$ —	\$ —	\$ —	\$106,000	\$ —	\$ —	\$ 106,000
\$300M Term Loan A	—	—	—	—	300,000	—	300,000
\$500M Term Loan B	5,000	5,000	5,000	366,250	—	—	381,250
\$400M 5% Senior Notes	—	—	400,000	—	—	—	400,000
\$700M 4.75% Senior Notes	—	—	—	—	—	700,000	700,000
\$800M Term Loan ⁽¹⁾	—	—	800,000	—	—	—	800,000
Total.	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$1,205,000</u>	<u>\$472,250</u>	<u>\$300,000</u>	<u>\$700,000</u>	<u>\$2,687,250</u>

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

Credit Facility

On October 31, 2019, the Company entered into a Sixth Amended and Restated Credit Agreement (the "Credit Agreement") among the Company, as guarantor, the Operating Partnership, as borrower, certain other subsidiaries of the Company party thereto, as guarantors, certain subsidiaries of the Company party thereto, as pledgors, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent, which amended and restated the Company's existing credit facility. As amended, the Company's credit facility consists of a \$700.0 million senior secured revolving credit facility (the "Revolver"), a \$300.0 million senior secured term loan A (the "Term Loan A") which was increased from \$200.0 million pursuant to the amended agreement, and a \$500.0 million senior secured term loan B (the "Term Loan B"), each as discussed below. The Credit Agreement also includes an accordion feature of \$600 million and a \$50.0 million letter of credit sublimit. On April 23, 2020, the Company entered into Amendment No. 1 (the "First Amendment") to the Credit Agreement among the same parties, and on December 22, 2020, the Company entered into Amendment No. 2 (the "Second Amendment" and collectively with the First Amendment, the "Amendments"), to the Credit Agreement among the same parties, each as discussed below.

Each of the Revolver, Term Loan A and Term Loan B is guaranteed by the Company, each of the four wholly-owned subsidiaries that own the four wholly-owned Gaylord Hotels properties, and certain other of the Company's subsidiaries. Each is secured by (i) a first mortgage lien on the real property of each of the four wholly-owned Gaylord Hotels properties, (ii) pledges of equity interests in the Company's subsidiaries that own the four wholly-owned Gaylord Hotels properties, (iii) pledges of equity interests in the Operating Partnership,

the subsidiaries that guarantee the Credit Agreement, and certain other of the Company's subsidiaries, (iv) the personal property of the Company, the Operating Partnership and the subsidiaries that guarantee the Credit Agreement and (v) all proceeds and products from the Company's four wholly-owned Gaylord Hotels properties. Advances are subject to a 55% borrowing base, based on the appraisal value of the four wholly-owned Gaylord Hotels properties (reduced to 50% in the event one of the four wholly-owned Gaylord Hotel properties is sold). Assets of the Gaylord Rockies joint venture are not subject to the liens of the credit facility.

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

The First Amendment provided for a waiver of the foregoing financial covenants through March 31, 2021 and the Second Amendment extended that waiver through March 31, 2022 (the "Temporary Waiver Period"). In addition, the Amendments contain a covenant that the Company must maintain unrestricted liquidity (in the form of unrestricted cash on hand or undrawn availability under the Revolver) of at least \$100 million. In the event the Company is unable to comply with the Credit Agreement's financial covenants following the Temporary Waiver Period, it expects to further amend the Credit Agreement or take other mitigating actions prior to a potential breach.

During the Temporary Waiver Period, the Amendments provide for increased interest and fees, additional restrictions on debt, investments, dividends, share repurchases and capital expenditures, and a minimum liquidity requirement.

The Company may elect to terminate the Temporary Waiver Period prior to expiration. For the first quarter following expiration or termination of the Temporary Waiver Period, it will calculate compliance with the financial covenants in the Credit Agreement using a designated annualized calculation based on the Company's most recently completed fiscal quarter. Thereafter, the Company will be required to satisfy financial covenants at the levels set forth in the Credit Agreement using a designated annualized calculation based on the Company's most recently completed fiscal quarters, as applicable. Pursuant to the Amendments, the Company is required to use any proceeds from borrowings drawn during the Temporary Waiver Period and until the Company can demonstrate financial covenant compliance following the expiration or earlier termination of the Temporary Waiver Period (the "Restricted Period") to fund operating expenses, debt service of the Company and its subsidiaries, and permitted capital expenditures and investments.

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

As a result of refinancings of its credit facility, the Company wrote off \$0.1 million, \$0.2 million and \$2.0 million of DFCs during 2020, 2019 and 2018, respectively, which are included in interest expense in the accompanying consolidated statements of operations.

\$700 Million Revolving Credit Facility

Pursuant to the Credit Agreement, the Company extended the maturity of the Revolver to March 31, 2024. Borrowings under the Revolver bear interest at an annual rate equal to, at the Company's option, either (i) LIBOR plus the applicable margin ranging from 1.40% to 1.95%, dependent upon the Company's funded debt to total asset value ratio (as defined in the Credit Agreement) or (ii) a base rate as set in the Credit Agreement. Pursuant to the Amendments, through March 31, 2021, the interest rate on LIBOR-based borrowings under the Revolver will be LIBOR plus 1.95%. Beginning April 1, 2021 through the end of the Restricted Period, the interest rate on LIBOR-based borrowings under the Revolver will be LIBOR plus 2.25%.

\$300 Million Term Loan A

Pursuant to the Credit Agreement, the Company increased its Term Loan A from \$200 million to \$300 million and extended the maturity to March 31, 2025. Borrowings under the Term Loan A bear interest at an annual rate equal to, at the Company's option, either (i) LIBOR plus the applicable margin ranging from 1.35% to 1.90%,

dependent upon the Company's funded debt to total asset value ratio (as defined in the Credit Agreement) or (ii) a base rate as set in the Credit Agreement. Pursuant to the Amendments, through March 31, 2021, the interest rate on LIBOR-based borrowings under the Term Loan A will be LIBOR plus 1.90%. Beginning April 1, 2021 through the end of the Restricted Period, the interest rate on LIBOR-based borrowings under the Term Loan A will be LIBOR plus 2.25%. Amounts borrowed under the Term Loan A that are repaid or prepaid may not be reborrowed. At original closing, the Company drew down on the Term Loan A in full. Net proceeds of the 2019 increase in the Term Loan A, after certain transaction expenses payable at closing, were approximately \$94 million and, along with cash on hand, were used to repay \$100 million of the outstanding indebtedness under the Term Loan B.

\$500 Million Term Loan B

The Term Loan B has a maturity of May 11, 2024. The applicable interest rate margins for borrowings under the Term Loan B are, at the Company's option, either (i) LIBOR plus 2.00% or (ii) a base rate as set in the Credit Agreement. At December 31, 2020, the interest rate on the Term Loan B was LIBOR plus 2.00%. In October 2019, we entered into four interest rate swaps with a total notional amount of \$350.0 million to fix the LIBOR portion of the interest rate, at rates between 1.2235% and 1.2315%, through May 11, 2023. The Company has designated these swaps as effective cash flow hedges. The Term Loan B amortizes in equal quarterly installments in aggregate annual amounts equal to 1.0% of the original principal amount of \$500.0 million, with the balance due at maturity. In addition, if for any fiscal year there is Excess Cash Flow (as defined in the Credit Agreement), payment of an additional principal payment is required. Amounts borrowed under the Term Loan B that are repaid or prepaid may not be reborrowed. At closing, the Company drew down on the Term Loan B in full.

