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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2014

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

For the transition period from _____ to _____

Commission File No. 1-13079

RYMAN HOSPITALITY PROPERTIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

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

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

37214
(Zip Code)

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

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

Common Stock - \$.01 par value per share
(Title of Class)

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

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

NONE
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. Yes No

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the shares of Common Stock held by non-affiliates of the registrant based on the closing price of the Common Stock on the New York Stock Exchange on June 30, 2014 of \$48.15 per share was approximately \$2,088,817,684 (assuming for this purpose that shares beneficially owned by persons other than officers or directors of the registrant, and their affiliates, are held by non-affiliates).

As of January 31, 2015, there were 51,043,771 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 2015 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission are incorporated by reference into Part III of this Form 10-K.

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RYMAN HOSPITALITY PROPERTIES, INC.

2014 ANNUAL REPORT ON FORM 10-K

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PART I

Introductory Note

As more fully described in this Annual Report on Form 10-K of Ryman Hospitality Properties, Inc. (“Ryman”), during 2012, Gaylord Entertainment Company (“Gaylord”), formerly a Delaware corporation and the predecessor to Ryman, took steps to restructure its business operations to facilitate our qualification as a real estate investment trust (“REIT”) for federal income tax purposes effective for the year ended December 31, 2013 (the “REIT conversion”). As part of the REIT conversion, on October 1, 2012, Gaylord merged with and into its wholly-owned subsidiary, Ryman, with Ryman surviving the merger, at which time Ryman succeeded to and began conducting, directly or indirectly, all of the business conducted by Gaylord immediately prior to the merger. The reported results contained in this Annual Report on Form 10-K include those of Gaylord through September 30, 2012. Throughout this report, we refer to Ryman together with its subsidiaries and Gaylord, as “we,” “us,” “our,” or the “Company.” For each year discussed, our fiscal year ends on December 31. All of the discussion and analysis in this report should be read with, and is qualified in its entirety by, the Consolidated Financial Statements and related notes included in this Annual Report on Form 10-K.

Forward-Looking Statements

This 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 effect of our election to be taxed as a REIT for federal income tax purposes; (ii) the anticipated benefits of the REIT conversion and our sale of the Gaylord Hotels brand and rights to manage our Gaylord Hotels properties to Marriott International, Inc., including continued increases in revenue and anticipated stabilized future annualized cost synergies; (iii) the holding of our non-qualifying REIT assets in one or more taxable REIT subsidiaries; (iv) our announced 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; (vi) the anticipated pace of recovery in demand for products and services provided by the lodging industry relative to general economic conditions; (vii) Marriott’s ability to effectively manage our hotels and other properties; (viii) our anticipated capital expenditures; (ix) the potential operating and financial restrictions imposed on our activities under existing and future financing agreements and other contractual arrangements with third parties, including management agreements with Marriott; and (x) 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 Item 1A, “Risk Factors,” Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this report. Any forward-looking statement made in this Annual Report on Form 10-K speaks only as of the date on which the statement is made. New risks and uncertainties 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 report, except as may be required by law.

Item 1. *Business*

Overview

We are a Delaware corporation, originally incorporated in 1956, that, following our REIT conversion, 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. 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

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activities of our taxable REIT subsidiaries (“TRSs”) that lease or sublease our hotels from our qualified REIT subsidiaries, as well as businesses within our Opry and Attractions segment, will continue to be subject, as applicable, to federal and state corporate income taxes.

Our owned assets include a network of four upscale, meetings-focused resorts totaling 7,795 rooms that are managed by lodging operator Marriott International, Inc. (“Marriott”) under the Gaylord Hotels brand. These four 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”) and the Gaylord National Resort & Convention Center near Washington D.C. (“Gaylord National”). Other owned assets managed by Marriott include Gaylord Springs Golf Links (“Gaylord Springs”), the Wildhorse Saloon, the General Jackson Showboat (“General Jackson”) and the Inn at Opryland, a 303-room overflow hotel adjacent to Gaylord Opryland. In addition, in December 2014, we completed the purchase of a hotel that will be rebranded as the AC Hotel at National Harbor, Washington D.C. (“AC Hotel”), a 192-room overflow hotel adjacent to Gaylord National, which will be managed by Marriott upon its anticipated March 2015 opening. 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 nearly 90 years; the Ryman Auditorium, the storied live music venue and former home of the Grand Ole Opry located in downtown Nashville; and WSM-AM, the Opry’s radio home.

Our operations are organized into three principal business segments: (i) Hospitality, which includes our hotel properties and the results of hotel operations; (ii) Opry and Attractions, which includes our Grand Ole Opry assets, WSM-AM and our Nashville attractions; and (iii) Corporate and Other, which includes corporate expenses. These three business segments — Hospitality, Opry and Attractions, and Corporate and Other — represented approximately 92%, 8%, and 0%, respectively, of our total revenues for 2014.

Financial information by business segment and for each of our Gaylord Hotels properties as of December 31, 2014 and for each of the three years in the period then ended appears in Item 6, “Selected Financial Data,” Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in the Financial Reporting by Business Segments note (Note 13) to our consolidated financial statements included in this Annual Report on Form 10-K.

Our Strategic Plan

Our goal is to become the nation’s premier hospitality REIT for group-oriented meetings hotel assets located in urban and resort markets.

- *Existing Hotel Property Design.* Our hotel properties focus on the large group meetings market in the United States and incorporate meeting and exhibition space, signature guest rooms, food and beverage offerings, fitness and spa facilities and other attractions within a large hotel property so attendees’ needs are met in one location. This strategy creates a better experience for both meeting planners and guests, and has led to our current hotel properties claiming a place among the leading convention hotels in the country.
- *Expansion of Hotel Asset Portfolio.* While we intend our short-term capital allocation strategy to focus on paying cash dividends to stockholders, part of our long-term growth strategy includes acquisitions of other hotels, particularly in the group meetings sector of the hospitality industry, either alone or through joint ventures or alliances with one or more third parties. We intend to pursue attractive investment opportunities which meet our acquisition parameters, specifically, group-oriented large hotels and overflow hotels with existing or potential leisure appeal. We are generally interested in highly accessible upper-upscale assets with over 400 hotel rooms in urban and resort group destination markets. We also consider assets that possess or are located near convention centers that present a repositioning opportunity and/or would significantly benefit from capital investment in additional rooms or meeting space. We plan to expand the geographic diversity of our existing asset portfolio through acquisitions. As a REIT, we no longer view independent, large-scale development of resort and convention hotels as part of our long-term growth strategy.
- *Leverage Brand Name Awareness.* We believe the Grand Ole Opry is one of the most recognized entertainment brands in the United States. We promote the Grand Ole Opry name through various media, including our WSM-AM radio station, the Internet and television, and through performances by the Grand Ole Opry’s members, many of whom are renowned country music artists. As such, we have alliances in place with multiple distribution partners in an effort to foster brand extension. We are continuously exploring additional products, such as television specials and retail products, through which we can capitalize on our brand affinity and awareness. We believe that licensing our brand for products may provide an opportunity to increase revenues and cash flow with relatively little capital investment.

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Description of our Hotel Portfolio

Our Gaylord Hotels properties incorporate meeting, convention and exhibition space with a large hotel property so the attendees never have to leave the location during their meetings. This concept of a self-contained destination dedicated primarily to the meetings industry has placed our Gaylord Hotels properties among the leading convention hotels in the country.

Marriott assumed the day-to-day management of our Gaylord Hotels properties beginning October 1, 2012 and the Inn at Opryland beginning December 1, 2012, and Marriott will manage the AC Hotel upon its opening. We believe that our Gaylord Hotels properties have benefitted and will continue to benefit from Marriott's expansive sales force and popular frequent traveler program, as well as their ability to manage group business.

Based on our information and information and data obtained from Smith Travel Research, the top 10 hotels within the United States with the highest square footage of self-contained exhibit and meeting space as of January 2015 are as follows:

Facility	Location	Hotel Rooms	Total Exhibit and Meeting Space (sq. ft.)
The Venetian Resort & Casino	Las Vegas, NV	4,049	2,250,000
Mandalay Bay Resort & Casino	Las Vegas, NV	4,332	1,700,000
Gaylord Opryland Resort & Convention Center	Nashville, TN	2,882	640,000
MGM Grand Hotel & Casino	Las Vegas, NV	5,044	602,000
Gaylord National Resort & Convention Center	National Harbor, MD	1,996	470,000
Marriott Orlando World Center Resort	Orlando, FL	2,000	450,000
Rosen Shingle Creek Resort	Orlando, FL	1,500	445,000
Gaylord Texan Resort & Convention Center	Grapevine, TX	1,511	400,000
Gaylord Palms Resort & Convention Center	Kissimmee, FL	1,406	400,000
Hilton Anatole	Dallas, TX	1,608	345,000

Gaylord Opryland Resort and Convention Center — Nashville, Tennessee. Gaylord Opryland is one of the leading convention destinations in the United States based upon number of rooms, exhibit space and conventions held. Designed with lavish gardens and expansive atrium areas, the resort is situated on approximately 172 acres in the Opryland complex. Gaylord Opryland is one of the largest hotels in the United States in terms of number of guest rooms. Gaylord Opryland has a number of themed restaurants, retail outlets, and a full-service spa with 27,000 square feet of dedicated space and 12 treatment rooms. It also serves as a destination resort for vacationers due to its proximity to the Grand Ole Opry, the General Jackson Showboat, the Gaylord Springs Golf Links (our 18-hole championship golf course), and other attractions in the Nashville area. Gaylord Opryland has 2,882 signature guest rooms, four ballrooms with approximately 127,000 square feet, 111 banquet/meeting rooms, and total meeting, exhibit and pre-function space of approximately 640,000 square feet. Gaylord Opryland has been recognized by many industry and commercial publications, receiving *Successful Meetings* magazine's Pinnacle Award from 2010 through 2014, as well as *Meeting & Convention's* Gold Key and Gold Platter Awards every year since 1993, including Gold Key Elite in 2014.

Gaylord Palms Resort and Convention Center — Kissimmee, Florida. Gaylord Palms has 1,406 signature guest rooms, three ballrooms with approximately 76,000 square feet, 76 banquet/meeting rooms, and total meeting, exhibit and pre-function space of approximately 400,000 square feet. The resort is situated on a 65-acre site in Osceola County, Florida, which we have leased pursuant to a 75-year ground lease with a 24-year renewal option. The resort is approximately a five minute drive from the main gate of the Walt Disney World® Resort complex. Gaylord Palms has a number of themed restaurants, retail outlets and a full-service spa, with 20,000 square feet of dedicated space and 25 treatment rooms. In 2012, a new resort pool and new 2-story sports bar complex opened at Gaylord Palms. Hotel guests also have golf privileges at Celebration Golf Club, located approximately two miles from the property. The Gaylord Palms is rated as a AAA Four-Diamond Hotel and has been recognized by many publications, receiving *Successful Meetings* magazine's Pinnacle Award from 2007 to 2014, *Meeting and Convention's* Gold Key Award every year since 2003, and *Meeting and Convention's* Gold Platter Award ten times since 2003.

Gaylord Texan Resort and Convention Center — Grapevine, Texas. Gaylord Texan is situated on approximately 85 acres and is located approximately six minutes from the Dallas/Fort Worth International Airport. Of the 85 acres, we own 75 acres and lease approximately 10 acres pursuant to a ground lease. The hotel features a lavish and expansive atrium, 1,511 signature guest rooms,

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three ballrooms with approximately 85,000 square feet, 70 banquet/meeting rooms, and total meeting, exhibit and pre-function space of approximately 400,000 square feet. The property also includes a number of themed restaurants, retail outlets and a full-service spa with 25,000 square feet of dedicated space and 12 treatment rooms. Guests also have access to the adjacent Cowboys Golf Club. In 2006, we opened the Glass Cactus entertainment complex, an approximately 39,000 square feet venue with a performance stage, dance floor, and a two-story outdoor deck, on land we own adjacent to the hotel. In 2011, we opened the Paradise Springs resort pool, a western-themed 10-acre resort pool and lazy river complex. The Gaylord Texan is rated as a AAA Four-Diamond Hotel, and it received *Successful Meetings* magazine's Pinnacle Award from 2012 through 2014, *Meeting and Convention's* Gold Key Award every year since 2005 and *Meeting and Convention's* Gold Platter Award from 2010 through 2014.

Gaylord National Resort and Convention Center — National Harbor, Maryland. Gaylord National is situated on approximately 42 acres of land located on the Potomac River in Prince George's County, Maryland, eight miles south of Washington, D.C. The hotel has 1,996 signature guest rooms, four ballrooms with approximately 103,000 square feet, 82 conference and breakout rooms, and total meeting, exhibit and pre-function space of approximately 470,000 square feet. The hotel complex includes an 18-story glass atrium, a 20,000 square foot spa and fitness center with 12 treatment rooms, and entertainment options such as restaurants, shops, and a two-story rooftop nightclub. The Gaylord National is rated as a AAA Four-Diamond Hotel, and it received *Successful Meetings Magazine's* Pinnacle Award in 2011, 2012 and 2014 and *Meeting and Convention's* Gold Key Award every year since 2009.

Inn at Opryland. We also own the Inn at Opryland, which is located across the street from Gaylord Opryland. The hotel has 303 rooms and approximately 14,000 square feet of meeting space.

AC Hotel. We also own the AC Hotel, which is located near Gaylord National and is anticipated to open in March 2015. The hotel will have 192 rooms and approximately 3,700 square feet of meeting space.

Description of our Opry and Attractions Portfolio

The Grand Ole Opry. The Grand Ole Opry, which celebrated its 89th anniversary in 2014, is one of the most widely known platforms for country music in the world. The Opry features a live country music show with performances every Friday and Saturday night, as well as additional weekly performances on a seasonal basis. The Opry House, home of the Grand Ole Opry, seats approximately 4,400 and is located in the Opryland complex. The Grand Ole Opry moved to the Opry House in 1974 from its most famous home in the Ryman Auditorium in downtown Nashville. Each week, the Grand Ole Opry is broadcast live to millions of country lifestyle consumers on radio via WSM-AM and Sirius/XM Radio and streamed on the Internet. Special episodes of the Grand Ole Opry are also broadcast on television via the Great American Country network. The show has been broadcast since 1925 on WSM-AM, making it the longest running live radio program in the United States. In addition to performances by its members, the Grand Ole Opry presents performances by many other country music artists.

Ryman Auditorium. The Ryman Auditorium, which was built in 1892 and seats approximately 2,300, is designated as a National Historic Landmark. The former home of the Grand Ole Opry, the Ryman Auditorium was renovated and re-opened in 1994 for concerts and musical productions. The Grand Ole Opry returns to the Ryman Auditorium periodically, most recently from November 2014 to January 2015. The Ryman Auditorium has been nominated for "Theatre of the Year" by Pollstar Concert Industry Awards every year since 2003, winning the award in 2003, 2004, 2010, 2011, 2012, 2013 and 2014, and was named the Venue of the Year by the Academy of Country Music in 2009, 2011 and 2013.

The General Jackson Showboat. We own the General Jackson Showboat, a 300-foot, four-deck paddle wheel showboat, on the Cumberland River, which flows past the Gaylord Opryland complex in Nashville. Its Victorian Theatre can seat 600 people for banquets and 1,000 people for theater-style presentations. The showboat stages Broadway-style shows and other theatrical productions. The General Jackson is one of many sources of entertainment that is available to conventions held at Gaylord Opryland. During the day, it operates cruises, primarily serving tourists visiting the Gaylord Opryland complex and the Nashville area. Beginning October 1, 2012, Marriott assumed the management of the day-to-day operations of the General Jackson.

Gaylord Springs. Minutes from Gaylord Opryland, Gaylord Springs (our 18-hole championship golf course) was designed by former U.S. Open and PGA Champion Larry Nelson. The 40,000 square-foot antebellum-style clubhouse offers meeting space for up to 500 guests. Beginning October 1, 2012, Marriott assumed the management of the day-to-day operations of Gaylord Springs.

The Wildhorse Saloon. Since 1994, we have owned the Wildhorse Saloon, a country music performance venue on historic Second Avenue in downtown Nashville. The three-story facility includes a dance floor of approximately 2,000 square feet, as well as a restaurant and banquet facility that can accommodate up to 2,000 guests. Beginning October 1, 2012, Marriott assumed the management of the day-to-day operations of the Wildhorse Saloon.

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WSM-AM. WSM-AM commenced broadcasting in 1925. The involvement of Ryman’s predecessors with country music dates back to the creation of the radio program that became The Grand Ole Opry, which has been broadcast live on WSM-AM since 1925. WSM-AM is broadcast from the Gaylord Opryland complex in Nashville and has a country music format. WSM-AM is one of the nation’s “clear channel” stations, meaning that no other station in a 750-mile radius uses the same frequency for night time broadcasts. As a result, the station’s signal, transmitted by a 50,000 watt transmitter, can be heard at night in much of the United States and parts of Canada.

Corporate and Other Segment

Our 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 our retirement plans, equity-based compensation plans, information technology, human resources, accounting, and other administrative expenses, and formerly included our ownership interests in certain investments.

Corporate History and Structure

We were originally incorporated in 1956 and were reorganized in connection with a 1997 corporate restructuring. Prior to our REIT conversion, we operated as a C corporation. In 2012, we completed restructuring transactions intended to facilitate our qualification as a REIT for federal income tax purposes, which included the merger, effective on October 1, 2012, of our predecessor, Gaylord, with and into its wholly-owned subsidiary, Ryman, with Ryman surviving the merger, at which time Ryman succeeded to and began conducting, directly or indirectly, all of the business conducted by Gaylord immediately prior to the merger. Prior to Marriott’s assumption of the day-to-day management of our hotels and certain of our Nashville attractions, we managed such assets. We have elected REIT status effective January 1, 2013.

All of our assets are held by, and all of our operations are conducted through, RHP Hotel Properties, LP, a Delaware limited partnership (the “Operating Partnership”). In the future, we may amend the limited partnership agreement of the Operating Partnership to provide that its partnership units will be convertible on a one-for-one basis for shares of our common stock. Under certain circumstances, we may issue such partnership units as consideration to acquire hotel properties. By offering partnership units, the seller of such hotel property could defer federal income tax on any of the seller’s gains on sale, and this tax advantage may enable us to acquire hotel properties in the future which otherwise may not be available for sale.

As a REIT, at least 75% of our gross income for each taxable year must generally be derived from “rents from real property” or other income permitted by the Internal Revenue Code of 1986, as amended (the “Code”). To meet this requirement, our hotel properties are owned or leased by certain subsidiaries of the Operating Partnership, which are disregarded entities for federal income tax purposes, and these subsidiaries lease or sublease our hotels to our TRSs pursuant to leases that contain economic terms which are similar to leases between unrelated parties. The rent that we receive from our TRS lessees qualifies as “rents from real property” as long as the property is operated on behalf of our TRS lessees by a person who qualifies as an “independent contractor” (as defined in the Code) and who is, or is related to a person who is, actively engaged in the trade or business of operating “qualified lodging facilities” (as defined in the Code) for any person unrelated to us and our TRS lessees (an “eligible independent contractor”). Our TRS lessees have engaged Marriott to manage the day-to-day operations of our hotels as an eligible independent contractor.

In addition, we own our Opry and Attractions businesses in TRSs, and certain of those TRSs have engaged Marriott to manage their assets, as described above.

Tax Status

As a REIT, we generally are not subject to corporate federal income tax on that portion of our REIT taxable income that we distribute to our stockholders. In addition to the requirement that 75% of our gross income for each taxable year be derived from “rents from real property” discussed above, we are subject to other organizational and operational requirements including the requirement that we distribute at least 90% of our REIT taxable income each year and the requirement that 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). We will be subject to federal and state income tax on our taxable income at regular corporate rates if we fail to qualify as a REIT for federal income tax purposes in any taxable year, or to the extent we distribute less than 100% of our REIT taxable income. We will

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also not be permitted to qualify for treatment as a REIT for federal income tax purposes until the fifth year following any year in which qualification is lost. 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 Opry and Attractions segment, will continue to be subject, as applicable, to federal and state corporate income taxes.

Employees

As of December 31, 2014, we had approximately 218 full-time and 464 part-time and temporary employees. Of these, approximately 170 full-time and 463 part-time employees were employed in our Opry and Attractions segment; and approximately 48 full-time employees and 1 part-time employee were employed in our Corporate and Other segment. We believe our relations with our employees are good. In connection with Marriott's assumption of the day-to-day management of our Gaylord Hotels properties and certain other assets, effective October 1, 2012, our former employees involved in the day-to-day operations of our Gaylord Hotels, as well as the General Jackson, Gaylord Springs and Wildhorse Saloon businesses, became employees of Marriott, and effective December 1, 2012, our former employees involved in the day-to-day operations of the Inn at Opryland became employees of Marriott. On those respective dates, Marriott assumed responsibility for hiring and maintaining the labor force at each of these properties.

Competition

Hospitality

Our current hotel properties compete with numerous other hotels throughout the United States and abroad, particularly the approximately 100 convention hotels that, on average, have over 1,000 rooms and a significant amount of meeting and exhibit space. We believe that competition among convention hotels is based on, among other things: (i) the hotel's reputation, (ii) the quality of the hotel's facility, (iii) the quality and scope of a hotel's meeting and convention facilities and services, (iv) the desirability of a hotel's location, (v) travel distance to a hotel for meeting attendees, (vi) a hotel facility's accessibility to a recognized airport, (vii) the amount of entertainment and recreational options available in and in the vicinity of the hotel, (viii) service levels at the hotel, and (ix) price. Our hotels also compete against large municipal convention centers, including Orlando, Chicago, Atlanta, Dallas, Nashville and Washington, D.C.

The hotel business is management and marketing intensive. Our current hotel properties compete with other hotels throughout the United States for high quality management and marketing personnel. We believe that Marriott's international brand, marketing scale and ability to manage group business have improved our hotels' competitive position. However, there can be no assurance that Marriott will be able to continue to attract and retain employees with the requisite managerial and marketing skills.

Additionally, as a REIT, we compete for investment opportunities in the hospitality industry, particularly the group-oriented meetings sector of the hospitality industry, with entities that may have substantially greater financial and other resources than we have. These entities generally may be able to accept more risk than we can prudently manage. Our focus on acquiring hotels in the large group meetings sector of the hospitality industry and the competition in this sector may generally limit the number of hotel properties that we are able to acquire. This competition may also increase the bargaining power of property owners seeking to sell to us, making it more difficult for us to acquire new properties on attractive terms.

Opry and Attractions

The Grand Ole Opry and our other attractions businesses compete with all other forms of entertainment and recreational activities. The success of the Opry and Attractions group is dependent upon certain factors beyond our control, including economic conditions, the amount of available leisure time, transportation cost, public taste and weather conditions. Our radio station competes with numerous other types of entertainment businesses, and success is often dependent on taste and fashion, which may fluctuate from time to time.

Management Agreements

Our subsidiaries are parties to management agreements with Marriott under which Marriott assumed the day-to-day management of our Gaylord Hotels properties beginning October 1, 2012, the Inn at Opryland beginning December 1, 2012, and the General Jackson, the Wildhorse Saloon, and Gaylord Springs beginning October 1, 2012. Marriott will also manage the AC Hotel upon its anticipated March 2015 opening.

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Gaylord Hotels. We are a party to a management agreement with Marriott for each of our Gaylord Hotels properties, as well as a pooling agreement with Marriott with respect to the Gaylord Hotels properties on an aggregate basis. Each of the management agreements has a term expiring in 2047, with three automatic 10-year renewal periods (provided the applicable hotel has met certain performance thresholds). Each of the management agreements 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, the pooling agreement requires us to pay to Marriott an incentive fee of: (i) 20% of pooled available cash flow (which is generally operating profit for the pooled hotels less an owner's priority) in each of 2013 and 2014; (ii) 10% of the first \$10.0 million of pooled available cash flow, plus 20% of any additional pooled available cash flow over such threshold for 2015; and (iii) 10% of the first \$15.0 million of pooled available cash flow plus 20% of any additional pooled available cash flow over such threshold in or after 2016. The owner's priority is collectively \$240 million, plus certain additional amounts, including 10% of certain non-routine capital expenditures and conversion work, and 10% of replacements of furniture, fixtures, and equipment and routine capital expenditures in excess of a reserve. If one or more of our Gaylord Hotels properties were not a "pooled hotel" (i.e., if we cease to own the hotel or we lease the hotel to a third party), the thresholds used to calculate the incentive fee in the pooling agreement will be adjusted, and the incentive fee for the non-pooled hotel will be based on such hotel's performance. The management agreements and pooling agreement also contain certain restrictions on our incurring indebtedness that encumber our Gaylord Hotels properties on an individual or aggregate basis. The management agreements may be terminated earlier than the stated term if certain events occur, including the failure of Marriott to satisfy certain performance standards. The management agreements prohibit us from selling the Gaylord Hotels properties to certain persons, including any person who does not, in Marriott's reasonable judgment, have sufficient financial resources and liquidity to fulfill our obligations under the management agreements, or any person who owns a controlling interest in a hotel brand (e.g., Hilton, Hyatt) totalling at least ten full-service hotels that are not affiliated with a brand but that are marketed and operated as a collective group, if such brand or group of hotels compete with Marriott. In addition, we may not sell a Gaylord Hotels property if we are then in breach of the applicable management agreement.

Inn at Opryland. Beginning December 1, 2012, Marriott assumed the management of the day-to-day operations of the Inn at Opryland pursuant to a management agreement that requires us to pay Marriott a base management fee of approximately 2% of gross revenues for each fiscal year or portion thereof. This management agreement expires in 2022, with five five-year renewal options, so long as neither party terminates the agreement. Additionally, this management agreement requires us to pay to Marriott an incentive fee of 20% of the excess of available cash flow (as defined in the management agreement) over a certain threshold.

AC Hotel. Beginning with its anticipated March 2015 opening, Marriott will assume the management of the day-to-day operations of the AC Hotel pursuant to a management agreement that requires us to pay Marriott a base management fee of 5% of gross revenues for the first fiscal year, 6% of gross revenues for the second fiscal year, and 7% of gross revenues for each fiscal year thereafter. This management agreement expires in 2035, with two ten-year renewal options so long as neither party terminates the agreement. Additionally, this management agreement requires us to pay to Marriott an incentive fee of 20% of the excess of available cash flow (as defined in the management agreement) over a certain threshold.

Certain Nashville Attractions. Beginning October 1, 2012, Marriott assumed the day-to-day management of the General Jackson, the Wildhorse Saloon, and Gaylord Springs pursuant to management agreements. Each of these management agreements require us to pay Marriott a base management fee of approximately 2% of total revenues. Additionally, the management agreements require us to pay to Marriott an incentive fee of 20% of the excess of available cash flow (as defined in the management agreements) over a certain threshold. The management agreements for the General Jackson and the Wildhorse Saloon expire in 2015, with three two-year renewal options, and one one-year renewal option, so long as neither party terminates the agreement. The management agreement for Gaylord Springs expires in 2022.

Total base management fees accrued to Marriott during 2014, 2013 and the last three months of 2012 were \$19.6 million, \$18.1 million and \$5.1 million, respectively. Total incentive fees accrued to Marriott during 2014, 2013 and the last three months of 2012 were \$0.4 million, \$0.1 million and \$0, respectively. Management fees are presented in the accompanying financial information net of the amortization of the deferred management rights proceeds discussed further in the REIT Conversion note (Note 2) to our consolidated financial statements included in this Annual Report on Form 10-K.

Seasonality

Portions of our business are seasonal in nature. The group convention business at our Gaylord Hotels properties is subject to reduced levels of demand during the year-end holiday periods.

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Regulation and Legislation

Hospitality

Our current hotel properties are subject to certain federal, state, and local governmental laws and regulations including, without limitation, labor regulations, health and safety laws and environmental regulations applicable to hotel and restaurant operations. The hotels are also subject to the requirements of the Americans with Disabilities Act and similar state laws, as well as regulations pursuant thereto. We believe that our hotel properties and our attractions are in substantial compliance with such regulations. In addition, the sale of alcoholic beverages by a hotel requires a license and is subject to regulation by the applicable state and local authorities. The agencies involved have the power to limit, condition, suspend or revoke any such license, and any disciplinary action or revocation could have an adverse effect upon the results of operations of our Hospitality segment. Beginning October 1, 2012 with respect to our Gaylord Hotels properties, the General Jackson, Gaylord Springs and the Wildhorse Saloon, December 1, 2012 with respect to the Inn at Opryland, and upon the opening of the AC Hotel, pursuant to management agreements with Marriott, we are no longer in control of many of these activities at our hotel properties and attractions, and we will rely on Marriott to comply with all such federal, state and local governmental laws and regulations with respect to such properties. However, under the terms of our management agreements with Marriott, we may be required to bear the cost of any capital expenditures necessary to comply with a legal requirement.

Opry and Attractions

WSM-AM is subject to regulation under the Communications Act of 1934, as amended. Under the Communications Act, the Federal Communications Commission, or FCC, among other things, assigns frequency bands for broadcasting; determines the frequencies, location, and signal strength of stations; issues, renews, revokes, and modifies station licenses; regulates equipment used by stations; and adopts and implements regulations and policies that directly or indirectly affect the ownership, operation, and other practices of broadcasting stations. Licenses issued for radio stations have terms of eight years. Radio broadcast licenses are renewable upon application to the FCC and in the past have been renewed except in rare cases. Competing applications will not be accepted at the time of license renewal, and will not be entertained at all unless the FCC first concludes that renewal of the license would not serve the public interest. A station will be entitled to renewal in the absence of serious violations of the Communications Act or FCC regulations or other violations which constitute a pattern of abuse. WSM-AM's current radio station license will expire in August 2020; however, we are not aware of any reason why WSM-AM's radio station license should not be renewed.

In addition, our Nashville area attractions are also subject to the requirements of the Americans with Disabilities Act and similar state laws, as well as the laws and regulatory activities associated with the sale of alcoholic beverages described above. Beginning October 1, 2012, pursuant to management agreements with Marriott, we are no longer in control of many of these activities with respect to the General Jackson Showboat, Gaylord Springs, and the Wildhorse Saloon, and we will rely on Marriott to comply with all such federal, state and local governmental laws and regulations with respect to such businesses. However, under the terms of our management agreements with Marriott, we may be required to bear the cost of any capital expenditures necessary to comply with a legal requirement.

Additional Information

Our web site address is www.rymanhp.com. We make available free of charge through our web site our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, definitive proxy statements, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (the "SEC"). The information provided on our web site is not part of this report, and is therefore not incorporated by reference unless such information is otherwise specifically referenced elsewhere in this report. The public may also read and copy any materials that we file with the SEC at the SEC's public reference room located at 100 F. Street, N.E., Washington, D.C. 20549 or on their website at www.sec.gov. Questions regarding the operation of the public reference room may be directed to the SEC at 1-800-732-0330.

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Executive Officers of the Registrant

The following table sets forth certain information regarding the executive officers of the Company as of January 1, 2015. All officers serve at the discretion of the Board of Directors (subject to, in the case of officers who have entered into employment agreements with the Company, the terms of such employment agreements).

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>
Colin V. Reed	67	Chairman of the Board of Directors, Chief Executive Officer and President
Mark Fioravanti	53	Executive Vice President and Chief Financial Officer
Bennett Westbrook	48	Senior Vice President of Investments and Design and Construction
Patrick Chaffin	41	Senior Vice President of Asset Management
Scott J. Lynn	41	Senior Vice President, General Counsel and Secretary
Jennifer Hutcheson	37	Senior Vice President and Corporate Controller

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

Colin V. Reed has served as Chief Executive Officer and a director of the Company since April 2001, and Mr. Reed was also elected Chairman of the Board of Directors of the Company in May 2005. Until November 2008, and again beginning November 2012, Mr. Reed also served as President of the Company. Prior to joining the Company, Mr. Reed had served as a member of the three-executive Office of the President of Harrah's Entertainment, Inc. (now Caesar's Entertainment) since May 1999, and he had served as Harrah's Chief Financial Officer since April 1997. Mr. Reed also was a director of Harrah's from 1998 to May 2001. Mr. Reed served in a variety of other management positions with Harrah's and its predecessor, Holiday Corp., since 1977. Mr. Reed is a director of First Horizon National Corporation.

Mark Fioravanti is Executive Vice President and Chief Financial Officer of the Company. Until June 2009, Mr. Fioravanti served as Senior Vice President of Finance and Treasurer of the Company, a position he had held since June 2007. Prior to such time, Mr. Fioravanti had served as Executive Vice President of the Company and President of ResortQuest International since March 2004. From August 2002 to March 2004, Mr. Fioravanti was the Company's Senior Vice President of Marketing. Prior to joining the Company in August 2002, Mr. Fioravanti spent nine years in a variety of roles with casino operator Harrah's Entertainment, Inc., where he was most recently Vice President of Finance and Administration of Harrah's New Orleans. Mr. Fioravanti graduated from The Ohio State University, where he earned his B.S. degree. He also holds an MBA from the University of Tennessee.

Bennett Westbrook is Senior Vice President of Investments and Design and Construction for the Company and leads the Company's acquisition, development, and design and construction efforts on hospitality projects and other real estate and investment-related projects. Prior to joining the Company in 2001, Mr. Westbrook was Corporate Director of Development at Harrah's Entertainment, Inc. from 2000-2001, Regional Real Estate Manager for Federated Department Stores (now Macy's, Inc.) from 1997-2000, and Director of Development at Harrah's Entertainment, Inc. from 1994-1997. Mr. Westbrook earned both his B.A. degree in Political Science and MBA degree at Vanderbilt University.

Patrick Chaffin is Senior Vice President of Asset Management for Ryman Hospitality Properties, a position he has held since January 2013. In this role, Mr. Chaffin's primary focus is oversight of the resort and convention center assets comprising the Gaylord Hotels brand. From January 2007 to December 2012, he led the strategic planning, operations analysis and investor relations functions for Gaylord Entertainment. Prior to its sale in June 2007, Mr. Chaffin served as the head of finance for ResortQuest International, formerly a division of Gaylord Entertainment. Prior to joining Gaylord Entertainment in January 2005, Mr. Chaffin worked for General Motors Corporation for 9 years serving in a variety of corporate and manufacturing positions. Mr. Chaffin earned a B.S. degree from Lipscomb University and an MBA from the Owen Graduate School of Management at Vanderbilt University.

Scott J. Lynn is the Senior Vice President, General Counsel and Secretary of the Company, a position he has held since January 2013. From August 2003 to January 2013, he served as the Company's Associate General Counsel. From May 2002 to August 2003, Mr. Lynn was Senior Counsel at Progeny Marketing Innovations, a subsidiary of Cendant Corporation. From August 1998 to May 2002, Mr. Lynn was an associate at the law firm of Stokes & Bartholomew, P.A. Mr. Lynn is a graduate of the Vanderbilt University School of Law and Tennessee Technological University.

Jennifer Hutcheson is the Senior Vice President and Corporate Controller of the Company, a position she has held since January 2013. From March 2006 to December 2012, she served as the Company's Vice President of Accounting and Tax. From May 2004 to

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March 2006, she served as the Company's Director of Corporate Accounting. From August 2002 to April 2004, she was the Corporate Accounting Manager at Private Business Inc. (now Goldleaf Financial Solutions Inc.). Prior to that time, she was an auditor with Ernst & Young LLP and Arthur Andersen. Ms. Hutcheson, who is a certified public accountant, has a B.S. degree in accounting from Tennessee Technological University and an MBA from the Owen Graduate School of Management at Vanderbilt University.

Item 1A. Risk Factors

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

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.