\$350 Million 5% Senior Notes Due 2021

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

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

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

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

\$400 Million 5% Senior Notes Due 2023

On April 14, 2015, the Operating Partnership and Finco completed the private placement of \$400.0 million in aggregate principal amount of senior notes due 2023 (the "\$400 Million 5% Senior Notes"), which are guaranteed by the Company and its subsidiaries that guarantee the Credit Facility. The \$400 Million 5% Senior Notes and guarantees were issued pursuant to an indenture by and among the issuing subsidiaries and the guarantors and U.S. Bank National Association as trustee. The \$400 Million 5% Senior Notes have a maturity date of April 15, 2023 and bear interest at 5% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year. The \$400 Million 5% Senior Notes are general unsecured and unsubordinated obligations of the issuing subsidiaries and rank equal in right of payment with such subsidiaries' existing and future senior unsecured indebtedness and senior in right of payment to future subordinated indebtedness, if any.

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

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

In connection with the issuance of the \$400 Million 5% Senior Notes, in September 2015, the Company completed a registered offer to exchange the \$400 Million 5% Senior Notes for registered notes with substantially identical terms as the \$400 Million 5% Senior Notes. See Note 16, "Subsequent Events" for further disclosure.

\$700 Million 4.75% Senior Notes Due 2027

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

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

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

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

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

principal amount thereof, which percentage is 103.563%, 102.375%, 101.188%, and 100.00% beginning on October 15 of 2022, 2023, 2024, and 2025, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

The Company completed a registered offer to exchange the \$700 Million 4.75% Senior Notes for registered notes with substantially identical terms as the \$700 Million 4.75% Senior Notes in July 2020.

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

On July 2, 2019, Aurora Convention Center Hotel, LLC (“Hotel Owner”) and Aurora Convention Center Hotel Lessee, LLC (collectively, “Borrower”), subsidiaries of the entities comprising the Gaylord Rockies joint venture, entered into a Second Amended and Restated Loan Agreement (the “Gaylord Rockies Loan”) with Wells Fargo Bank, National Association, as administrative agent, which refinanced the Gaylord Rockies joint venture’s previous \$500 million construction loan and \$39 million mezzanine loan, which were scheduled to mature in December 2019. The Gaylord Rockies Loan consists of an \$800.0 million secured term loan facility and also includes the option for an additional \$80.0 million of borrowing capacity should the Gaylord Rockies joint venture intend to pursue a future expansion of Gaylord Rockies, which was announced in February 2020, but has been postponed as a result of the COVID-19 pandemic. The Gaylord Rockies Loan matures July 2, 2023 with three, one-year extension options, subject to certain requirements in the Gaylord Rockies Loan, and bears interest at LIBOR plus 2.50%. Simultaneous with closing, the Gaylord Rockies joint venture entered into an interest rate swap to fix the LIBOR portion of the interest rate at 1.65% for the first three years of the loan. The Company has designated this interest rate swap as an effective cash flow hedge.

The proceeds from the Gaylord Rockies Loan were used by the Gaylord Rockies joint venture to repay the previously outstanding \$500 million construction loan and \$39 million mezzanine loan, and, after payment of expenses, the Gaylord Rockies joint venture distributed the excess proceeds to the owners of the Gaylord Rockies joint venture pro rata in proportion to their interests therein. The noncontrolling interest owners received a distribution of approximately \$95 million, and the Company received a distribution of approximately \$153 million, which was used to repay a portion of the outstanding indebtedness under the Revolver.

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

On June 30, 2020, the Loan Parties entered into Amendment No. 1 (the “Loan Amendment”) to the Gaylord Rockies Loan, by and among the Loan Parties, Wells Fargo Bank, National Association, as administrative agent, and the lenders from time to time party thereto. The Loan Amendment modified the Gaylord Rockies Loan to (i) provide for the ability to use cash for certain purposes, even during a Cash Sweep Period (as defined in the Loan Agreement), which the Gaylord Rockies joint venture is in beginning in July 2020, (ii) extend the deadline for Hotel Owner to commence construction of an expansion to Gaylord Rockies, and (iii) provide favorable changes to the debt service coverage ratio provisions. The Loan Amendment includes restrictions on distributions to the owners of the Gaylord Rockies joint venture and requires a certain level of equity financing for a Gaylord Rockies expansion.

As a result of the above refinancings, the Gaylord Rockies joint venture wrote off \$0.1 million and \$1.1 million of unamortized DFCs, which are recorded as interest expense in the accompanying consolidated statements of operations for 2020 and 2019, respectively.

Interest Rate Derivatives

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

designated this swap as a cash flow hedge whereby the joint venture receives variable-rate amounts in exchange for fixed-rate payments over the life of the agreement without exchange of the underlying principal amount.

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

Hedged Debt	Type	Strike Rate	Index	Maturity Date	Notional Amount	Estimated Fair Value Asset (Liability) Balance	
						December 31, 2020	December 31, 2019
Term Loan B	Interest Rate Swap	1.2235%	1-month LIBOR	May 11, 2023	\$ 87,500	\$ (2,206)	\$ 959
Term Loan B	Interest Rate Swap	1.2235%	1-month LIBOR	May 11, 2023	\$ 87,500	(2,206)	959
Term Loan B	Interest Rate Swap	1.2235%	1-month LIBOR	May 11, 2023	\$ 87,500	(2,206)	956
Term Loan B	Interest Rate Swap	1.2315%	1-month LIBOR	May 11, 2023	\$ 87,500	(2,222)	934
Gaylord Rockies Loan	Interest Rate Swap	1.6500%	1-month LIBOR	August 1, 2022	\$800,000	(18,979)	(2,174)
						<u>\$(27,819)</u>	<u>\$ 1,634</u>

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

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

	Amount of Gain (Loss) Recognized in OCI on Derivative		Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Expense)	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Expense)	
	2020	2019		2020	2019
Derivatives in Cash					
Flow Hedging Relationships:					
Interest rate swaps	<u>\$(39,958)</u>	<u>\$3,539</u>	Interest expense	<u>\$(10,505)</u>	<u>\$1,905</u>
Total derivatives	<u>\$(39,958)</u>	<u>\$3,539</u>		<u>\$(10,505)</u>	<u>\$1,905</u>

Reclassifications from accumulated other comprehensive loss for interest rate swaps are shown in the table above and included in interest expense. Total consolidated interest expense for 2020, 2019 and 2018 was \$115.8 million, \$131.6 million and \$75.0 million, respectively.