Pursuant to our 2012 restructuring, we took the steps necessary to elect to be treated as a REIT for tax purposes, effective for the taxable year ended December 31, 2013. As a REIT, we hold our non-qualifying REIT assets in one or more TRSs. These non-qualifying REIT assets consist principally of non-real estate assets related to our Hospitality segment and the assets related to our Opry and Attractions segment as historically structured and operated.

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, including any applicable alternative minimum 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 because, 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, 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 has approved a dividend policy pursuant to which we will pay 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. This 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. To be taxed 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.

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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.

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 \$1 billion credit facility and \$400 million term loan B impose, and future financing agreements are likely to impose, operating and financial restrictions on our activities, including restrictions on the payment of dividends. These restrictions may prevent us from making distributions to our stockholders in accordance with our announced intended dividend policy.

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 conduct a significant portion of our business activities, including those currently operated within our Opry and Attractions segment, through 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. This limitation may affect our ability to make additional investments in our Opry and Attractions 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.

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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 will 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.

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. 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 has approved a dividend policy pursuant to which we will pay 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. The 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. Consequently, our distribution levels may fluctuate.

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There are uncertainties relating to the estimate of our special dividend paid on December 21, 2012.

To qualify for taxation as a REIT effective for the year ended December 31, 2013, we were required to distribute to our stockholders our undistributed accumulated earnings and profits attributable to taxable periods ended prior to January 1, 2013. To satisfy this requirement, on November 2, 2012, our board of directors declared a special dividend in the amount of \$6.84 per share of common stock, or an aggregate of approximately \$309.8 million to stockholders of record as of the close of business on November 13, 2012, payable on December 21, 2012 in a combination of cash and stock, as elected by stockholders. We believe that the total value of the special dividend was sufficient to fully distribute our accumulated earnings and profits and that a portion of the special dividend exceeded our accumulated earnings and profits. However, the amount of our undistributed accumulated earnings and profits is a complex factual and legal determination. We may have had less than complete information at the time we estimated our earnings and profits or may have interpreted the applicable law differently from the IRS. Substantial uncertainties exist relating to the computation of our undistributed accumulated earnings and profits, including the possibility that the IRS could, in auditing tax years through 2012, successfully assert that our taxable income should be increased, which could increase our pre-REIT accumulated earnings and profits. Thus, we may fail to satisfy the requirement to distribute all of our pre-REIT accumulated earnings and profits by the close of our first taxable year as a REIT.

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, including alternative minimum taxes, 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 Opry and Attractions 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.

We are also subject to a federal corporate level tax at the highest regular corporate rate (currently 35%) on all or a portion of the gain recognized from a sale of assets occurring within a specified period (generally, ten years) after the REIT conversion is completed, to the extent of the built-in gain based on the fair market value of those assets on the effective date of the REIT election in excess of our then tax basis. That tax on subsequently sold assets will be based on the fair market value and built-in gain of those assets as of January 1, 2013. Gain from a sale of an asset occurring after the specified period ends will not be subject to this corporate level tax. We currently do not expect to sell any asset if the sale would result in the imposition of a material tax liability. We cannot, however, assure you that we will not change our plans in this regard.

In addition, the IRS and any state or local tax authority may successfully assert liabilities against us for corporate income taxes for taxable years prior to the time we qualified as a REIT, in which case we will owe these taxes plus applicable interest and penalties, if any. Moreover, any increase in taxable income for these pre-REIT periods will likely result in an increase in pre-REIT accumulated earnings and profits, which could cause us to pay an additional taxable distribution to our stockholders after the relevant determination.

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

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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.

We have little experience operating as a REIT, which may adversely affect our financial condition, results of operations, the market price of our common stock and our ability to satisfy debt service obligations and make distributions to our stockholders.

Our senior management team has little experience operating a REIT. We cannot assure you that our past experience will be sufficient to operate our company successfully as a REIT. Failure to maintain REIT status could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to satisfy debt service obligations and make distributions to our stockholders.

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.

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.

If our third-party hotel managers do 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 assumed management of the day-to-day operations of our Gaylord Hotels properties effective October 1, 2012, the Inn at Opryland effective December 1, 2012, and will assume management of the AC Hotel upon its anticipated March 2015 opening. We will identify third-party hotel managers to operate and manage any hotels that we acquire in the future. Our third-party hotel managers will be 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 will not have the authority to require our third-party hotel managers to operate our hotel properties in a particular manner, although we will 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.

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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 enhancements and cost synergies as a result of transitioning the management of our hotels to Marriott may not be sustained.

Revenue growth and cost synergies for our hotel operations are largely dependent on the efforts of Marriott. 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, have resulted in revenue growth and Marriott's efforts to reduce hotel-level costs have yielded cost savings. There can be no assurance that improvements in revenue or cost savings 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.

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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 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; and Washington D.C. 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
- organized labor activities, which 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.

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

We may be unable to successfully identify and complete future acquisitions, and our previously announced developments will not be pursued in the form we previously anticipated.

Acquisitions of other hotels, particularly in the group-oriented meetings sector of the hospitality industry, either alone or through joint ventures or alliances with one or more third parties, are part of our long-term growth strategy. We may be unable to successfully identify or complete future acquisitions at acceptable prices and terms or, if we are able to find favorable acquisition targets, we may not be able to obtain financing on acceptable terms or secure beneficial joint ventures or alliances. We will evaluate potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope.

The hotel business is capital-intensive, and our inability to obtain financing or successfully complete acquisitions or capital improvements 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. 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.

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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.

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

We currently have a significant amount of debt. As of December 31, 2014, we had approximately \$1.3 billion of total debt. We may incur additional debt in connection with any additional hotel acquisitions, development, 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 \$1 billion 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. Although our earnings were sufficient to cover fixed charges in 2014 and 2013, our substantial leverage is evidenced by our earnings being insufficient to cover fixed charges by \$25.5 million in 2012. 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 will 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.

Currently, the revolving loans, letters of credit and term loans under our \$1 billion credit facility mature on April 18, 2017, and we will be required to refinance this facility prior to such date. We also have outstanding \$398.0 million under our \$400 million term loan B and \$350.0 million in aggregate principal amount of our 5.00% senior unsecured notes, both of which mature in 2021.

Our ability to refinance our \$1 billion credit facility, our \$400 million term loan B, and our outstanding 5.00% senior unsecured notes 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. If we are 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 convertible 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,

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competitive, legislative, regulatory and other factors that are beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt 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 \$1 billion credit facility and \$400 million 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 \$1 billion credit facility currently requires us to comply with or maintain certain financial tests and ratios, including minimum consolidated tangible net worth, minimum fixed charge coverage ratio, minimum implied debt service coverage ratio and maximum funded debt to asset value ratio, and our \$1 billion credit facility, \$400 million term loan B and/or indenture governing the 5.00% senior unsecured notes limit or prohibit 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 \$1 billion credit facility and the indenture governing the 5.00% 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 could affect our ability to comply with these covenants and maintain these financial tests and ratios. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt, including, in the case of our existing credit facility, our 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 our announced intended dividend policy.

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

Subject to applicable laws and certain agreed-upon exceptions, our \$1 billion credit facility and \$400 million term loan B are secured by liens on the substantial majority of our assets, including mortgages on each of our Gaylord Hotels properties. In the event of a default under our \$1 billion 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.

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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.

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

We and our third-party hotel managers will 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 service providers will adequately protect their personal information. The regulatory environment surrounding information, security and privacy is also increasingly demanding. 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 or the hotel managers may be subject to security breaches, system failures, viruses, operator error 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 or with Payment Card Industry data security standards, could adversely impact our reputation and could result in remedial and other expenses, fines, or litigation. A breach in the security of our information systems or those of our service providers could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits.

Our real estate investments are subject to numerous risks.

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

Our 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

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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.

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.

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 and to our joint venture partners failing to meet their financial or other obligations.

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

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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 \$500 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. In addition, in January of 2007, the Army Corps of Engineers announced that the Wolf Creek Dam on Lake Cumberland in Kentucky was at risk for structural failure. Although the Corps is taking action, including lowering the water level at Lake Cumberland and making structural repairs to the dam to reduce the chances of a dam breach, a significant portion of our Gaylord Opryland property in Nashville is in the Cumberland River flood plain and would be at risk if the dam should fail. 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 attractions 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 copied 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 assure you 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 law 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.

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 and other alleged violations of law. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar

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lawsuits have been instituted against us from time to time, and we cannot assure you that we will not incur substantial damages and expenses resulting from lawsuits of this type 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.

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.

Healthcare reform legislation could adversely affect our results of operations.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "Health Reform Law"), was enacted. The Health Reform Law serves as the primary vehicle for comprehensive healthcare reform in the United States, including the reduction of the number of individuals in the United States without health insurance and other significant changes to the ways in which healthcare is organized, delivered and reimbursed. Although most provisions of the Health Reform Law are currently in effect, the Health Reform Law is complex and is subject to legislative efforts to repeal and modify the law, court challenges and ongoing regulatory interpretations. Among other things, the Health Reform Law contains provisions that affect employer-sponsored health plans and impose excise and other taxes and fees with respect to certain plans. 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 Health Reform Law 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. We continue to review and comply with provisions of the Health Reform Law and their impact on employer-sponsored plans. Costs associated with compliance with the Health Reform Law are consistently being reviewed and analyzed. We anticipate increased expenses relating to our and our third-party managers' company-sponsored plans over the course of the next several years. 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.

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;

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- 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, 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, as discussed in more detail below.

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

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, such as those that occurred on September 11, 2001.

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

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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 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

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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 the 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.

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.

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.

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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.

The market price of our common stock may vary substantially.

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, 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.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

Hospitality Segment

Hotel	Location	Rooms	Meeting, Exhibit and Pre-Function Space
Gaylord Opryland	Nashville, TN	2,882	640,000
Gaylord National	National Harbor, MD (Washington, DC area)	1,996	470,000
Gaylord Palms	Kissimmee, FL (Orlando area)	1,406	400,000
Gaylord Texan	Grapevine, TX (Dallas area)	1,511	400,000
Inn at Opryland	Nashville, TN	303	14,000
AC Hotel	National Harbor, MD (Washington, DC area)	192	3,700

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We own our Opryland complex in Nashville, Tennessee, which includes the site of Gaylord Opryland (approximately 172 acres). We also own the approximately 6-acre site of the Inn at Opryland, which is located near the Opryland complex. We have leased a 65-acre tract in Osceola County, Florida, on which the Gaylord Palms is located, pursuant to a 75-year ground lease with a 24-year renewal option. We acquired approximately 85 acres in Grapevine, Texas, through ownership (approximately 75 acres) and ground lease (approximately 10 acres), on which the Gaylord Texan is located. We also own an additional 25 acres of property adjacent to the Gaylord Texan. We own approximately 42 acres on the Potomac River in Prince George's County, Maryland, on which the Gaylord National is located and we own fee title to the condominium unit in the eight-story building in which the AC Hotel is located. All of our existing Gaylord Hotels properties secure our \$1 billion credit facility, as described in the Liquidity and Capital Resources section of Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Each of our hotel properties is leased or subleased to one of our TRSs, and such TRS has engaged Marriott to manage the day-to-day operations of the hotel, beginning October 1, 2012 for our Gaylord Hotels properties, December 1, 2012 for the Inn at Opryland and upon the anticipated March 2015 opening of the AC Hotel. For a description of the management agreements with Marriott, see "Management Agreements" in Item 1, "Business." For the operating results of our hotels on a property basis, see "Operating Results – Detailed Segment Financial Information" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Opry and Attractions Segment

We own the General Jackson's docking facility and the Opry House, both of which are located within the Opryland complex. We also own Gaylord Springs, an 18-hole golf course situated on over 200 acres, which is located near the Opryland complex. In downtown Nashville, we own the Ryman Auditorium and the Wildhorse Saloon dance hall and production facility. We own WSM Radio's offices and studios, which are also located within the Opryland complex. Our TRSs have engaged Marriott to manage the day-to-day operations of the General Jackson Showboat, Gaylord Springs and the Wildhorse Saloon beginning October 1, 2012. For a description of the management agreements with Marriott, see "Management Agreements" in Item 1, "Business."

Corporate and Other

We own our executive offices and headquarters located at One Gaylord Drive, Nashville, Tennessee, which consists of a five-story office building comprising approximately 80,000 square feet. We also own a four-story building in downtown Nashville, Tennessee, that houses an Opry-themed retail outlet and approximately 18,000 square feet of office space. We believe that these facilities and the facilities related to each of our business segments are generally well maintained.

Item 3. *Legal Proceedings*

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

We may have potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA" or "Superfund"), for response costs at two Superfund sites. The liability relates to properties formerly owned by our predecessor. In 1991, Oklahoma Publishing Company, or OPUBCO, assumed these liabilities and agreed to indemnify us for any losses, damages, or other liabilities incurred by it in connection with these matters.

For further discussion of legal proceedings, see Note 11 of our consolidated financial statements included herein.

Item 4. *Mine Safety Disclosures*

None.

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

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

	2014			2013		
	High	Low	Dividends Declared	High	Low	Dividends Declared
First Quarter	\$44.60	\$39.63	\$ 0.55	\$48.35	\$38.75	\$ 0.50
Second Quarter	\$49.38	\$42.16	\$ 0.55	\$46.38	\$33.40	\$ 0.50
Third Quarter	\$50.24	\$46.17	\$ 0.55	\$39.30	\$32.97	\$ 0.50
Fourth Quarter	\$55.16	\$42.73	\$ 0.55	\$42.65	\$34.28	\$ 0.50

Dividends Declared in 2014

On February 28, 2014, the Company's board of directors declared the Company's first quarter 2014 cash dividend in the amount of \$0.55 per share of common stock, or an aggregate of approximately \$27.9 million in cash, which was paid on April 14, 2014 to stockholders of record as of the close of business on March 28, 2014.

On May 6, 2014, the Company's board of directors declared the Company's second quarter 2014 cash dividend in the amount of \$0.55 per share of common stock, or an aggregate of approximately \$28.0 million in cash, which was paid on July 15, 2014 to stockholders of record as of the close of business on June 27, 2014.

On September 19, 2014, the Company's board of directors declared the Company's third quarter 2014 cash dividend in the amount of \$0.55 per share of common stock, or an aggregate of approximately \$28.1 million in cash, which was paid on October 15, 2014 to stockholders of record as of the close of business on October 2, 2014.

On December 5, 2014, the Company's board of directors declared the Company's fourth quarter cash dividend in the amount of \$0.55 per share of common stock, or an aggregate of approximately \$28.1 million in cash, which was paid on January 15, 2015 to stockholders of record as of the close of business on December 30, 2014.

Dividends Declared in 2013

On February 14, 2013, the Company's board of directors declared the Company's first quarter cash dividend in the amount of \$0.50 per share of common stock, or an aggregate of approximately \$25.8 million in cash, which was paid on April 12, 2013 to stockholders of record as of the close of business on March 28, 2013.

On June 3, 2013, the Company's board of directors declared the Company's second quarter cash dividend in the amount of \$0.50 per share of common stock, or an aggregate of approximately \$25.3 million in cash, which was paid on July 15, 2013 to stockholders of record as of the close of business on June 28, 2013.

On September 13, 2013, the Company's board of directors declared the Company's third quarter cash dividend in the amount of \$0.50 per share of common stock, or an aggregate of approximately \$25.3 million in cash, which was paid on October 15, 2013 to stockholders of record as of the close of business on September 27, 2013.

On December 5, 2013, the Company's board of directors declared the Company's fourth quarter cash dividend in the amount of \$0.50 per share of common stock, or an aggregate of approximately \$25.3 million in cash, which was paid on January 15, 2014 to stockholders of record as of the close of business on December 27, 2013.

There were approximately 1,889 record holders of our common stock as of January 30, 2015. The closing price for our stock on January 30, 2015 was \$54.90.

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To maintain our qualification as a REIT for federal income tax purposes, we must distribute at least 90% of our REIT taxable income each year. On December 17, 2012, we announced that our board of directors approved our current dividend policy pursuant to which we currently plan 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 Ryman) 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 our board of directors. Our dividend policy may be altered at any time by our board of directors.

We also announced on December 17, 2012 that our board of directors authorized a share repurchase program for up to \$100 million of our common stock using cash on hand and borrowings under the revolving credit line of our \$925 million credit facility, which we subsequently refinanced by entering into a \$1 billion senior secured credit facility in April 2013. The repurchases, which were completed in May 2013, were implemented through open market transactions on U.S. exchanges or in privately negotiated transactions, in accordance with applicable securities laws, and any market purchases were made during open trading window periods or pursuant to any applicable Rule 10b5-1 trading plans.

The terms of our \$1 billion credit facility and \$400 million term loan B restrict our ability to pay dividends. We may not pay a dividend to our stockholders if the aggregate amount of all distributions to our stockholders in a given year exceeds 95% of our funds from operations (as defined in the credit facility) for that fiscal year. Notwithstanding this restriction, we are permitted to pay dividends to stockholders to the extent necessary to maintain our status as a REIT.

Item 6. Selected Financial Data

The following selected historical financial information of the Company and its subsidiaries as of December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014 was derived from our audited consolidated financial statements included herein. The selected financial information as of December 31, 2012, 2011 and 2010 and for each of the two years in the period ended December 31, 2011 was derived from previously issued audited consolidated financial statements. The information in the following table includes the financial information of our predecessor, Gaylord, with respect to the financial information provided for periods prior to, and including, our REIT conversion on October 1, 2012. The information in the following table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes as of December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014 included herein (in thousands, except per share amounts).

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	Years Ended December 31,				
	2014	2013	2012	2011	2010
Income Statement Data:					
Revenues:					
Rooms	\$ 384,185	\$357,313	\$ 365,611	\$351,567	\$ 278,404
Food and beverage	412,061	382,340	401,252	381,699	323,195
Other hotel revenue	157,920	138,856	149,178	153,368	121,339
Opry and Attractions	86,825	76,053	70,553	65,510	47,023
Total revenues	<u>1,040,991</u>	<u>954,562</u>	<u>986,594</u>	<u>952,144</u>	<u>769,961</u>
Operating expenses:					
Rooms	116,103	106,849	96,900	95,897	76,998
Food and beverage	248,358	237,153	242,739	235,193	201,327
Other hotel expenses	307,597	295,152	314,643	315,085	261,791
Management fees	16,151	14,652	4,207	—	—
Total hotel operating expenses	<u>688,209</u>	<u>653,806</u>	<u>658,489</u>	<u>646,175</u>	<u>540,116</u>
Opry and Attractions	59,815	56,528	52,130	51,364	40,970
Corporate	27,573	26,292	46,876	48,152	51,692
REIT conversion costs (1)	—	22,190	101,964	—	—
Casualty loss (2)	—	54	858	1,225	42,321
Preopening costs (3)	11	—	340	408	55,287
Impairment and other charges (4)	—	2,976	—	—	—
Depreciation and amortization:					
Hospitality	103,422	103,147	107,343	109,521	91,117
Opry and Attractions	5,258	5,368	5,119	5,261	4,710
Corporate and Other	3,598	8,013	18,229	10,507	9,734
Total depreciation and amortization	<u>112,278</u>	<u>116,528</u>	<u>130,691</u>	<u>125,289</u>	<u>105,561</u>
Total operating expenses	<u>887,886</u>	<u>878,374</u>	<u>991,348</u>	<u>872,613</u>	<u>835,947</u>
Operating income (loss):					
Hospitality	162,535	121,556	150,210	130,939	91,705
Opry and Attractions	21,752	14,157	13,305	8,884	1,342
Corporate and Other	(31,171)	(34,305)	(65,107)	(58,659)	(61,425)
REIT conversion costs (1)	—	(22,190)	(101,964)	—	—
Casualty loss (2)	—	(54)	(858)	(1,225)	(42,321)
Preopening costs (3)	(11)	—	(340)	(408)	(55,287)
Impairment and other charges (4)	—	(2,976)	—	—	—
Total operating income (loss)	<u>153,105</u>	<u>76,188</u>	<u>(4,754)</u>	<u>79,531</u>	<u>(65,986)</u>
Interest expense, net of amounts capitalized	(61,447)	(60,916)	(58,582)	(74,673)	(81,426)
Interest income	12,075	12,267	12,307	12,460	13,124
Income from unconsolidated companies	—	10	109	1,086	608
Net gain (loss) on extinguishment of debt (5)	(2,148)	(4,181)	—	—	1,299
Other gains and (losses) (6)	23,415	2,447	22,251	(916)	(535)
Income (loss) from continuing operations before income taxes	<u>125,000</u>	<u>25,815</u>	<u>(28,669)</u>	<u>17,488</u>	<u>(132,916)</u>
(Provision) benefit for income taxes (7)	1,467	92,662	2,034	(7,420)	40,718
Income (loss) from continuing operations	<u>126,467</u>	<u>118,477</u>	<u>(26,635)</u>	<u>10,068</u>	<u>(92,198)</u>
Income (loss) from discontinued operations, net of taxes (8)	<u>(15)</u>	<u>(125)</u>	<u>(9)</u>	<u>109</u>	<u>3,070</u>
Net income (loss)	<u>126,452</u>	<u>118,352</u>	<u>(26,644)</u>	<u>10,177</u>	<u>(89,128)</u>
Loss on call spread modification related to convertible notes (9)	(5,417)	(4,869)	—	—	—
Net income (loss) available to common stockholders	<u>\$ 121,035</u>	<u>\$113,483</u>	<u>\$ (26,644)</u>	<u>\$ 10,177</u>	<u>\$ (89,128)</u>
Income (Loss) Per Share:					
Income (loss) from continuing operations	\$ 2.38	\$ 2.22	\$ (0.56)	\$ 0.21	\$ (1.95)
Income from discontinued operations, net of taxes	—	—	—	—	0.06
Net income (loss)	<u>\$ 2.38</u>	<u>\$ 2.22</u>	<u>\$ (0.56)</u>	<u>\$ 0.21</u>	<u>\$ (1.89)</u>
Income (Loss) Per Share - Assuming Dilution:					
Income (loss) from continuing operations	\$ 2.17	\$ 1.81	\$ (0.56)	\$ 0.20	\$ (1.95)
Income from discontinued operations, net of taxes	—	—	—	—	0.06
Net income (loss)	<u>\$ 2.17</u>	<u>\$ 1.81</u>	<u>\$ (0.56)</u>	<u>\$ 0.20</u>	<u>\$ (1.89)</u>
Dividends Declared per Common Share (10)	<u>\$ 2.20</u>	<u>\$ 2.00</u>	<u>\$ 6.84</u>	<u>\$ —</u>	<u>\$ —</u>

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	As of December 31,				
	2014	2013	2012	2011	2010
Balance Sheet Data:					
Total assets	\$2,413,146	\$2,424,629	\$2,532,451	\$2,554,759	\$2,614,438
Total debt	1,341,555	1,154,420	1,031,863	1,073,825	1,159,215
Total stockholders' equity (11)	401,407	757,695	853,598	1,045,535	1,029,752

- (1) We have segregated all costs related to the transactions that facilitated our conversion to a REIT (as discussed more fully in "REIT Conversion and Marriott Sale Transaction" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations") from normal operations and reported these amounts as REIT conversion costs in the accompanying consolidated statements of operations. During 2013, we incurred \$22.2 million of REIT conversion costs, which includes \$14.4 million in employment, severance and retention costs, \$2.7 million in professional fees, and \$5.1 million in various other transition costs. During 2012, we incurred \$102.0 million of REIT conversion costs, which includes \$33.3 million of non-cash impairment charges, \$23.1 million in professional fees, \$24.4 million in employment, severance and retention costs, and \$21.2 million in various other transition costs.
- (2) Casualty loss for 2010 reflects \$92.3 million in expenses related to the May 2010 flooding in Nashville, partially offset by \$50.0 million in insurance proceeds.
- (3) Preopening costs for 2010 are related to the reopening of Gaylord Opryland and the Grand Ole Opry House, which were closed during portions of 2010 as a result of the flood in Nashville. In 2014, we began incurring preopening costs related to the AC Hotel.
- (4) Impairment charges in 2013 are primarily associated with disposed equipment at Gaylord National and the decision not to move forward with a proposed expansion at Gaylord Palms in the near-term.
- (5) During 2014, we settled the repurchase of and subsequently cancelled \$56.3 million of our 3.75% convertible notes in private transactions for aggregate consideration of \$120.2 million. In addition, prior to their maturity we early settled the conversion of \$15.3 million of convertible notes that were converted by holders. We recorded a loss on extinguishment of debt of \$2.1 million in 2014 as a result of these transactions. During 2013, we settled the repurchase of and subsequently cancelled \$54.7 million of our 3.75% convertible notes in private transactions for aggregate consideration of \$98.6 million. In addition, we settled \$1.2 million of convertible notes that were converted by a holder. We recorded a loss on extinguishment of debt of \$4.2 million in 2013 as a result of these transactions. During 2010, we repurchased \$28.5 million in aggregate principal amount of our outstanding 6.75% senior notes for \$27.0 million. After adjusting for deferred financing costs and other costs, we recorded a pre-tax gain of \$1.3 million as a result of these repurchases.
- (6) Other gains and (losses) for 2014 includes a \$26.1 million gain associated with the sale of our rights in a letter of intent which entitled us to a portion of an economic interest in the income from the land underlying the new MGM casino project in National Harbor, Maryland and a \$4.2 million loss on the repurchase of a portion of the common stock warrants associated with our convertible notes. Other gains and (losses) for 2014, 2013 and 2012 includes \$2.4 million, \$2.3 million and \$2.3 million in income, respectively, received from the marketing and maintenance fund associated with the Gaylord National bonds. Other gains and (losses) for 2012 includes \$20.0 million in income recognized on the sale of intellectual property to Marriott.
- (7) Benefit for income taxes during 2013 includes a benefit of \$64.8 million related to the REIT conversion and a benefit of \$19.2 million related to our current period operations.
- (8) We have presented the operating results of Corporate Magic and ResortQuest, as well as various smaller businesses, as discontinued operations for all periods presented.
- (9) In 2014 and 2013, in connection with the repurchase of portions of our 3.75% convertible notes, we entered into agreements with the note hedge counterparties to our convertible notes to proportionately reduce the number of related purchased options and warrants as described in Note 5 of our consolidated financial statements included herein. In addition, in 2014, we entered into agreements with the note hedge counterparties to cash settle the remaining outstanding warrants prior to their maturity.

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These agreements were considered modifications to the purchased options and the warrants, and based on the terms of the agreements, we recognized a charge of \$5.4 million and \$4.9 million in 2014 and 2013, respectively, which is recorded as an increase to accumulated deficit and either additional paid-in-capital or derivative liabilities, as applicable based on whether the modification was settled in shares of common stock or cash, in the consolidated balance sheets included herein. This charge also represents a deduction from net income in calculating net income available to common stockholders and earnings per share available to common stockholders in the consolidated statements of operations included herein.

- (10) Dividends declared for 2014 represent quarterly dividends of \$0.55 per share, or an aggregate of \$112.0 million in cash. Dividends declared for 2013 represent quarterly dividends of \$0.50 per share, or an aggregate of \$101.7 million in cash. Dividends declared for 2012 reflects the aggregate declared per share value of the special dividend paid on December 21, 2012. We distributed an aggregate amount of approximately \$309.8 million. Twenty percent, or \$62.0 million, of the special dividend was paid in cash, and the remainder was paid in shares of our common stock.
- (11) As a result of the modifications to the warrant agreements described above, the fair value of the warrants at the modification date was reclassified from additional paid-in-capital to derivative liabilities, resulting in a \$304.4 million reduction to stockholders' equity during 2014.

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

Overview

We are a Delaware corporation, originally incorporated in 1956, that, following our REIT conversion, 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 owned assets include a network of four upscale, meetings-focused resorts totaling 7,795 rooms that are managed by Marriott International, Inc. ("Marriott") under the Gaylord Hotels brand. These four 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") and the Gaylord National Resort & Convention Center near Washington D.C. ("Gaylord National"). Our other owned assets managed by Marriott include Gaylord Springs Golf Links ("Gaylord Springs"), the Wildhorse Saloon, the General Jackson Showboat ("General Jackson") and the Inn at Opryland (renamed from the Radisson Hotel at Opryland), a 303-room overflow hotel adjacent to Gaylord Opryland. In addition, in December 2014, we completed the purchase of a hotel to be rebranded as the AC Hotel at National Harbor, Washington D.C. ("AC Hotel"), a 192-room overflow hotel adjacent to Gaylord National, which will be managed by Marriott upon its anticipated March 2015 opening. 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 nearly 90 years; the Ryman Auditorium, the storied live music venue and former home of the Grand Ole Opry located in downtown Nashville; and WSM-AM, the Opry's radio home.

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.

In 2012, we completed restructuring transactions to facilitate our qualification as a REIT for federal income tax purposes. Our goal is to become the nation's premier hospitality REIT for group-oriented meetings hotel assets located in urban and resort markets.

Our concentration in the hospitality industry, and in particular the large group meetings sector of the hospitality industry, exposes us to certain risks outside of our control. Past recessionary conditions in the national economy, including U.S. government sequestration, have resulted in economic pressures on the hospitality industry generally, and on our properties.

As discussed below, on October 1, 2012, Marriott assumed responsibility for managing the day-to-day operations of our Gaylord Hotels properties and other of our Nashville attractions and began managing the Inn at Opryland on December 1, 2012. Marriott will also manage the AC Hotel upon its anticipated March 2015 opening. As a result, we rely upon Marriott to generate occupancy and revenue levels at our hotel properties. However, there can be no assurance that Marriott will continue to increase occupancy and revenue levels at our hotel properties.

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For much of 2013, we experienced difficulties in in-the-year, for-the-year sales booking levels, as overall weakness in the group sector and difficulties related to the management transition to Marriott impacted our 2013 results. Joint efforts with Marriott resulted in improvements in the latter half of 2013 and in 2014, including increased bookings over the prior year; however, we are continuing to work with Marriott in these areas to ensure further improvement going forward.

See “Forward-Looking Statements” and “Risk Factors” under Part I of this report for important information regarding forward-looking statements made in this report and risks and uncertainties we face.

REIT Conversion and Marriott Sale Transaction

After conducting a strategic review of our business, in 2012, our board of directors unanimously approved and we completed the restructuring of our business operations to facilitate our qualification as a REIT for federal income tax purposes (the “REIT conversion”). We have elected to be taxed as a REIT commencing with the year ended December 31, 2013. As a REIT, we generally are not 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 taxable REIT subsidiaries (“TRSs”) that act as lessees of our hotels, as well as the businesses within our Opry and Attractions segment, continue to be subject, as applicable, to federal corporate income taxes. The steps we took during 2012 to effect the REIT conversion are summarized below.

The Merger. Under requirements of the Internal Revenue Code of 1986, as amended (the “Code”), REITs are subject to ownership restrictions such that no more than 50% of the value of the REIT’s outstanding common stock may be owned, directly or indirectly, by five or fewer individuals (as defined by the Code to include various kinds of entities) during the second half of any calendar year. To implement articles of incorporation that enabled us to satisfy the requirements under the Code and otherwise to address concerns related to stock ownership, our predecessor, Gaylord Entertainment Company, formerly a Delaware corporation (“Gaylord”), formed and merged with and into Ryman Hospitality Properties, Inc. (formerly known as Granite Hotel Properties, Inc.), a Delaware corporation (“Ryman”), effective October 1, 2012 (the “Merger”). The Merger was approved by the stockholders of Gaylord at a special meeting of stockholders held on September 25, 2012. As a result of the Merger, the outstanding shares of Gaylord’s common stock converted into the right to receive the same number of shares of Ryman’s common stock, and Ryman succeeded to and began conducting, directly or indirectly, all of the business conducted by Gaylord immediately prior to the Merger. The rights of our stockholders are now governed by our Amended and Restated Certificate of Incorporation (the “Charter”) and our Amended and Restated Bylaws. The Charter generally prohibits any stockholder from owning more than 9.8% of the outstanding shares of our common stock or any other class or series of our stock. These ownership limitations are subject to waiver or modification by our board of directors. The shares of our common stock are trading on the New York Stock Exchange under the ticker symbol “RHP”. Pursuant to Rule 12g-3(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), shares of common stock of Ryman, as successor to Gaylord, are deemed to be registered under Section 12(b) of the Exchange Act.

Implementation of UPREIT and TRS Structure. To facilitate our qualification as a REIT, we underwent a reorganization of our operations and corporate structure. We now operate as an umbrella partnership REIT (an “UPREIT”), which means that all of our assets are held by, and operations are conducted through, RHP Hotel Properties, LP, a subsidiary operating partnership (the “Operating Partnership”) that we formed in connection with the REIT conversion. In the future, we may amend the limited partnership agreement of the Operating Partnership to provide that its partnership units will be convertible on a one-for-one basis for shares of our common stock. Under certain circumstances, we may issue such partnership units as consideration to acquire hotel properties. By offering partnership units, the seller of such hotel property could defer federal income tax on any of the seller’s gains on sale, and this tax advantage may enable us to acquire hotel properties in the future which otherwise might not be available for sale.

As a REIT, at least 75% of our gross income for each taxable year must generally be derived from “rents from real property” or other income permitted by the Code. To meet this requirement, we implemented a structure under which our hotel properties are owned or leased by certain subsidiaries of the Operating Partnership, which are disregarded entities for federal income tax purposes, and these qualified REIT subsidiaries lease or sublease our hotels to TRSs pursuant to leases that contain economic terms which are similar to a lease between unrelated parties. The rent that we receive from our TRS lessees qualifies as “rents from real property” as long as the property is operated on behalf of our TRS lessees by a person who qualifies as an “independent contractor” (as defined in the Code) and who is, or is related to a person who is, actively engaged in the trade or business of operating “qualified lodging facilities” (as defined in the Code) for any person unrelated to us and our TRS lessees (an “eligible independent contractor”). As described below, our TRS lessees have engaged Marriott to manage the day-to-day operations of our hotels as an eligible independent contractor.

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In addition, we own our Opry and Attractions businesses in TRSs, and certain of those TRSs have engaged Marriott to manage their assets, as described below.

Marriott Management. On October 1, 2012, we completed the Marriott sale transaction pursuant to that certain Purchase Agreement, dated May 30, 2012, by and among Gaylord, Gaylord Hotels, Inc., Marriott Hotel Services, Inc., and Marriott, pursuant to which we sold the Gaylord Hotels brand and rights to manage our Gaylord Hotels properties for \$210 million in cash (the “Marriott sale transaction”). In connection with the Marriott sale transaction, each of our TRS lessees for our Gaylord Hotels properties is now a party to a management agreement (one for each of our Gaylord Hotels properties) and a pooling agreement with Marriott. Under the management agreements, on October 1, 2012, Marriott assumed responsibility for managing the day-to-day operations of our Gaylord Hotels properties. We do not have the authority to require Marriott to operate our Gaylord Hotels properties in a particular manner, although we do have consent and approval rights for certain matters under the hotel management agreements, subject to the limitations described therein. Each of the management agreements has a term expiring in 2047, with three automatic 10-year renewal periods (provided the applicable hotel has met certain performance thresholds). Each of the management agreements 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, the pooling agreement requires us to pay Marriott an incentive fee of: (i) 20% of pooled available cash flow (which is generally operating profit for the pooled hotels less an owner’s priority) in each of 2013 and 2014; (ii) 10% of the first \$10.0 million of pooled available cash flow, plus 20% of any additional pooled available cash flow over such threshold for 2015; and (iii) 10% of the first \$15.0 million of pooled available cash flow, plus 20% of any additional pooled available cash flow over such threshold in or after 2016. The owner’s priority is collectively \$240.0 million, plus certain additional amounts, including 10% of certain non-routine capital expenditures, conversion work, and non-routine replacements of furniture, fixtures and equipment and routine capital expenditures in excess of a reserve. If one or more of our Gaylord Hotels properties were not a “pooled hotel” (i.e., if we cease to own the hotel or we lease the hotel to a third party), the thresholds used to calculate the incentive fee in the pooling agreement will be adjusted, and the incentive fee for the non-pooled hotel will be based on such hotel’s performance. The management agreements and pooling agreement also contain certain restrictions on our incurring indebtedness that encumber our Gaylord Hotels properties on an individual or aggregate basis. The management agreements may be terminated earlier than the stated term if certain events occur, including the failure of Marriott to satisfy certain performance standards. The management agreements prohibit us from selling the Gaylord Hotels properties to certain persons, including any person who does not, in Marriott’s reasonable judgment, have sufficient financial resources and liquidity to fulfill our obligations under the management agreement, or any person who owns a controlling interest in a hotel brand (e.g. Hilton, Hyatt) totaling at least ten full-service hotels or twenty-five select-service hotels, or in a group of hotels totaling at least ten full-service hotels or twenty-five select-service hotels that are not affiliated with a brand but that are marketed and operated as a collective group, if such brand or group of hotels compete with Marriott. In addition, we may not sell a Gaylord Hotels property if we are then in breach of the applicable management agreement.