At December 31, 2020, the fair value of derivatives in a net liability position including accrued interest but excluding any adjustment for nonperformance risk related to these agreements was \$29.4 million. As of December 31, 2020, the Company has not posted any collateral related to these agreements and was not in breach of any agreement provisions. If the Company had breached any of these provisions, it could have been required to settle its obligations under the agreements at the aggregate termination value of \$29.4 million. In addition, the Company has an agreement with its derivative counterparty that contains a provision whereby the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

6. Deferred Management Rights Proceeds

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

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

7. Leases

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

The terms of the Gaylord Palms lease include variable lease payments based upon net revenues at Gaylord Palms and certain other of the Company's leases include rental payments adjusted periodically for inflation. The Company recorded \$0.7 million, \$2.5 million and \$2.2 million of contingent rental expense related to the Gaylord Palms in 2020, 2019 and 2018, respectively. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

The Company's lease cost for the years ended December 31, 2020 and 2019 is as follows (in thousands):

	<u>2020</u>	<u>2019</u>
Operating lease cost	\$12,016	\$13,877
Finance lease cost:		
Amortization of right-of-use assets	149	157
Interest on lease liabilities	<u>48</u>	<u>63</u>
Net lease cost	<u>\$12,213</u>	<u>\$14,097</u>

Lease expense for operating leases for 2018 was \$14.3 million.

Future minimum lease payments under non-cancelable leases at December 31, 2020 are as follows (in thousands):

	<u>Operating Leases</u>	<u>Finance Leases</u>
Year 1	\$ 6,232	\$ 260
Year 2	6,011	234
Year 3	6,039	199
Year 4	5,844	46
Year 5	5,956	46
Years thereafter	<u>568,311</u>	<u>567</u>
Total future minimum lease payments	598,393	1,352
Less amount representing interest	<u>(490,824)</u>	<u>(257)</u>
Total present value of minimum payments	<u>\$ 107,569</u>	<u>\$1,095</u>

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

Weighted-average remaining lease term:

Operating leases	50.2 years
Finance leases	10.1 years

Weighted-average discount rate:

Operating leases	6.9%
Finance leases	4.0%

8. Stock Plans

The Company's 2016 Omnibus Incentive Plan (the "Plan") permits the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other share-based awards to its directors, employees and consultants. At December 31, 2020, approximately 1.2 million shares of common stock remained available for issuance pursuant to future grants of awards under the Plan.

Restricted stock units granted to employees vest one to four years from the date of grant, and restricted stock units granted to non-employee directors vest one year from the date of grant, unless the recipient chooses to defer the vesting for a period of time. Depending on the type of award, the fair value of restricted stock units is determined either based on the market price of the Company's stock at the date of grant or based on a Monte-Carlo valuation. Forfeitures are estimated based on historical experience. The Company generally records compensation expense equal to the fair value of each restricted stock unit granted over the vesting period. The weighted-average grant-date fair value of restricted stock units granted during 2020, 2019, and 2018 was \$84.26, \$89.29, and \$71.74, respectively.

A summary of the status of the Company's restricted stock units as of December 31, 2020 and changes during the year ended December 31, 2020, is presented below:

Restricted Stock Units	Shares	Weighted Average Grant-Date Fair Value
Nonvested shares at January 1, 2020	349,358	\$73.47
Granted	162,942	84.26
Vested	(130,623)	69.47
Canceled	<u>(21,774)</u>	86.80
Nonvested shares at December 31, 2020	<u>359,903</u>	78.41

The fair value of all restricted stock units that vested during 2020, 2019 and 2018 was \$4.9 million, \$12.7 million and \$11.7 million, respectively.

At December 31, 2020, there was \$15.5 million of total unrecognized compensation cost related to restricted stock units granted under the Company's equity incentive plans. That cost is expected to be recognized over a weighted-average period of 2.3 years.

The compensation cost that has been charged against pre-tax income for all of the Company's stock-based compensation plans was \$8.7 million, \$7.8 million, and \$7.7 million for 2020, 2019, and 2018, respectively. The total income tax benefit recognized in the accompanying consolidated statements of operations for all of the Company's stock-based employee compensation plans was \$2.1 million, \$1.8 million, and \$1.7 million for 2020, 2019, and 2018, respectively.

The actual tax benefit realized from exercise, vesting or cancellation of the stock-based employee compensation arrangements during 2020, 2019, and 2018 totaled \$0.7 million, \$1.5 million, and \$1.0 million, respectively, and is reflected as an adjustment to deferred tax liabilities in the accompanying consolidated balance sheets.

9. Pension Plans

Prior to January 1, 2001, the Company maintained a noncontributory defined benefit pension plan in which substantially all of its employees were eligible to participate upon meeting the pension plan's participation requirements. The benefits were based on years of service and compensation levels. On December 31, 2000,

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

As a result of increased lump-sum distributions from the retirement plan during 2020, 2019 and 2018, net settlement losses of \$1.7 million, \$1.9 million and \$1.6 million were recognized in 2020, 2019 and 2018, respectively. These settlement losses have been classified as other gains and (losses), net in the accompanying consolidated statements of operations.

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

	<u>2020</u>	<u>2019</u>
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	\$ 82,518	\$ 77,847
Interest cost	1,969	2,713
Actuarial loss	8,568	8,436
Benefits paid	<u>(6,307)</u>	<u>(6,478)</u>
Benefit obligation at end of year	<u>86,748</u>	<u>82,518</u>
CHANGE IN PLAN ASSETS:		
Fair value of plan assets at beginning of year	66,000	59,653
Actual return on plan assets	9,801	11,346
Employer contributions	1,727	1,479
Benefits paid	<u>(6,307)</u>	<u>(6,478)</u>
Fair value of plan assets at end of year	<u>71,221</u>	<u>66,000</u>
Funded status and accrued pension cost	<u><u>\$(15,527)</u></u>	<u><u>\$(16,518)</u></u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Interest cost	\$ 1,969	\$ 2,713	\$ 2,829
Expected return on plan assets	(4,101)	(3,849)	(4,363)
Amortization of net actuarial loss	1,004	970	750
Net settlement loss	<u>1,740</u>	<u>1,904</u>	<u>1,559</u>
Total net periodic pension expense	<u><u>\$ 612</u></u>	<u><u>\$ 1,738</u></u>	<u><u>\$ 775</u></u>

Assumptions

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate	1.95%	2.85%	3.95%
Rate of compensation increase	N/A	N/A	N/A

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate	2.40%	3.51%	3.47%
Rate of compensation increase	N/A	N/A	N/A
Expected long-term rate of return on plan assets.	6.50%	6.50%	6.50%

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

The Company determines the overall expected long-term rate of return on plan assets based on its estimate of the return that plan assets will provide over the period that benefits are expected to be paid out. In preparing this estimate, the Company assesses the rates of return on each current allocation of plan assets, and advice from its third-party actuary and investment consultants. The expected return on plan assets is a long-term assumption and generally does not significantly change annually. While historical returns are considered, the rate of return assumption is primarily based on projections of expected returns based on fair value, using economic data and financial models to estimate the probability of returns. The probability distribution of annualized returns for the portfolio using current asset allocations is used to determine the expected range of returns for a ten-to-twenty-year horizon. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the Company's pension obligations and expense.