In addition to the Marriott sale transaction, our TRSs entered into additional management agreements with Marriott pursuant to which Marriott assumed responsibility for managing the day-to-day operations of the General Jackson Showboat, Gaylord Springs and the Wildhorse Saloon beginning October 1, 2012, and the Inn at Opryland beginning December 1, 2012. Marriott will also manage the AC Hotel upon its anticipated March 2015 opening.

Internal Reorganization. In connection with our REIT conversion, in order to comply with IRS requirements, we transferred to Marriott approximately 8,400 employees who worked at our various properties. In addition, we implemented a reorganization within, and a reduction in the number of members of, our executive management team and the other employees within the Corporate and Other segment. In connection with the reorganization, our corporate overhead expenses within the Corporate and Other segment have been reduced.

Costs Related to REIT Conversion. We have segregated all costs related to the foregoing transactions from normal operations and reported these amounts as REIT conversion costs in the accompanying consolidated statements of operations. We incurred \$22.2 million and \$102.0 million of REIT conversion costs during 2013 and 2012, respectively. REIT conversion costs incurred during 2013 include employment and severance costs (\$14.4 million), professional fees (\$2.7 million), and various other transition costs (\$5.1 million). REIT conversion costs incurred during 2012 include noncash impairment charges (\$33.3 million), professional fees (\$23.1 million), employment and severance costs (\$24.4 million), and various other transition costs (\$21.2 million). We incurred no REIT conversion costs during 2014.

Distribution of Accumulated Earnings and Profits. A REIT is not permitted to retain earnings and profits accumulated during years when the company or its predecessor was taxed as a C corporation. To qualify for taxation as a REIT for the taxable year ended December 31, 2013, we were required to distribute to our stockholders on or before December 31, 2013, our undistributed accumulated earnings and profits attributable to taxable periods ended prior to January 1, 2013. To satisfy this requirement, on

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November 2, 2012, our board of directors declared a special dividend in the amount of \$6.84 per share of common stock, or an aggregate of approximately \$309.8 million to stockholders of record as of the close of business on November 13, 2012, payable on December 21, 2012. Stockholders had the option to elect to receive the special dividend in cash or shares of common stock, with the total amount of cash payable to stockholders limited to 20% of the total value of the special dividend, or approximately \$62.0 million. Cash elections exceeded the amount of cash available for distribution, and, therefore, the available cash was prorated among those stockholders that elected to receive cash, and the remainder of the special dividend was paid in shares of common stock. On December 21, 2012, we paid an aggregate of approximately \$62.0 million in cash and issued approximately 6.7 million shares of common stock with a fair value of \$247.8 million in connection with the special dividend. We believe that the total value of the special dividend was sufficient to fully distribute our accumulated earnings and profits, and that a portion of the special dividend exceeded our accumulated earnings and profits. We have received a ruling from the Internal Revenue Service that the special dividend was a taxable distribution to our stockholders for federal income tax purposes, without regard to the form of payment. Pursuant to customary anti-dilution provisions in the indentures governing our 3.75% convertible senior notes and in our call and warrant agreements, the dividend caused an adjustment to the conversion rate that was taxable to the holders of the convertible notes as of November 8, 2012, as well as an adjustment to the call and warrant exercise prices.

Dividend Policy and Share Repurchase Program

Pursuant to our current dividend policy, we plan 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, whichever is greater. During 2014, the Company's board of directors declared quarterly dividends of \$0.55 per share of common stock (\$2.20 per share of common stock for the full year), or an aggregate of \$112.0 million in cash. During 2013, the Company's board of directors declared quarterly dividends of \$0.50 per share of common stock (\$2.00 per share of common stock for the full year), or an aggregate of \$101.7 million in cash. 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.

On December 17, 2012, we announced that our board of directors authorized a share repurchase program for up to \$100.0 million of our common stock using cash on hand and borrowings under our revolving credit line, to be implemented through open market transactions on U.S. exchanges or in privately negotiated transactions, in accordance with applicable securities laws, with any market purchases to be made during open trading window periods or pursuant to any applicable SEC Rule 10b5-1 trading plans. In May 2013, we completed our repurchases under the repurchase program by repurchasing approximately 2.3 million shares of our common stock for an aggregate purchase price of approximately \$100.0 million, which we funded using cash on hand and borrowings under the revolving credit line of our credit facility. The repurchased stock was cancelled and has been reflected as a reduction of retained earnings in the consolidated financial statements included herein.

Debt Transactions

As further described below in "Liquidity and Capital Resources—Principal Debt Agreements," (i) in January 2013, we paid at maturity all of our outstanding 6.75% senior notes at par at a cost of \$152.2 million; (ii) in April 2013, certain of our subsidiaries completed the private placement of \$350.0 million in aggregate principal amount of 5.00% senior notes due 2021; (iii) in April 2013, we refinanced our \$925 million credit facility by entering into a \$1 billion senior secured credit facility; (iv) in July 2013, we repurchased and cancelled \$54.7 million of our 3.75% convertible notes in private transactions for aggregate consideration of \$98.6 million and reduced the number of associated purchased options and warrants pro rata; (v) in April 2014, we repurchased and cancelled \$56.3 million in aggregate principal amount of our 3.75% convertible notes in private transactions for aggregate consideration of \$120.2 million and reduced the number of associated purchased options and warrants pro rata; (vi) in June 2014, we settled the conversion of \$15.3 million of our 3.75% convertible notes that were converted by holders for \$15.3 million in cash and shares of our common stock, which were offset by shares received on exercise of our Purchased Options (as defined below); (vii) in June 2014, we cash settled 2.4 million warrants associated with our 3.75% convertible notes for total consideration of \$50.8 million; (viii) in June 2014, we entered into a \$400.0 million term loan facility; (ix) in August 2014, we cash settled an additional 2.4 million warrants associated with our 3.75% convertible notes for total consideration of \$57.6 million; (x) in October 2014, we settled the conversion or repaid at maturity the remaining \$232.2 million of our 3.75% convertible notes; (xi) in December 2014, we cash settled an additional 2.6 million warrants associated with our 3.75% convertible notes for total consideration of \$69.1 million; and (xii) in the first quarter of 2015, we intend to cash settle the remaining 4.7 million warrants.

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Our Current Operations

Our ongoing operations are organized into three principal business segments:

- Hospitality, consisting of Gaylord Opryland, Gaylord Palms, Gaylord Texan, Gaylord National, the Inn at Opryland and the AC Hotel. Beginning October 1, 2012, Marriott assumed responsibility for the day-to-day management of our Gaylord Hotels properties. Effective December 1, 2012, under an additional management agreement, Marriott assumed responsibility for managing the day-to-day operations of the Inn at Opryland, and Marriott will assume the day-to-day management of the AC Hotel upon its anticipated March 2015 opening.
- Opry and Attractions, consisting of our Grand Ole Opry assets, WSM-AM and our Nashville attractions. As a result of the REIT conversion, we own our Opry and Attractions businesses in TRSs, which conduct their business consistent with past practice, except for the management agreements with Marriott for the General Jackson, Wildhorse Saloon and Gaylord Springs discussed above.
- Corporate and Other, consisting of our corporate expenses.

For the years ended December 31, 2014, 2013 and 2012, our total revenues were divided among these business segments as follows:

<u>Segment</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Hospitality	92%	92%	93%
Opry and Attractions	8%	8%	7%
Corporate and Other	0%	0%	0%

Our goal is to become the nation's premier hospitality REIT for group-oriented meetings hotel assets located in urban and resort markets. We intend to leverage our existing hotel properties that continue the "All-in-One-Place" self-contained service offerings, as well as a longer-term growth strategy that includes acquisitions of hotels, particularly in the group meetings sector of the hospitality industry, either alone or through joint ventures or alliances with one or more third parties. We intend to pursue attractive investment opportunities which meet our acquisition parameters, specifically, group-oriented large hotels and overflow hotels with existing or potential leisure appeal.

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:

- hotel occupancy (a volume indicator);
- average daily rate ("ADR") – a price indicator calculated by dividing room revenue by the number of rooms sold;
- Revenue per Available Room ("RevPAR") – a summary measure of hotel results calculated by dividing room 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.

Hospitality segment revenue from our occupied hotel rooms is recognized as earned on the close of business each day and from concessions and food and beverage sales at the time of the sale. 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, as well as

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cancellation fees, are recognized as revenue in the period they are collected. Almost all of our Hospitality segment revenues are either cash-based or, for meeting and convention groups meeting 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.

Effective October 1, 2012, Marriott assumed responsibility for managing these processes at our Gaylord Hotels properties and began managing the Inn at Opryland on December 1, 2012. Marriott will manage the AC Hotel upon its opening.

Summary Financial Results

The following table summarizes our financial results for the years ended December 31, 2014, 2013 and 2012 (in thousands, except percentages and per share data):

	<u>2014</u>	<u>% Change</u>	<u>2013</u>	<u>% Change</u>	<u>2012</u>
Total revenues	\$1,040,991	9.1%	\$954,562	-3.2%	\$986,594
Total operating expenses	887,886	1.1%	878,374	-11.4%	991,348
Operating income (loss)	153,105	101.0%	76,188	1702.6%	(4,754)
Net income (loss)	126,452	6.8%	118,352	544.2%	(26,644)
Net income (loss) available to common shareholders	121,035	6.7%	113,483	525.9%	(26,644)
Net income (loss) per share available to common shareholders — fully diluted	2.17	19.9%	1.81	423.2%	(0.56)

2014 Results As Compared to 2013 Results

The increase in our total revenues during 2014, as compared to 2013, is attributable to increases in our Hospitality segment and Opry and Attractions segment revenues of \$75.7 million and \$10.8 million, respectively, as discussed more fully below. Total Hospitality revenues in 2014 include \$8.9 million in attrition and cancellation fee collections, a \$0.4 million increase from 2013.

The increase in total operating expenses during 2014, as compared to 2013, is primarily the result of an increase in hotel operating expenses of \$34.4 million, partially offset by a lack of REIT conversion costs during 2014, as compared to \$22.2 million in 2013, as discussed more fully below.

The above factors resulted in a \$76.9 million increase in operating income for 2014, as compared to 2013.

The \$8.1 million increase in our net income in 2014, as compared to 2013, was due to the change in our operating income described above, and the following factors, each as described more fully below:

- A decrease in the benefit for income taxes of \$91.2 million in 2014, as compared to 2013.
- A \$21.0 million increase in other gains and losses for 2014, as compared to 2013, primarily associated with a \$26.1 million gain on the 2014 sale of our rights in a letter of intent which entitled us to a portion of an economic interest in the income from the land underlying the new MGM casino project in National Harbor, Maryland.

2013 Results As Compared to 2012 Results

The decrease in our total revenues during 2013, as compared to 2012, is attributable to a decrease in our Hospitality segment revenue of \$37.5 million, partially offset by an increase in our Opry and Attractions segment revenues of \$5.5 million, as discussed more fully below. The decrease in revenues in our Hospitality segment includes the effect of outsourcing retail operations at Gaylord Opryland, Gaylord Texan and Gaylord National commencing during the fourth quarter of 2012, as described more fully below. Total Hospitality revenues in 2013 include \$8.5 million in attrition and cancellation fee collections, a \$2.1 million increase from 2012.

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The decrease in total operating expenses during 2013, as compared to 2012, is due primarily to a \$79.8 million decrease in REIT conversion costs during 2013, a decrease of \$20.6 million in our Corporate and Other segment operating expenses, and a decrease of \$14.2 million in depreciation, all as discussed more fully below.

The above factors resulted in operating income of \$76.2 million for 2013, as compared to an operating loss of \$4.8 million in 2012.

Our net income of \$118.4 million in 2013, as compared to a net loss of \$26.6 million in 2012, was due to the change in our operating income described above, and the following factors, each as described more fully below:

- A \$90.6 million increase in the benefit for income taxes during 2013, as compared to 2012.
- A \$19.8 million decrease in other gains and losses for 2013, as compared to 2012, primarily associated with a \$20.0 million gain on the sale of intellectual property to Marriott in connection with the Marriott sale transaction in 2012.
- A \$4.2 million loss on the extinguishment of debt primarily associated with the repurchase of a portion of our 3.75% convertible notes during 2013.
- A \$2.3 million increase in our interest expense, net of amounts capitalized, for 2013, as compared to 2012.

Factors and Trends Contributing to Operating Performance in 2014 Compared to 2013

The most important factors and trends contributing to our operating performance in 2014 as compared to 2013 were:

- Increased outside-the-room spending at each of our hotel properties (an increase of 9.4% during 2014, as compared to 2013), primarily due to increased levels of premium groups and the resulting increase in banquet revenues.
- Increased occupancy at Gaylord National and Gaylord Opryland (an increase of 5.1 percentage points of occupancy and 3.4 percentage points of occupancy, respectively, during 2014, as compared to 2013), primarily as a result of an increase in corporate and association group room nights.
- Increased ADR at Gaylord Opryland, Gaylord Texan and Gaylord Palms (an increase of 5.9%, 5.5% and 3.3%, respectively, for 2014, as compared to 2013), primarily as a result of room rate increases for both groups and transient.
- In-the-year, for-the-year cancellations for 2014 decreased 52.4% as compared to 2013.
- Increased net definite group room nights booked (an increase of 14.0% for 2014, as compared to 2013), as overall group performance metrics continue to improve and second quarter 2014 included a record number of bookings for second quarter.
- Increased revenue for our Opry and Attractions segment (an increase of 14.2% for 2014, as compared to 2013), primarily as a result of increased attendance at the Grand Ole Opry House and Ryman Auditorium.
- The incurrence of \$22.2 million in REIT conversion costs during 2013 that did not recur in 2014.

Factors and Trends Contributing to Operating Performance in 2013 Compared to 2012

The most important factors and trends contributing to our operating performance in 2013 as compared to 2012 were:

- Difficulties in in-the-year, for-the-year sales booking levels, as overall weakness in the group sector and difficulties related to the management transition to Marriott impacted our results. Our joint effort with Marriott resulted in improvement in the latter half of 2013, including increased bookings over the prior year.

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- Cost synergies not being realized as quickly as anticipated and operating costs inefficiencies at our hotels from the transition to Marriott systems and procedures impacted our results.
- REIT conversion costs, specifically \$22.2 million and \$102.0 in REIT conversion costs during 2013 and 2012, respectively.
- Decreased occupancy levels at Gaylord National (a decrease of 3.2 percentage points of occupancy during 2013, as compared to 2012), primarily due to decreased levels of group and governmental business. The decrease in governmental business is primarily attributable to the U.S. government sequestration and included cancellations by several large government-related groups during 2013. Further, for groups that did travel, the sequestration drove many of these groups to reduce attendance and banquet spending while they were on property, which negatively impacted both occupancy and total revenue.
- Decreased outside-the-room spending at each of our hotel properties (a decrease of 5.1% during 2013, as compared to 2012), primarily due to a decrease in banquets. This decrease in outside-the-room spending was driven by a shift in the mix of group business during 2013 from higher-rated corporate business to lower-rated groups, social, military, education, religious and fraternal groups and transient guests.
- Increased attrition levels for 2013, as compared to 2012, which decreased our operating income, RevPAR and Total RevPAR. Attrition for 2013 was 11.1% of bookings, compared to 8.3% for 2012.
- In-the-year, for-the-year cancellations for 2013 increased 5.4%, as compared to 2012, primarily associated with cancellations from governmental groups. However, in-the-year, for-the-year cancellations for the last six months of 2013 decreased 61.7%, as compared to the same 2012 period.
- A decrease of \$20.6 million in corporate expenses for 2013, as compared to 2012, primarily due to the transition of the Company to a REIT, which resulted in lower employment costs.

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, 2014, 2013 and 2012 (in thousands, except percentages and performance metrics):

	2014	% Change	2013	% Change	2012
Revenues:					
Rooms	\$ 384,185	7.5%	\$ 357,313	-2.3%	\$ 365,611
Food and beverage	412,061	7.8%	382,340	-4.7%	401,252
Other hotel revenue	157,920	13.7%	138,856	-6.9%	149,178
Total hospitality revenue (1)	954,166	8.6%	878,509	-4.1%	916,041
Hospitality operating expenses:					
Rooms	116,103	8.7%	106,849	10.3%	96,900
Food and beverage	248,358	4.7%	237,153	-2.3%	242,739
Other hotel expenses	307,597	4.2%	295,152	-6.2%	314,643
Management fees	16,151	10.2%	14,652	248.3%	4,207
Depreciation and amortization	103,422	0.3%	103,147	-3.9%	107,343
Total Hospitality operating expenses	791,631	4.6%	756,953	-1.2%	765,832
Hospitality operating income (2)	\$ 162,535	33.7%	\$ 121,556	-19.1%	\$ 150,209
Hospitality performance metrics:					
Occupancy	73.3%	3.7%	70.7%	-0.1%	70.8%
ADR	\$ 177.27	3.7%	\$ 170.89	-1.9%	\$ 174.20
RevPAR (3)	\$ 129.98	7.5%	\$ 120.89	-2.0%	\$ 123.36
Total RevPAR (4)	\$ 322.81	8.6%	\$ 297.22	-3.8%	\$ 309.07
Net Definite Group Room Nights Booked	1,814,000	14.0%	1,591,000	7.6%	1,478,000

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- (1) Hospitality results and performance metrics include the results of our Gaylord Hotels and the Inn at Opryland for all periods presented.
- (2) Hospitality operating income does not include REIT conversion costs of \$7.6 million and \$21.2 million in 2013 and 2012, respectively, impairment charges of \$2.8 million in 2013, or preopening costs of \$0.3 million during 2012. See the discussion of these items set forth below.
- (3) We calculate Hospitality RevPAR by dividing room revenue by room nights available to guests for the period. Hospitality RevPAR is not comparable to similarly titled measures such as revenues.
- (4) We calculate Hospitality Total RevPAR by dividing the sum of room, food and beverage, and other ancillary services revenue (which equals Hospitality segment revenue) by room nights available to guests for the period. Hospitality Total RevPAR is not comparable to similarly titled measures such as revenues.

The increase in total Hospitality segment revenue in 2014, as compared to the same period in 2013, is primarily due to increases of \$30.3 million, \$18.4 million, \$15.7 million and \$10.0 million at Gaylord Opryland, Gaylord National, Gaylord Texan and Gaylord Palms, respectively, primarily a result of increased rooms revenue and outside-the-room spending during 2014 as a result of an increase in premium group business discussed below.

The decrease in total Hospitality segment revenue in 2013, as compared to the same period in 2012, is primarily due to decreases of \$13.5 million, \$9.9 million, \$7.9 million and \$7.6 million at Gaylord Texan, Gaylord National, Gaylord Palms and Gaylord Opryland, respectively, primarily a result of decreased outside-the-room spending during 2013 as a result of a decrease in group business and an increase in transient business discussed below, as well as the effect of outsourcing retail sales operations at Gaylord Opryland, Gaylord Texan and Gaylord National commencing during the fourth quarter of 2012. The properties now only receive rental lease payments rather than full retail revenue and associated expense. The net impact of this change in retail sales operations resulted in a decrease in other hotel revenue for 2013, as compared to 2012, of approximately \$7.9 million and also affected Total RevPAR. The retail operations of Gaylord Palms were already outsourced prior to Marriott's management.

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>2014</u>	<u>2013</u>	<u>2012</u>
Group	73%	72%	75%
Transient	27%	28%	25%

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Corporate Groups	47%	47%	44%
Associations	36%	34%	37%
Other Groups	17%	19%	19%

The proportional increase in transient business during 2013, as compared to 2012, was primarily the result of a decrease in group business, primarily at Gaylord Palms and Gaylord Opryland due to decreased group business, and Gaylord National, due to decreased governmental business, and an increase in transient business as a result of joining the Marriott brand, which has allowed the hotels to fill more rooms with transient guests when group business is down.

The increases in rooms operating expenses in 2014, as compared to 2013, and in 2013, as compared to 2012, are primarily attributable to increases at Gaylord National and Gaylord Opryland, as described below.

The increase in food and beverage operating expenses in 2014, as compared to 2013, is attributable to increases at each of our Gaylord Hotels properties, as described below. The decrease in food and beverage operating expenses in 2013, as compared to 2012, is attributable to decreases at Gaylord Texan, Gaylord Palms and Gaylord Opryland, partially offset by an increase at Gaylord National, as described below.

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

	<u>2014</u>	<u>% Change</u>	<u>2013</u>	<u>% Change</u>	<u>2012</u>
Administrative employment costs	\$ 96,166	-1.3%	\$ 97,479	-7.2%	\$105,085
Utilities	29,049	10.7%	26,242	0.6%	26,088
Property taxes	30,576	2.5%	29,823	-1.1%	30,163
Other	151,806	7.2%	141,608	-7.6%	153,307
Total other hotel expenses	<u>\$307,597</u>	4.2%	<u>\$295,152</u>	-6.2%	<u>\$314,643</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 slightly during 2014, as compared to 2013. Utility costs increased during 2014, as compared to 2013, primarily due to an increase at Gaylord National as a result of increased rates. Property taxes increased slightly during 2014, as compared to 2013, primarily as a result of an increase at Gaylord Opryland due to an increased valuation. Other expenses, which include supplies, advertising, maintenance costs and consulting costs, increased during 2014, as compared to 2013, primarily as a result of increases at Gaylord Palms and Gaylord Opryland.

Administrative employment costs decreased during 2013, as compared to 2012, primarily due to a decrease at Gaylord Opryland. Utility costs and property taxes were stable during 2013, as compared to 2012. Other expenses, which include supplies, advertising, maintenance costs and consulting costs, decreased during 2013, as compared to 2012, primarily as a result of decreases at Gaylord National, Gaylord Palms and Gaylord Opryland.

As discussed above, beginning in the fourth quarter of 2012, each of our management agreements with Marriott 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 Gaylord Hotels properties calculated on a pooled basis. We accrued \$19.1 million, \$17.6 million and \$4.9 million in total base management fees to Marriott related to our Hospitality segment properties during 2014, 2013 and 2012, respectively, which are presented throughout this Annual Report on Form 10-K net of the amortization of the deferred management rights proceeds discussed in Note 2 to the consolidated financial statements included herein. We did not accrue an incentive fee to Marriott related to our Hospitality segment properties during 2014, 2013 or 2012.

Hospitality depreciation and amortization expense remained stable in 2014, as compared to 2013. Hospitality depreciation and amortization expense decreased in 2013, as compared to 2012, primarily related to the initial furniture, fixtures and equipment placed in service at Gaylord Texan's opening in 2004 becoming fully depreciated during 2012 and a portion of the initial furniture, fixtures and equipment placed in service at Gaylord National's opening in 2008 becoming fully depreciated during 2013.

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Property-Level Results. The following presents the property-level financial results for the years ended December 31, 2014, 2013 and 2012:

Gaylord Opryland Results. The results of Gaylord Opryland for the years ended December 31, 2014, 2013 and 2012 are as follows (in thousands, except percentages and performance metrics):

	2014	% Change	2013	% Change	2012
Revenues:					
Rooms	\$134,225	10.8%	\$121,150	0.9%	\$120,068
Food and beverage	118,575	9.0%	108,753	-1.3%	110,174
Other hotel revenue	58,661	14.5%	51,215	-12.4%	58,451
Total revenue	311,461	10.8%	281,118	-2.6%	288,693
Operating expenses:					
Rooms	36,879	9.5%	33,686	11.1%	30,329
Food and beverage	69,414	4.3%	66,555	-2.6%	68,337
Other hotel expenses	99,701	6.1%	94,012	-10.7%	105,241
Management fees	5,287	12.9%	4,683	240.8%	1,374
Depreciation and amortization	31,318	-4.2%	32,683	-5.3%	34,527
Total operating expenses	242,599	4.7%	231,619	-3.4%	239,808
Hospitality performance metrics:					
Occupancy	76.2%	4.7%	72.8%	3.3%	70.5%
ADR	\$ 167.53	5.9%	\$ 158.24	-1.9%	\$ 161.37
RevPAR	\$ 127.60	10.8%	\$ 115.17	1.2%	\$ 113.83
Total RevPAR	\$ 296.09	10.8%	\$ 267.24	-2.4%	\$ 273.69

Rooms revenue and RevPAR increased at Gaylord Opryland during 2014, as compared to 2013, primarily as a result of the increase in occupancy, which was due to an increase in group business, and the increase in ADR, which was due to a favorable mix shift to more premium corporate and association groups, as well as an increase in transient rate. Rooms expenses increased during 2014, as compared to 2013, primarily as a result of increased variable expenses associated with the increase in occupancy.

The increase in food and beverage revenue at Gaylord Opryland during 2014, as compared to 2013, was primarily due to increased revenue from banquets and restaurant outlets related to the increase in occupancy and the mix shift discussed above. Food and beverage expenses increased in 2014, as compared to 2013, primarily as a result of the increase in variable expenses related to the increase in revenue, partially offset by decreases in food and employment costs due to more efficient inventory and labor management.

Other revenue increased at Gaylord Opryland during 2014, as compared to 2013, primarily as a result of an increase in ancillary revenues, such as parking and resort fees related to the increase in occupancy, an increase in revenues associated with our annual Christmas programs, and an increase in attrition and cancellation fee collections. Other hotel expenses increased in 2014, as compared to 2013, primarily due to increased sales and marketing costs associated with the increase in premium group rooms and an increase in property taxes due to an increased valuation, as well as the incurrence of a \$0.6 million settlement with the Federal Communications Commission during 2014.

Depreciation and amortization decreased during 2014, as compared to 2013, primarily as a result of furniture, fixtures and equipment placed in service during a 2005 rooms renovation becoming fully depreciated during 2013.

Rooms revenue and RevPAR increased at Gaylord Opryland during 2013, as compared to 2012, primarily as a result of the increase in occupancy, which was due to an increase in both group and transient business. Rooms expenses increased during 2013, as compared to 2012, primarily as a result of increased variable expenses associated with the increase in occupancy, as well as increased labor costs.

The decrease in food and beverage revenue at Gaylord Opryland during 2013, as compared to 2012, was primarily due to a decrease in revenue from banquets and restaurant outlets. Food and beverage expenses decreased in 2013, as compared to 2012, as a result of the decrease in variable expenses related to the decrease in revenue.

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As discussed above, under Marriott's management of Gaylord Opryland, the retail sales operations of the hotel were outsourced to a third-party retailer in the fourth quarter of 2012. The property now only receives rental lease payments rather than the full retail revenue and associated expense. The resulting decrease in retail revenue of approximately \$4.6 million and decreased collection of attrition and cancellation fees in 2013 are the primary factors in the decrease in other revenue during 2013, as compared to 2012. Other hotel expenses decreased in 2013, as compared to 2012, primarily due to decreased employment costs and decreased sales and marketing costs as a result of realizing synergies from the Marriott transition.

Depreciation and amortization decreased during 2013, as compared to 2012, primarily as a result of the 2012 period including expense related to the disposal of certain fixed assets associated with a corridor renovation.

Gaylord Palms Results. The results of Gaylord Palms for the years ended December 31, 2014, 2013 and 2012 are as follows (in thousands, except percentages and performance metrics):

	2014	% Change	2013	% Change	2012
Revenues:					
Rooms	\$ 65,835	3.7%	\$ 63,504	-2.5%	\$ 65,113
Food and beverage	82,517	4.9%	78,697	-7.4%	84,947
Other hotel revenue	28,466	15.8%	24,584	-0.1%	24,602
Total revenue	176,818	6.0%	166,785	-4.5%	174,662
Operating expenses:					
Rooms	17,346	-2.0%	17,703	2.9%	17,200
Food and beverage	47,696	4.9%	45,453	-5.3%	47,978
Other hotel expenses	65,337	5.7%	61,823	-2.7%	63,555
Management fees	3,021	6.8%	2,828	285.8%	733
Depreciation and amortization	18,156	1.2%	17,944	-0.2%	17,980
Total operating expenses	151,556	4.0%	145,751	-1.1%	147,446
Hospitality performance metrics:					
Occupancy	75.6%	0.4%	75.3%	0.5%	74.9%
ADR	\$ 169.80	3.3%	\$ 164.42	-2.7%	\$ 168.97
RevPAR	\$ 128.29	3.7%	\$ 123.74	-2.2%	\$ 126.53
Total RevPAR	\$ 344.55	6.0%	\$ 325.00	-4.2%	\$ 339.42

Rooms revenue and RevPAR increased at Gaylord Palms during 2014, as compared to 2013, as a result of an increase in occupancy and ADR that resulted from an increase in group rooms and an increase in rate for both group and transient business. Rooms expenses decreased slightly during 2014, as compared to 2013, as increased variable expenses associated with the increase in occupancy were offset by a decrease in supply expense.

The increase in food and beverage revenue at Gaylord Palms during 2014, as compared to 2013, was primarily due to the increase in group rooms discussed above and the resulting increase in banquet revenue. Food and beverage expenses increased in 2014, as compared to 2013, primarily as a result of the increase in variable expenses related to the increase in revenue, partially offset by decreases in food and employment costs due to more efficient inventory and labor management.

Other hotel revenue increased during 2014, as compared to 2013, primarily as a result of increased special events revenue in January 2014 as compared to the prior year period relating to the end of our annual Christmas program in January, as well as increased collection of attrition and cancellation fees. Other hotel expenses increased in 2014, as compared to 2013, primarily due to increased sales and marketing costs, as 2013 included a \$3.1 million sales and marketing expense reimbursement from Osceola County related to the termination of a tax incentive agreement for a previously planned expansion of the property.

Depreciation and amortization increased slightly during 2014, as compared to 2013.

Rooms revenue and RevPAR decreased at Gaylord Palms during 2013, as compared to 2012, primarily as a result of a decrease in ADR resulting from a decrease in group rooms, partially offset by an increase in both transient occupancy and transient rate. Rooms expenses increased during 2013, as compared to 2012, primarily as a result of increased variable expenses associated with the increase in occupancy, as well as two large group cancellations during 2013, which lowered revenue, but did not lower rooms expenses in a similar manner.

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The decrease in food and beverage revenue at Gaylord Palms during 2013, as compared to 2012, was primarily due to the decrease in group rooms discussed above and the resulting decrease in banquet revenue. This decrease was partially offset by revenue for the full 2013 year related to the addition of a sports bar and pool bar at the property. These additions were opened in the first quarter of 2012. Food and beverage expenses decreased in 2013, as compared to 2012, as the decrease in variable expenses related to the decrease in revenue was partially offset by increased employee benefit costs.

Other hotel revenue was stable during 2013, as compared to 2012. Other hotel expenses decreased in 2013, as compared to 2012, primarily due to decreased sales and marketing costs, partially offset by an increase in employment costs.

Depreciation and amortization was stable during 2013, as compared to 2012.

Gaylord Texan Results. The results of Gaylord Texan for the years ended December 31, 2014, 2013 and 2012 are as follows (in thousands, except percentages and performance metrics):

	2014	% Change	2013	% Change	2012
Revenues:					
Rooms	\$ 71,213	4.8%	\$ 67,937	-5.0%	\$ 71,549
Food and beverage	93,284	8.2%	86,220	-8.7%	94,385
Other hotel revenue	37,933	16.4%	32,590	-5.0%	34,301
Total revenue	202,430	8.4%	186,747	-6.7%	200,235
Operating expenses:					
Rooms	19,531	9.0%	17,924	6.6%	16,811
Food and beverage	53,123	4.1%	51,049	-8.7%	55,933
Other hotel expenses	62,672	-0.7%	63,107	-1.6%	64,127
Management fees	3,380	10.2%	3,068	192.2%	1,050
Depreciation and amortization	19,278	9.8%	17,561	-4.3%	18,348
Total operating expenses	157,984	3.5%	152,709	-2.3%	156,269
Hospitality performance metrics:					
Occupancy	70.9%	-0.6%	71.3%	-3.3%	73.7%
ADR	\$ 182.23	5.5%	\$ 172.74	-1.6%	\$ 175.53
RevPAR	\$ 129.12	4.8%	\$ 123.18	-4.8%	\$ 129.38
Total RevPAR	\$ 367.04	8.4%	\$ 338.61	-6.5%	\$ 362.07

Rooms revenue and RevPAR increased at Gaylord Texan during 2014, as compared to 2013, due primarily to increased ADR for both groups and transient business. These increases in rooms revenue and RevPAR were impacted by a rooms renovation project at Gaylord Texan, which resulted in approximately 36,000 room nights out of service in 2014, as compared to approximately 11,000 room nights out of service in 2013. The rooms renovation project was completed in August 2014. Rooms expenses increased during 2014, as compared to 2013, primarily due to an increase in non-capitalized costs associated with the rooms renovation project, partially offset by a decrease in employment costs due to more efficient labor management.

The increase in food and beverage revenue at Gaylord Texan during 2014, as compared to 2013, was primarily due to an increase in banquet revenue. Food and beverage expenses increased in 2014, as compared to 2013, as a result of the increase in variable expenses related to the increase in revenue.

Other revenue at Gaylord Texan increased during 2014, as compared to 2013, primarily as a result of increased technology revenue associated with group business, an increase in revenues associated with our annual Christmas programs, and increased special events revenue in January 2014 as compared to the prior year period relating to the end of our annual Christmas programs in January, partially offset by a decrease in attrition and cancellation fee collections. Other hotel expenses decreased slightly in 2014, as compared to 2013, primarily as a result of decreased employment costs due to eliminated or open positions.

Depreciation and amortization increased during 2014, as compared to 2013, primarily as a result of capital expenditures associated with the rooms renovation.

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Rooms revenue and RevPAR decreased at Gaylord Texan during 2013, as compared to 2012, primarily as a result of a decrease in occupancy and ADR, which was due to a decrease in group rooms and several large group cancellations during the third quarter of 2013. Rooms expenses increased during 2013, as compared to 2012, as the large group cancellations did not result in a significant decrease in variable costs typically associated with a decrease in occupancy. Further, severe winter weather and a rooms renovation project commencing in December that took rooms out of service also negatively impacted 2013 performance.

The decrease in food and beverage revenue at Gaylord Texan during 2013, as compared to 2012, was primarily due to the decrease in group business and the resulting decrease in banquets revenue. Food and beverage expenses decreased in 2013, as compared to 2012, as a result of the decrease in variable expenses related to the decrease in revenue.

As discussed above, under Marriott's management of Gaylord Texan, the retail sales operations of the hotel were outsourced to a third-party retailer in the fourth quarter of 2012. The property now only receives rental lease payments rather than the full retail revenue and associated expense. The resulting decrease in retail revenue of approximately \$1.9 million, partially offset by increased collection of attrition and cancellation fees in 2013, is the primary factor in the decrease in other revenue during 2013, as compared to 2012. Other hotel expenses decreased in 2013, as compared to 2012, primarily due to decreased employment costs and decreased sales and marketing costs as a result of realizing synergies from the Marriott transition.

Depreciation and amortization decreased during 2013, as compared to 2012, primarily as a result of the initial furniture, fixtures and equipment placed in service at the property's opening in 2004 becoming fully depreciated during 2012.

Gaylord National Results. The results of Gaylord National for the years ended December 31, 2014, 2013 and 2012 are as follows (in thousands, except percentages and performance metrics):

	2014	% Change	2013	% Change	2012
Revenues:					
Rooms	\$103,979	7.7%	\$ 96,521	-5.2%	\$101,785
Food and beverage	114,304	8.3%	105,592	-3.0%	108,880
Other hotel revenue	32,665	7.5%	30,395	-4.2%	31,714
Total revenue	250,948	7.9%	232,508	-4.1%	242,379
Operating expenses:					
Rooms	39,736	13.4%	35,047	14.3%	30,649
Food and beverage	75,508	5.4%	71,621	5.4%	67,978
Other hotel expenses	77,195	5.0%	73,529	-7.1%	79,180
Management fees	4,212	9.6%	3,843	270.6%	1,037
Depreciation and amortization	33,298	-0.8%	33,565	-4.6%	35,167
Total operating expenses	229,949	5.7%	217,605	1.7%	214,011
Hospitality performance metrics:					
Occupancy	69.6%	7.9%	64.5%	-4.7%	67.7%
ADR	\$ 205.04	-0.3%	\$ 205.56	-0.1%	\$ 205.84
RevPAR	\$ 142.72	7.7%	\$ 132.49	-4.9%	\$ 139.33
Total RevPAR	\$ 344.45	7.9%	\$ 319.14	-3.8%	\$ 331.78

Rooms revenue and RevPAR increased at Gaylord National during 2014, as compared to 2013, primarily as a result of an increase in occupancy for premium corporate rooms. The decrease in ADR for 2014, as compared to 2013, is primarily the result of January 2013 including rooms related to the presidential inauguration. Rooms expenses increased during 2014, as compared to 2013, primarily due to increased variable costs associated with the increase in occupancy and increased employee benefit costs associated with a new union contract.

The increase in food and beverage revenue at Gaylord National during 2014, as compared to 2013, was primarily due to the increase in premium corporate rooms and the resulting increase in banquets. Food and beverage expenses increased in 2014, as compared to 2013, primarily due to increased variable costs associated with the increase in revenue, partially offset by improved food costs.

Other revenue at Gaylord National increased during 2014, as compared to 2013, primarily due to an increase in ancillary revenues, such as parking and resort fees related to the increase in occupancy. Other hotel expenses increased in 2014, as compared to 2013, primarily as a result of increased utility and employment costs.

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Depreciation and amortization decreased slightly during 2014, as compared to 2013, primarily as a result of a portion of the initial furniture, fixtures and equipment placed in service at the property's opening in 2008 becoming fully depreciated during 2013.

Rooms revenue and RevPAR decreased at Gaylord National during 2013, as compared to 2012, primarily as a result of a decrease in occupancy for group and governmental rooms, primarily as a result of the sequestration-related cancellations discussed above. Rooms expenses increased during 2013, as compared to 2012, as the property experienced higher employee benefit costs during 2013 as a result of increased union benefits that were negotiated at the property's opening in 2008 that were to begin in 2013. This increase was partially offset by lower variable costs associated with the decrease in occupancy. In addition, severe winter weather and a closure due to a water main emergency also negatively impacted 2013 results.

The decrease in food and beverage revenue at Gaylord National during 2013, as compared to 2012, was primarily due to the decrease in group and governmental rooms and the resulting decrease in banquets. Food and beverage expenses increased in 2013, as compared to 2012, as a result of the increased employee benefit costs during 2013 as a result of increased union benefits commencing in 2013 that were negotiated at the property's opening in 2008.

As discussed above, under Marriott's management of Gaylord National, the retail sales operations of the hotel were outsourced to a third-party retailer in the fourth quarter of 2012. The property now only receives rental lease payments rather than the full retail revenue and associated expense. The resulting decrease in retail revenue of approximately \$1.4 million, partially offset by increased collection of attrition and cancellation fees in 2013, is the primary factor in the decrease in other revenue during 2013, as compared to 2012. Other hotel expenses decreased in 2013, as compared to 2012, primarily due to decreased sales and marketing costs as a result of realizing synergies from the Marriott transition.

Depreciation and amortization decreased during 2013, as compared to 2012, primarily as a result of a portion of the initial furniture, fixtures and equipment placed in service at the property's opening in 2008 becoming fully depreciated during 2013.

Opry and Attractions Segment

The following presents the financial results of our Opry and Attractions segment for the years ended December 31, 2014, 2013 and 2012 (in thousands, except percentages):

	<u>2014</u>	<u>% Change</u>	<u>2013</u>	<u>% Change</u>	<u>2012</u>
Revenues	\$86,825	14.2%	\$76,053	7.8%	\$70,553
Operating expenses	59,815	5.8%	56,528	8.4%	52,130
Depreciation and amortization	5,258	-2.0%	5,368	4.9%	5,119
Operating income (1)	<u>\$21,752</u>	53.6%	<u>\$14,157</u>	6.4%	<u>\$13,304</u>

(1) Opry and Attractions segment operating income does not include \$0.2 million of REIT conversion costs during 2013 and 2012, impairment charges of \$0.2 million in 2013, or \$0.4 million of casualty loss during 2012. See the discussion of these items set forth below.

The increases in revenues in the Opry and Attractions segment during 2014, as compared to 2013, and in 2013, as compared to 2012, were primarily due to increases at the Grand Ole Opry and the Ryman Auditorium, driven by increased attendance.

Opry and Attractions operating expenses increased during 2014, as compared to 2013, and in 2013, as compared to 2012, primarily as a result of the increased variable costs associated with the increases in revenues.

Opry and Attractions depreciation and amortization expense remained stable during 2014, as compared to 2013, and in 2013, as compared to 2012.

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Corporate and Other Segment

The following presents the financial results of our Corporate and Other segment for the years ended December 31, 2014, 2013 and 2012 (in thousands, except percentages):

	<u>2014</u>	<u>% Change</u>	<u>2013</u>	<u>% Change</u>	<u>2012</u>
Operating expenses	\$ 27,573	4.9%	\$ 26,292	-43.9%	\$ 46,876
Depreciation and amortization	3,598	-55.1%	8,013	-56.0%	18,229
Operating loss (1)	<u>\$(31,171)</u>	9.1%	<u>\$(34,305)</u>	47.3%	<u>\$(65,105)</u>

- (1) Corporate and Other segment operating loss does not include \$14.4 million and \$80.5 million of REIT conversion costs during 2013 and 2012, respectively. Corporate and Other segment operating loss also does not include \$0.1 million and \$0.4 million of casualty loss during 2013 and 2012, respectively. See the discussion of these items set forth below.

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, increased during 2014, as compared to 2013, primarily as a result of an increase in employee benefit and consulting costs. Corporate and Other operating expenses decreased during 2013, as compared to 2012, due primarily to lower employment costs that resulted from the reduction in the number of corporate employees due to the REIT conversion.

Corporate and Other depreciation and amortization expense decreased during 2014, as compared to 2013, and in 2013, as compared to 2012, primarily due to the disposal in 2013 and 2012 of certain assets that were no longer required as a result of our conversion to a REIT.

Operating Results – REIT Conversion Costs

We have segregated all costs related to the REIT conversion from normal operations and reported these amounts as REIT conversion costs in the accompanying consolidated statements of operations. During 2013 and 2012, we incurred \$22.2 million and \$102.0 million, respectively, of various costs associated with these transactions. REIT conversion costs incurred during 2013 include employment and severance costs (\$14.4 million), professional fees (\$2.7 million), and various other transition costs (\$5.1 million). REIT conversion costs incurred during 2012 include noncash impairment charges (\$33.3 million), professional fees (\$23.1 million), employment, severance and retention costs (\$24.4 million), and various other transition costs (\$21.2 million). No REIT conversion costs were incurred during 2014.

Operating Results – Casualty Loss

During the years ended December 31, 2013 and 2012, we recognized \$0.1 million and \$0.9 million, respectively, of casualty loss expense related to the May 2010 flooding in Nashville, which primarily represents non-capitalized repairs within our Opry and Attractions segment.

Operating Results – Preopening costs

We expense the costs associated with start-up activities and organization costs as incurred. Our preopening costs for 2012 primarily relate to our new sports bar entertainment facility at Gaylord Palms that opened in the first quarter of 2012. In 2014, we began incurring preopening costs related to the AC Hotel.

Operating Results – Impairment and Other Charges

During 2013, we incurred \$3.0 million in impairment charges, primarily associated with disposed equipment at Gaylord National and the decision not to move forward with a proposed expansion at Gaylord Palms in the near-term.

[Table of Contents](#)**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, 2014, 2013 and 2012 (in thousands, except percentages):

	<u>2014</u>	<u>% Change</u>	<u>2013</u>	<u>% Change</u>	<u>2012</u>
Interest expense, net of amounts capitalized	\$(61,447)	0.9%	\$(60,916)	4.0%	\$(58,582)
Interest income	12,075	-1.6%	12,267	-0.3%	12,307
Income from unconsolidated companies	—	-100.0%	10	-90.8%	109
Net loss on extinguishment of debt	(2,148)	-48.6%	(4,181)	-100.0%	—
Other gains and (losses)	23,415	856.9%	2,447	-89.0%	22,251
Benefit for income taxes	1,467	-98.4%	92,662	4455.7%	2,034
Loss from discontinued operations, net of taxes	(15)	88.0%	(125)	-1288.9%	(9)

Interest Expense, Net of Amounts Capitalized

Interest expense, net of amounts capitalized, increased \$0.5 million to \$61.4 million in 2014 as compared to 2013, due primarily to interest associated with our \$400 million term loan B facility, which we entered into in June 2014 and an increase in interest expense associated with our 5% senior notes that were issued in April 2013, partially offset by a decrease in interest expense associated with our 3.75% convertible notes, which were partially repurchased at various points in 2013 and 2014 with the balance paid at maturity in October 2014. Our weighted average interest rate on our borrowings, excluding the write-off of deferred financing costs during the period, was 4.9% in 2014 as compared to 5.0% in 2013. Cash interest expense increased \$7.1 million to \$46.8 million in 2014 as compared to 2013, and noncash interest expense, which includes amortization of deferred financing costs and debt discounts, the write-off of deferred financing costs, and capitalized interest, decreased \$6.6 million to \$14.6 million in 2014 as compared to 2013.

Interest expense, net of amounts capitalized, increased \$2.3 million to \$60.9 million in 2013 as compared to 2012, due primarily to an increase in interest expense associated with our 5% senior notes that were issued in April 2013, partially offset by a decrease in interest expenses associated with our redeemed 6.75% senior notes, which were redeemed in January 2013. Our weighted average interest rate on our borrowings, excluding the write-off of deferred financing costs during the period, was 5.0% in 2013 as compared to 5.4% in 2012. Cash interest expense decreased \$0.6 million to \$39.7 million in 2013 as compared to 2012, and noncash interest expense, which includes amortization of deferred financing costs and debt discounts, the write-off of deferred financing costs, and capitalized interest, increased \$2.9 million to \$21.2 million in 2013 as compared to 2012.

Interest Income

Interest income for 2014, 2013 and 2012 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.

Income from Unconsolidated Companies

We account for our previous minority investments under the equity method of accounting. Income from unconsolidated companies for the years ended December 31, 2013 and 2012 consisted of income from these investments.

Net Loss on Extinguishment of Debt

During 2014, we settled the repurchase of and subsequently cancelled \$56.3 million of our 3.75% convertible notes in private transactions for aggregate consideration of \$120.2 million. In addition, we settled the conversion of \$15.3 million of convertible notes that were converted by holders. We recorded a loss on extinguishment of debt of \$2.1 million in 2014 as a result of these transactions. In 2013, we settled the repurchase of and subsequently cancelled \$54.7 million of our 3.75% convertible notes in private transactions for aggregate consideration of \$98.6 million. In addition, we settled \$1.2 million of convertible notes that were converted by a holder. As a result of these transactions, we recorded a loss on extinguishment of debt of \$4.2 million in 2013.

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Other Gains and (Losses)

Other gains and (losses) for 2014 includes a \$26.1 million gain associated with the sale of our rights in a letter of intent which entitled us to a portion of an economic interest in the income from the land underlying the new MGM casino project in National Harbor, Maryland and \$2.4 million received from a fund associated with the Gaylord National bonds to reimburse us for certain marketing and maintenance expenses, partially offset by a \$4.2 million loss on the repurchase of a portion of the common stock warrants associated with our convertible notes. Other gains and (losses) for 2013 primarily consists of \$2.3 million received from the fund associated with the Gaylord National bonds. Other gains and (losses) for 2012 consisted of a \$20.0 million gain on the sale of intellectual property to Marriott in connection with the Marriott sale transaction and \$2.3 million received from the fund associated with the Gaylord National bonds.

Benefit for Income Taxes

During 2014 and 2013, we recorded an income tax benefit of \$1.5 million and \$92.7 million, respectively. As a result of our conversion to a REIT, certain net deferred tax liabilities related to our real estate were reversed, as the REIT will generally not pay federal corporate income tax related to those deferred tax liabilities. In addition, we assessed the need for a valuation allowance on the net deferred tax assets of the TRSs. As a result, we recorded a net benefit of \$64.8 million related to the conversion to a REIT during 2013. In addition, we recorded a benefit of \$7.5 million related to the reversal of liabilities associated with uncertain tax positions, a benefit of \$1.2 million related to the filing of our 2012 federal and state income tax returns and a benefit of \$19.2 million related to our current period operations. In 2012, which was prior to our REIT conversion, we recorded a benefit for income taxes of \$2.0 million.

The decrease in our benefit for income taxes for 2014, as compared to 2013, and the increase in our benefit for income taxes for 2013, as compared to 2012, resulted primarily from the benefit of our conversion to a REIT effective January 1, 2013.

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 2014, our net cash flows provided by our operating activities – continuing operations were \$247.2 million, reflecting primarily our income from continuing operations before depreciation expense, amortization expense, income tax benefit, gain on sale of long-lived assets, stock-based compensation expense, loss on extinguishment of debt, and other non-cash charges of approximately \$230.2 million and favorable changes in working capital of approximately \$17.0 million. The favorable changes in working capital primarily resulted from a decrease in accounts receivable due to the timing of collections and an increase in accrued expenses as a result of the timing of payments.

During 2013, our net cash flows provided by our operating activities – continuing operations were \$137.6 million, reflecting primarily our income from continuing operations before depreciation expense, amortization expense, impairment and other charges, income tax benefit, stock-based compensation expense, loss on extinguishment of debt, and other non-cash charges of approximately \$185.7 million, partially offset by unfavorable changes in working capital of approximately \$48.1 million. The unfavorable changes in working capital primarily resulted from a decrease in accrued expenses primarily related to the payment of accrued REIT conversion costs and a decrease in accounts payable at our managed properties due to the timing of payments as new payment processes were developed, partially offset by an increase in accrued dividends. It should be noted that the reversal of deferred tax liabilities and the recognition of valuation allowances on the net deferred tax assets of our TRSs represent the majority of the reconciling item for provision (benefit) for deferred income taxes of \$89.5 million from net income to net cash flows provided by operating activities. These tax items, and their related impact on our cash provided by operating activities, are the result of our REIT conversion, and we paid out no cash in connection with such reversal and recognition.

During 2012, our net cash flows provided by our operating activities – continuing operations were \$176.4 million, reflecting primarily our income from continuing operations before depreciation expense, amortization expense, income tax benefit, stock-based compensation expense, and other non-cash charges of approximately \$129.0 million and favorable changes in working capital of approximately \$47.4 million. The favorable changes in working capital primarily resulted from an increase in accounts payable and accrued expenses, primarily due to an increase at our managed properties due to timing of payments as new payment processes are developed and an increase in our Corporate and Other segment due to timing of payments, and an increase in accrued severance, partially offset by an increase in accounts receivable at Gaylord National and Gaylord Opryland due primarily to an increase in group business at the end of 2012, as compared to the end of 2011, which business typically has longer payment terms.

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Cash Flows from Investing Activities. During 2014 our primary uses of funds for investing activities were purchases of property and equipment, which totaled \$58.4 million, and payments made associated with the purchase of the AC Hotel of \$21.2 million, partially offset by the receipt of \$9.4 million in proceeds related to the sale of our rights in a letter of intent which entitled us to a portion of an economic interest in the income from the land underlying the new MGM casino project in National Harbor, Maryland. Purchases of property, plant and equipment consisted primarily of a rooms renovation project at Gaylord Texan, ongoing maintenance capital expenditures for our existing properties, and \$0.2 million of capitalized personnel costs.

During 2013, our primary uses of funds from investing activities were purchases of property and equipment of \$37.0 million, consisting primarily of ongoing maintenance capital expenditures for our existing properties, and included \$0.5 million of capitalized personnel costs, and an increase in restricted cash and cash equivalents associated with the FF&E reserve we are obligated to maintain for future planned and emergency-related capital expenditures at the properties that Marriott manages for us.

During 2012, our primary sources of funds from investing activities were the receipt of \$210.0 million from the Marriott sale transaction, partially offset by the purchase of property and equipment totaling \$95.2 million including \$1.9 million of capitalized personnel costs. Our capital expenditures during 2012 primarily included the completion of the renovation of the guestrooms, a new sports bar entertainment facility and new resort pools at Gaylord Palms, the completion of the enhancement to our flood protection system at Gaylord Opryland and the Grand Ole Opry, and ongoing maintenance capital expenditures for our existing properties.

Cash Flows from Financing Activities. Our cash flows from financing activities reflect primarily the incurrence of and the repayment of long-term debt, the repurchase of stock, and the payment of dividends. During 2014, our net cash flows used in financing activities were approximately \$172.7 million, primarily reflecting the payment of \$177.4 million to cash settle 7.3 million of the warrants associated with our 3.75% convertible notes, the payment of \$109.4 million in cash dividends, and the payment of \$8.4 million in deferred financing costs. In addition, we paid \$126.5 million in cash related to repurchases and the settlement of conversions of our 3.75% convertible notes prior to maturity and paid \$232.2 million to repay the remaining 3.75% convertible notes at maturity. These outflows were partially offset by \$398.0 million in net borrowings under our new term loan B and \$77.0 million in net borrowings under our \$1 billion credit facility.

During 2013, our net cash flows used in financing activities were approximately \$124.5 million, primarily reflecting the payment of \$152.2 million to redeem all of our outstanding 6.75% senior notes, \$100.0 million to repurchase 2.3 million shares of our common stock for retirement, \$98.6 million to repurchase and cancel \$54.7 million of our Convertible Notes in private transactions, the payment of \$76.4 million in cash dividends, net repayments of \$35.5 million under our \$1 billion credit facility, and the payment of \$15.7 million in deferred financing costs, partially offset by the issuance of \$350.0 million in 5% senior notes and \$5.2 million in proceeds from the exercise of stock options.

During 2012, our net cash flows used in financing activities – continuing operations were \$238.7 million, primarily reflecting the payment of \$185.4 million related to the repurchase and retirement of 5.0 million shares of our common stock from TRT Holdings, the payment of the cash portion of the special dividend paid to stockholders on December 21, 2012 of \$62.0 million, and \$55.0 million in net repayments under our \$925 million credit facility, partially offset by \$32.7 million in net proceeds from the issuance of approximately 0.9 million shares of our common stock in a public offering, and \$25.3 million in proceeds from the exercise of stock options and purchase plans.

Liquidity

As of December 31, 2014, we had \$76.4 million in unrestricted cash and \$411.2 million available for borrowing under our \$1 billion credit facility, which we refinanced in April 2013 with an increased and extended facility that matures in April 2017. During 2014, we borrowed \$398.0 million under a new term loan B added to our credit agreement for our \$1 billion credit facility and borrowed \$77.0 million under our \$1 billion credit facility. We repurchased \$56.3 million and settled the conversion of \$15.3 million of our 3.75% convertible notes for aggregate net consideration of \$126.5 million, settled the conversion of the remaining \$232.2 million of 3.75% convertible notes in cash at maturity, cash settled 7.3 million of the warrants associated with our 3.75% convertible notes for \$177.4 million, paid cash dividends of \$109.4 million, incurred capital expenditures of \$58.4 million and made \$21.2 million in payments associated with the purchase of the AC Hotel. These net outflows, offset by our cash flow provided by operations discussed above, were the primary factors in the increase in our cash balance from 2013 to 2014.

We currently plan to declare dividends of \$2.60 per share in 2015, payable in equal quarterly amounts. Future dividends are subject to future determinations as to the timing and amount by our board of directors. However, pursuant to our current dividend policy, we plan 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, whichever is greater.

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We anticipate investing in our operations during 2015 by spending between \$80 million and \$90 million in capital expenditures, which primarily includes ongoing maintenance capital of our current facilities, a room renovation at Gaylord Opryland and an expansion of the Ryman Auditorium.

Pursuant to December 2014 agreements with two of the note hedge counterparties to our 3.75% convertible notes, in the first quarter of 2015, the Company intends to cash settle the remaining 4.7 million warrants in the same manner as the 2014 purchases as described below using a combination of cash on hand and borrowings under our \$1 billion credit facility. The total consideration to be paid by the Company will be determined when the repurchase transaction settles in the first quarter of 2015.

We believe that our cash on hand and cash from operations will be adequate to fund our other short-term commitments, as well as: (i) normal operating expenses, (ii) interest expense on long-term debt obligations, (iii) capital lease and operating lease obligations, and (iv) declared dividends. If our existing cash and cash from operations were inadequate to fund such commitments, we could draw on our \$1 billion credit facility, subject to the satisfaction of covenants in the credit facility. We believe that drawing on this credit facility will not be necessary for general working capital purposes. We may, however, draw on our \$1 billion credit facility for operational and capital needs in the future.

Our outstanding principal debt agreements are described below. Based on current projections for compliance under our financial covenants contained in these agreements, we do not foresee a maturity issue prior to their scheduled maturity date.

Principal Debt Agreements

As of December 31, 2014, we were in compliance with all covenants related to our outstanding debt.

\$1 Billion Credit Facility. On April 18, 2013, we refinanced our previous \$925 million credit facility by entering into a \$1 billion senior secured credit facility by and among the Operating Partnership, the Company and certain subsidiaries of the Company party thereto, as guarantors, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent (the “\$1 billion credit facility”). The \$1 billion credit facility consists of a \$700.0 million senior secured revolving credit facility, which includes a \$75.0 million letter of credit sublimit and a \$50.0 million sublimit for swingline loans, and a \$300.0 million senior secured term loan facility. At the closing, we drew down \$154.0 million of the revolving credit facility and the term loan facility was fully funded. The \$1 billion credit facility also includes an accordion feature that allows us to increase the \$1 billion credit facility by a total of up to \$500.0 million, subject to securing additional commitments from existing lenders or new lending institutions. The \$1 billion credit facility matures on April 18, 2017, and borrowings bear interest at an annual rate of LIBOR plus an adjustable margin (the “Applicable Margin”) based on our consolidated funded indebtedness to total asset value ratio (as defined in the \$1 billion credit facility), or the base rate (as defined in the \$1 billion credit facility) plus the Applicable Margin. The interest rate is currently LIBOR plus 2.0%. Interest on our borrowings is payable quarterly, in arrears, for base rate-based loans and at the end of each interest rate period for LIBOR-based loans. Principal is payable in full at maturity. We are required to pay a commitment fee of 0.3% to 0.4% per year of the average unused portion of the \$700.0 million revolving credit facility.

As a result of the refinancing of our previous \$925 million credit facility, we wrote off \$1.3 million of deferred financing costs during 2013, which are included in interest expense in the accompanying consolidated statements of operations for 2013.

The \$1 billion credit facility is guaranteed by us, each of our four wholly-owned subsidiaries that own the Gaylord Hotels properties, and certain other of our subsidiaries. The \$1 billion credit facility is secured by (i) a first mortgage lien on the real property of each of our Gaylord Hotels properties, (ii) pledges of equity interests in our subsidiaries that own the Gaylord Hotels properties, (iii) pledges of equity interests in the Operating Partnership, our subsidiaries that guarantee the \$1 billion credit facility, and certain other of our subsidiaries, and (iv) our personal property and the personal property of the Operating Partnership and our subsidiaries that guarantee the \$1 billion credit facility. Advances are subject to a 55% borrowing base, based on the appraisal value of the Gaylord Hotels properties (reduced to 50% in the event a hotel property is sold).

In addition, the \$1 billion credit facility contains certain covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements. The material financial covenants, ratios or tests contained in the \$1 billion credit facility 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.

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- We must maintain a consolidated tangible net worth (as defined in the agreement) of not less than \$660.0 million plus 75% of the proceeds received by us or any of our subsidiaries in connection with any equity issuance.
- We must maintain a consolidated fixed charge coverage ratio, as defined in the agreement, of not less than 1.75 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.

If an event of default shall occur and be continuing under the \$1 billion credit facility, the commitments under the \$1 billion credit facility may be terminated and the principal amount outstanding under the \$1 billion credit facility, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

As of December 31, 2014, \$586.5 million of borrowings were outstanding under the \$1 billion credit facility, and the lending banks had issued \$2.3 million of letters of credit under the facility, which left \$411.2 million of availability under the credit facility (subject to the satisfaction of debt incurrence tests under the indentures governing our 5% senior notes due 2021).

\$400 Million Term Loan Facility. On June 18, 2014, we entered into an Amendment No. 1 and Joinder Agreement (the "Amendment") 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 National Association, as administrative agent, to the Company's Fourth Amended and Restated Credit Agreement (the "Credit Agreement") for the \$1 billion credit facility.

Pursuant to the Amendment, we added an additional senior secured term loan facility in the aggregate principal amount of up to \$400.0 million (the "Term Loan B") to the Credit Agreement. Proceeds from the Term Loan B may be used, as we may determine, to repay revolving loans under the Credit Agreement and to repay our 3.75% convertible notes or to settle, in whole or in part, the warrant transactions described below. The Term Loan B has a maturity date of January 15, 2021 and borrowings bear interest at an annual rate of LIBOR plus an adjustable margin, subject to a LIBOR floor of 0.75%. At December 31, 2014, the interest rate on the Term Loan B was LIBOR plus 3.0%. The Term Loan B amortizes in equal quarterly installments in aggregate annual amounts equal to 1.0% of the original principal amount of \$400.0 million, commencing on September 30, 2014, with the balance due at maturity. Amounts borrowed under the Term Loan B that are repaid or prepaid may not be reborrowed. At closing, we drew down on the Term Loan B in full.

The Term Loan B is guaranteed by the Company, each of our four wholly-owned subsidiaries that own the Gaylord Hotels-branded properties, and certain other of our subsidiaries. The Term Loan B is secured by (i) a first mortgage lien on the real property of each of our Gaylord Hotels properties, (ii) pledges of equity interests in our subsidiaries that own the Gaylord Hotels properties, (iii) the personal property of the Company, the Operating Partnership and the guarantors and (iv) all proceeds and products from our Gaylord Hotels properties. Amounts drawn on the Term Loan B are subject to a 55% borrowing base, based on the appraisal value of the Gaylord Hotels properties (reduced to 50% in the event a hotel property is sold).

The Term Loan B is subject to certain covenants contained in the Credit Agreement, 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 Term Loan B is subject to substantially all of the events of default provided for the Credit Agreement (other than the financial maintenance covenants). If an event of default shall occur and be continuing, the commitments under the Amendment may be terminated and the principal amount outstanding under the Amendment, together with all accrued and unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

3.75% Convertible Senior Notes. In 2009, we issued \$360.0 million of 3.75% Convertible Senior Notes (the "Convertible Notes"). Prior to their October 1, 2014 maturity, the Convertible Notes were convertible, at the holder's option, into shares of our common stock, at an adjusted conversion rate of 47.9789 shares of common stock per \$1,000 principal amount of the Convertible Notes, which is equivalent to an adjusted conversion price of approximately \$20.84 per share.

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In July 2013, we settled the repurchase of and subsequently cancelled \$54.7 million of our Convertible Notes in private transactions for aggregate consideration of \$98.6 million, which was funded by borrowings under our revolving credit facility. In connection with the repurchase, we entered into agreements with the note hedge counterparties to proportionately reduce the number of outstanding Purchased Options (as defined below) and warrants. In consideration for the agreements, the counterparties paid us approximately 0.2 million shares of our common stock, which we subsequently cancelled. In addition, in July 2013, we settled \$1.2 million of Convertible Notes that were converted by a holder. As a result of these transactions, we recorded a loss on extinguishment of debt of approximately \$4.2 million in 2013. In addition, as we account for the liability (debt) and the equity (conversion option) components of the Convertible Notes in a manner that reflects our nonconvertible debt borrowing rate (as more fully discussed in Note 5 to our consolidated financial statements included herein), we recorded a \$37.7 million reduction in stockholders' equity in 2013 as a result of these transactions.

In April 2014, we settled the repurchase of and subsequently cancelled \$56.3 million of our Convertible Notes in private transactions for aggregate consideration of \$120.2 million, which was funded by cash on hand and borrowings under our revolving credit facility. In connection with the repurchase, we entered into agreements with the note hedge counterparties to proportionately reduce the number of outstanding Purchased Options (as defined below) and warrants. In consideration for the reduction, the counterparties paid us approximately \$9.2 million. In addition, in June 2014, we settled the conversion of \$15.3 million of Convertible Notes that were converted by holders by paying cash for the underlying principal and shares of our common stock for the conversion spread. We received and cancelled an equal number of shares of our common stock upon exercise of the Purchased Options (as defined below). As a result of these transactions, we recorded a loss on extinguishment of debt of \$2.1 million during 2014. In addition, as we account for the liability (debt) and the equity (conversion option) components of the Convertible Notes as discussed above, we recorded a \$52.0 million reduction in stockholders' equity during 2014.

On October 1, 2014, we settled our obligations upon conversion of each \$1,000 principal amount of Convertible Notes with a specified dollar amount of \$1,000 and the remainder of the conversion settlement amount in shares of our common stock. We issued 6.3 million shares, which were offset by the exercise of the Purchased Options (as defined below) and our receipt and cancellation of the related shares.

Concurrently with the offering of the Convertible Notes, we entered into convertible note hedge transactions with respect to our common stock (the "Purchased Options") with counterparties affiliated with the initial purchasers of the Convertible Notes, for purposes of reducing the potential dilutive effect upon conversion of the Convertible Notes. The Purchased Options entitled us to purchase shares of our common stock. In connection with the conversion and maturity of the Convertible Notes on October 1, 2014, as discussed above, the Purchased Options were settled in shares delivered to us equal to the number of shares issued in the Convertible Note settlement. These shares we received were subsequently cancelled.

Separately and concurrently with entering into the Purchased Options, we also entered into warrant transactions whereby we sold common stock purchase warrants to each of the hedge counterparties. The warrants entitle the counterparties to purchase shares of our common stock. At separate times during 2014, we modified agreements with three of the note hedge counterparties to cash settle a total of 7.2 million warrants. As the modifications required the warrants to be cash settled, the fair value of the warrants was reclassified from stockholders' equity to a derivative liability on the modification dates, resulting in a \$159.0 million deduction to additional paid-in-capital during 2014. We settled these repurchases for total consideration of \$173.4 million and recorded an \$11.6 million loss during 2014 on the change in the fair value of the derivative liabilities between their modification and settlement dates, which is included in other gains and losses, net in the accompanying consolidated statement of operations.

Pursuant to December 2014 agreements with two of the note hedge counterparties, in the first quarter of 2015, we intend to cash settle the remaining 4.7 million warrants in the same manner as described above. Accordingly, the fair value of the warrants was reclassified from stockholders' equity to a derivative liability on the modification date, resulting in a \$145.4 million deduction to additional paid-in-capital during 2014. The change in the fair value of the derivative liability from the modification date through December 31, 2014 was a gain of \$7.1 million and is included in other gains and losses, net in the accompanying consolidated statement of operations. The total consideration we will pay will be determined when the repurchase transactions settle in the first quarter of 2015. Pursuant to these agreements, we settled 0.1 million warrants during December 2014 for total consideration of \$4.1 million.

5% Senior Notes. On April 3, 2013, the Operating Partnership and RHP Finance Corporation, a subsidiary of the Company, completed the private placement of \$350.0 million in aggregate principal amount of senior notes due 2021 (the "5% Senior Notes"), which are guaranteed by the Company and its subsidiaries that guarantee the \$1 billion credit facility. The 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 5% Senior Notes have a maturity date of April 15, 2021 and bear interest at 5% per annum, payable semi-annually in cash

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in arrears on April 15 and October 15 of each year, beginning October 15, 2013. The 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 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 5% Senior Notes will be 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 5% Senior Notes. The issuing subsidiaries may redeem the 5% Senior Notes on or before April 15, 2016, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, up to, but excluding, the applicable redemption date plus a make-whole redemption premium. The 5% Senior Notes will be redeemable, in whole or in part, at any time on or after April 15, 2016 at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 103.75%, 102.50%, 101.25%, and 100.00% beginning on April 15 of 2016, 2017, 2018, and 2019, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

In connection with the issuance of the 5% Senior Notes, we entered into a registration rights agreement under which we were required to use our commercially reasonable efforts to complete a registered offer to exchange the 5% Senior Notes for registered notes with substantially identical terms as the 5% Senior Notes. We completed the exchange offer in November 2013.

Our net proceeds from the issuance of the 5% Senior Notes totaled approximately \$342.0 million, after deducting the initial purchasers' discounts, commissions and offering expenses. We used substantially all of these proceeds to repay amounts outstanding under our revolving credit facility.

Additional Debt Limitations. Pursuant to the terms of the 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.

Off-Balance Sheet Arrangements

We enter into commitments under letters of credit, primarily for the purpose of securing our deductible obligations with our insurers, and lending banks under our credit facility had issued \$2.3 million of letters of credit as of December 31, 2014. Except as set forth in this paragraph, we do not have any off-balance sheet arrangements that have or are reasonable likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

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Commitments and Contractual Obligations

The following table summarizes our significant contractual obligations as of December 31, 2014, including long-term debt and operating and capital lease commitments (amounts in thousands):

Contractual obligations	Total amounts committed	Less than 1 year	1-3 years	3-5 years	After 5 years
Long-term debt (1)	\$ 1,340,500	\$ —	\$592,500	\$ —	\$ 748,000
Capital leases	1,055	377	38	42	598
Operating leases (2)	627,808	5,097	8,983	8,927	604,801
Construction commitments (3)	16,260	16,260	—	—	—
Other	346	346	—	—	—
Total contractual obligations	<u>\$ 1,985,969</u>	<u>\$22,080</u>	<u>\$601,521</u>	<u>\$ 8,969</u>	<u>\$1,353,399</u>

- (1) Long-term debt commitments do not include approximately \$235.1 million in interest payments projected to be due in future years (less than 1 year – \$48.9 million; 1-3 years – \$85.5 million; 3-5 years – \$63.5 million; more than 5 years – \$37.2 million) based on the stated interest rates on our fixed-rate debt and the rates in effect at December 31, 2014 for our variable-rate debt. 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 herewith for a discussion of the interest we paid during 2014, 2013 and 2012.
- (2) Total operating lease commitments of \$627.8 million includes the 75-year operating lease agreement we entered into during 1999 for 65.3 acres of land located in Osceola County, Florida where Gaylord Palms is located.
- (3) 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. For fiscal year 2015, the amount funded into the reserve accounts will be 5.0% of the respective properties’ total annual revenue. As of December 31, 2014, \$16.3 million was held in FF&E reserve accounts for future capital expenditures at our properties. According to the terms of each management agreement with Marriott, the reserve funds are to be held by Marriott in a restricted cash account. Although it is not required that such funds be expended in a given year, each management agreement provides any excess funds will carry over for use in future years.