Plan Assets

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

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

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

<u>Asset Class</u>	<u>2020</u>	<u>2019</u>
Cash	\$ 2,457	\$ 43
Mutual funds	<u>68,764</u>	<u>65,957</u>
Total	<u>\$71,221</u>	<u>\$66,000</u>

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

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

Expected Contributions and Benefit Payments

The Company expects to contribute approximately \$0.9 million to its defined benefit pension plan in 2021. Based on the Company's assumptions discussed above, the Company expects to make the following estimated future benefit payments under the plan during the years ending December 31 (amounts in thousands):

2021	\$ 7,518
2022	5,778
2023	4,827
2024	4,837
2025	6,559
2026 - 2030	28,698

Other Information

The Company also maintains non-qualified pension plans (the "Non-Qualified Plans") to provide benefits to certain key employees. The Non-Qualified Plans are not funded and the beneficiaries' rights to receive distributions under these plans constitute unsecured claims to be paid from the Company's general assets. At December 31, 2020, the Non-Qualified Plans' projected benefit obligations and accumulated benefit obligations were \$15.3 million.

The Company's accrued cost related to its qualified and non-qualified pension plans of \$30.8 million and \$29.9 million at December 31, 2020 and 2019, respectively, is included in other liabilities in the accompanying consolidated balance sheets. The change in the deferred net loss related to the Company's retirement plans during 2020, 2019 and 2018 resulted in an increase (decrease) in equity of \$(2.3) million, \$2.1 million and \$(1.3) million, respectively, net of taxes of \$0, \$0.5 million, and \$(0.4) million, respectively. Each of these adjustments to equity due to the change in the minimum liability are included in other comprehensive loss in the accompanying consolidated statements of stockholders' equity and noncontrolling interest.

The combined net loss, amortization of net loss, and new prior service credit and amortization of prior service credit recognized in other comprehensive income (loss) for the years ended December 31, 2020 and 2019 was \$(2.3) million and \$2.1 million, respectively. Included in accumulated other comprehensive loss at December 31, 2020 and 2019 are unrecognized actuarial losses of \$37.4 million and \$35.2 million (\$30.7 million and \$28.4 million net of tax), respectively, that have not yet been recognized in net periodic pension expense. Net losses are amortized into net periodic pension expense based on the life expectancy of plan participants expected to receive benefits, using a corridor approach based on the greater of projected benefit obligation or fair value of plan assets.

10. Postretirement Benefits Other than Pensions

The Company sponsors an unfunded defined benefit postretirement health care plan for certain employees and contributes toward the cost of health insurance benefits. In order to be eligible for these postretirement benefits, an employee must retire after attainment of age 55 and completion of 15 years of service, or attainment of age 65 and completion of 10 years of service. The Company's Benefits Trust Committee determines retiree premiums. The Company amended the plans effective December 31, 2001 such that only retirees who were receiving benefits under the plans at that time and active employees at that time whose age plus years of service totaled at least 60 and who had at least 10 years of service as of December 31, 2001 remain eligible. In addition, as a result of the continued impact of the COVID-19 pandemic, the Company amended the plans effective January 1, 2021 to reduce the benefits offered by the plan.

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>2020</u>	<u>2019</u>
Benefit obligation at beginning of year	\$2,735	\$2,774
Interest cost	69	101
Actuarial loss	144	196
Plan amendment	(763)	—
Benefits paid	<u>(310)</u>	<u>(336)</u>
Benefit obligation at end of year	<u>\$1,875</u>	<u>\$2,735</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Interest cost	\$ 69	\$ 101	\$ 96
Amortization of net actuarial loss	245	238	257
Amortization of prior service credit	<u>(1,314)</u>	<u>(1,314)</u>	<u>(1,314)</u>
Total net postretirement benefit income	<u>\$(1,000)</u>	<u>\$ (975)</u>	<u>\$ (961)</u>

The discount rate used to determine the benefit obligation at December 31, 2020, 2019 and 2018 was 1.70%, 2.70% and 3.83%, respectively. The discount rate used to determine the net postretirement benefit income for years ended December 31, 2020, 2019 and 2018 was 2.70%, 3.83% and 3.15%, respectively.

The Company expects to contribute \$0.2 million to the plan in 2021. Based on the Company's assumptions discussed above, the Company expects to make the following estimated future benefit payments under the plan during the years ending December 31 (amounts in thousands):

2021	\$191
2022	178
2023	165
2024	153
2025	141
2026 - 2030	549

The net loss, amortization of net loss, and new prior service credit and amortization of prior service credit recognized in other comprehensive income (loss) for 2020 was \$0.1 million, \$0.2 million, and \$0.6 million, respectively. Included in accumulated other comprehensive loss at December 31, 2020 are the following amounts that have not yet been recognized in net postretirement benefit expense: unrecognized actuarial losses of \$3.0 million (\$2.0 million net of tax) and unrecognized prior service credits of \$9.2 million (\$6.4 million net of tax). The net loss, amortization of net loss and amortization of prior service credit recognized in other comprehensive income (loss) for 2019 was \$0.2 million, \$0.2 million, and \$1.3 million, respectively. Included in accumulated other comprehensive loss at December 31, 2019 are the following amounts that have not yet been recognized in net postretirement benefit expense: unrecognized actuarial losses of \$3.1 million (\$2.2 million net of tax) and unrecognized prior service credits of \$9.8 million (\$7.0 million net of tax). The net gain, amortization of net loss and amortization of prior service credit recognized in other comprehensive income (loss) for 2018 was \$0.1 million, \$0.3 million, and \$1.3 million, respectively.

11. Equity

Equity Offering

In December 2019, the Company completed an underwritten public offering of approximately 3.5 million shares of its common stock, par value \$0.01 per share, at a price to the public of \$85.60 per share. Net proceeds to the Company, after deducting underwriting discounts and commissions and other expenses paid by the Company, were approximately \$283 million. The Company used the net proceeds for general corporate purposes.

Dividends

During 2020, the Company's board of directors declared a first quarter dividend of \$0.95 per share of common stock, or an aggregate of \$52.2 million in cash. Following the payment of the first quarter 2020 cash dividend, the Company suspended its regular quarterly dividend payments. The Company's board of directors will consider a future dividend as permitted by the Company's credit agreement. The Amendment described in Note 5, "Debt," permits payment of dividends as necessary to maintain the Company's REIT status and permits the Company to pay a dividend of \$0.01 per share each quarter. Any future dividend is subject to the Company's board of director's determination as to the amount of distributions and the timing thereof.

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

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

To maintain its qualification as a REIT for federal income tax purposes, the Company must distribute at least 90% of its REIT taxable income each year. Prior to the suspension of dividends due to the COVID-19 pandemic, the Company had planned to continue to pay a quarterly cash dividend to stockholders in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by the Company) less maintenance capital expenditures or 100% of REIT taxable income on an annual basis, whichever is greater. The declaration, timing and amount of dividends will be determined by future action of the Company's board of directors. The dividend policy may be altered at any time by the Company's board of directors.