Due to the uncertainty with respect to the timing of future cash payments associated with our defined benefit pension plan, our non-qualified retirement plan, our non-qualified contributory deferred compensation plan and our defined benefit postretirement health care and life insurance plan, we cannot make reasonably certain estimates of the period of cash settlement. Therefore, these obligations have been excluded from the contractual obligations table above. During 2015, we expect to contribute \$0 and \$0.6 million, respectively, to our defined benefit pension plan and our defined benefit postretirement health care and life insurance plan. See Note 7 and Note 8 to our consolidated financial statements included herein for further discussion related to these obligations.

Critical Accounting Policies and Estimates

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

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

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Revenue recognition. Revenue from our occupied hotel rooms is recognized as earned on the close of business each day and from concessions and food and beverage sales at the time of the sale. Revenues from other services at our hotels, such as spa, parking, and transportation services are recognized at the time services are provided. 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, as well as cancellation fees, are recognized as revenue in the period they are collected. Revenues from the Opry and Attractions segment are recognized when services are provided or goods are shipped, as applicable.

Impairment of long-lived and other assets. In accounting for our long-lived and other assets (including our notes receivable associated with the development of Gaylord National), we assess our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable. Recoverability of long-lived assets that will continue to be used is measured by comparing the carrying amount of the asset or asset group to the related total future undiscounted net cash flows. If an asset or asset group's carrying value is not recoverable through those cash flows, the asset group is considered to be impaired. The impairment is measured by the difference between the assets' carrying amount and their fair value, which is estimated using discounted cash flow analyses that utilize comprehensive cash flow projections, as well as observable market data to the extent available.

Stock-based compensation. For stock option awards, we record compensation expense equal to the fair value of each stock option award granted on a straight line basis over the option's vesting period. The fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option pricing formula, which requires various judgmental assumptions including expected volatility, expected term, expected dividend yield, and expected risk-free rate of return. Expected volatilities are based on the historical volatility of our stock. We use historical data to estimate option exercise and employee termination within the valuation model. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. If any of the assumptions used in the Black-Scholes-Merton option pricing formula change significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period. The assumptions for expected volatility, expected term, and expected dividend yield are the assumptions that significantly affect the grant date fair value. The expected risk-free rate of return is not significant to the calculation of fair value.

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 time-based awards, compensation expense is recognized on a straight-line basis over the life of the entire award. For performance-based awards, compensation expense is recognized over the requisite service period for each award. 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 the forfeiture assumption. No compensation expense is recognized for awards for which employees do not render the requisite service.

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. 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, however, be subject to corporate income taxes on built-in gains (the excess of fair market value over tax basis at January 1, 2013) that result from gains on certain assets. In addition, 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.

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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 deal with uncertainties in the application of complex tax regulations in the calculation of tax liabilities and are subject to routine income tax audits. We 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. The technical merits of a tax position derive from both statutory and judicial authority (legislation and statutes, legislative intent, regulations, rulings, and case law) and their applicability to the facts and circumstances of the tax position. If a tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements and a liability for unrecognized tax benefits is established. A tax position that meets the more likely than not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax benefit recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate resolution with a taxing authority. To the extent that we prevail in matters for which a liability for an unrecognized tax benefit is established or are required to pay amounts in excess of the liability established, our effective tax rate in a given financial statement period may be affected.

Retirement and postretirement benefits other than pension plans. The costs and obligations of our retirement and postretirement benefits other than 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 4.5% for the retirement plan and 3.9% for the postretirement benefits other than pension plans at December 31, 2013 to 3.7% and 3.3%, respectively, at December 31, 2014.

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, return premiums generated by portfolio management, 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 2014 and 2013 was 7.5%. Actual return on plan assets for 2014 and 2013 was 5.3% and 18.2%, respectively. Our historical actual return averaged 6.8% for the ten-year period ended December 31, 2014. For the 2015 plan year, we have changed the expected return on plan assets assumption used for determining net periodic pension expense to 6.5%. 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, 2014 and 2013 was based on the RP 2014 Mortality Tables and the RP 2000 Mortality Tables, respectively. In estimating the health care cost trend rate, we consider our actual health care cost experience, industry trends, and advice from our third-party actuary.

While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our pension and postretirement benefit obligations and expense. For example, holding all other assumptions constant, a 1% increase or decrease in the assumed discount rate related to the retirement plan would increase or decrease 2014 net periodic pension expense by approximately zero and \$0.1 million, respectively. Likewise, a 1% increase or decrease in the assumed rate of return on plan assets would decrease or increase, respectively, 2014 net periodic pension expense by approximately \$0.7 million.

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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.

Item 7A. 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 equity prices and changes in asset values of investments that fund our pension plan.

Risk Related to Changes in Interest Rates

Borrowings outstanding under our \$1 billion credit facility currently bear interest at an annual rate of LIBOR plus 2.0%, subject to adjustment as defined in the agreement. If LIBOR were to increase by 100 basis points, our annual interest cost on the \$586.5 million in borrowings outstanding under our \$1 billion credit facility as of December 31, 2014 would increase by approximately \$5.9 million.

Borrowings outstanding under our \$400 million term loan B associated with our credit facility currently bear interest at an annual rate of LIBOR plus 3.0%, subject to adjustment as defined in the agreement. If LIBOR were to increase by 100 basis points, our annual interest cost on the \$398.0 million in borrowings outstanding under our \$400 million credit facility as of December 31, 2014 would increase by approximately \$4.0 million.

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, 2014. As a result, the interest rate market risk implicit in these investments at December 31, 2014, if any, is low.

Risk Related to Changes in Equity Prices

Concurrently with the issuance of the Convertible Notes, we entered into convertible note hedge transactions intended to reduce the potential dilution upon conversion of the Convertible Notes in the event that the market value per share of our common stock, as measured under the Convertible Notes, at the time of exercise is greater than the conversion price of the Convertible Notes. In connection with the convertible note hedge transactions, we sold warrants to the counterparties to the call options whereby they may purchase, as adjusted and reduced as described in Item 7 above, approximately 4.7 million shares of our common stock. Also as noted in Item 7 above, we have entered into agreements with the remaining note hedge counterparties whereby we intend to cash settle the remaining 4.7 million warrants in the first quarter of 2015. For every \$1 increase in the share price of our common stock above the December 31, 2014 closing price of \$52.74, the cost to cash settle the warrants will increase by approximately \$4.7 million.

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. As of December 31, 2014, the value of the investments in the pension fund was \$75.3 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 \$7.5 million.

Summary

Based upon our overall market risk exposures at December 31, 2014, we believe that the effects of changes in interest rates, equity prices and asset values of investments that fund our pension plan could be material to our consolidated financial position, results of operations or cash flows.

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Item 8. Financial Statements and Supplementary Data

Information with respect to this Item is contained in the Company's consolidated financial statements included in the Index beginning on page 65 of this Annual Report on Form 10-K and incorporated by reference herein.

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

None.

Item 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

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

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the 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, 2014. 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, 2014, 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.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information about our Board of Directors required by Item 401 of Regulation S-K is incorporated herein by reference to the discussion under the heading “Election of the Nine Nominees for Director Identified in this Proxy Statement” in our Proxy Statement for the 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission. Information regarding procedures for stockholder nominations to our Board of Directors required by Item 407(c)(3) of Regulation S-K is incorporated by reference to the discussion under the heading “Submitting Stockholder Proposals and Nominations for 2016 Annual Meeting” in our Proxy Statement for the 2015 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission.

Information required by Item 405 of Regulation S-K is incorporated herein by reference to the discussion under the heading “Section 16(a) Beneficial Ownership Reporting Compliance” in our Proxy Statement for the 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

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

The Company has a separately designated audit committee of the Board of Directors established in accordance with the Exchange Act. Michael J. Bender, E.K. Gaylord II, Robert S. Prather, Jr. and Michael D. Rose currently serve as members of the Audit Committee, and Mr. Bender serves as its chairman. Our Board of Directors has determined that Mr. Rose is an “audit committee financial expert” as defined by the SEC and is independent, as that term is defined in the Exchange Act and the listing standards of the New York Stock Exchange.

Our Board of Directors has adopted a Code of Business Conduct and Ethics applicable to the members of our Board of Directors and our officers, including our Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer. In addition, the Board of Directors has adopted Corporate Governance Guidelines and restated charters for our Audit Committee, Human Resources Committee, and Nominating and Corporate Governance Committee. You can access our Code of Business Conduct and Ethics, Corporate Governance Guidelines and current committee charters on our website at www.rymanhp.com or request a copy of any of the foregoing by writing to the following address: Ryman Hospitality Properties, Inc., Attention: Secretary, One Gaylord Drive, Nashville, Tennessee 37214. The Company will make any legally required disclosures regarding amendments to, or waivers of, provisions of the Code of Business Conduct and Ethics, Corporate Governance Guidelines or current committee charters on its website. In accordance with the corporate governance listing standards of the New York Stock Exchange, the Company has designated Mr. D. Ralph Horn as the lead director at all meetings of non-management directors, which meetings will be held on a regular basis. Stockholders, employees and other interested parties may communicate with Mr. Horn, individual non-management directors, or the non-management directors as a group, by email at boardofdirectors@rymanhp.com.

Item 11. Executive Compensation

The information required by this Item is incorporated herein by reference to the discussions under the headings “Director Compensation,” “Compensation Discussion and Analysis,” “Executive Compensation – 2014 Summary Compensation Table,” “2014 Grants of Plan-Based Awards,” “Outstanding Equity Awards at 2014 Fiscal Year End,” “Company Information – 2014 Option Exercises and Stock Vested,” “Other Compensation Information – Pension Benefits,” “Other Compensation Information – Nonqualified Deferred Compensation,” “Potential Payments on Termination or Change of Control,” “Committees of the Board – Compensation Committee Interlocks and Insider Participation”, and “Human Resources Committee Report” in our Proxy Statement for the 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

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

The information required by this Item is incorporated herein by reference to the discussions under the headings “Stock Ownership” and “Equity Compensation Plan Information” in our Proxy Statement for the 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

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Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this Item is incorporated herein by reference to the discussions under the headings “Company Information – Corporate Governance – Independence of Directors” in our Proxy Statement for the 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

Item 14. *Principal Accountant Fees and Services*

The information required by this Item is incorporated herein by reference to the discussion under the heading “Our Independent Registered Public Accounting Firm” in our Proxy Statement for the 2015 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

(a)(1) *Financial Statements*

The accompanying index to financial statements on page 65 of this Annual Report on Form 10-K is provided in response to this Item.

(a)(2) *Financial Statement Schedules*

The following financial statement schedule is filed as a part of this report and is included herein on page 112 of this Annual Report on Form 10-K:

Schedule III – Real Estate and Accumulated Depreciation

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

(a)(3) *Exhibits*

See Index to Exhibits.

SIGNATURES

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

RYMAN HOSPITALITY PROPERTIES, INC.

Date: February 26, 2015

By: /s/ Colin V. Reed
 Colin V. Reed
Chairman of the Board of Directors, Chief Executive Officer and President

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Colin V. Reed</u> Colin V. Reed	Chairman of the Board of Directors, Chief Executive Officer and President	February 26, 2015
<u>/s/ Michael J. Bender</u> Michael J. Bender	Director	February 26, 2015
<u>/s/ E.K. Gaylord, II</u> E.K. Gaylord, II	Director	February 26, 2015
<u>D. Ralph Horn</u>	Director	
<u>/s/ Ellen R. Levine</u> Ellen R. Levine	Director	February 26, 2015
<u>/s/ Robert S. Prather, Jr.</u> Robert S. Prather, Jr.	Director	February 26, 2015
<u>/s/ Michael D. Rose</u> Michael D. Rose	Director	February 26, 2015
<u>/s/ Michael I. Roth</u> Michael I. Roth	Director	February 26, 2015
<u>/s/ Mark Fioravanti</u> Mark Fioravanti	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 26, 2015
<u>/s/ Jennifer Hutcheson</u> Jennifer Hutcheson	Senior Vice President and Corporate Controller (Principal Accounting Officer)	February 26, 2015

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Ryman Hospitality Properties, Inc. and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the index at Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ryman Hospitality Properties, Inc. and subsidiaries at December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Ryman Hospitality Properties, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2014, 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, 2015 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
February 26, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited Ryman Hospitality Properties, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2014, 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). Ryman Hospitality Properties, Inc. and subsidiaries' 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 conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, 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.

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

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

In our opinion, Ryman Hospitality Properties, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2014 consolidated financial statements and schedule of Ryman Hospitality Properties, Inc. and subsidiaries and our report dated February 26, 2015 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
February 26, 2015

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2014 and 2013
(Amounts in thousands, except per share data)

	December 31, 2014	December 31, 2013
ASSETS:		
Property and equipment, net of accumulated depreciation	\$ 2,036,261	\$ 2,067,997
Cash and cash equivalents - unrestricted	76,408	61,579
Cash and cash equivalents - restricted	17,410	20,169
Notes receivable	149,612	148,350
Trade receivables, less allowance of \$704 and \$717, respectively	45,188	51,782
Deferred financing costs	21,646	19,306
Prepaid expenses and other assets	66,621	55,446
Total assets	<u>\$ 2,413,146</u>	<u>\$ 2,424,629</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Debt and capital lease obligations	\$ 1,341,555	\$ 1,154,420
Accounts payable and accrued liabilities	166,848	157,339
Deferred income tax liabilities, net	14,284	23,117
Deferred management rights proceeds	183,423	186,346
Dividends payable	29,133	25,780
Derivative liabilities	134,477	—
Other liabilities	142,019	119,932
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value, 100,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$.01 par value, 400,000 shares authorized, 51,044 and 50,528 shares issued and outstanding, respectively	510	505
Additional paid-in capital	882,193	1,228,845
Treasury stock of 477 and 472 shares, respectively, at cost	(8,002)	(7,766)
Accumulated deficit	(446,963)	(454,770)
Accumulated other comprehensive loss	(26,331)	(9,119)
Total stockholders' equity	<u>401,407</u>	<u>757,695</u>
Total liabilities and stockholders' equity	<u>\$ 2,413,146</u>	<u>\$ 2,424,629</u>

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

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2014, 2013 and 2012
(Amounts in thousands, except per share data)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues:			
Rooms	\$ 384,185	\$357,313	\$365,611
Food and beverage	412,061	382,340	401,252
Other hotel revenue	157,920	138,856	149,178
Opry and Attractions	86,825	76,053	70,553
Total revenues	<u>1,040,991</u>	<u>954,562</u>	<u>986,594</u>
Operating expenses:			
Rooms	116,103	106,849	96,900
Food and beverage	248,358	237,153	242,739
Other hotel expenses	307,597	295,152	314,643
Management fees	16,151	14,652	4,207
Total hotel operating expenses	<u>688,209</u>	<u>653,806</u>	<u>658,489</u>
Opry and Attractions	59,815	56,528	52,130
Corporate	27,573	26,292	46,876
REIT conversion costs	—	22,190	101,964
Casualty loss	—	54	858
Preopening costs	11	—	340
Impairment and other charges	—	2,976	—
Depreciation and amortization	112,278	116,528	130,691
Total operating expenses	<u>887,886</u>	<u>878,374</u>	<u>991,348</u>
Operating income (loss)	153,105	76,188	(4,754)
Interest expense, net of amounts capitalized	(61,447)	(60,916)	(58,582)
Interest income	12,075	12,267	12,307
Income from unconsolidated companies	—	10	109
Loss on extinguishment of debt	(2,148)	(4,181)	—
Other gains and (losses), net	23,415	2,447	22,251
Income (loss) before income taxes and discontinued operations	<u>125,000</u>	<u>25,815</u>	<u>(28,669)</u>
Benefit for income taxes	1,467	92,662	2,034
Income (loss) from continuing operations	<u>126,467</u>	<u>118,477</u>	<u>(26,635)</u>
Loss from discontinued operations, net of income taxes	(15)	(125)	(9)
Net income (loss)	<u>126,452</u>	<u>118,352</u>	<u>(26,644)</u>
Loss on call spread and warrant modifications related to convertible notes	(5,417)	(4,869)	—
Net income (loss) available to common stockholders	<u>\$ 121,035</u>	<u>\$113,483</u>	<u>\$ (26,644)</u>
Basic income (loss) per share available to common stockholders:			
Income (loss) from continuing operations	\$ 2.38	\$ 2.22	\$ (0.56)
Loss from discontinued operations, net of income taxes	—	—	—
Net income (loss)	<u>\$ 2.38</u>	<u>\$ 2.22</u>	<u>\$ (0.56)</u>
Fully diluted income (loss) per share available to common stockholders:			
Income (loss) from continuing operations	\$ 2.17	\$ 1.81	\$ (0.56)
Loss from discontinued operations, net of income taxes	—	—	—
Net income (loss)	<u>\$ 2.17</u>	<u>\$ 1.81</u>	<u>\$ (0.56)</u>
Dividends declared per common share	<u>\$ 2.20</u>	<u>\$ 2.00</u>	<u>\$ 6.84</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, 2014, 2013 and 2012
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net income (loss)	\$126,452	\$118,352	\$(26,644)
Other comprehensive income, before tax:			
Gain (loss) on minimum pension liability:			
Unrealized gains (losses) arising during the period	(20,231)	23,172	14,451
Amount reclassified from accumulated OCI into income (expense)	<u>(235)</u>	<u>204</u>	<u>3,601</u>
	(20,466)	23,376	18,052
Income tax (expense) benefit related to items of comprehensive income	<u>3,254</u>	<u>(7,892)</u>	<u>(6,624)</u>
Other comprehensive income (loss), net of tax	<u>(17,212)</u>	<u>15,484</u>	<u>11,428</u>
Comprehensive income (loss)	<u>\$109,240</u>	<u>\$133,836</u>	<u>\$(15,216)</u>

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

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RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014, 2013 and 2012
(Amounts in thousands)

	2014	2013	2012
Cash Flows from Operating Activities:			
Net income (loss)	\$ 126,452	\$ 118,352	\$ (26,644)
Amounts to reconcile net income (loss) to net cash flows provided by operating activities:			
Income from unconsolidated companies	—	(10)	(109)
Impairment and other charges	—	3,527	33,291
Gain on sales of long-lived assets	(25,274)	(82)	(20,009)
Benefit for deferred income taxes	(5,877)	(89,530)	(9,105)
Depreciation and amortization	112,278	116,528	130,691
Amortization of deferred financing costs	5,959	5,500	4,908
Amortization of discount on convertible notes	8,735	13,817	13,793
Write-off of deferred financing costs	—	1,845	—
Loss on extinguishment of debt	2,148	4,181	—
Stock-based compensation expense	5,773	11,560	8,964
Excess tax benefit from stock-based compensation	—	(7)	(6,736)
Changes in:			
Trade receivables	6,594	3,561	(13,404)
Interest receivable	(3,142)	(690)	(1,179)
Income tax receivable	1,755	(1,755)	—
Accounts payable and accrued liabilities	6,038	(59,395)	55,190
Other assets and liabilities	5,712	10,203	6,743
Net cash flows provided by operating activities - continuing operations	247,151	137,605	176,394
Net cash flows provided by (used in) operating activities - discontinued operations	(147)	94	76
Net cash flows provided by operating activities	<u>247,004</u>	<u>137,699</u>	<u>176,470</u>
Cash Flows from Investing Activities:			
Purchases of property and equipment	(58,377)	(36,959)	(95,233)
Purchase of AC Hotel	(21,206)	—	—
Proceeds from sale of Peterson LOI	9,350	—	—
Sale of management rights and intellectual property	—	—	210,000
(Increase) decrease in restricted cash and cash equivalents	2,759	(13,959)	(5,060)
Other investing activities	8,012	2,177	5,349
Net cash flows provided by (used in) investing activities - continuing operations	(59,462)	(48,741)	115,056
Net cash flows used in investing activities - discontinued operations	—	—	—
Net cash flows provided by (used in) investing activities	<u>(59,462)</u>	<u>(48,741)</u>	<u>115,056</u>
Cash Flows from Financing Activities:			
Net borrowings (repayments) under credit facility	77,000	(35,500)	(55,000)
Net borrowings under term loan B	398,000	—	—
Issuance of senior notes	—	350,000	—
Early redemption of senior notes	—	(152,180)	—
Repurchase and conversion of convertible notes	(358,710)	(99,222)	—
Repurchase of common stock warrants	(177,423)	—	—
Deferred financing costs paid	(8,428)	(15,738)	(376)
Proceeds from the issuance of common stock, net of issuance costs of \$1,131	—	—	32,722
Repurchase of Company stock for retirement	—	(100,028)	(185,400)
Payment of dividend	(109,414)	(76,424)	(62,007)
Proceeds from exercise of stock option and purchase plans	6,862	5,223	25,336
Excess tax benefit from stock-based compensation	—	7	6,736
Other financing activities, net	(600)	(687)	(755)
Net cash flows used in financing activities - continuing operations	(172,713)	(124,549)	(238,744)
Net cash flows used in financing activities - discontinued operations	—	—	—
Net cash flows used in financing activities	<u>(172,713)</u>	<u>(124,549)</u>	<u>(238,744)</u>
Net change in cash and cash equivalents	14,829	(35,591)	52,782
Cash and cash equivalents - unrestricted, beginning of period	61,579	97,170	44,388
Cash and cash equivalents - unrestricted, end of period	<u>\$ 76,408</u>	<u>\$ 61,579</u>	<u>\$ 97,170</u>

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

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2014, 2013 and 2012
(Amounts in thousands)

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Treasury Stock</u>	<u>Retained Earnings</u>	<u>Other Comprehensive (Loss) Income</u>	<u>Total Stockholders' Equity</u>
BALANCE, December 31, 2011	\$ 484	\$ 929,904	\$ (4,599)	\$ 155,777	\$ (36,031)	1,045,535
Net loss	—	—	—	(26,644)	—	(26,644)
Other comprehensive income, net of deferred income taxes	—	—	—	—	11,428	11,428
Issuance of common stock	8	32,714	—	—	—	32,722
Repurchase of Company stock for retirement	(50)	—	—	(185,350)	—	(185,400)
Payment of dividend	67	250,410	(2,635)	(309,849)	—	(62,007)
Exercise of stock options	13	25,067	—	—	—	25,080
Net tax benefit related to stock based compensation	—	8,991	—	—	—	8,991
Employee stock plan purchases	—	252	—	—	—	252
Restricted stock units surrendered	4	(5,318)	—	—	—	(5,314)
Restricted stock shares surrendered	—	(9)	—	—	—	(9)
Stock-based compensation expense	—	8,964	—	—	—	8,964
BALANCE, December 31, 2012	\$ 526	\$ 1,250,975	\$ (7,234)	\$ (366,066)	\$ (24,603)	\$ 853,598
Net income	—	—	—	118,352	—	118,352
Other comprehensive income, net of deferred income taxes	—	—	—	—	15,484	15,484
Repurchase of Company stock for retirement	(23)	(30)	—	(99,975)	—	(100,028)
Repurchase and conversion of convertible notes	(2)	(37,710)	—	(4,869)	—	(42,581)
Payment of dividend	—	538	(532)	(102,212)	—	(102,206)
Exercise of stock options	3	5,220	—	—	—	5,223
Net tax benefit related to stock based compensation	—	(206)	—	—	—	(206)
Restricted stock units surrendered	1	(1,502)	—	—	—	(1,501)
Stock-based compensation expense	—	11,560	—	—	—	11,560
BALANCE, December 31, 2013	\$ 505	\$ 1,228,845	\$ (7,766)	\$ (454,770)	\$ (9,119)	\$ 757,695
Net income	—	—	—	126,452	—	126,452
Other comprehensive loss, net of deferred income taxes	—	—	—	—	(17,212)	(17,212)
Repurchase and conversion of convertible notes	—	(51,996)	—	(2,326)	—	(54,322)
Repurchase of common stock warrants	—	(304,400)	—	(3,091)	—	(307,491)
Payment of dividend	—	692	(236)	(113,228)	—	(112,772)
Exercise of stock options	3	6,859	—	—	—	6,862
Net tax benefit related to stock based compensation	—	(302)	—	—	—	(302)
Restricted stock units and stock options surrendered	2	(3,278)	—	—	—	(3,276)
Stock-based compensation expense	—	5,773	—	—	—	5,773
BALANCE, December 31, 2014	<u>\$ 510</u>	<u>\$ 882,193</u>	<u>\$ (8,002)</u>	<u>\$ (446,963)</u>	<u>\$ (26,331)</u>	<u>\$ 401,407</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, formerly a Delaware corporation (“Gaylord”). As more fully described in Note 2, 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 to Gaylord.

The Company conducts its business through an umbrella partnership REIT, in which its assets are held by, and 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 is the sole limited partner of the Operating Partnership and currently owns, either directly or indirectly, all 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 on Form 10-K and Ryman’s other reports filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

The Company principally operates, through its subsidiaries and its property managers, as applicable, in the following business segments: Hospitality; Opry and Attractions; 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 at National Harbor, Washington D.C. (“AC Hotel”). At December 31, 2014, the Company owns the Gaylord Opryland Resort and Convention Center (“Gaylord Opryland”), the Gaylord Palms Resort and Convention Center (“Gaylord Palms”), the Gaylord Texan Resort and Convention Center (“Gaylord Texan”), the Gaylord National Resort & Convention Center (“Gaylord National”), which the Company refers to collectively as the “Gaylord Hotels properties,” the Inn at Opryland, and the AC Hotel, which the Company completed the purchase of in December 2014 and is expected to open in March 2015. Gaylord Opryland and the Inn at Opryland are both located in Nashville, Tennessee. The Gaylord Palms is located in Kissimmee, Florida. The Gaylord Texan is located in Grapevine, Texas. The Gaylord National and the AC Hotel are both located in National Harbor, Maryland. On October 1, 2012, Marriott International, Inc. (“Marriott”) assumed the day-to-day management of the Gaylord Hotels pursuant to a management agreement for each Gaylord Hotel. On December 1, 2012, Marriott assumed the day-to-day management of the Inn at Opryland pursuant to an additional management agreement. Marriott will assume the day-to-day management of the AC Hotel upon its opening pursuant to a separate management agreement.

Opry and Attractions

The Opry and Attractions segment includes all of the Company’s Nashville-based tourist attractions. At December 31, 2014, these include the Grand Ole Opry, the General Jackson Showboat, the Wildhorse Saloon, the Ryman Auditorium and the Gaylord Springs Golf Links (“Gaylord Springs”), among others. The Opry and Attractions segment also includes WSM-AM. Beginning October 1, 2012, Marriott assumed the management of the day-to-day operations of the General Jackson Showboat, Gaylord Springs and the Wildhorse Saloon pursuant to management agreements.

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

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 Company has determined that its hotel subsidiaries are VIEs because each of the hotel's incentive fees are significant relative to the total amount of each hotel's economic performance, these fees are expected to absorb a significant amount of the variability associated with each hotel's anticipated economic performance, and the Company shares with the manager the power to direct certain activities that significantly impact the hotel's operating performance, such as approving budgets. The Company has determined that it is the primary beneficiary of each of these VIEs because it has the unilateral authority to direct other activities that most significantly impact the hotels' economic performance, such as obtaining short- and long-term financing for the hotels and making any decision in regards to selling the hotels subject to certain limitations within the management agreements. In addition, the Company is obligated to receive the residual benefits or to absorb the residual losses from each of the hotels, which could potentially be significant to the hotels. The Company has, therefore, consolidated each of these VIEs.

Acquisition

In December 2014, the Company purchased from an affiliate of The Peterson Companies (the developer of the National Harbor, Maryland development in which Gaylord National is located) the AC Hotel, a 192-room hotel previously operated as the Aloft Hotel at National Harbor for a purchase price of \$21.8 million. The transaction required that the property be transferred to the Company unencumbered by any existing hotel franchise or management agreements. The Company is re-branding the hotel and Marriott will operate the property in conjunction with the Gaylord National pursuant to a separate management agreement. Simultaneously with the purchase of this hotel, the Company also acquired from an affiliate of The Peterson Companies a vacant one-half acre parcel of land located in close proximity to Gaylord National, suitable for development of a hotel or other permitted uses. The Company expects the hotel to open in March 2015. The Company paid \$21.2 million of the combined purchase price, including transaction costs, in December 2014, with the remainder being secured by a \$6.0 million note payable to an affiliate of The Peterson Companies, which is due in January 2016, bears interest at an Applicable Federal Rate as determined by the Internal Revenue Service ("IRS") and is shown in Note 5.

Property and Equipment

Property and equipment are stated at cost. Improvements and significant renovations that extend the lives of existing assets are capitalized. Interest on funds borrowed to finance the construction of major capital additions is included in the cost of the applicable capital addition. Maintenance and repairs are charged to expense as incurred. Property and equipment are generally depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Land improvements	20 years
Furniture, fixtures and equipment	3-8 years
Leasehold improvements	The shorter of the lease term or useful life

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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 managers for furniture, fixtures and equipment reserves. In addition, the Company holds certificates of deposit with an original maturity of greater than three months. The Company is required to maintain these certificates of deposit in order to secure its Tennessee workers' compensation self-insurance obligations.

For purposes of the statements of cash flows, changes in restricted cash and cash equivalents related to funds for furniture, fixtures and equipment replacement reserves are shown as investing activities.

Supplemental Cash Flow Information

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt interest paid	\$49,208	\$36,651	\$40,935
Capitalized interest	(52)	—	(515)
Cash paid for interest, net of capitalized interest	<u>\$49,156</u>	<u>\$36,651</u>	<u>\$40,420</u>

Net cash payments (refunds) of income taxes in 2014, 2013 and 2012 were \$(0.1) million, \$4.8 million and \$1.4 million, respectively.

A portion of the Company's acquisition of the AC Hotel and a portion of the Company's sale of all of its rights in a letter of intent to which it is a party with The Peterson Companies are considered noncash transactions as they are evidenced by a note payable and a note receivable, respectively. The AC Hotel transaction is more fully discussed in the "Acquisition" section of Note 1, and the sale of the Company's rights in the letter of intent is more fully discussed in the "Prepaid Expenses and Other Assets" section of Note 1.

Impairment of Long-Lived and Other Assets

In accounting for the Company's long-lived and other assets (including its notes receivable associated with the development of Gaylord National), the Company assesses its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets or asset group may not be recoverable. Recoverability of long-lived assets that will continue to be used is measured by comparing the carrying amount of the asset or asset group to the related total future undiscounted net cash flows. If an asset or asset group's carrying value is not recoverable through those cash flows, the asset group is considered to be impaired. The impairment is measured by the difference between the assets' carrying amount and their fair value, which is estimated using discounted cash flow analyses that utilize comprehensive cash flow projections, as well as observable market data to the extent available.

Accounts Receivable

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

Allowance for Doubtful Accounts

The Company provides allowances for doubtful accounts based upon a percentage of revenue and periodic evaluations of the aging of accounts receivable.

Deferred Financing Costs

Deferred financing costs consist of prepaid interest, loan fees and other costs of financing that are amortized over the term of the related financing agreements, using the effective interest method. During 2014, 2013 and 2012, deferred financing costs of \$6.0 million, \$5.5 million and \$4.9 million, respectively, were amortized and recorded as interest expense in the accompanying consolidated statements of operations.

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As a result of the refinancing of the Company's credit facility discussed in Note 5, the Company wrote off \$1.3 million of deferred financing costs during 2013. In addition, as a result of the Company's repurchase of the remainder of its 6.75% senior notes outstanding, the Company wrote off \$0.5 million of deferred financing costs during 2013. Each of these write-offs is included in interest expense in the accompanying consolidated statements of operations.

As a result of the Company's repurchases of a portion of its convertible senior notes outstanding discussed in Note 5, the Company wrote off \$0.3 million of deferred financing costs during each of 2014 and 2013, which is included as an increase in the net loss on extinguishment of debt in the accompanying consolidated statements of operations.

Prepaid Expenses and Other Assets

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

	<u>2014</u>	<u>2013</u>
Peterson note receivable	\$16,785	\$ —
Other receivables	904	3,615
Prepaid expenses	14,691	16,530
Inventories	7,446	6,653
Deferred software costs	4,890	6,110
Supplemental deferred compensation plan assets	19,712	18,883
Other	<u>2,193</u>	<u>3,655</u>
Total prepaid expenses and other assets	<u>\$66,621</u>	<u>\$55,446</u>

In December 2014, the Company sold to an affiliate of The Peterson Companies (the developer of the National Harbor, Maryland development in which the Gaylord National hotel is located) all of its rights in a letter of intent to which it is a party with The Peterson Companies, which entitled the Company to a portion of such party's economic interest in the income from the land underlying the new MGM casino project at National Harbor. The Company will receive \$26.1 million over three years in exchange for its contractual rights, which is included in other gains and losses, net in the accompanying consolidated statement of operations for 2014. The Company received the first payment in the amount of \$9.4 million at closing, and holds the remainder of \$16.8 million as a note receivable in the accompanying consolidated balance sheet at December 31, 2014. The note receivable is due in separate payments in January 2015 and January 2016, bearing interest at an Applicable Federal Rate as determined by the Internal Revenue Service ("IRS").

Other receivables result primarily from non-operating income that is due within one year. Prepaid expenses consist of prepayments for property taxes at one of the Company's hotel properties, 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 Opry and Attractions segment. Inventory is carried at the lower of cost or market. Cost is computed on an average cost basis.

The Company capitalizes the costs of computer software developed for internal use. Accordingly, the Company has capitalized the external costs and certain internal payroll costs to develop computer software. Deferred software costs are amortized on a straight-line basis over their estimated useful lives of 3 to 5 years. Amortization expense of deferred software costs during 2014, 2013 and 2012 was \$2.3 million, \$5.9 million, and \$10.0 million, respectively.

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 are accounted for using the equity method of accounting.

[Table of Contents](#)**Accounts Payable and Accrued Liabilities**

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

	<u>2014</u>	<u>2013</u>
Trade accounts payable	\$ 31,942	\$ 26,932
Property and other taxes payable	35,598	31,553
Deferred revenues	38,581	39,822
Accrued salaries and benefits	18,477	21,655
Accrued self-insurance reserves	2,176	4,134
Accrued interest payable	5,560	7,954
Other accrued liabilities	34,514	25,289
Total accounts payable and accrued liabilities	<u>\$166,848</u>	<u>\$157,339</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. 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. For workers' compensation and general liability claims incurred prior to October 1, 2012, and for employee medical benefits claimed prior to January 1, 2013, the Company recognizes self-insured losses based upon estimates of the aggregate liability for uninsured claims incurred using certain actuarial assumptions followed in the insurance industry or the Company's historical experience. 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 10 for more detail on the Company's income taxes.

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 2, 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.

Other Liabilities

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

	<u>2014</u>	<u>2013</u>
Pension and postretirement benefits liability	\$ 41,783	\$ 25,760
Straight-line lease liability	79,352	73,871
Deferred compensation liability	19,712	18,883
Other	1,172	1,418
Total other liabilities	<u>\$142,019</u>	<u>\$119,932</u>

Leases

The Company is a lessee of a 65.3 acre site in Osceola County, Florida on which the Gaylord Palms is located, a 10.0 acre site in Grapevine, Texas on which a portion of the Gaylord Texan is located, and office space, office equipment, and other equipment. The Company's leases are discussed further in Note 11.

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Revenue Recognition

Revenues from occupied hotel rooms are recognized as earned on the close of business each day and from concessions and food and beverage sales at the time of the sale. Revenues from other services at the Company's hotels, such as spa, parking, and transportation services, are recognized at the time services are provided. 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, as well as cancellation fees, are recognized as revenue in the period they are collected. The Company recognizes revenues from the Opry and Attractions segment when services are provided or goods are shipped, 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.

Management Fees

The Company pays Marriott a base management fee of approximately 2% of revenues for the properties that Marriott manages, as well as an incentive fee that is based on profitability. The Company accrued \$19.6 million, \$18.1 million and \$5.1 million in base management fees to Marriott during 2014, 2013 and 2012, respectively. The Company accrued \$0.4 million, \$0.1 million and \$0 in incentive fees to Marriott during 2014, 2013 and 2012, 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 2.

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 2012 primarily relate to a new sports bar entertainment facility at Gaylord Palms that opened in February 2012.

Advertising Costs

Advertising costs are expensed as incurred and were \$33.3 million, \$28.8 million, and \$21.8 million for 2014, 2013 and 2012, respectively.

Stock-Based Compensation

The Company has stock-based employee compensation plans, which are described more fully in Note 6. 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*."

[Table of Contents](#)**Income (Loss) Per Share**

Earnings 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. Net income (loss) per share amounts are calculated as follows for the years ended December 31 (income and share amounts in thousands):

	2014		
	Income	Shares	Per Share
Net income available to common stockholders	\$121,035	50,861	\$ 2.38
Effect of dilutive stock-based compensation	—	487	—
Effect of convertible notes	—	4,532	—
Net income — assuming dilution	<u>\$121,035</u>	<u>55,880</u>	<u>\$ 2.17</u>

	2013		
	Income	Shares	Per Share
Net income available to common stockholders	\$113,483	51,174	\$ 2.22
Effect of dilutive stock-based compensation	—	591	—
Effect of convertible notes	—	6,304	—
Effect of common stock warrants	—	4,741	—
Net income — assuming dilution	<u>\$113,483</u>	<u>62,810</u>	<u>\$ 1.81</u>

	2012		
	Loss	Shares	Per Share
Net loss available to common stockholders	\$(26,644)	47,602	\$ (0.56)
Effect of dilutive stock-based compensation	—	—	—
Net loss — assuming dilution	<u>\$(26,644)</u>	<u>47,602</u>	<u>\$ (0.56)</u>

For 2012, the effect of dilutive common stock equivalents was the equivalent of approximately 0.9 million shares of common stock outstanding. Because the Company had a loss from continuing operations during 2012, these incremental shares were excluded from the computation of dilutive earnings per share for 2012 as the effect of their inclusion would have been anti-dilutive.

Additionally, the Company had approximately zero, 0.1 million and 0.6 million stock-based compensation awards outstanding as of December 31, 2014, 2013, and 2012, respectively, that could potentially dilute earnings per share in the future but were excluded from the computation of diluted earnings per share for 2014, 2013 and 2012, respectively, as the effect of their inclusion would have been anti-dilutive.

As discussed in Note 5, in 2009, the Company issued 3.75% Convertible Senior Notes due 2014 (the “Convertible Notes”). The Company settled the outstanding face value of the Convertible Notes in cash at maturity on October 1, 2014. The conversion spread associated with the conversion of the Convertible Notes was settled in shares of the Company’s common stock. Pursuant to a note hedge, as discussed more fully in Note 5, the Company also received and cancelled an equal number of shares of its common stock at maturity. The effect of potentially issuable shares under the conversion spread for the year ended December 31, 2012 was the equivalent of approximately 3.8 million shares of common stock outstanding. Because the Company had a loss from continuing operations during 2012, these incremental shares were excluded from the computation of dilutive earnings per share for that period as the effect of their inclusion would have been anti-dilutive.

In connection with the issuance of the Convertible Notes, the Company sold common stock purchase warrants to counterparties affiliated with the initial purchasers of the Convertible Notes whereby the warrant holders may purchase shares of the Company’s common stock. The effect of potentially issuable shares under these warrants for 2012 was the equivalent of approximately 1.3 million shares of common stock outstanding. Because the Company had a loss from continuing operations during 2012, these incremental shares were excluded from the computation of diluted earnings per share for that period as the effect of their inclusion would have been anti-dilutive.

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At separate times during 2014, the Company modified the agreements with each of the note hedge counterparties to cash settle a portion of the warrants as described in Note 5. In 2014 and 2013, in connection with the repurchase of portions of the Convertible Notes, the Company entered into agreements with the note hedge counterparties to proportionately reduce the number of Purchased Options (as defined below) and the warrants as described above and in Note 5. Each of these agreements were considered modifications to the Purchased Options and warrants (as applicable), and based on the terms of the agreements, the Company recognized a charge of \$5.4 million and \$4.9 million in 2014 and 2013, respectively. The charge for 2014 was recorded as an increase to accumulated deficit and derivative liabilities, as the liabilities were settled in cash, and the 2013 charge was recorded as an increase to accumulated deficit and additional paid-in-capital, as the obligation was settled in shares, in the accompanying consolidated balance sheets. These charges also represent a deduction from net income in calculating net income available to common stockholders and earnings per share available to common stockholders in the accompanying consolidated statements of operations. As a result of the warrant modifications, the Company believes it is probable that the warrants will be settled in cash, and as such, have been excluded from the calculation of diluted earnings per share for 2014.

Derivatives and Hedging Activities

The Company sometimes utilizes derivative financial instruments to reduce interest rate risks related to its variable rate debt and to manage risk exposure to changes in the value of portions of its fixed rate debt. The Company records derivatives in the statement of financial position and measures derivatives at fair value. Changes in the fair value of those instruments are reported in earnings or other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting.

Financial exposures are managed as a part of the Company's risk management program, which seeks to reduce the potentially adverse effect that the volatility of the interest rate markets may have on operating results. The Company does not engage in speculative transactions, nor does it hold or issue financial instruments for trading purposes. The Company formally documents hedging instruments and hedging items, as well as its risk management objective and strategy for undertaking hedged items. This process includes linking all derivatives that are designated as fair value and cash flow hedges to specific assets, liabilities or firm commitments on the consolidated balance sheet or to forecasted transactions. The Company also formally assesses, both at inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items. When it is determined that a derivative is not highly effective, the derivative expires or is sold or terminated, or the derivative is discontinued because it is unlikely that a forecasted transaction will occur, the Company discontinues hedge accounting prospectively for that specific hedge instrument.

As discussed more fully in Note 5, the derivative liabilities in the Company's consolidated balance sheet at December 31, 2014 represent outstanding common stock warrants associated with the Convertible Notes.

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 May 2014, the FASB issued ASU No. 2014-09, "*Revenue from Contracts with Customers*," the core principle of which is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Under this guidance, companies will need to use more judgment and make more estimates than under today's guidance. These judgments may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. The ASU is effective for the Company in the first quarter of 2017. The Company is currently evaluating the effects of this ASU on its financial statements, and such effects have not yet been determined.

2. REIT Conversion

The Company restructured its business operations to facilitate its qualification as a REIT for federal income tax purposes (the “REIT conversion”) during 2012 and has elected to be taxed as a REIT commencing with the year ended December 31, 2013. In connection with the REIT conversion, at a special meeting of stockholders held on September 25, 2012, Gaylord’s stockholders approved the Merger and the issuance of up to 34 million shares of the Company’s common stock as part of a one-time earnings and profits distribution to distribute all of the Company’s C corporation earnings and profits attributable to taxable periods ending prior to January 1, 2013 as a special dividend to stockholders. On November 2, 2012, the Company’s board of directors declared the special dividend which was paid on December 21, 2012 to stockholders of record as of November 13, 2012.

On October 1, 2012, the Company consummated its agreement to sell the Gaylord Hotels brand and rights to manage Gaylord Opryland, Gaylord Palms, Gaylord Texan and Gaylord National to Marriott for \$210.0 million in cash (the “Marriott sale transaction”). Effective October 1, 2012, Marriott assumed responsibility for managing the day-to-day operations of the Gaylord Hotels properties pursuant to a management agreement for each Gaylord Hotel property.

On October 1, 2012, the Company received \$210.0 million in cash from Marriott in exchange for rights to manage the Gaylord Hotels properties (the “Management Rights”) and certain intellectual property (the “IP Rights”). The Company allocated \$190.0 million of the purchase price to the Management Rights and \$20.0 million to the IP Rights. The allocation was based on the Company’s estimates of the fair values for the respective components. The Company estimated the fair value of each component by constructing distinct discounted cash flow models.

For the Management Rights, a discounted cash flow model utilized estimates of the base and incentive fees that the Company would pay to Marriott over the term of the hotel management agreements, assuming a high likelihood that automatic renewals would be triggered. The after-tax management fee estimates were based on comprehensive projections of revenues and profits for the Gaylord Hotels properties for the near-term, with growth rates gradually scaling down to an inflation-level assumption for the years thereafter. In selecting the discount rate, the Company relied on market-based estimates of capital costs and discount rate premiums that reflect management’s assessment of a market participant’s view of risks associated with the projected cash flows.

For the IP Rights, the discounted cash flow model reflected the application of a common variation referred to as the relief from royalty approach. Under this approach, fair value is estimated as the present value of future savings that would likely result due to the ownership of an asset as opposed to paying rent or royalties for its use. Key input assumptions to this model included projecting revenues for a hypothetical portfolio of new Gaylord-branded hotels that might be developed in future years and deriving a market-based royalty rate to apply for the hypothetical future use of the brand on these new properties. For the revenue forecast, the Company relied upon its development plans prior to the REIT conversion and its historical track record of large resort development, as tempered by current market conditions in the hospitality sector. Regarding the selected royalty rate, the model relied upon the Company’s review of typical arm’s length franchise and brand licensing agreement structures, third party databases, published studies and other qualitative factors. The selected royalty rate was applied to the estimated revenues from future Gaylord-branded facilities to derive projected royalty expenses avoided. These annual cash flow savings amounts were tax-affected then discounted at a rate derived from market-based estimates of capital costs and discount rates adjusted for management’s assessment of a market participant’s view of risks associated with the projected cash flows.

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. The amount related to the IP Rights was recognized into income as other gains and losses during 2012.

In addition, pursuant to additional management agreements entered into on October 1, 2012, Marriott assumed the management of the day-to-day operations of the General Jackson Showboat, Gaylord Springs and the Wildhorse Saloon on October 1, 2012. Further, on December 1, 2012, the Company entered into a management agreement pursuant to which Marriott began managing the day-to-day operations of the Inn at Opryland effective December 1, 2012.

The Company has segregated all costs related to the REIT conversion from normal operations and reported these amounts as REIT conversion costs in the accompanying consolidated statements of operations. During 2013 and 2012, the Company incurred \$22.2 million and \$102.0 million, respectively, of various costs associated with these transactions. REIT conversion costs incurred during 2013 include employment and severance costs (\$14.4 million), professional fees (\$2.7 million), and various other transition costs (\$5.1 million). REIT conversion costs incurred during 2012 include impairment charges (\$33.3 million), professional fees (\$23.1 million), employment, severance and retention costs (\$24.4 million), and various other transition costs (\$21.2 million). No REIT conversion costs were incurred during 2014.

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As a REIT, the Company no longer views independent, large-scale development of resort and convention hotels as a means of its growth. As a result of its decision to convert to a REIT, the Company evaluated its plans and previously capitalized costs associated with potential new developments and expansions of its existing properties. In connection with the preparation of the financial statements for the third quarter of 2012, the Company recorded an impairment charge of \$14.0 million to write off previously capitalized costs associated with a potential future expansion of Gaylord Opryland and the Company's previous development project in Mesa, Arizona as a result of the Company's decision to abandon these projects. The Company also abandoned certain other projects associated with its existing assets and recorded an additional impairment charge of \$7.3 million during the third quarter of 2012 to write off previously capitalized costs primarily associated with information technology projects.

In connection with the preparation of the financial statements for the fourth quarter of 2012, the Company recorded an impairment charge of \$6.9 million to write off capitalized costs associated with the previous development project in Aurora, Colorado. While the Company continues to view Aurora as a viable market, it has concluded that if and when its participation in the project moves forward, it should proceed under the direction and leadership of an unrelated third-party who will most likely use its own resources to complete the project. As such, the Company does not believe that it will be able to realize its previous investment in the project. The Company also abandoned certain other projects associated with its existing assets and recorded an additional impairment charge of \$5.1 million during the fourth quarter of 2012 to write off previously capitalized costs primarily associated with information technology projects.

The Merger, Marriott sale transaction, special dividend, and other restructuring transactions are designed to enable the Company to hold its assets and business operations in a manner that enables it to elect to be treated as a REIT for federal income tax purposes. As a REIT, the Company generally will not be subject to federal corporate income taxes on that portion of its capital gain or ordinary income from the Company's REIT operations that is distributed to its stockholders. This treatment substantially eliminates the federal "double taxation" on earnings from 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. As further described above, to comply with certain REIT qualification requirements, the Company engaged Marriott to operate and manage its Gaylord Hotels properties, the Inn at Opryland, and the AC Hotel and will be required to engage third-party managers to operate and manage its future hotel properties, if any. Additionally, non-REIT operations, which consist of the activities of taxable REIT subsidiaries ("TRSs") that act as lessees of the Company's hotels, as well as the businesses within the Company's Opry and Attractions segment, continue to be subject, as applicable, to federal corporate and state income taxes following the REIT conversion.

3. Property and Equipment

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

	2014	2013
Land and land improvements	\$ 254,013	\$ 242,418
Buildings	2,340,555	2,300,499
Furniture, fixtures and equipment	576,453	576,209
Construction in progress	26,046	25,844
	<u>3,197,067</u>	<u>3,144,970</u>
Accumulated depreciation	<u>(1,160,806)</u>	<u>(1,076,973)</u>
Property and equipment, net	<u>\$ 2,036,261</u>	<u>\$ 2,067,997</u>

Depreciation expense, including amortization of assets under capital lease obligations, during 2014, 2013 and 2012 was \$110.0 million, \$110.6 million, and \$120.7 million, respectively.

4. Notes Receivable

In connection with the development of Gaylord National, Prince George's County, Maryland ("the County") issued three series of bonds. The first bond issuance, with a face value of \$65 million, was issued by the County in April 2005 to support the cost of infrastructure being constructed by the project developer, such as roads, water and sewer lines. The second bond issuance, with a face value of \$95 million ("Series A Bond"), was issued by the County in April 2005 and placed into escrow until substantial completion

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of the convention center and 1,500 rooms within the hotel. The Series A Bond and the third bond issuance, with a face value of \$50 million (“Series B Bond”), were delivered to the Company upon substantial completion and opening of the 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.

The Company is currently holding the Series A Bond and Series B Bond, which have aggregate carrying values of \$87.0 million and \$62.6 million, respectively, as of December 31, 2014, and receiving the debt service and principal payments thereon, which is payable from tax increments, hotel taxes and special hotel rental taxes generated from the development through the maturity date. During the second quarter of 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, at the time the bonds were delivered to the Company and recorded a note receivable and offset to property and equipment in the amounts of \$93.8 million and \$38.3 million, respectively, in the accompanying consolidated balance sheet. The Company also calculated the present value of the interest that had accrued on the Series A Bond between its date of issuance and delivery to the Company based on its effective interest rate of 8.04% at the time the bond was delivered to the Company and recorded a note receivable and offset to property and equipment in the amount of \$18.3 million in the accompanying consolidated balance sheet. The Company is recording the amortization of discount on these notes receivable as interest income over the life of the notes.

During 2014, 2013 and 2012, the Company recorded interest income of \$12.1 million, \$12.3 million and \$12.2 million, respectively, on these bonds. The Company received payments of \$10.8 million, \$13.3 million and \$15.5 million during 2014, 2013 and 2012, respectively, relating to these notes receivable, which includes principal and interest payments.

5. Debt

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

	<u>2014</u>	<u>2013</u>
\$1 Billion Credit Facility	\$ 586,500	\$ 509,500
\$400 Million Term Loan Facility	398,000	—
3.75% Convertible Senior Notes, net of unamortized discount of \$0 and \$10,096	—	293,962
5% Senior Notes	350,000	350,000
AC Hotel note payable, terms as set forth in Note 1	6,000	—
Capital lease obligations	1,055	958
Total debt	<u>1,341,555</u>	<u>1,154,420</u>
Less amounts due within one year	<u>(377)</u>	<u>(599)</u>
Total long-term debt	<u>\$1,341,178</u>	<u>\$1,153,821</u>

At December 31, 2014, the Company was in compliance with all covenants related to its outstanding debt.

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

	<u>\$1 Billion Credit Facility</u>	<u>\$400 Million Term Loan Facility</u>	<u>5% Senior Notes</u>	<u>AC Hotel Note Payable</u>	<u>Total</u>
2015	\$ —	\$ —	\$ —	\$ —	\$ —
2016	—	—	—	6,000	6,000
2017	586,500	—	—	—	586,500
2018	—	—	—	—	—
2019	—	—	—	—	—
Years thereafter	—	398,000	350,000	—	748,000
Total	<u>\$ 586,500</u>	<u>\$ 398,000</u>	<u>\$ 350,000</u>	<u>\$ 6,000</u>	<u>\$1,340,500</u>

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\$1 Billion Credit Facility

On April 18, 2013, the Company refinanced its previous \$925 million credit facility by entering into a \$1 billion senior secured credit facility by and among the Operating Partnership, the Company, and certain subsidiaries of the Company party thereto, as guarantors, the lenders party thereto, and Wells Fargo Bank, N.A., as administrative agent (the “\$1 billion credit facility”). The \$1 billion credit facility consists of a \$700.0 million senior secured revolving credit facility and a \$300.0 million senior secured term loan facility, which is fully funded. The \$1 billion credit facility also includes an accordion feature that will allow the Company to increase the facility by a total of up to \$500.0 million, subject to securing additional commitments from existing lenders or new lending institutions. The \$1 billion credit facility matures on April 18, 2017 and borrowings bear interest at an annual rate of LIBOR plus an adjustable margin (the “Applicable Margin”) based on the Company’s consolidated funded indebtedness to total asset value ratio (as defined in the \$1 billion credit facility) or the bank’s base rate (as defined in the \$1 billion credit facility) plus the Applicable Margin. At December 31, 2014, the interest rate on the \$1 billion credit facility was LIBOR plus 2.0%. Interest is payable quarterly, in arrears, for base rate-based loans and at the end of each interest rate period for LIBOR-based loans. Principal is payable in full at maturity. The Company is required to pay a fee of 0.3% to 0.4% per year of the average unused portion of the \$700.0 million revolving credit facility. The purpose of the \$1 billion credit facility is for working capital, capital expenditures, and other corporate purposes.

The \$1 billion credit facility is guaranteed by the Company, each of the four wholly-owned subsidiaries that own the Gaylord Hotels properties, and certain other of the Company’s subsidiaries. The \$1 billion credit facility is secured by (i) a first mortgage lien on the real property of each of the Gaylord Hotels properties, (ii) pledges of equity interests in the Company’s subsidiaries that own the Gaylord Hotels properties, (iii) pledges of equity interests in the Operating Partnership, the subsidiaries that guarantee the \$1 billion credit facility, and certain other of the Company’s subsidiaries, and (iv) the Company’s personal property and the personal property of the Operating Partnership and the subsidiaries that guarantee the \$1 billion credit facility.

The \$1 billion credit facility contains certain covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements.

If an event of default shall occur and be continuing under the \$1 billion credit facility, the commitments under the \$1 billion credit facility may be terminated and the principal amount outstanding under the \$1 billion credit facility, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

As a result of the refinancing of the previous \$925 million credit facility, the Company wrote off \$1.3 million of deferred financing costs during 2013, which are included in interest expense in the accompanying consolidated statements of operations.

\$400 Million Term Loan Facility

On June 18, 2014, the Company entered into an Amendment No. 1 and Joinder Agreement (the “Amendment”) 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 National Association, as administrative agent, to the Company’s Fourth Amended and Restated Credit Agreement (the “Credit Agreement”) for the \$1 billion credit facility.

Pursuant to the Amendment, the Company added an additional senior secured term loan facility in the aggregate principal amount of up to \$400.0 million (the “Term Loan B”) to the Credit Agreement. Proceeds from the Term Loan B may be used, as the Company may determine, to repay revolving loans under the Credit Agreement and to repay the Convertible Notes or to settle, in whole or in part, the warrant transactions described above. The Term Loan B has a maturity date of January 15, 2021 and borrowings bear interest at an annual rate of LIBOR plus an adjustable margin, subject to a LIBOR floor of 0.75%. At December 31, 2014, the interest rate on the Term Loan B was LIBOR plus 3.0%. The Term Loan B amortizes in equal quarterly installments in aggregate annual amounts equal to 1.0% of the original principal amount of \$400.0 million, commencing on September 30, 2014, with the balance due at maturity. 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.

The Term Loan B is guaranteed by the Company, each of its four wholly-owned subsidiaries that own the Gaylord Hotels-branded properties, and certain other subsidiaries of the Company. The Term Loan B is secured by (i) a first mortgage lien on the real property of each of the Company’s Gaylord Hotels properties, (ii) pledges of equity interests in the subsidiaries of the Company that own the Gaylord Hotels properties, (iii) the personal property of the Company, the Operating Partnership and the guarantors and (iv) all proceeds and products from the Company’s Gaylord Hotels properties. Amounts drawn on the Term Loan B are subject to a 55% borrowing base, based on the appraisal value of the Gaylord Hotels properties (reduced to 50% in the event a hotel property is sold).

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The Term Loan B is subject to certain covenants contained in the Credit Agreement, 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 Term Loan B is subject to substantially all of the events of default provided for the Credit Agreement (other than the financial maintenance covenants). If an event of default shall occur and be continuing, the commitments under the Amendment may be terminated and the principal amount outstanding under the Amendment, together with all accrued and unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

3.75% Convertible Senior Notes

In 2009, the Company issued \$360 million of the Convertible Notes. Prior to their October 1, 2014 maturity, the Convertible Notes were convertible, at the holder's option, into shares of the Company's common stock, at an adjusted conversion rate of 47.9789 shares of common stock per \$1,000 principal amount of Convertible Notes, which is equivalent to a conversion price of approximately \$20.84 per share.

The Company accounts for the liability (debt) and the equity (conversion option) components of the Convertible Notes in a manner that reflects the Company's nonconvertible debt borrowing rate. Accordingly, the Company recorded a debt discount and corresponding increase to additional paid-in capital of \$68.0 million as of the date of issuance. The Company amortized the debt discount utilizing the effective interest method over the life of the Convertible Notes, which increased the effective interest rate of the Convertible Notes from its coupon rate of 3.75% to 8.43%. During 2014, 2013 and 2012, the Company incurred cash interest expense of \$7.3 million, \$12.4 million and \$13.5 million, respectively, relating to the interest coupon on the Convertible Notes and non-cash interest expense of \$8.7 million, \$13.8 million and \$13.8 million, respectively, related to the amortization of the debt discount on the Convertible Notes.

In July 2013, the Company settled the repurchase of and subsequently cancelled \$54.7 million of its Convertible Notes in private transactions for aggregate consideration of \$98.6 million, which was funded by borrowings under the Company's revolving credit facility. In connection with the repurchase, the Company entered into agreements with the note hedge counterparties to proportionately reduce the number of outstanding Purchased Options (as defined below) and warrants. In consideration for the agreements, the counterparties paid the Company approximately 0.2 million shares of the Company's common stock, which were subsequently cancelled by the Company. In addition, in July 2013, the Company settled \$1.2 million of Convertible Notes that were converted by a holder. As a result of these transactions, the Company recorded a loss on extinguishment of debt of approximately \$4.2 million during 2013. In addition, as the Company accounts for the liability (debt) and the equity (conversion option) components of the Convertible Notes as discussed above, the Company recorded a \$37.7 million reduction in stockholders' equity during 2013.

In April 2014, the Company settled the repurchase of and subsequently cancelled \$56.3 million of its Convertible Notes in private transactions for aggregate consideration of \$120.2 million, which was funded by cash on hand and borrowings under the Company's revolving credit facility. In connection with the repurchase, the Company entered into agreements with the note hedge counterparties to proportionately reduce the number of outstanding Purchased Options (as defined below) and warrants. In consideration for the reduction, the counterparties paid the Company approximately \$9.2 million. In addition, in June 2014, the Company settled the conversion of \$15.3 million of Convertible Notes that were converted by holders by paying cash for the underlying principal and shares of the Company's common stock for the conversion spread. The Company received and cancelled an equal number of shares of its common stock upon exercise of the Purchased Options (as defined below). As a result of these transactions, the Company recorded a loss on extinguishment of debt of \$2.1 million during 2014. In addition, as the Company accounts for the liability (debt) and the equity (conversion option) components of the Convertible Notes as discussed above, the Company recorded a \$52.0 million reduction in stockholders' equity during 2014.

On October 1, 2014, the Company settled its obligations upon conversion of each \$1,000 principal amount of Convertible Notes with a specified dollar amount of \$1,000 and the remainder of the conversion settlement amount in shares of its common stock. The Company issued 6.3 million shares, which were offset by the exercise of the Purchased Options (as defined below) and the Company's receipt and cancellation of the related shares.

Concurrently with the offering of the Convertible Notes, the Company entered into convertible note hedge transactions with respect to its common stock (the "Purchased Options") with counterparties affiliated with the initial purchasers of the Convertible Notes, for

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purposes of reducing the potential dilutive effect upon conversion of the Convertible Notes. The Purchased Options entitled the Company to purchase shares of the Company's common stock. In connection with the conversion and maturity of the Convertible Notes on October 1, 2014, as discussed above, the Purchased Options were settled in shares delivered to the Company equal to the number of shares issued in the Convertible Note settlement. These shares received by the Company were subsequently cancelled.

Separately and concurrently with entering into the Purchased Options, the Company also entered into warrant transactions whereby it sold common stock purchase warrants to each of the hedge counterparties. The warrants entitle the counterparties to purchase shares of the Company's common stock. At separate times during 2014, the Company modified agreements with three of the note hedge counterparties to cash settle a total of 7.2 million warrants. As the modifications required the warrants to be cash settled, the fair value of the warrants was reclassified from stockholders' equity to a derivative liability on the modification dates, resulting in a \$159.0 million deduction to additional paid-in-capital during 2014. The Company settled these repurchases for total consideration of \$173.4 million and recorded an \$11.6 million loss during 2014 on the change in the fair value of the derivative liabilities between their modification and settlement dates, which is included in other gains and losses, net in the accompanying consolidated statement of operations.

Pursuant to December 2014 agreements with two of the note hedge counterparties, in the first quarter of 2015, the Company intends to cash settle the remaining 4.7 million warrants in the same manner as described above. Accordingly, the fair value of the warrants was reclassified from stockholders' equity to a derivative liability on the modification date, resulting in a \$145.4 million deduction to additional paid-in-capital during 2014. The change in the fair value of the derivative liability from the modification date through December 31, 2014 was a gain of \$7.1 million and is included in other gains and losses, net in the accompanying consolidated statement of operations. The total consideration to be paid by the Company will be determined when the repurchase transaction settles in the first quarter of 2015. Pursuant to these agreements, the Company settled 0.1 million warrants during December 2014 for total consideration of \$4.1 million.

5% Senior Notes

On April 3, 2013, the Operating Partnership and Finco completed the private placement of \$350.0 million in aggregate principal amount of senior notes due 2021 (the "5% Senior Notes"), which are guaranteed by the Company and its subsidiaries that guarantee the \$1 billion credit facility. The 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 5% Senior Notes have a maturity date of April 15, 2021 and bear interest at 5% per annum, payable semi-annually in cash in arrears on April 15 and October 15 of each year. The 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 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 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 5% Senior Notes. The issuing subsidiaries may redeem the 5% Senior Notes on or before April 16, 2016, in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, up to, but excluding, the applicable redemption date plus a make-whole redemption premium. The 5% Senior Notes will be redeemable, in whole or in part, at any time on or after April 15, 2016 at a redemption price expressed as a percentage of the principal amount thereof, which percentage is 103.75%, 102.50%, 101.25%, and 100.00% beginning on April 15, 2016, 2017, 2018 and 2019, respectively, plus accrued and unpaid interest thereon to, but not including, the redemption date.

In connection with the issuance of the 5% Senior Notes, the Company completed a registered offer to exchange the 5% Senior Notes for registered notes with substantially identical terms as the 5% Senior Notes in November 2013.

6. Stock Plans

The Company's Amended and Restated 2006 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, 2014, approximately 4.4 million shares of common stock remained available for issuance pursuant to future grants of awards under the 2006 Plan (with a limit of approximately 0.9 million shares available for awards other than stock options or stock appreciation rights).

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Stock option awards are generally granted with an exercise price equal to the market price of the Company's stock at the date of grant and generally expire ten years after the date of grant. Generally, stock options granted to non-employee directors are exercisable after one year from the date of grant, while options granted to employees are exercisable one to four years from the date of grant. The Company records compensation expense equal to the fair value of each stock option award granted on a straight line basis over the option's vesting period. The fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option pricing formula that uses the assumptions noted in the following table. Expected volatilities are based on the historical volatility of the Company's stock. The Company uses historical data to estimate expected option exercise and employee termination patterns within the valuation model. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

The Company granted no options during 2014 or 2013. The weighted average for key assumptions used in determining the fair value of options granted in 2012 are as follows:

Expected volatility	70.6%
Weighted-average expected volatility	70.6%
Expected dividends	—
Expected term (in years)	5.2
Risk-free rate	0.9%

A summary of stock option activity under the Company's equity incentive plans as of December 31, 2014 and changes during the year ended December 31, 2014 is presented below:

Stock Options	Number of Shares	Weighted Average Exercise Price
Outstanding at January 1, 2014	872,049	\$ 25.99
Granted	—	—
Exercised	(572,337)	23.56
Canceled	(17,410)	45.25
Outstanding at December 31, 2014	<u>282,302</u>	<u>30.88</u>
Exercisable at December 31, 2014	<u>153,289</u>	<u>35.58</u>

The weighted average remaining contractual term of options outstanding and exercisable as of December 31, 2014 was 3.9 and 1.5 years, respectively. The aggregate intrinsic value of options outstanding and exercisable as of December 31, 2014 was \$6.4 million and \$2.8 million, respectively. The weighted-average grant-date fair value of options granted during 2012 was \$14.34. The total intrinsic value of options exercised during 2014, 2013, and 2012 was \$13.0 million, \$4.3 million, and \$21.5 million, respectively.

The Plan also provides for the award of restricted stock and restricted stock units ("Restricted Stock Awards"). Restricted Stock Awards granted to employees vest one to four years from the date of grant, and Restricted Stock Awards granted to non-employee directors vest after one year from the date of grant, unless the recipient chooses to defer the vesting for a period of time. The fair value of Restricted Stock Awards is determined based on the market price of the Company's stock at the date of grant. The Company generally records compensation expense equal to the fair value of each Restricted Stock Award granted over the vesting period. The weighted-average grant-date fair value of Restricted Stock Awards granted during 2014, 2013, and 2012 was \$41.61, \$43.56, and \$33.57, respectively.

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A summary of the status of the Company's Restricted Stock Awards as of December 31, 2014 and changes during the year ended December 31, 2014, is presented below:

Restricted Stock Awards	Shares	Weighted Average Grant-Date Fair Value
Nonvested shares at January 1, 2014	610,227	\$ 34.20
Granted	155,478	41.61
Vested	(166,435)	31.54
Canceled	(9,407)	41.47
Nonvested shares at December 31, 2014	<u>589,863</u>	36.61

The fair value of all Restricted Stock Awards that vested during 2014, 2013 and 2012 was \$7.0 million, \$3.2 million and \$15.6 million, respectively.

As of December 31, 2014, there was \$7.9 million of total unrecognized compensation cost related to stock options and restricted stock units granted under the Company's equity incentive plans. That cost is expected to be recognized over a weighted-average period of 2.2 years.

In 2012, in connection with the termination of certain employee positions as a result of the REIT conversion discussed in Note 2, the Company cancelled approximately 167,500 stock options with a weighted average exercise price of \$22.02 and approximately 401,000 restricted stock units with a weighted average grant date fair value of \$29.76 per award. As a result of these cancellations, the Company reversed approximately \$2.1 million in compensation costs during 2012, which are included in REIT conversion costs in the accompanying consolidated statements of operations.

The compensation cost that has been charged against pre-tax income for all of the Company's stock-based compensation plans, including the reversal of compensation costs discussed above, was \$5.8 million, \$11.6 million, and \$9.0 million for 2014, 2013, and 2012, 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 \$1.9 million, \$3.0 million, and \$3.2 million for 2014, 2013, and 2012, respectively.

Cash received from option exercises under all stock-based employee compensation arrangements for 2014, 2013, and 2012 was \$6.9 million, \$5.2 million, and \$25.1 million, respectively. The actual tax benefit realized from exercise, vesting or cancellation of the stock-based employee compensation arrangements during 2014, 2013, and 2012 totaled \$3.2 million, \$1.0 million, and \$5.2 million, respectively, and is reflected as an adjustment to either additional paid-in capital in the accompanying consolidated statements of stockholders' equity or as a reduction to deferred tax liabilities in the accompanying consolidated balance sheets.

7. Retirement Plans

Prior to January 1, 2001, the Company maintained a noncontributory defined benefit pension plan in which substantially all of its employees were eligible to participate upon meeting the pension plan's participation requirements. The benefits were based on years of service and compensation levels. On January 1, 2001 the Company amended its defined benefit pension plan to determine future benefits using a cash balance formula. On December 31, 2000, benefits credited under the plan's previous formula were frozen. Under the cash formula, each participant had an account which was credited monthly with 3% of qualified earnings and the interest earned on their previous month-end cash balance. In addition, the Company included a "grandfather" clause which assures that 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.

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As a result of increased lump-sum distributions during 2013 and 2012, partially due to the transfer of a large number of the retirement plan participants to Marriott in connection with the REIT conversion, which resulted in an increase in the number of participants eligible for distributions, a net settlement loss of \$1.9 million and \$2.0 million was recognized in 2013 and 2012, respectively. Approximately \$0.7 million of the net settlement loss during 2013 related to lump-sum distributions to former employees affected by the REIT conversion and has been classified as REIT conversion costs. Approximately \$1.2 million of the net settlement loss during 2013 related to lump-sum distributions to former employees not affected by the REIT conversion and has been classified as corporate operating expenses. All of the net settlement loss during 2012 related to lump-sum distributions to former employees affected by the REIT conversion and has been classified as REIT conversion costs.

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

	<u>2014</u>	<u>2013</u>
CHANGE IN BENEFIT OBLIGATION:		
Benefit obligation at beginning of year	\$ 80,901	\$ 96,384
Interest cost	3,577	3,376
Actuarial (gain) loss	14,458	(11,560)
Benefits paid	<u>(4,823)</u>	<u>(7,299)</u>
Benefit obligation at end of year	<u>94,113</u>	<u>80,901</u>
CHANGE IN PLAN ASSETS:		
Fair value of plan assets at beginning of year	74,976	69,611
Actual return on plan assets	3,238	11,044
Employer contributions	1,869	1,620
Benefits paid	<u>(4,823)</u>	<u>(7,299)</u>
Fair value of plan assets at end of year	<u>75,260</u>	<u>74,976</u>
Funded status and accrued pension cost	<u><u>\$(18,853)</u></u>	<u><u>\$ (5,925)</u></u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Interest cost	\$ 3,577	\$ 3,376	\$ 3,655
Expected return on plan assets	(5,597)	(5,197)	(4,808)
Recognized net actuarial loss	470	839	3,611
Net settlement loss	—	1,878	1,960
Total net periodic pension (income) expense	<u><u>\$(1,550)</u></u>	<u><u>\$ 896</u></u>	<u><u>\$ 4,418</u></u>

Assumptions

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Discount rate	3.66%	4.49%	3.60%
Rate of compensation increase	N/A	N/A	N/A
Measurement date	12/31/2014	12/31/2013	12/31/2012

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Discount rate	4.49%	3.85%	3.98%
Rate of compensation increase	N/A	N/A	N/A
Expected long-term rate of return on plan assets	7.50%	7.50%	7.50%
Measurement date	12/31/2014	12/31/2013	12/31/2012

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 targeted allocation of plan assets, return premiums generated by portfolio management, 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 as of the respective measurement date for each year, by asset class, are as follows (amounts in thousands):

<u>Asset Class</u>	<u>2014</u>	<u>2013</u>
Cash	\$19,009	\$ 698
Equity securities		
U.S. Large Cap (a)	15,328	26,815
U.S. Mid Cap (a)	5,495	10,144
International (b)	4,929	8,545
Core fixed income (c)	22,834	21,317
High-yield fixed income (d)	7,665	7,457
Total	<u>\$75,260</u>	<u>\$74,976</u>

(a) Consists of actively-managed domestic equity mutual funds. Underlying holdings are diversified by sector and industry.