Treasury Stock

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

Noncontrolling Interest in Operating Partnership

The Company consolidates the Operating Partnership, which is a majority-owned limited partnership that has a noncontrolling interest. The outstanding OP Units held by the noncontrolling limited partners are redeemable for cash, or if the Company so elects, in shares of the Company's common stock on a one-for-one basis, subject to certain adjustments. At December 31, 2020, 0.4 million outstanding OP Units, or less than 1% of the outstanding OP Units, were held by the noncontrolling limited partners and are included as a component of equity in the accompanying consolidated balance sheet. The Company owns, directly or indirectly, the remaining 99.2% of the outstanding OP Units.

Accumulated Other Comprehensive Loss

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

	<u>Minimum Pension Liability</u>	<u>Other-Than- Temporary Impairment of Investment</u>	<u>Interest Rate Derivatives</u>	<u>Total</u>
Balance, December 31, 2017.....	\$(20,149)	\$(6,543)	\$ —	\$(26,692)
Losses arising during period	(2,231)	—	—	(2,231)
Amounts reclassified from accumulated other comprehensive loss	(64)	333	—	269
Income tax benefit	<u>630</u>	<u>—</u>	<u>—</u>	<u>630</u>
Net other comprehensive income (loss)	<u>(1,665)</u>	<u>333</u>	<u>—</u>	<u>(1,332)</u>
Balance, December 31, 2018.....	<u>\$(21,814)</u>	<u>\$(6,210)</u>	<u>\$ —</u>	<u>\$(28,024)</u>
Gains arising during period	693	—	3,539	4,232
Amounts reclassified from accumulated other comprehensive loss	97	333	(1,905)	(1,475)
Income tax expense	<u>(185)</u>	<u>—</u>	<u>—</u>	<u>(185)</u>
Net other comprehensive income	<u>605</u>	<u>333</u>	<u>1,634</u>	<u>2,572</u>
Transition adjustment related to adoption of ASU 2018-02... ..	<u>(2,707)</u>	<u>—</u>	<u>—</u>	<u>(2,707)</u>
Balance, December 31, 2019.....	<u>\$(23,916)</u>	<u>\$(5,877)</u>	<u>\$ 1,634</u>	<u>\$(28,159)</u>
Losses arising during period	(2,901)	—	(39,958)	(42,859)
Amounts reclassified from accumulated other comprehensive loss	<u>194</u>	<u>210</u>	<u>10,505</u>	<u>10,909</u>
Net other comprehensive income (loss)	<u>(2,707)</u>	<u>210</u>	<u>(29,453)</u>	<u>(31,950)</u>
Transition adjustment related to adoption of ASU 2016-13 (see Note 1)	<u>—</u>	<u>2,158</u>	<u>—</u>	<u>2,158</u>
Balance, December 31, 2020.....	<u>\$(26,623)</u>	<u>\$(3,509)</u>	<u>\$(27,819)</u>	<u>\$(57,951)</u>

12. Income Taxes

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
CURRENT:			
Federal.....	\$ (101)	\$ (120)	\$ (118)
State	<u>(457)</u>	<u>(3,941)</u>	<u>(1,437)</u>
Total current provision	<u>(558)</u>	<u>(4,061)</u>	<u>(1,555)</u>
DEFERRED:			
Federal.....	(13,565)	(13,715)	(7,271)
State	<u>(12,961)</u>	<u>(699)</u>	<u>(2,919)</u>
Total deferred provision	<u>(26,526)</u>	<u>(14,414)</u>	<u>(10,190)</u>
Total provision for income taxes	<u>\$(27,084)</u>	<u>\$(18,475)</u>	<u>\$(11,745)</u>

Due to the financial statement impact of the COVID-19 pandemic, in connection with the preparation of the consolidated financial statements included herein, the Company reassessed the realizability of net deferred tax assets during 2020, and as a result, the Company recorded a full valuation allowance of \$26.7 million in 2020 on the beginning net deferred tax assets of its TRSs.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Ordinary income	\$—	\$2.55	\$ 2.67
Capital gains	0.05	0.05	0.05
Return of capital	<u>1.80</u>	<u>0.88</u>	<u>—</u>
	<u>\$ 1.85</u>	<u>\$3.48</u>	<u>\$ 2.72</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutory federal income tax (provision) benefit	\$ 91,085	\$(30,822)	\$(58,047)
Adjustment for nontaxable income of the REIT	(33,116)	15,803	50,075
Adjustment for noncontrolling interest in consolidated joint venture	(5,010)	(662)	—
State taxes (net of federal tax benefit)	5,876	(4,596)	(4,268)
Permanent share-based compensation adjustment	(579)	1,257	821
Other permanent items	(200)	(377)	(46)
Change in federal valuation allowance	(65,368)	556	46
Change in state valuation allowance (net of federal tax benefit)	(19,293)	(44)	(88)
Other	<u>(479)</u>	<u>410</u>	<u>(238)</u>
	<u>\$(27,084)</u>	<u>\$(18,475)</u>	<u>\$(11,745)</u>

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

	<u>2020</u>	<u>2019</u>
DEFERRED TAX ASSETS:		
Accounting reserves and accruals	\$ 17,545	\$ 15,931
Defined benefit plan	3,924	4,194
Deferred management rights proceeds	42,424	43,420
Federal and State net operating loss carryforwards	110,869	45,794
Tax credits and other carryforwards	1,114	499
Other assets	<u>5,022</u>	<u>4,605</u>
Total deferred tax assets	180,898	114,443
Valuation allowance	<u>(97,700)</u>	<u>(12,387)</u>
Total deferred tax assets, net of valuation allowance	<u>83,198</u>	<u>102,056</u>
DEFERRED TAX LIABILITIES:		
Property and equipment, net	70,856	61,970
Investment in joint ventures	11,048	12,639
Intangibles	1,084	717
Other liabilities	<u>875</u>	<u>771</u>
Total deferred tax liabilities	<u>83,863</u>	<u>76,097</u>
Net deferred tax assets (liabilities)	<u>\$ (665)</u>	<u>\$ 25,959</u>

Federal net operating loss carryforwards at the TRS at December 31, 2020 totaled \$390.0 million, resulting in a deferred tax benefit of \$81.9 million. Of the total TRS federal net operating loss carryforwards, \$67.5 million were created prior to 2018 and can be used to offset 100% of taxable income in the future. These federal net operating loss carryforwards will expire between 2033 and 2037. The remaining \$322.5 million of federal net operating loss carryforwards have no expiration date and can be used to offset 80% of taxable income in the future. Federal net operating loss carryforwards at the REIT at December 31, 2020 totaled \$60.2 million, resulting in no deferred tax benefit. These net operating losses have no expiration date and can be used to offset 80% of REIT taxable income in the future. The use of certain federal net operating losses, credits and other deferred tax assets are limited to the Company's future taxable earnings. As a result, a valuation allowance has been provided for certain federal deferred tax assets. The valuation allowance related to federal deferred tax assets increased \$65.9 million in 2020 and decreased \$0.5 million and \$0 in 2019 and 2018, respectively.