(b) Consists of an actively-managed international equity mutual fund. Underlying holdings are diversified by country, sector and industry. The fund may invest a portion of its assets in emerging markets, which entails additional risk.

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- (c) Consists of an actively-managed fixed income mutual fund. The fund predominantly invests in investment-grade bonds of U.S. issuers from diverse sectors and industries. The fund also invests in government-backed debt. The fund can invest a portion of its assets in below-investment grade debt and non-U.S. debt, which entails additional risk.
- (d) Consists of actively-managed high-yield fixed income mutual funds. The funds invest in investment grade and below-investment grade bonds, with a focus on below-investment grade bonds of U.S. issuers. Underlying holdings are diversified by sector and industry. The funds can invest a portion of its assets in the debt of non-U.S. issuers, which entails additional risk.

All of the assets held by the plan consist of mutual funds traded in an active market. The Company determined the fair value of these mutual funds 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 does not expect to be required to contribute to its defined benefit pension plan in 2015. 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):

2015	\$ 4,291
2016	3,967
2017	4,239
2018	4,948
2019	5,634
2020 - 2024	27,831

Other Information

The Company also maintains non-qualified retirement plans (the "Non-Qualified Plans") to provide benefits to certain key employees. The Non-Qualified Plans are not funded and the beneficiaries' rights to receive distributions under these plans constitute unsecured claims to be paid from the Company's general assets. At December 31, 2014, the Non-Qualified Plans' projected benefit obligations and accumulated benefit obligations were \$16.2 million.

The Company's accrued cost related to its qualified and non-qualified retirement plans of \$35.1 million and \$19.9 million at December 31, 2014 and 2013, respectively, is included in other liabilities in the accompanying consolidated balance sheets. The (increase) decrease in the deferred net loss related to the Company's retirement plans during 2014, 2013 and 2012 resulted in a (decrease) increase in equity of \$(16.1) million, \$14.7 million and \$1.9 million, respectively, net of taxes of \$2.6 million, \$7.1 million and \$1.1 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.

The net gain (loss) recognized in other comprehensive income for the years ended December 31, 2014 and 2013 was \$(18.7) million and \$21.8 million, respectively. Included in accumulated other comprehensive loss at December 31, 2014 and 2013 are unrecognized actuarial losses of \$44.4 million and \$25.8 million (\$31.8 million and \$15.8 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 a corridor approach based on the life expectancy of plan participants expected to receive benefits. The estimated actuarial loss for the retirement plans included in accumulated other comprehensive loss that will be amortized from accumulated other comprehensive loss into net periodic pension expense over the next fiscal year is \$1.2 million.

The Company also has contributory retirement savings plans in which substantially all employees are eligible to participate. The Company contribution is 100% of the amount of the employee's contribution, up to 4% of the employee's salary. In addition, the Company may contribute up to 2% of the employee's salary, based upon the Company's financial performance. Company contributions under the retirement savings plans were \$0.3 million, \$0.5 million, and \$4.7 million for 2014, 2013 and 2012, respectively.

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In addition, the Company maintains a non-qualified contributory deferred compensation plan that allows for certain highly compensated employees to defer a portion of their eligible compensation until a later date. The plan is considered an unfunded and unsecured plan for IRS and Employee Retirement Income Security Act ("ERISA") purposes, but the Company has set up a separate trust in which the plan's assets are held. The trust maintains individual accounts for each participant, but the plan's assets held in the trust are considered general assets of the Company and are available to satisfy the claims of general creditors in the event of a bankruptcy. The plan allows for the Company to make matching contributions up to 4% of the employee's salary, reduced by the amount of matching contributions made to the retirement savings plan described above. Company contributions under the deferred compensation plan were \$0.1 million, \$0.2 million, and \$0.7 million for 2014, 2013 and 2012, respectively.

8. Postretirement Benefits Other than Pensions

The Company sponsors unfunded defined benefit postretirement health care and life insurance plans for certain employees. The Company contributes toward the cost of health insurance benefits and contributes the full cost of providing life insurance benefits. In order to be eligible for these postretirement benefits, an employee must retire after attainment of age 55 and completion of 15 years of service, or attainment of age 65 and completion of 10 years of service. The Company's Benefits Trust Committee determines retiree premiums.

In connection with the Company's transition to a REIT, the Company changed the benefits that will be available to retirees as of January 1, 2013. As a result of this amendment, the Company's benefit obligation decreased \$2.8 million during 2013.

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>2014</u>	<u>2013</u>
Benefit obligation at beginning of year	\$5,848	\$ 8,747
Interest cost	221	194
Actuarial loss	939	319
Amendments	—	(2,828)
Benefits paid	(316)	(584)
Benefit obligation at end of year	<u>\$6,692</u>	<u>\$ 5,848</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Service cost	\$ —	\$ —	\$ 42
Interest cost	221	194	790
Amortization of net actuarial loss	445	477	491
Amortization of prior service credit	(1,314)	(1,331)	(682)
Curtailed gain	—	—	(310)
Net postretirement benefit (income) expense	<u>\$ (648)</u>	<u>\$ (660)</u>	<u>\$ 331</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Discount rate	3.32%	3.94%	3.08%
Measurement date	12/31/2014	12/31/2013	12/31/2012

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

	2014	2013	2012
Discount rate	3.94%	3.08%	3.92%
Measurement date	12/31/2014	12/31/2013	12/31/2012

The Company expects to contribute \$0.6 million to the plan in 2015. 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):

2015	\$ 620
2016	594
2017	569
2018	531
2019	507
2020-2024	2,098

The net loss, amortization of net loss, and amortization of prior service credit recognized in other comprehensive income for 2014 was \$0.9 million, \$0.4 million, and \$1.3 million, respectively. Included in accumulated other comprehensive loss at December 31, 2014 are the following amounts that have not yet been recognized in net postretirement benefit expense: unrecognized actuarial losses of \$6.8 million (\$4.1 million net of tax) and unrecognized prior service credits of \$16.4 million (\$9.9 million net of tax). The net loss, amortization of net loss, and amortization of prior service credit recognized in other comprehensive income for 2013 was \$0.3 million, \$0.5 million, and \$1.3 million, respectively. Included in accumulated other comprehensive loss at December 31, 2013 are the following amounts that have not yet been recognized in net postretirement benefit expense: unrecognized actuarial losses of \$6.3 million (\$3.9 million net of tax) and unrecognized prior service credits of \$17.7 million (\$10.8 million net of tax). The net loss and prior service credit for the postretirement plans included in accumulated other comprehensive loss that will be amortized from accumulated other comprehensive loss into net postretirement benefit expense over the next fiscal year is \$0.5 million and \$1.3 million, respectively.

The Company amended the plans effective December 31, 2001 such that only retirees currently receiving benefits under the plans and active employees whose age plus years of service total at least 60 and who have at least 10 years of service as of December 31, 2001 remain eligible.

9. Stockholders' Equity

Dividends

During 2014, the Company's board of directors declared quarterly dividends of \$0.55 per share of common stock (\$2.20 per share of common stock for the full year), or an aggregate of \$112.0 million in cash.

During 2013, the Company's board of directors declared quarterly dividends of \$0.50 per share of common stock (\$2.00 per share of common stock for the full year), or an aggregate of \$101.7 million in cash.

In connection with the special dividend described in Note 2, on December 21, 2012 the Company paid stockholders an aggregate of \$62.0 million in cash and issued 6.7 million shares of the Company's common stock.

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. The Company's board of directors has approved the Company's current dividend policy pursuant to which the Company plans 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.

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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, Chief Executive Officer and President ("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.

Stock Repurchases

On August 6, 2012, the Company entered into a repurchase agreement with its largest stockholder, TRT Holdings, pursuant to which the Company repurchased 5.0 million shares of the Company's common stock from TRT Holdings in a privately negotiated transaction for an aggregate purchase price of \$185.4 million, which the Company funded with borrowings under the revolving credit line of its credit facility. The repurchased stock was cancelled by the Company and has been reflected as a reduction of retained earnings in the accompanying consolidated financial statements.

In 2012, the Company's board of directors authorized a share repurchase program for up to \$100 million of the Company's common stock using cash on hand and borrowings under its revolving credit line, implemented through open market transactions on U.S. exchanges or in privately negotiated transactions, in accordance with applicable securities laws, with any market purchases to be made during open trading window periods or pursuant to any applicable Rule 10b5-1 trading plans.

In May 2013, the Company completed its repurchases under the repurchase program by repurchasing approximately 2.3 million shares of its common stock for an aggregate purchase price of approximately \$100.0 million, which the Company funded using cash on hand and borrowings under the revolving credit line of the Company's credit facility. The repurchased stock was cancelled by the Company and has been reflected as a reduction of retained earnings in the accompanying consolidated financial statements.

Common Stock Issuance

On August 23, 2012, the Company sold 0.8 million shares (the "Option Shares") of the Company's common stock upon the exercise of the underwriter's option granted pursuant to an underwriting agreement among the Company, TRT Holdings, and Deutsche Bank Securities, Inc. (the "Underwriter") in connection with the secondary public offering of the remaining shares of the Company's common stock held by TRT Holdings. The Option Shares were sold at a price to the public of \$40.00 per share. The Company's total net proceeds from the sale of the Option Shares, after offering expenses, were approximately \$32.7 million.

Shareholder Rights Plan

The Company's previous shareholder rights plan expired on August 12, 2012. The Company has amended its Corporate Governance Guidelines to include a policy with respect to shareholder rights plans that provides that the Board may not adopt a rights plan unless either (i) stockholder approval has been obtained, or (ii) specified circumstances exist and stockholder approval is obtained within specified periods after adoption.

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Accumulated Other Comprehensive Loss

The Company's balance in accumulated other comprehensive loss is composed of amounts related to the Company's minimum pension liability. Changes in accumulated other comprehensive loss consisted of the following (amounts in thousands):

Balance, December 31, 2011	\$(36,031)
Unrealized gains arising during period	14,451
Amounts reclassified from accumulated other comprehensive loss	3,601
Income tax expense	(6,624)
Net other comprehensive income	<u>11,428</u>
Balance, December 31, 2012	\$(24,603)
Unrealized gains arising during period	23,172
Amounts reclassified from accumulated other comprehensive loss	204
Income tax expense	(7,892)
Net other comprehensive income	<u>15,484</u>
Balance, December 31, 2013	\$ (9,119)
Unrealized losses arising during period	(20,231)
Amounts reclassified from accumulated other comprehensive income	(235)
Income tax expense	3,254
Net other comprehensive loss	<u>(17,212)</u>
Balance, December 31, 2014	<u><u>\$(26,331)</u></u>

Amounts reclassified from accumulated comprehensive (income) loss related to the Company's minimum pension liability are presented in the accompanying consolidated statements of operations as follows (amounts in thousands):

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Other hotel expenses	\$(309)	\$(119)	\$1,642
Opry and Attractions operating expenses	(24)	21	413
Corporate operating expenses	98	302	1,546
	<u><u>\$(235)</u></u>	<u><u>\$ 204</u></u>	<u><u>\$3,601</u></u>

10. 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 will, however, be subject to corporate income taxes on built-in gains (the excess of fair market value over tax basis at January 1, 2013) that result from gains on certain assets. In addition, the Company will continue to be required to pay federal and state corporate income taxes on earnings of its TRSs.

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
CURRENT:			
Federal	\$(2,071)	\$ 4,528	\$(5,622)
State	(2,339)	(1,396)	(1,449)
Total current (provision) benefit	(4,410)	3,132	(7,071)
DEFERRED:			
Federal	2,588	84,918	7,415
State	3,289	4,612	1,690
Total deferred benefit	5,877	89,530	9,105
Total benefit for income taxes	<u>\$ 1,467</u>	<u>\$92,662</u>	<u>\$ 2,034</u>

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 reported for financial reporting purposes. The estimated taxability of cash distributions to common shareholders is as follows (per common share):

	<u>2014</u>	<u>2013</u>
Ordinary income	\$2.30	\$1.39
Capital gains	0.17	0.02
Return of capital	—	0.09
	<u>\$2.47</u>	<u>\$1.50</u>

The differences between the income tax (provision) benefit calculated at the statutory U.S. federal income tax rate of 35% and the actual income tax benefit recorded for continuing operations are as follows (amounts in thousands):

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutory federal income tax (provision) benefit	\$(43,750)	\$ (9,035)	\$10,034
Adjustment for nontaxable income of the REIT	44,701	32,642	—
State taxes (net of federal tax benefit and change in valuation allowance)	950	3,216	(523)
Permanent items	(160)	1,092	(384)
Nondeductible compensation	—	—	(2,319)
Nondeductible transaction costs	—	—	(6,632)
Federal tax credits	112	—	542
Federal valuation allowance	(853)	(3,509)	884
Unrecognized tax benefits	—	6,261	432
REIT conversion	—	62,063	—
Other	467	(68)	—
	<u>\$ 1,467</u>	<u>\$92,662</u>	<u>\$ 2,034</u>

As a result of the Company's conversion to a REIT, certain net deferred tax liabilities related to the real estate of the Company were reversed, as the REIT will generally not pay federal corporate income tax related to those deferred tax liabilities. In addition, the Company assessed the need for a valuation allowance on the net deferred tax assets of the TRSs. As a result, the Company recorded a net benefit of \$64.8 million related to the conversion to a REIT during 2013.

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

	<u>2014</u>	<u>2013</u>
DEFERRED TAX ASSETS:		
Accounting reserves and accruals	\$ 22,023	\$ 20,371
Defined benefit plan	7,285	2,305
Deferred management rights proceeds	70,887	72,125
Rent escalation	147	137
Federal and State net operating loss carryforwards	47,156	43,069
Tax credits and other carryforwards	1,016	2,073
Other assets	7,806	10,290
Total deferred tax assets	156,320	150,370
Valuation allowance	(98,445)	(97,641)
Total deferred tax assets, net of valuation allowance	<u>57,875</u>	<u>52,729</u>
DEFERRED TAX LIABILITIES:		
Property and equipment, net	68,047	71,700
Goodwill and other intangibles	1,727	2,650
Other liabilities	2,385	1,496
Total deferred tax liabilities	<u>72,159</u>	<u>75,846</u>
Net deferred tax liabilities	<u>\$ 14,284</u>	<u>\$ 23,117</u>

Federal net operating loss carryforwards at December 31, 2014 totaled \$64.3 million, resulting in a deferred tax benefit of \$22.5 million, which will begin to expire in 2032. Federal credit carryforwards at December 31, 2014 totaled \$0.3 million, and will not expire. Charitable contribution carryforwards at December 31, 2014 totaled \$2.5 million, resulting in a deferred tax benefit of \$0.4 million, which will begin to expire in 2015. 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 (decreased) \$4.3 million, \$60.3 million and \$(0.5) million in 2014, 2013 and 2012, respectively. The 2013 increase in the valuation allowance includes the revaluation of the deferred tax assets of the TRSs due to the REIT conversion. State net operating loss carryforwards at December 31, 2014 totaled \$479.3 million, resulting in a deferred tax benefit of \$24.6 million, which will expire between 2015 and 2034. 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 (decreased) \$(3.5) million, \$19.0 million and \$(0.3) million in 2014, 2013 and 2012, respectively. Management believes that it is more likely than not that the results of operations will generate sufficient taxable income to realize the deferred tax assets after giving consideration to the valuation allowance.

The Company has concluded IRS examinations through the 2010 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 2010. However, the Company has net operating loss carryforwards from closed years, which could be adjusted upon audit. The Company has not been notified of any federal or state income tax examinations.

As a result of the completion of the IRS federal income tax audits through 2010, issues related to 2010 and earlier years have been effectively settled. Due to the favorable resolution of the federal examination, the Company's reserve for unrecognized tax benefits decreased by \$12.3 million during 2013, of which \$5.5 million was recorded as an income tax benefit. Due to the expiration of statutes of limitations, the reserve for unrecognized tax benefits decreased an additional \$0.8 million during 2013, of which \$0.5 million was recorded as an income tax benefit. In addition, the Company recorded a reduction to the related accrued interest of \$1.5 million as an income tax benefit in 2013.

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As of December 31, 2014, the Company had no unrecognized tax benefits. A reconciliation of the beginning and ending gross amount of unrecognized tax benefits (exclusive of interest and penalties) is as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Unrecognized tax benefits at beginning of year	\$—	\$ 13,162	\$14,141
Additions based on tax positions related to the current year	—	—	7
Reductions for tax positions of prior years	—	—	(222)
Reductions due to settlements with taxing authorities	—	(12,327)	—
Reductions due to expiration of certain statute of limitations	—	(835)	(764)
Unrecognized tax benefits at end of year	<u>\$—</u>	<u>\$ —</u>	<u>\$13,162</u>

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. The Company recognized \$(2.2) million and \$0.2 million of interest and no penalties related to uncertain tax positions in the accompanying consolidated statements of operations for 2013 and 2012, respectively. As of December 31, 2014 and 2013, the Company has accrued no interest or penalties related to uncertain tax positions.

11. Commitments and Contingencies

Capital Leases

In the accompanying consolidated balance sheets, the following amounts of assets under capitalized lease agreements are included as shown and the related obligations are included in debt (amounts in thousands):

	<u>2014</u>	<u>2013</u>
Property and equipment	\$ 4,367	\$ 3,736
Prepaid expenses and other assets	130	130
Accumulated depreciation	(2,584)	(2,377)
Net assets under capital leases	<u>\$ 1,913</u>	<u>\$ 1,489</u>

Operating Leases

Rental expense for operating leases was \$14.7 million, \$14.1 million, and \$16.2 million for 2014, 2013 and 2012, respectively. Non-cash lease expense for 2014, 2013, and 2012 was \$5.5 million, \$5.6 million and \$5.7 million, respectively, as discussed below.

Future minimum cash lease commitments under all non-cancelable leases in effect at December 31, 2014 are as follows (amounts in thousands):

	<u>Capital Leases</u>	<u>Operating Leases</u>
2015	\$ 409	\$ 5,097
2016	46	4,704
2017	46	4,279
2018	46	4,348
2019	46	4,579
Years thereafter	<u>842</u>	<u>604,801</u>
Total minimum lease payments	1,435	<u>\$627,808</u>
Less amount representing interest	<u>(380)</u>	
Total present value of minimum payments	1,055	
Less current portion of obligations	<u>(377)</u>	
Long-term obligations	<u>\$ 678</u>	

The Company entered into a 75-year operating lease agreement during 1999 for 65.3 acres of land located in Osceola County, Florida for the development of Gaylord Palms. The lease requires the Company to make annual base lease payments, which were

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approximately \$3.8 million in 2014. The lease agreement provides for an annual 3% escalation of base rent. The terms of this lease require that the Company recognize lease expense on a straight-line basis, which resulted in an annual base lease expense of approximately \$9.4 million for 2014, 2013, and 2012. This rent included approximately \$5.5 million, \$5.6 million, and \$5.7 million of non-cash expenses during 2014, 2013, and 2012, respectively. At the end of the 75-year lease term, the Company may extend the operating lease to January 31, 2101, at which point the buildings and fixtures will be transferred to the lessor. The Company also records contingent rental expense based upon net revenues associated with the Gaylord Palms operations. The Company recorded \$2.0 million, \$1.9 million, and \$2.0 million of contingent rental expense related to the Gaylord Palms in 2014, 2013, and 2012, respectively.

Other Commitments and Contingencies

As discussed in Note 7, the Company's qualified retirement plan incurred increased lump-sum distributions during 2013, partially due to the transfer of a large number of the retirement plan participants at Gaylord Opryland to Marriott in connection with the REIT conversion, which resulted in an increase in the number of participants eligible for distributions. In 2013, the Pension Benefit Guaranty Corporation ("PBGC") notified the Company that due to a purported cessation of management operations at the Company as a result of the management transition to Marriott, the Company may be required, pursuant to §4062(e) of ERISA, to take certain actions regarding the plan, including possibly accelerating funding or providing security for future plan liabilities. The Company responded to the PBGC, stating the reasons that it does not believe that the Company's REIT conversion represents a cessation of management operations, and contesting any liability vigorously. The PBGC, which had indicated that it did not agree with the Company's position, had previously announced a moratorium on this type of enforcement action through December 31, 2014.

On December 16, 2014, the 2015 Federal Consolidated and Further Continuing Omnibus Appropriations Act (the "Appropriations Act") became law. The Appropriations Act included provisions amending the applicability of ERISA §4062(e) to certain business transactions and modifying the enforcement mechanisms available to the PBGC in the event that ERISA §4062(e) did apply. Based on the advice of its professional advisors, the Company believes that the provisions of the Appropriations Act eliminates any basis for any PBGC enforcement action under ERISA §4062(e) as a result of the purported cessation of management operations at Gaylord Opryland in connection with the REIT conversion.

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 provides 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 results of operations, financial condition or liquidity of the Company.

12. 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.

At December 31, 2014 and 2013, the Company held certain assets, and at December 31, 2014, the Company held certain liabilities, that are required to be measured at fair value on a recurring basis. These included investments held in connection with the Company's non-qualified contributory deferred compensation plan and liabilities associated with the outstanding common stock warrants associated with the Convertible Notes discussed in Note 5.

The investments held by the Company in connection with its deferred compensation plan consist of mutual funds traded in an active market. See Note 7 for further information on the Company's deferred compensation plan. The Company determined the fair value of these mutual funds 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.

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As discussed in Note 5, in the first quarter of 2015, the Company intends to cash settle 4.7 million common stock warrants associated with its Convertible Notes, which have been classified as a derivative liability in the accompanying consolidated balance sheet as of December 31, 2014. The Company determined the fair value of these warrants based on the Company's closing stock price at December 31, 2014 and a pricing grid provided by the counterparties to the warrants that was based on observable inputs. Therefore, the Company has categorized this liability 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 investments it holds.

The Company had no liabilities required to be measured at fair value at December 31, 2013. The Company's assets and liabilities measured at fair value on a recurring basis at December 31, were as follows (in thousands):

	December 31, 2014	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	\$ 19,712	\$ 19,712	\$ —	\$ —
Total assets measured at fair value	\$ 19,712	\$ 19,712	\$ —	\$ —
Warrant liability	\$ 134,477	\$ —	\$ 134,477	\$ —
Total liabilities measured at fair value	\$ 134,477	\$ —	\$ 134,477	\$ —

	December 31, 2013	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Deferred compensation plan investments	\$ 18,883	\$ 18,883	\$ —	\$ —
Total assets measured at fair value	\$ 18,883	\$ 18,883	\$ —	\$ —

The remainder of the assets and liabilities held by the Company at December 31, 2014 are not required to be measured at fair value. The carrying value of certain of these assets and liabilities do not approximate fair value, as described below.

As further discussed in Note 4, in connection with the development of Gaylord National, the Company received a series A Bond and a Series B Bond from Prince George's County, Maryland which had aggregate carrying values of \$87.0 million and \$62.6 million, respectively, as of December 31, 2014. The fair value of the Series A Bond, which has the senior claim to the cash flows supporting these bonds, approximates carrying value as of December 31, 2014. The fair value of the Series B Bond, based upon current market interest rates of notes receivable with comparable market ratings and current expectations about the timing of debt service payments under the note, which the Company considers as Level 3, was approximately \$44 million as of December 31, 2014. While the fair value of the Series B Bond decreased to less than its carrying value during 2011 due to a change in the timing of the debt service payments, the Company has the intent and ability to hold this bond to maturity and expects to receive all debt service payments due under the note. Therefore, the Company does not consider the Series B Bond to be other than temporarily impaired as of December 31, 2014.

The carrying amount of short-term financial instruments (cash, short-term investments, trade receivables, accounts payable and accrued liabilities) approximates fair value due to the short maturity of those instruments. The concentration of credit risk on trade receivables is minimized by the large and diverse nature of the Company's customer base.

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13. Financial Reporting By Business Segments

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

- *Hospitality*, which includes Gaylord Opryland, Gaylord Palms, Gaylord Texan, Gaylord National, the Inn at Opryland and the AC Hotel;
- *Opry and Attractions*, which includes the Grand Ole Opry, WSM-AM, and the Company's Nashville-based attractions; 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>2014</u>	<u>2013</u>	<u>2012</u>
REVENUES:			
Hospitality	\$ 954,166	\$878,509	\$ 916,041
Opry and Attractions	86,825	76,053	70,553
Corporate and Other	—	—	—
Total revenues	<u>\$1,040,991</u>	<u>\$954,562</u>	<u>\$ 986,594</u>
DEPRECIATION AND AMORTIZATION:			
Hospitality	\$ 103,422	\$103,147	\$ 107,343
Opry and Attractions	5,258	5,368	5,119
Corporate and Other	3,598	8,013	18,229
Total depreciation and amortization	<u>\$ 112,278</u>	<u>\$116,528</u>	<u>\$ 130,691</u>
OPERATING INCOME (LOSS):			
Hospitality	\$ 162,535	\$121,556	\$ 150,210
Opry and Attractions	21,752	14,157	13,305
Corporate and Other	(31,171)	(34,305)	(65,107)
REIT conversion costs	—	(22,190)	(101,964)
Casualty loss	—	(54)	(858)
Preopening costs	(11)	—	(340)
Impairment and other charges	—	(2,976)	—
Total operating income (loss)	<u>153,105</u>	<u>76,188</u>	<u>(4,754)</u>
Interest expense, net of amounts capitalized	(61,447)	(60,916)	(58,582)
Interest income	12,075	12,267	12,307
Income from unconsolidated companies	—	10	109
Loss on extinguishment of debt	(2,148)	(4,181)	—
Other gains and (losses)	<u>23,415</u>	<u>2,447</u>	<u>22,251</u>
Income (loss) before income taxes and discontinued operations	<u>\$ 125,000</u>	<u>\$ 25,815</u>	<u>\$ (28,669)</u>

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
IDENTIFIABLE ASSETS:		
Hospitality	\$ 2,207,043	\$ 2,237,888
Opry and Attractions	80,127	79,770
Corporate and Other	125,827	106,689
Discontinued operations	149	282
Total identifiable assets	<u>\$ 2,413,146</u>	<u>\$ 2,424,629</u>

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

	2014	2013	2012
CAPITAL EXPENDITURES:			
Hospitality	\$46,440	\$32,266	\$73,170
Opportunity and Attractions	4,760	2,688	7,347
Corporate and other	7,177	2,005	14,716
Total capital expenditures	<u>\$58,377</u>	<u>\$36,959</u>	<u>\$95,233</u>

14. Quarterly Financial Information (Unaudited)

The following is selected unaudited quarterly financial data for the fiscal years ended December 31, 2014 and 2013 (amounts in thousands, except per share data).

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

	2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	\$246,451	\$257,913	\$245,015	\$291,612
Depreciation and amortization	28,003	28,232	28,033	28,010
Operating income	32,797	47,486	29,083	43,739
Income before income taxes and discontinued operations	20,158	28,555	14,654	61,633
(Provision) benefit for income taxes	484	(576)	463	1,096
Income from continuing operations	20,642	27,979	15,117	62,729
Income (loss) from discontinued operations, net of taxes	11	12	13	(51)
Net income	20,653	27,991	15,130	62,678
Net income available to common stockholders	20,653	23,039	15,130	62,213
Net income per share	0.41	0.45	0.30	1.22
Net income per share - assuming dilution	0.32	0.38	0.25	1.21

	2013			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	\$222,113	\$245,183	\$221,196	\$266,070
Depreciation and amortization	32,009	29,054	27,916	27,549
Operating income (loss)	(2,244)	28,903	19,803	29,726
Income (loss) before income taxes and discontinued operations	(12,522)	14,584	5,783	17,970
Benefit for income taxes	66,292	1,784	12,450	12,136
Income from continuing operations	53,770	16,368	18,233	30,106
Income (loss) from discontinued operations, net of taxes	10	11	(202)	56
Net income	53,780	16,379	18,031	30,162
Net income available to common stockholders	53,780	11,510	18,031	30,162
Net income per share	1.03	0.22	0.36	0.60
Net income per share — assuming dilution	0.81	0.18	0.30	0.48

During the second quarter of 2014, the Company recorded a loss on extinguishment of debt of approximately \$2.1 million related to the repurchase and conversion of a portion of its outstanding Convertible Notes.

During the second quarter of 2014, the Company entered into agreements with its note hedge counterparties to proportionately reduce the number of Purchased Options and the warrants as described in Note 5. In addition, the Company modified the agreements with

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two of the note hedge counterparties to cash settle a portion of the warrants as described in Note 5. Each of these agreements were considered modifications to Purchased Options and warrants (as applicable), and based on the agreements, the Company recognized a charge of \$5.0 million, which is recorded as an increase to accumulated deficit and derivative liabilities, net in the accompanying consolidated financial statements. This charge also represents a deduction from net income in calculating net income available to common stockholders and earnings per share available to common stockholders.

During the fourth quarter of 2014, the Company sold to an affiliate of the Peterson Companies all of its rights in a letter of intent to which it is a party with the Peterson Companies, which entitled the Company to a portion of such party's economic interest in the income from the land underlying the new MGM casino project at National Harbor. The Company will receive \$26.1 million over three years in exchange for its contractual rights, which is included in other gains and losses, net in the accompanying consolidated statement of operations.

During the first quarter of 2013, the Company recorded a net income tax benefit of \$61.3 million related to the reversal of certain net deferred tax liabilities that are no longer applicable as a result of the Company's REIT conversion, partially offset by a valuation allowance on the net deferred tax assets of the Company's TRSs.

During the first quarter of 2013, in conjunction with its reorganization as a REIT, the Company recognized \$15.0 million in REIT conversion costs.

During the second quarter of 2013, in conjunction with its reorganization as a REIT, the Company recognized \$5.4 million in REIT conversion costs.

During the second quarter of 2013, the Company entered into agreements with its note hedge counterparties to proportionately reduce the number of Purchased Options and the warrants as described in Note 5. These agreements were considered modifications to the Purchased Options and the warrants, and based on the terms of the agreements, the Company recognized a charge of \$4.9 million, which is recorded as an increase to accumulated deficit and additional paid-in-capital in the accompanying consolidated balance sheets. This charge also represents a deduction from net income in calculating net income available to common stockholders and earnings per share available to common stockholders.

During the third quarter of 2013, the Company recorded a loss on extinguishment of debt of approximately \$4.2 million related to the repurchase and conversion of a portion of its outstanding Convertible Notes.

15. Information Concerning Guarantor and Non-Guarantor Subsidiaries

The 5% Senior Notes were issued by the Operating Partnership and Finco and are guaranteed on a senior unsecured basis by the Company, each of the Company's four wholly-owned subsidiaries that own the Gaylord Hotels properties, and certain other of the Company's subsidiaries, each of which guarantees the Operating Partnership's \$1 billion credit facility and the \$400 million term loan facility (such subsidiary guarantors, together with the Company, the "Guarantors"). The subsidiary Guarantors are 100% owned, and the guarantees are full and unconditional and joint and several. Not all of the Company's subsidiaries have guaranteed the 5% Senior Notes.

The following condensed consolidating financial information includes certain allocations of revenues and expenses based on management's best estimates, which are not necessarily indicative of financial position, results of operations and cash flows that these entities would have achieved on a stand-alone basis. As further described in Note 2, on October 1, 2012, the Company and its subsidiaries completed a restructuring of assets and operations in connection with the Company's transition to a REIT. For purposes of presenting the condensed consolidating financial information, the results of the subsidiaries that own the hotel properties are reflected in the guarantor results for periods commencing October 1, 2012. The Operating Partnership was formed in 2012 and had no results prior to October 1, 2012. Certain prior year amounts have been reclassified to conform to the current year presentation.