State net operating loss carryforwards at December 31, 2020 totaled \$678.7 million, resulting in a deferred tax benefit of \$29.0 million, which will expire between 2024 and 2040. The use of certain state net operating losses, credits and other state deferred tax assets are limited to the future taxable earnings of separate legal entities. As a result, a valuation allowance has been provided for certain state deferred tax assets, including loss carryforwards. The valuation allowance related to state deferred tax assets increased \$19.4 million in 2020 and decreased \$1.3 million and \$0.4 million in 2019 and 2018, respectively.

The Company has concluded IRS examinations of the TRS through the 2015 tax year. For federal income tax purposes and substantially all the states with which the Company has nexus, the statute of limitations has expired through 2016. However, the Company has state net operating loss carryforwards from closed years, which could be adjusted upon audit. The Company is routinely subject to other various jurisdictional income tax audits; however, there were no outstanding state or local audits at December 31, 2020.

At December 31, 2020 and 2019, the Company had no accruals for unrecognized tax benefits. The Company recognizes interest and penalties related to uncertain tax positions, if any, in income tax expense. At December 31, 2020 and 2019, the Company has accrued no interest or penalties related to uncertain tax positions.

13. Commitments and Contingencies

In April 2019, the Company acquired a 50% equity interest in Circle and has made capital contributions of \$12.5 million. The joint venture agreement requires the Company to contribute up to an additional \$2.5 million through December 31, 2021, and that additional contribution was made in January 2021.

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

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

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

14. Fair Value Measurements

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

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

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

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

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

	December 31, 2020	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	\$31,277	\$31,277	\$ —	\$—
Total assets measured at fair value	<u>\$31,277</u>	<u>\$31,277</u>	<u>\$ —</u>	<u>\$—</u>
Variable to fixed interest rate swaps	\$27,819	\$ —	\$27,819	\$—
Total liabilities measured at fair value	<u>\$27,819</u>	<u>\$ —</u>	<u>\$27,819</u>	<u>\$—</u>

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

The remainder of the assets and liabilities held by the Company at December 31, 2020 are not required to be measured at fair value, and the carrying value of these assets and liabilities approximates fair value, except as described below.

As discussed in Note 5, "Debt," the Company has outstanding \$400.0 million in aggregate principal amount of the \$400 Million 5% Senior Notes. The carrying value of these notes at December 31, 2020 was \$397.7 million, net of unamortized DFCs. The fair value of these notes, based upon quoted market prices (Level 1), was \$403 million at December 31, 2020.

As discussed in Note 5, "Debt," the Company has outstanding \$700.0 million in aggregate principal amount of the \$700 Million 4.75% Senior Notes. The carrying value of these notes at December 31, 2020 was \$691.5 million, net of unamortized DFCs and premiums. The fair value of these notes, based upon quoted market prices (Level 1), was \$726 million at December 31, 2020.

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

15. Financial Reporting By Business Segments

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:			
Hospitality	\$ 466,045	\$1,421,446	\$1,127,903
Entertainment	58,430	183,120	147,215
Corporate and Other	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 524,475</u>	<u>\$1,604,566</u>	<u>\$1,275,118</u>
Depreciation and amortization:			
Hospitality	\$ 198,073	\$ 201,068	\$ 108,779
Entertainment	14,371	11,150	10,280
Corporate and Other	<u>2,638</u>	<u>1,629</u>	<u>1,817</u>
Total	<u>\$ 215,082</u>	<u>\$ 213,847</u>	<u>\$ 120,876</u>
Operating income (loss):			
Hospitality	\$(204,868)	\$ 263,203	\$ 247,885
Entertainment	(34,242)	45,361	27,686
Corporate and Other	(31,433)	(37,911)	(32,650)
Preopening costs ⁽¹⁾	(1,665)	(3,122)	(4,869)
Gain on sale of assets ⁽²⁾	1,161	—	—
Credit loss on held-to-maturity securities ⁽³⁾	(32,784)	—	—
Impairment charges ⁽⁴⁾	<u>—</u>	<u>—</u>	<u>(23,783)</u>
Total operating income (loss)	(303,831)	267,531	214,269
Interest expense	(115,783)	(131,620)	(74,961)
Interest income	7,304	11,769	10,469
Loss from extinguishment of debt	—	(494)	—
Income (loss) from unconsolidated joint ventures ⁽⁵⁾	(6,451)	(1,110)	125,005
Other gains and (losses), net	<u>(14,976)</u>	<u>693</u>	<u>1,633</u>
Income (loss) before income taxes	<u>\$ (433,737)</u>	<u>\$ 146,769</u>	<u>\$ 276,415</u>

(1) Preopening costs for 2020 include \$0.3 million and \$1.4 million for the Hospitality and Entertainment segments, respectively. Preopening costs for 2019 include \$1.3 million and \$1.9 million for the Hospitality and Entertainment segments, respectively. Preopening costs for 2018 include \$2.9 million and \$1.9 million for the Hospitality and Entertainment segments, respectively.

(2) Gain on sale of assets for 2020 relates to the Hospitality segment.

(3) Credit loss on held-to-maturity securities for 2020 relates to the Hospitality segment.

(4) Impairment charges for 2018 relate to the Entertainment segment.

(5) Loss from unconsolidated joint ventures for 2020 and 2019 relates to the Entertainment segment. Income from unconsolidated joint ventures for 2018 includes \$124.4 million (which includes the gain discussed in Note 4) and \$0.6 million for the Hospitality and Entertainment segments, respectively.

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Identifiable assets:		
Hospitality	\$3,279,238	\$3,494,084
Entertainment	185,178	181,036
Corporate and Other	<u>92,079</u>	<u>413,348</u>
Total identifiable assets	<u>\$3,556,495</u>	<u>\$4,088,468</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Hospitality	\$146,654	\$120,899	\$142,738
Entertainment	13,697	25,000	44,863
Corporate and other	5,112	6,642	616
Total capital expenditures	<u>\$165,463</u>	<u>\$152,541</u>	<u>\$188,217</u>

16. Subsequent Events

On February 9, 2021, the Company commenced a cash tender offer for any and all outstanding \$400 Million 5% Senior Notes at a redemption price of \$1,005.00 per \$1,000 principal amount of \$400 Million 5% Senior Notes accepted for purchase in the tender offer. In accordance with the indenture governing the \$400 Million 5% Senior Notes, subsequent to expiration of the tender offer, on February 17, 2021, the Company gave irrevocable notice of the redemption of all remaining \$400 Million 5% Senior Notes not tendered in the tender offer and irrevocably deposited with the trustee for the \$400 Million 5% Senior Notes and amount sufficient to pay the redemption price of the \$400 Million 5% Senior Notes called for redemption at that date, including interest. The Company used a significant portion of the proceeds from the issuance of the \$600 Million 4.50% Senior Notes described below to tender and redeem the \$400 Million 5% Senior Notes.

On February 17, 2021, the Operating Partnership and Finco (collectively, the “Issuers”) closed on a private placement of \$600 million aggregate principal amount of 4.50% senior notes due 2029 (the “\$600 Million 4.50% Senior Notes”). The \$600 Million 4.50% Senior Notes will be senior unsecured obligations of the Issuers and guaranteed by the Company and its subsidiaries that guarantee the Credit Facility, the \$400 Million 5% Senior Notes and \$700 Million 4.75% Senior Notes. The aggregate net proceeds from the sale of the \$600 Million 4.5% Senior Notes were approximately \$591 million, after deducting the initial purchasers’ discounts and commissions and estimated offering expenses. After using a significant portion of these net proceeds to tender and redeem the Company’s \$400 Million 5% Senior Notes, the Company used the net proceeds to repay all of the amounts outstanding under the Revolver. The Company may use any remaining proceeds for general corporate purposes.

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
(Amounts in thousands)

<u>Description</u>	<u>Balance at Beginning of Year</u>	<u>Additions Charged to Expenses/Other Accounts</u>	<u>Net (Deductions) Recoveries</u>	<u>Balance at End of Year</u>
Credit loss reserve on notes receivable:				
Year ended December 31, 2020	\$ —	\$37,962	\$ —	\$37,962
Valuation allowance for deferred tax assets:				
Year ended December 31, 2020	\$12,387	\$85,313	\$ —	\$97,700
Year ended December 31, 2019	\$14,210	\$ —	\$(1,823)	\$12,387
Year ended December 31, 2018	\$14,616	\$ —	\$ (406)	\$14,210

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
SCHEDULE III – REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2020
(Amounts in thousands)

	Encmbr	Initial Cost to Company		Costs	Gross Amount at End of Year			Acc Depr	Date Acq/ Constr	Depr Life (yrs)
		Land	Bldgs & Impr	Capitalized Subs to Acq	Land	Bldgs & Impr	Total (3)			
Gaylord Opryland	(1)	\$ 9,817	\$ 77,125	\$ 690,718	\$ 69,613	\$ 708,047	\$ 777,660	\$ 394,058	1983	20-40
Gaylord Palms	(1)	21,564	314,661	75,273	35,512	375,986	411,498	186,607	2002	20-40
Gaylord Texan	(1)	21,235	388,030	184,213	48,554	544,924	593,478	202,554	2004	20-40
Gaylord National	(1)	43,212	840,261	40,237	47,609	876,101	923,710	275,329	2008	20-40
Gaylord Rockies ⁽⁴⁾	(2)	53,374	760,898	4,170	55,094	763,348	818,442	46,189	2018	20-40
Inn at Opryland	—	2,675	7,248	19,189	3,028	26,084	29,112	10,897	1998	20-40
AC Hotel	—	9,079	17,340	3,776	9,099	21,096	30,195	3,212	2014	20-40
Miscellaneous	—	21,290	16,250	20,372	35,927	21,985	57,912	21,718	N/A	20-40
		<u>\$182,246</u>	<u>\$2,421,813</u>	<u>\$1,037,948</u>	<u>\$304,436</u>	<u>\$3,337,571</u>	<u>\$3,642,007</u>	<u>\$1,140,564</u>		

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Investment in real estate:			
Balance at beginning of year	\$3,615,025	\$3,563,304	\$2,570,390
Acquisitions	—	—	814,765
Improvements	27,911	53,373	179,787
Disposals	(929)	(1,652)	(1,638)
Balance at end of year	<u>\$3,642,007</u>	<u>\$3,615,025</u>	<u>\$3,563,304</u>
Accumulated depreciation:			
Balance at beginning of year	\$1,044,689	\$ 949,630	\$ 883,445
Depreciation	96,263	95,415	67,652
Disposals	(388)	(356)	(1,467)
Balance at end of year	<u>\$1,140,564</u>	<u>\$1,044,689</u>	<u>\$ 949,630</u>

- (1) Pledged as collateral under the Company's credit facility. At December 31, 2020, \$788.0 million in borrowings and letters of credit were outstanding under such facility.
- (2) Pledged as collateral under the Gaylord Rockies joint venture term loan. At December 31, 2020, \$800.0 million in borrowings were outstanding under such loan.
- (3) The aggregate cost of properties for federal income tax purposes is approximately \$3.1 billion at December 31, 2020.
- (4) The Company owns a 65.0% investment in the joint venture that owns Gaylord Rockies.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Ryman Hospitality Properties, Inc. and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), equity and noncontrolling interest and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedules listed in the Index at Item 15(a)(2) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 26, 2021, expressed an unqualified opinion thereon.

Adoption of New Accounting Standard

As discussed in Note 1 to the consolidated financial statements, the Company changed its method for accounting for credit losses in 2020 due to the adoption of ASU No. 2016-13, “Financial Instruments – Credit Losses – Measurement of Credit Losses on Financial Instruments” (ASC 326). As discussed in Note 1 to the consolidated financial statements, the Company changed its method for accounting for leases in 2019 due to the adoption of ASU No. 2016-02, “Leases” (ASC 842).

Basis for Opinion

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

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

Critical Audit Matter

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

Valuation of Gaylord National Bonds

Description of the Matter

At December 31, 2020, the Company holds within Notes Receivable two issuances of governmental bonds (the Bonds) received in connection with the development of the Gaylord National Resort & Convention Center which are reported at a total carrying value of \$71.9 million, net of a credit loss reserve of \$38.0 million. At December, 31, 2020, the Series B bond is fully reserved. The Series A bond is of higher priority than other tranches which fall between the Company's two issuances. The Company assesses the Bonds for credit losses, which requires an estimate of projected tax revenues that will service the Bonds over the remaining term. The Bonds and related accounting are more fully described in Notes 1 and 3 to the consolidated financial statements.

Auditing management's assessment of the valuation of the credit loss reserve for the Bonds was complex and judgmental due to the significant estimation required in projecting tax revenues, specifically property tax increments, hotel taxes and special hotel rental taxes generated by the Gaylord National Resort & Convention Center which provide revenues to fund the bonds. In particular, the estimate of credit loss is sensitive to the projections of hotel taxes (which are based on estimated hotel revenues) and property taxes, both of which are judgmental as the Bonds and related projected cash flows continue for an extended period of time through 2037 and given the uncertainty of the impact of the COVID-19 pandemic.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's estimation of the credit loss reserve for the Bonds, including controls over management's review of the projections described above.

To test the Company's determination of credit loss reserve as of December 31, 2020 and related charges in 2020, we performed audit procedures that included, among others, assessing the methodology utilized by management, testing the projections discussed above and the related underlying data used by the Company in its evaluation, and testing the mathematical accuracy of the calculations. In performing those procedures, we compared hotel revenue projections used by management to current industry forecasts. We also involved valuation specialists to assist in assessing the Company's hotel revenue projections used in the valuation analysis and a property tax specialist to assist in assessing the Company's property tax projections used in the valuation analysis.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 2002.
Nashville, Tennessee
February 26, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control Over Financial Reporting

We have audited Ryman Hospitality Properties, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Ryman Hospitality Properties, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2020 consolidated financial statements of the Company, and our report dated February 26, 2021, expressed an unqualified opinion thereon.

Basis for Opinion

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

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
February 26, 2021

Board of Directors

Colin Reed

Chairman and CEO
Ryman Hospitality Properties, Inc.

Rachna Bhasin

Founder / CEO
EQ Partners

Alvin Bowles Jr.

VP, Global Marketing Solutions
Facebook, Inc.

Fazal Merchant

Private Consultant

Patrick Moore

EVP, North America Retail
Carter's Inc.

Christine Pantoya

CFO
Omnichannel Acquisition Corp.

Robert Prather, Jr.

President and CEO
Heartland Media, LLC

Michael Roth

Executive Chairman
The Interpublic Group
of Companies, Inc.

Management Team

Colin Reed

Chairman and CEO

Mark Fioravanti

President and Chief Financial Officer

Patrick Chaffin

Executive Vice President
and Chief Operating Officer - Hotels

Scott Bailey

President
Opry Entertainment Group

Jennifer Hutcheson

Executive Vice President,
Corporate Controller
and Chief Accounting Officer

Scott Lynn

Executive Vice President,
General Counsel and Secretary

Form 10-K and Certifications

A complete copy of the company's annual report to the Securities and Exchange Commission on Form 10-K may be obtained without charge by writing to the company's offices and noting "Attn: Mark Fioravanti, President and Chief Financial Officer" in the mailing address.

Our Form 10-K is also available on our website at rymanhp.com. The most recent certifications by our Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to our Form 10-K. We have also filed with the New York Stock Exchange the most recent Annual CEO Certification as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual.

Annual Meeting

The annual meeting of stockholders will be held on May 13, 2021, at 11 a.m. EDT at the Gaylord Palms Resort & Convention Center, 6000 W. Osceola Parkway, Kissimmee, FL.

Market Information

The common stock of Ryman Hospitality Properties, Inc., is listed on the New York Stock Exchange under the symbol RHP. The approximate number of record holders of the company's common stock on March 26, 2021 was 785.

Dividend Information

Our dividend policy, prior to the COVID-19 pandemic, was to pay a quarterly cash dividend to stockholders in an amount equal to an annualized payment of at least 50% of adjusted funds from operations (as defined by us) less maintenance capital expenditures or 100% of REIT taxable income on an annual basis, whichever is greater. As a result of the uncertainty created by the COVID-19 pandemic, our board of directors has suspended our dividend beginning with the second quarter of 2020. The declaration, timing and amount of dividends will be determined by future action of our board of directors. Our dividend policy may be altered at any time by our board of directors.

Stock Price Information

The table below sets forth the high and low sales prices and dividends declared with respect to the company's common stock for 2020 and 2019.

	High	Low	Dividends Declared
1Q20	\$91.56	\$13.25	\$0.95
2Q20	\$49.54	\$22.01	-
3Q20	\$41.57	\$29.23	-
4Q20	\$69.14	\$35.41	-
1Q19	\$87.18	\$64.52	\$0.90
2Q19	\$87.91	\$77.22	\$0.90
3Q19	\$83.69	\$70.83	\$0.90
4Q19	\$91.57	\$79.15	\$0.90

Independent Registered Public Accounting Firm

Ernst & Young LLP | Nashville, TN

Securities Counsel

Bass, Berry & Sims PLC | Nashville, TN

Transfer Agent

Computershare
730 Peachtree Street NE, Suite 840
Atlanta, GA 30308 | 312.601.6670

**Gaylord Opryland
Resort & Convention Center
Nashville, Tennessee**

172-acre resort
2,888 rooms
640,000 square feet of meeting and exhibit space
9 acres of atriums filled with gardens and Southern Delta attractions
20 food & beverage outlets;
14 retail outlets
27,000 square-foot luxury spa and fitness center
Largest non-gaming hotel in the continental U.S.
Gaylord Springs Golf Links, 18-hole championship golf course nearby
SoundWaves, a 4-acre, 3-level upscale indoor/outdoor water experience exclusive to resort guests
3 additional pools, including 2 outdoor resort pools and 1 indoor lap pool

**Gaylord National
Resort & Convention Center
National Harbor, Maryland**

42-acre waterfront resort
1,996 rooms
Over 600,000 square feet of meeting and exhibit space, including 75,000 outdoor event space
19-story, 1.65-acre glass atrium with spectacular views of the Potomac River, Old Town Alexandria, and Washington, D.C. monuments
5 food & beverage outlets, including a roof top bar
6 retail outlets
20,000 square-foot luxury spa and fitness center
Part of the 300-acre National Harbor waterfront development
Direct access to downtown Washington, D.C.
Private dock
All-season Jr. Olympic sized pool with river-view pool deck and bar

**Gaylord Palms
Resort & Convention Center
Kissimmee, Florida**

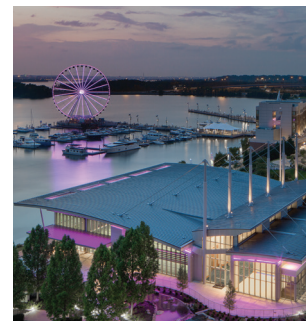
65-acre resort
1,718 rooms
500,000 square feet of meeting and exhibit space
4.5 acres of atriums filled with rich, Florida-themed attractions
13 food & beverage outlets;
7 retail outlets
25,000 square-foot luxury spa and fitness center
Centrally located 5 minutes from Walt Disney World's front gate
Set in the style and grandeur of a turn-of-the-century Florida mansion
18-hole championship golf course nearby
Cypress Springs, a 3-acre water park exclusive to resort guests featuring new Crystal River Rapids active river
2 additional pools, including outdoor lap pool and family pool

**Gaylord Texan
Resort & Convention Center
Grapevine, Texas**

85-acre resort
1,814 rooms
490,000 square feet of meeting and exhibit space
4.5 acres of atriums filled with rich, Lone Star State-themed attractions
10 food & beverage outlets
4 retail outlets
25,000 square-foot luxury spa and fitness center
39,000 square-foot Glass Cactus entertainment complex overlooking Lake Grapevine
Stunning lakeside resort
18-hole championship golf course nearby
Paradise Springs, a 10-acre outdoor water park exclusive to resort guests
2 additional pools, including outdoor resort pool and indoor lap pool

**Gaylord Rockies
Resort & Convention Center
Aurora, Colorado**

85-acre resort
1,501 rooms
517,987 square feet of indoor & outdoor meeting and exhibit space
1-acre Grand Lodge, with 9-story glass window highlighting breath-taking mountain views
8 food & beverage outlets
1 retail outlet
14,000 square-foot luxury spa and fitness center
Expansive resort with a rustic, cabin-style charm
Centrally located between Denver International Airport and downtown Denver
Arapahoe Springs, a 1.2-acre indoor/outdoor water complex exclusive to resort guests



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Gaylord Opryland

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Gaylord Palms

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Gaylord Texan

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Gaylord National

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Gaylord Rockies

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