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
As of December 31, 2014

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
ASSETS:						
Property and equipment, net of accumulated depreciation	\$ 6,574	\$ —	\$1,691,996	\$ 337,691	\$ —	\$2,036,261
Cash and cash equivalents - unrestricted	392	1,001	36	74,979	—	76,408
Cash and cash equivalents - restricted	—	—	—	17,410	—	17,410
Notes receivable	—	—	—	149,612	—	149,612
Trade receivables, less allowance	—	—	—	45,188	—	45,188
Deferred financing costs	—	21,646	—	—	—	21,646
Prepaid expenses and other assets	16,908	33	75,335	50,713	(76,368)	66,621
Intercompany receivables, net	—	219,772	1,073,805	—	(1,293,577)	—
Investments	1,587,425	2,767,163	526,645	695,896	(5,577,129)	—
Total assets	<u>\$1,611,299</u>	<u>\$3,009,615</u>	<u>\$3,367,817</u>	<u>\$1,371,489</u>	<u>\$(6,947,074)</u>	<u>\$2,413,146</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:						
Debt and capital lease obligations	\$ —	\$1,340,500	\$ —	\$ 1,055	\$ —	\$1,341,555
Accounts payable and accrued liabilities	36	7,248	216	235,999	(76,651)	166,848
Deferred income tax liabilities, net	7,258	—	616	6,410	—	14,284
Deferred management rights proceeds	—	—	—	183,423	—	183,423
Dividends payable	29,133	—	—	—	—	29,133
Derivative liabilities	134,477	—	—	—	—	134,477
Other liabilities	—	—	79,382	62,354	283	142,019
Intercompany payables, net	1,038,988	—	—	254,589	(1,293,577)	—
Commitments and contingencies	—	—	—	—	—	—
Stockholders' equity:	—	—	—	—	—	—
Preferred stock	—	—	—	—	—	—
Common stock	510	1	1	2,387	(2,389)	510
Additional paid-in-capital	882,193	1,741,705	2,803,719	1,183,941	(5,729,365)	882,193
Treasury stock	(8,002)	—	—	—	—	(8,002)
Accumulated deficit	(446,963)	(79,839)	483,883	(532,338)	128,294	(446,963)
Accumulated other comprehensive loss	(26,331)	—	—	(26,331)	26,331	(26,331)
Total stockholders' equity	<u>401,407</u>	<u>1,661,867</u>	<u>3,287,603</u>	<u>627,659</u>	<u>(5,577,129)</u>	<u>401,407</u>
Total liabilities and stockholders' equity	<u>\$1,611,299</u>	<u>\$3,009,615</u>	<u>\$3,367,817</u>	<u>\$1,371,489</u>	<u>\$(6,947,074)</u>	<u>\$2,413,146</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
As of December 31, 2013

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
ASSETS:						
Property and equipment, net of accumulated depreciation	\$ —	\$ —	\$1,751,479	\$ 316,518	\$ —	\$2,067,997
Cash and cash equivalents - unrestricted	—	714	—	60,865	—	61,579
Cash and cash equivalents - restricted	—	—	—	20,169	—	20,169
Notes receivable	—	—	—	148,350	—	148,350
Trade receivables, less allowance	—	—	—	51,796	(14)	51,782
Deferred financing costs	—	19,306	—	—	—	19,306
Prepaid expenses and other assets	—	3	227,608	58,267	(230,432)	55,446
Intercompany receivables, net	90,184	—	697,908	172,064	(960,156)	—
Investments	1,727,143	2,767,163	526,644	436,828	(5,457,778)	—
Total assets	<u>\$1,817,327</u>	<u>\$2,787,186</u>	<u>\$3,203,639</u>	<u>\$1,264,857</u>	<u>\$(6,648,380)</u>	<u>\$2,424,629</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:						
Debt and capital lease obligations	\$ 293,962	\$ 859,500	\$ —	\$ 958	\$ —	\$1,154,420
Accounts payable and accrued liabilities	(14)	8,164	1,470	378,448	(230,729)	157,339
Deferred income tax liabilities, net	6,528	(15)	654	15,950	—	23,117
Deferred management rights proceeds	—	—	—	186,346	—	186,346
Dividends payable	25,780	—	—	—	—	25,780
Other liabilities	—	—	73,673	45,976	283	119,932
Intercompany payables, net	733,376	211,925	14,855	—	(960,156)	—
Commitments and contingencies						
Stockholders' equity:						
Preferred stock	—	—	—	—	—	—
Common stock	505	1	1	2,387	(2,389)	505
Additional paid-in-capital	1,228,845	1,741,704	2,803,623	1,184,038	(5,729,365)	1,228,845
Treasury stock	(7,766)	—	—	—	—	(7,766)
Accumulated deficit	(454,770)	(34,093)	309,363	(540,127)	264,857	(454,770)
Accumulated other comprehensive loss	(9,119)	—	—	(9,119)	9,119	(9,119)
Total stockholders' equity	<u>757,695</u>	<u>1,707,612</u>	<u>3,112,987</u>	<u>637,179</u>	<u>(5,457,778)</u>	<u>757,695</u>
Total liabilities and stockholders' equity	<u>\$1,817,327</u>	<u>\$2,787,186</u>	<u>\$3,203,639</u>	<u>\$1,264,857</u>	<u>\$(6,648,380)</u>	<u>\$2,424,629</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2014

(in thousands)	<u>Parent</u> <u>Guarantor</u>	<u>Issuer</u>	<u>Guarantors</u>	<u>Non-</u> <u>Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues:						
Rooms	\$ —	\$ —	\$ —	\$ 384,185	\$ —	\$ 384,185
Food and beverage	—	—	—	412,061	—	412,061
Other hotel revenue	—	—	286,816	176,617	(305,513)	157,920
Opry and Attractions	331	—	—	87,433	(939)	86,825
Total revenues	331	—	286,816	1,060,296	(306,452)	1,040,991
Operating expenses:						
Rooms	—	—	—	116,103	—	116,103
Food and beverage	—	—	—	248,358	—	248,358
Other hotel expenses	—	—	44,160	550,892	(287,455)	307,597
Management fees	—	—	—	16,151	—	16,151
Total hotel operating expenses	—	—	44,160	931,504	(287,455)	688,209
Opry and Attractions	—	—	—	59,747	68	59,815
Corporate	97	1,189	2	26,285	—	27,573
Corporate overhead allocation	10,561	—	8,504	—	(19,065)	—
Preopening costs	—	—	—	11	—	11
Depreciation and amortization	84	—	59,420	52,774	—	112,278
Total operating expenses	10,742	1,189	112,086	1,070,321	(306,452)	887,886
Operating income (loss)	(10,411)	(1,189)	174,730	(10,025)	—	153,105
Interest expense, net of amounts capitalized	(16,918)	(44,555)	—	26	—	(61,447)
Interest income	—	—	—	12,075	—	12,075
Loss on extinguishment of debt	(2,148)	—	—	—	—	(2,148)
Other gains and (losses), net	21,892	—	—	1,523	—	23,415
Income (loss) before income taxes and discontinued operations	(7,585)	(45,744)	174,730	3,599	—	125,000
(Provision) benefit for income taxes	(2,526)	(2)	(210)	4,205	—	1,467
Equity in subsidiaries' earnings, net	136,563	—	—	—	(136,563)	—
Income (loss) from continuing operations	126,452	(45,746)	174,520	7,804	(136,563)	126,467
Loss from discontinued operations, net of taxes	—	—	—	(15)	—	(15)
Net income (loss)	<u>\$126,452</u>	<u>\$(45,746)</u>	<u>\$ 174,520</u>	<u>\$ 7,789</u>	<u>\$ (136,563)</u>	<u>\$ 126,452</u>
Comprehensive income (loss)	<u>\$109,240</u>	<u>\$(45,746)</u>	<u>\$ 174,520</u>	<u>\$ (9,423)</u>	<u>\$ (119,351)</u>	<u>\$ 109,240</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2013

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
Revenues:						
Rooms	\$ —	\$ —	\$ —	\$ 357,313	\$ —	\$ 357,313
Food and beverage	—	—	—	382,340	—	382,340
Other hotel revenue	—	—	266,971	152,802	(280,917)	138,856
Opry and Attractions	—	—	—	76,805	(752)	76,053
Total revenues	—	—	266,971	969,260	(281,669)	954,562
Operating expenses:						
Rooms	—	—	—	106,849	—	106,849
Food and beverage	—	—	—	237,153	—	237,153
Other hotel expenses	—	—	44,589	517,933	(267,370)	295,152
Management fees	—	—	—	14,652	—	14,652
Total hotel operating expenses	—	—	44,589	876,587	(267,370)	653,806
Opry and Attractions	—	—	—	56,662	(134)	56,528
Corporate	12	1,751	—	24,529	—	26,292
Corporate overhead allocation	8,766	—	5,399	—	(14,165)	—
REIT conversion costs	—	—	—	22,190	—	22,190
Casualty loss	—	—	—	54	—	54
Impairment and other charges (non-REIT conversion costs)	—	—	2,537	439	—	2,976
Depreciation and amortization	—	—	59,539	56,989	—	116,528
Total operating expenses	8,778	1,751	112,064	1,037,450	(281,669)	878,374
Operating income (loss)	(8,778)	(1,751)	154,907	(68,190)	—	76,188
Interest expense, net of amounts capitalized	(28,775)	(32,092)	—	(49)	—	(60,916)
Interest income	—	—	—	12,267	—	12,267
Income from unconsolidated companies	—	—	—	10	—	10
Loss on extinguishment of debt	(4,181)	—	—	—	—	(4,181)
Other gains and (losses), net	—	—	—	2,447	—	2,447
Income (loss) before income taxes and discontinued operations	(41,734)	(33,843)	154,907	(53,515)	—	25,815
(Provision) benefit for income taxes	1,902	2,695	132,521	(44,456)	—	92,662
Equity in subsidiaries' earnings, net	158,184	—	—	—	(158,184)	—
Income (loss) from continuing operations	118,352	(31,148)	287,428	(97,971)	(158,184)	118,477
Loss from discontinued operations, net of taxes	—	—	—	(125)	—	(125)
Net income (loss)	<u>\$ 118,352</u>	<u>\$ (31,148)</u>	<u>\$ 287,428</u>	<u>\$ (98,096)</u>	<u>\$ (158,184)</u>	<u>\$ 118,352</u>
Comprehensive income (loss)	<u>\$ 133,836</u>	<u>\$ (31,148)</u>	<u>\$ 287,428</u>	<u>\$ (82,612)</u>	<u>\$ (173,668)</u>	<u>\$ 133,836</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
AND COMPREHENSIVE INCOME
For the Year Ended December 31, 2012

(in thousands)	<u>Parent</u> <u>Guarantor</u>	<u>Issuer</u>	<u>Guarantors</u>	<u>Non-</u> <u>Guarantors</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues:						
Rooms	\$ —	\$ —	\$ —	\$ 365,611	\$ —	\$ 365,611
Food and beverage	—	—	—	401,252	—	401,252
Other hotel revenue	6,281	—	66,211	149,393	(72,707)	149,178
Opry and Attractions	—	—	—	71,279	(726)	70,553
Total revenues	<u>6,281</u>	<u>—</u>	<u>66,211</u>	<u>987,535</u>	<u>(73,433)</u>	<u>986,594</u>
Operating expenses:						
Rooms	—	—	—	96,900	—	96,900
Food and beverage	—	—	—	242,739	—	242,739
Other hotel expenses	—	—	11,504	370,241	(67,102)	314,643
Management fees	—	—	—	4,207	—	4,207
Total hotel operating expenses	—	—	11,504	714,087	(67,102)	658,489
Opry and Attractions	—	—	—	52,208	(78)	52,130
Corporate	19,790	—	—	27,086	—	46,876
Corporate overhead allocation	—	—	—	6,253	(6,253)	—
REIT conversion costs	42,303	—	—	59,661	—	101,964
Casualty loss	429	—	—	429	—	858
Preopening costs	22	—	—	318	—	340
Depreciation and amortization	2,377	—	9,960	118,354	—	130,691
Total operating expenses	<u>64,921</u>	<u>—</u>	<u>21,464</u>	<u>978,396</u>	<u>(73,433)</u>	<u>991,348</u>
Operating income (loss)	<u>(58,640)</u>	<u>—</u>	<u>44,747</u>	<u>9,139</u>	<u>—</u>	<u>(4,754)</u>
Interest expense, net of amounts capitalized	(54,896)	(4,584)	(10,841)	(110,821)	122,560	(58,582)
Interest income	100,455	—	2,609	31,803	(122,560)	12,307
Income from unconsolidated companies	—	—	—	109	—	109
Other gains and (losses), net	20,000	—	—	2,251	—	22,251
Income (loss) before income taxes and discontinued operations	6,919	(4,584)	36,515	(67,519)	—	(28,669)
(Provision) benefit for income taxes	(12,311)	1,638	(14,580)	27,287	—	2,034
Equity in subsidiaries' losses, net	(21,252)	—	—	—	21,252	—
Income (loss) from continuing operations	<u>(26,644)</u>	<u>(2,946)</u>	<u>21,935</u>	<u>(40,232)</u>	<u>21,252</u>	<u>(26,635)</u>
Loss from discontinued operations, net of taxes	—	—	—	(9)	—	(9)
Net income (loss)	<u>\$ (26,644)</u>	<u>\$ (2,946)</u>	<u>\$ 21,935</u>	<u>\$ (40,241)</u>	<u>\$ 21,252</u>	<u>\$ (26,644)</u>
Comprehensive income (loss)	<u>\$ (15,216)</u>	<u>\$ (2,946)</u>	<u>\$ 21,935</u>	<u>\$ (40,241)</u>	<u>\$ 21,252</u>	<u>\$ (15,216)</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
Net cash provided by (used in) continuing operating activities	\$ 636,386	\$(466,285)	\$ (24)	\$ 77,074	\$ —	\$ 247,151
Net cash used in discontinued operating activities	—	—	—	(147)	—	(147)
Net cash provided by (used in) operating activities	<u>636,386</u>	<u>(466,285)</u>	<u>(24)</u>	<u>76,927</u>	<u>—</u>	<u>247,004</u>
Purchases of property and equipment	(6,659)	—	60	(51,778)	—	(58,377)
Purchase of AC Hotel	—	—	—	(21,206)	—	(21,206)
Proceeds from sale of Peterson LOI	9,350	—	—	—	—	9,350
Decrease in restricted cash and cash equivalents	—	—	—	2,759	—	2,759
Other investing activities	—	—	—	8,012	—	8,012
Net cash provided by (used in) investing activities — continuing operations	2,691	—	60	(62,213)	—	(59,462)
Net cash used in investing activities — discontinued operations	—	—	—	—	—	—
Net cash provided by (used in) investing activities	<u>2,691</u>	<u>—</u>	<u>60</u>	<u>(62,213)</u>	<u>—</u>	<u>(59,462)</u>
Net borrowings under credit facility	—	77,000	—	—	—	77,000
Net borrowing under term loan B	—	398,000	—	—	—	398,000
Repurchase and conversion of convertible notes	(358,710)	—	—	—	—	(358,710)
Repurchase of common stock warrants	(177,423)	—	—	—	—	(177,423)
Deferred financing costs paid	—	(8,428)	—	—	—	(8,428)
Payment of dividend	(109,414)	—	—	—	—	(109,414)
Proceeds from exercise of stock option and purchase plans	6,862	—	—	—	—	6,862
Other financing activities, net	—	—	—	(600)	—	(600)
Net cash provided by (used in) financing activities — continuing operations	(638,685)	466,572	—	(600)	—	(172,713)
Net cash used in financing activities — discontinued operations	—	—	—	—	—	—
Net cash provided by (used in) financing activities	<u>(638,685)</u>	<u>466,572</u>	<u>—</u>	<u>(600)</u>	<u>—</u>	<u>(172,713)</u>
Net change in cash and cash equivalents	392	287	36	14,114	—	14,829
Cash and cash equivalents at beginning of period	—	714	—	60,865	—	61,579
Cash and cash equivalents at end of period	<u>\$ 392</u>	<u>\$ 1,001</u>	<u>\$ 36</u>	<u>\$ 74,979</u>	<u>\$ —</u>	<u>\$ 76,408</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
Net cash provided by (used in) continuing operating activities	\$ 422,624	\$(298,048)	\$ (2,164)	\$ 15,193	\$ —	\$ 137,605
Net cash provided by discontinued operating activities	—	—	—	94	—	94
Net cash provided by (used in) operating activities	<u>422,624</u>	<u>(298,048)</u>	<u>(2,164)</u>	<u>15,287</u>	<u>—</u>	<u>137,699</u>
Purchases of property and equipment	—	—	2,759	(39,718)	—	(36,959)
Collection of notes receivable	—	—	—	1,740	—	1,740
Increase in restricted cash and cash equivalents	—	—	—	(13,959)	—	(13,959)
Other investing activities	—	—	—	437	—	437
Net cash provided by (used in) investing activities — continuing operations	—	—	2,759	(51,500)	—	(48,741)
Net cash used in investing activities — discontinued operations	—	—	—	—	—	—
Net cash provided by (used in) investing activities	<u>—</u>	<u>—</u>	<u>2,759</u>	<u>(51,500)</u>	<u>—</u>	<u>(48,741)</u>
Net repayments under credit facility	—	(35,500)	—	—	—	(35,500)
Issuance of senior notes	—	350,000	—	—	—	350,000
Early redemption of senior notes	(152,180)	—	—	—	—	(152,180)
Repurchase and conversion of convertible notes	(99,222)	—	—	—	—	(99,222)
Deferred financing costs paid	—	(15,738)	—	—	—	(15,738)
Repurchase of Company stock for retirement	(100,028)	—	—	—	—	(100,028)
Payment of dividend	(76,424)	—	—	—	—	(76,424)
Proceeds from exercise of stock option and purchase plans	5,223	—	—	—	—	5,223
Excess tax benefit from stock-based compensation	7	—	—	—	—	7
Other financing activities, net	—	—	—	(687)	—	(687)
Net cash provided by (used in) financing activities — continuing operations	(422,624)	298,762	—	(687)	—	(124,549)
Net cash used in financing activities — discontinued operations	—	—	—	—	—	—
Net cash provided by (used in) financing activities	<u>(422,624)</u>	<u>298,762</u>	<u>—</u>	<u>(687)</u>	<u>—</u>	<u>(124,549)</u>
Net change in cash and cash equivalents	—	714	595	(36,900)	—	(35,591)
Cash and cash equivalents at beginning of period	—	—	(595)	97,765	—	97,170
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ 714</u>	<u>\$ —</u>	<u>\$ 60,865</u>	<u>\$ —</u>	<u>\$ 61,579</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

(in thousands)	Parent Guarantor	Issuer	Guarantors	Non- Guarantors	Eliminations	Consolidated
Net cash provided by (used in) continuing operating activities	\$ 67,789	\$ 120,000	\$ (490)	\$ (10,905)	\$ —	\$ 176,394
Net cash provided by discontinued operating activities	—	—	—	76	—	76
Net cash provided by (used in) operating activities	<u>67,789</u>	<u>120,000</u>	<u>(490)</u>	<u>(10,829)</u>	<u>—</u>	<u>176,470</u>
Purchases of property and equipment	(7,362)	—	(105)	(87,766)	—	(95,233)
Sale of management rights and intellectual property	20,000	—	—	190,000	—	210,000
Collection of notes receivable	—	—	—	4,480	—	4,480
Increase in restricted cash and cash equivalents	—	—	—	(5,060)	—	(5,060)
Other investing activities	—	—	—	869	—	869
Net cash provided by (used in) investing activities — continuing operations	<u>12,638</u>	<u>—</u>	<u>(105)</u>	<u>102,523</u>	<u>—</u>	<u>115,056</u>
Net cash used in investing activities — discontinued operations	—	—	—	—	—	—
Net cash provided by (used in) investing activities	<u>12,638</u>	<u>—</u>	<u>(105)</u>	<u>102,523</u>	<u>—</u>	<u>115,056</u>
Net borrowings (repayments) under credit facility	65,000	(120,000)	—	—	—	(55,000)
Deferred financing costs paid	(376)	—	—	—	—	(376)
Proceeds from the issuance of common stock	32,722	—	—	—	—	32,722
Repurchase of Company stock for retirement	(185,400)	—	—	—	—	(185,400)
Payment of dividend	(62,007)	—	—	—	—	(62,007)
Proceeds from exercise of stock option and purchase plans	25,336	—	—	—	—	25,336
Excess tax benefit from stock-based compensation	6,736	—	—	—	—	6,736
Other financing activities, net	—	—	—	(755)	—	(755)
Net cash used in financing activities — continuing operations	<u>(117,989)</u>	<u>(120,000)</u>	<u>—</u>	<u>(755)</u>	<u>—</u>	<u>(238,744)</u>
Net cash used in financing activities — discontinued operations	—	—	—	—	—	—
Net cash used in financing activities	<u>(117,989)</u>	<u>(120,000)</u>	<u>—</u>	<u>(755)</u>	<u>—</u>	<u>(238,744)</u>
Net change in cash and cash equivalents	<u>(37,562)</u>	<u>—</u>	<u>(595)</u>	<u>90,939</u>	<u>—</u>	<u>52,782</u>
Cash and cash equivalents at beginning of period	<u>37,562</u>	<u>—</u>	<u>—</u>	<u>6,826</u>	<u>—</u>	<u>44,388</u>
Cash and cash equivalents at end of period	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (595)</u>	<u>\$ 97,765</u>	<u>\$ —</u>	<u>\$ 97,170</u>

RYMAN HOSPITALITY PROPERTIES, INC. AND SUBSIDIARIES
SCHEDULE III – REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2014
(Amounts in thousands)

	Encmbr	Initial Cost to Company			Gross Amount at End of Year			Acc Depr	Date Acq/ Constr	Depr Life (yrs)	
		Land	Bldgs & Impr	Costs Capitalized Subs to Acq	Land	Bldgs & Impr	Total (2)				
Gaylord Opryland	(1)	\$ 9,818	\$ 77,125	\$ 533,223	\$ 47,488	\$ 572,678	\$ 620,166	\$285,549	1983	20-40	
Gaylord Palms	(1)	21,564	314,661	39,569	29,900	345,894	375,794	121,856	2002	20-40	
Gaylord Texan	(1)	21,234	388,030	75,091	44,065	440,290	484,355	119,861	2004	20-40	
Gaylord National	(1)	43,211	840,261	12,798	46,176	850,094	896,270	143,268	2008	20-40	
Inn at Opryland	—	2,676	7,248	12,513	2,875	19,562	22,437	6,674	1998	20-40	
AC Hotel	—	9,079	17,340	—	9,079	17,340	26,419	36	2014	20-40	
Miscellaneous	—	21,290	16,250	25,380	40,059	22,861	62,920	14,447	N/A	20-40	
		<u>—</u>	<u>\$128,872</u>	<u>\$ 1,660,915</u>	<u>\$ 698,574</u>	<u>\$219,642</u>	<u>\$2,268,719</u>	<u>\$2,488,361</u>	<u>\$691,691</u>		

	2014	2013	2012
Investment in real estate:			
Balance at beginning of year	\$2,436,266	\$2,429,282	\$2,388,860
Acquisitions	33,077	—	—
Improvements	19,150	11,806	45,920
Disposals	(132)	(3,406)	(5,498)
Impairments	—	(1,416)	—
Balance at end of year	<u>\$2,488,361</u>	<u>\$2,436,266</u>	<u>\$2,429,282</u>
Accumulated depreciation:			
Balance at beginning of year	\$ 629,292	\$ 568,681	\$ 507,516
Depreciation	62,492	64,095	64,605
Disposals	(93)	(3,484)	(3,440)
Balance at end of year	<u>\$ 691,691</u>	<u>\$ 629,292</u>	<u>\$ 568,681</u>

- (1) Pledged as collateral under the Company's credit facility. At December 31, 2014, \$588.8 million in borrowings and letters of credit were outstanding under such facility.
- (2) The aggregate cost of properties for federal income tax purposes is approximately \$2.4 billion at December 31, 2014.

INDEX TO EXHIBITS

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
2.1†	Purchase Agreement, dated May 30, 2012, by and among the Company, Gaylord Hotels, Inc., Marriott Hotel Services, Inc., and Marriott International, Inc. (including the forms of Management Agreement and Pooling Agreement) (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed May 31, 2012 (File No. 1-13079)).
2.2	Agreement and Plan of Merger by and between Gaylord Entertainment Company and the Company dated as of July 27, 2012 (incorporated by reference to Annex A to the Company's Definitive Proxy Statement on Schedule 14A filed August 22, 2012 relating to the Company's special meeting of stockholders held on September 25, 2012 (File No. 1-13079)).
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed October 1, 2012 (File No. 1-13079)).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed October 1, 2012 (File No. 1-13079)).
4.1	Specimen of Common Stock certificate of the Company (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 24, 2012 (File No. 1-13079)).
4.2	Reference is made to Exhibits 3.1 and 3.2 hereof for instruments defining the rights of common stockholders of the Company.
4.3	Indenture, dated as of April 3, 2013, among RHP Hotel Properties, LP, RHP Finance Corporation, Ryman Hospitality Properties, Inc., each of the guarantors named therein and U.S. Bank National Association, as trustee, relating to the 5.00% Senior Notes due 2021 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 5, 2013 (File No. 1-13079)).
4.4	Form of 5.00% Senior Note due 2021 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed April 5, 2013 (File No. 1-13079)).
4.5	Registration Rights Agreement, dated as of April 3, 2013, among RHP Properties, LP, RHP Finance Corporation, Ryman Hospitality Properties, Inc., the Guarantors (as defined therein) and Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities, LLC, Wells Fargo Securities, LLC, U.S. Bancorp Investments, Inc. and Credit Agricole Securities (USA) Inc., as representatives of the initial purchasers (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed April 5, 2013 (File No. 1-13079)).
10.1	Fourth Amended and Restated Credit Agreement dated as of April 18, 2013, by and among the Company, as a guarantor, RHP Hotel Properties, LP, as the borrower, certain subsidiaries of the Company party thereto, as guarantors, the lenders party thereto and Wells Fargo Bank National Association, as administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 23, 2013 (File No. 1-13079)).
10.2	Amendment No. 1 and Joinder Agreement dated as of June 18, 2014, among Ryman Hospitality Properties, Inc., as a guarantor, RHP Hotel Properties, LP, as borrower, certain other subsidiaries of Ryman Hospitality Properties, Inc. party thereto, as guarantors, certain subsidiaries of Ryman Hospitality Properties, Inc. party thereto, as pledgors, the lenders party thereto and Wells Fargo Bank National Association, as administrative agent with respect to \$400 million term loan B (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 19, 2014).
10.3	Opryland Hotel-Florida Ground Lease, dated as of March 3, 1999, by and between Xentury City Development Company, L.L.C., and Opryland Hotel-Florida Limited Partnership (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-13079)).
10.4	Hotel/ Convention Center Sublease Agreement, dated as of May 16, 2000, by and between the City of Grapevine, Texas and Opryland Hotel-Texas Limited Partnership (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-13079)).
10.5	Sublease Addendum Number 1, dated July 28, 2000, by and between the City of Grapevine, Texas and Opryland Hotel-Texas Limited Partnership (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-13079)).
10.6	Equity Derivatives Confirmation (warrant transaction), dated September 24, 2009, between the Company and Deutsche Bank AG, London Branch (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K dated September 29, 2009 (File No. 1-13079)).
10.7	Amendment Agreement to Warrant Confirmation, dated as of September 25, 2009, between the Company and Deutsche Bank AG, London Branch (incorporated by reference to Exhibit 10.14 to the Company's Current Report on Form 8-K dated September 29, 2009 (File No. 1-13079)).
10.8	Equity Derivatives Confirmation (warrant transaction), dated September 24, 2009, between the Company and Wachovia Bank, National Association (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K dated September 29, 2009 (File No. 1-13079)).

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- 10.9 Amendment Agreement to Warrant Confirmation, dated as of September 25, 2009, between the Company and Wachovia Bank, National Association (incorporated by reference to Exhibit 10.16 to the Company's Current Report on Form 8-K dated September 29, 2009 (File No. 1-13079)).
- 10.10 Repurchase Agreement, dated as of August 6, 2012, by and between TRT Holdings, Inc. and the Company (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 7, 2012 (File No. (1-13079))).
- 10.11# The Opryland USA Inc. Supplemental Deferred Compensation Plan (incorporated by reference to Exhibit 10.11 to the former Gaylord Entertainment Company's Registration Statement on Form S-1 (File No. 33-42329)).
- 10.12# Gaylord Entertainment Company Retirement Benefit Restoration Plan (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 1-13079)).
- 10.13# Executive Employment Agreement of Colin V. Reed, dated February 25, 2008, with the Company (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 27, 2008 (File No. 1-13079)).
- 10.14# First Amendment to Executive Employment Agreement of Colin V. Reed, dated December 18, 2008, with Company (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed with the SEC on December 23, 2008 (File No. 1-13079)).
- 10.15# Second Amendment to Executive Employment Agreement, dated September 3, 2010, by and between the Company and Colin V. Reed (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 (File No. 1-13079)).
- 10.16# Third Amendment to Executive Employment Agreement, dated as of November 5, 2012, by and between the Company and Colin V. Reed (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (File No. 1-13079)).
- 10.17# Indemnification Agreement, dated as of April 23, 2001, by and between the Company and Colin V. Reed (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-13079)).
- 10.18# Indemnification Agreement, dated as of April 23, 2001, by and between the Company and Michael D. Rose (incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 1-13079)).
- 10.19# Form of Employment Agreement of Mark Fioravanti, dated February 25, 2008, with the Company (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on February 27, 2008 (File No. 1-13079)).
- 10.20# Form of Amendment No. 1 to Employment Agreement of Mark Fioravanti (incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 1-13079)).
- 10.21# Amendment No. 2 to Employment Agreement, dated September 3, 2010, by and between the Company and Mark Fioravanti (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 (File No. 1-13079)).
- 10.22# Third Amendment to Executive Employment Agreement dated as of November 5, 2012, by and between the Company and Mark Fioravanti (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (File No. 1-13079)).
- 10.23*# Employment Agreement dated as of February 25, 2008 by and between the Company and Bennett Westbrook.
- 10.24# Amendment No. 1 to Employment Agreement dated as of September 3, 2010 by and between Bennett Westbrook (incorporated by reference to Exhibit 10.46 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 1-13079)).
- 10.25# Second Amendment to Employment Agreement dated as of November 5, 2012 by and between the Company and Bennett Westbrook (incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K for the year December 31, 2012 (File No. 1-13079)).
- 10.26# Severance Agreement dated as of October 21, 2010 between the Company and Patrick Chaffin (incorporated by reference to Exhibit 10.49 to the Company's Annual Report on Form 10-K for the year December 31, 2012 (File No. 1-13079)).
- 10.27# Severance Agreement dated as of February 25, 2013 between the Company and Scott Lynn (incorporated by reference to Exhibit 10.50 to the Company's Annual Report on Form 10-K for the year December 31, 2012 (File No. 1-13079)).
- 10.28# Severance Agreement dated as of February 25, 2013 between the Company and Jennifer Hutcheson (incorporated by reference to Exhibit 10.51 to the Company's Annual Report on Form 10-K for the year December 31, 2012 (File No. 1-13079)).

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10.29#	Form of Indemnification Agreement between the Company and each of its non-employee directors (incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 1-13079)).
10.30*#	Summary of Director and Executive Officer Compensation.
10.31#	Gaylord Entertainment Company Amended and Restated 2006 Omnibus Incentive Plan (incorporated by reference to Annex A to the Company's Definitive Proxy Statement for the 2011 Annual Meeting of Stockholders filed with the SEC on April 1, 2011 (File No. 1-13079)).
10.32#	Form of Restricted Share Award Agreement with respect to restricted stock granted pursuant to the Company's 2006 Omnibus Incentive Plan, as amended (incorporated by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 1-13079)).
10.33#	Form of Non-Qualified Stock Option Agreement with respect to stock options granted pursuant to the Company's 2006 Omnibus Incentive Plan, as amended (incorporated by reference to Exhibit 10.41 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 1-13079)).
10.34#	Form of Director Non-Qualified Stock Option Agreement with respect to stock options granted pursuant to the Company's 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.42 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 1-13079)).
10.35#	Form of Director Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 1-13079)).
10.36#	Form of Restricted Stock Unit Award Agreement with respect to performance-vesting restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive plan (incorporated by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2008 (File No. 1-13079)).
10.37#	Form of Restricted Stock Unit Award Agreement with respect to time-vesting restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.52 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 1-13079)).
10.38#	Form of Restricted Stock Unit Award Agreement with respect to performance-based restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-13079)).
10.39#	Form of 2013 Time-Based Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.67 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 1-13079)).
10.40#	Form of 2013 Performance-Based Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.68 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 1-13079)).
10.41#	Form of Director Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan in lieu of cash retainer fees (incorporated by reference to Exhibit 10.68 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 1-13079)).
10.42#	Form of Director Restricted Stock Unit Award Agreement with respect to restricted stock units granted pursuant to the Company's 2006 Omnibus Incentive Plan to replace previously deferred cash retainer fees (incorporated by reference to Exhibit 10.69 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 (File No. 1-13079)).
21*	Subsidiaries of the Company.
23.1*	Consent of Independent Registered Public Accounting Firm.
31.1*	Certification of Chief Executive Officer of Periodic Report Pursuant to Rule 13a — 14(a) and Rule 15d — 14(a).
31.2*	Certification of Chief Financial Officer of Periodic Report Pursuant to Rule 13a — 14(a) and Rule 15d — 14(a).
32.1*	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350.
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.
101*	The following materials from Ryman Hospitality Property, Inc.'s Annual Form on Form 10-K for the year ended December 31, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets at December 31, 2014 and 2013, (ii) Consolidated Statements of Operations for the years ended December 31, 2014, 2013 and 2012, (iii) Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2014, 2013 and 2012, (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012, (v) Consolidated Statement of Changes in Stockholders' Equity for the years ended December 31, 2014, 2013 and 2012, and (vi) Notes to Consolidated Financial Statements.

* Filed herewith.

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

Management contract or compensatory plan or arrangement.

EMPLOYMENT AGREEMENT

THIS AGREEMENT, dated as of February 25, 2008, by and between GAYLORD ENTERTAINMENT COMPANY, a Delaware corporation having its corporate headquarters at One Gaylord Drive, Nashville, Tennessee 37214 (“the Company”) and BENNETT WESTBROOK, a resident of Nashville, Tennessee (“Executive”).

WITNESSETH:

WHEREAS, the Company desires to employ Executive as its Senior Vice President of Development and Design & Construction, and Executive desires to serve in such capacity pursuant to the terms of this Agreement;

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

AGREEMENT

1. **Employment; Term; Place of Employment.** The Company hereby employs Executive, and Executive hereby accepts employment with the Company upon the terms and conditions contained in this Agreement. The term of Executive’s employment hereunder shall commence on February 4, 2008 (the “Effective Date”) and shall continue for a period of two (2) years from and after the Effective Date (the “Initial Period”). For purposes of this Agreement, a “Contract Year” shall mean a one year period commencing on the Effective Date or any anniversary thereof. This Agreement shall automatically renew for two (2) year terms (each referred to as an “Extension Period”) (the Initial Period and each Extension Period collectively referred to as the “Employment Period”) unless either party notifies the other party at least ninety (90) days prior to the expiration of the Initial Period or any Extension Period. Executive shall render services at the offices established by the Company in the greater Nashville metropolitan area; provided that Executive agrees to travel on temporary trips to such other places as may be required to perform Executive’s duties hereunder.

2. **Duties; Title.**

(a) Description of Duties.

(i) During the Employment Period, Executive shall serve the Company as its Senior Vice President of Development and Design & Construction, and report directly to the Chief Financial Officer (“CFO”). Executive shall also perform such other duties as the CFO shall reasonably determine.

(ii) Executive shall faithfully perform the duties required of his office. Subject to Section 2(b), Executive shall devote all of his business time and effort to the performance of his duties to the Company.

(b) Other Activities. Notwithstanding anything to the contrary contained in Section 2(a), Executive shall be permitted to engage in the following activities, provided that such activities do not materially interfere or conflict with Executive's duties and responsibilities to the Company:

(i) Executive may serve on the governing boards of, or otherwise participate in, a reasonable number of trade associations and charitable organizations, whose purposes are not inconsistent with the activities and the image of the Company; and

(ii) Executive may engage in a reasonable amount of charitable activities and community affairs.

(c) Other Policies. Executive shall be subject to and shall comply with all codes of conduct, personnel policies and procedures applicable to senior executives of the Company, including, without limitation, policies regarding sexual harassment, conflicts of interest and insider trading.

3. Cash Compensation

(a) Base Salary. During the initial Contract Year, the Company shall pay to Executive an annual salary of \$285,000. Executive's annual salary shall be increased in each subsequent Contract Year by a percentage equal to the annual percentage increase, if any, generally granted to other senior executives, such percentage to be determined from time to time by the Human Resources Committee of the Board of Directors (such annual salary, together with any increases under this subsection (a), being herein referred to as the "Base Salary").

(b) Annual Cash Bonus. Executive shall be eligible for an annual cash bonus equal to a target of 50% of Executive's Base Salary, up to a maximum of 100% of Base Salary, (the "Annual Bonus") to be paid to him in each calendar year and shall be determined based on the achievement of certain goals and Company performance criteria as established by the CEO and approved by the Board's Human Resources Committee. The Annual Bonus for each calendar year shall be paid to Executive on or before the end of February 28th of the immediately succeeding year.

(c) Withholding. The Base Salary and each Annual Bonus shall be subject to applicable withholding and shall be payable in accordance with the Company's payroll practices.

4. Benefits; Expenses; Etc.

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

(b) Vehicle Allowance. During the Employment Period, Executive shall be entitled to receive from the Company a vehicle allowance of \$1,000 per month, subject to future increases as may be granted to senior executives.

(c) Vacation. During the Employment Period, Executive shall be entitled to four (4) weeks vacation during each Contract Year.

(d) Executive Financial Counseling; Physical. During the Employment Period, the Company shall reimburse Executive for up to a maximum of \$3,000 of financial counseling expenses per year, upon submission of documentation evidencing such expenses. In addition, during the Employment Period, the Company pay up to \$3,000 per year for an annual physical for Executive.

(e) Company Plans. During the Employment Period, Executive shall be entitled to participate in and enjoy the benefits of (i) the Company Health Insurance Plan, (ii) the Company 401(k) Savings Plan, (iii) the Company Supplemental Deferred Compensation (“SUDCOMP”) Plan, and (iv) any health, life, disability, retirement, pension, group insurance, or other similar plan or plans which may be in effect or instituted by the Company for the benefit of senior executives generally, upon such terms as may be therein provided. Executive shall have continued coverage at employee rates for one (1) year after the Employment Period under all health and welfare plans or substantially similar plans including medical, dental, vision, life, disability and executive supplemental plans. After such year of coverage, Executive shall be eligible for normal COBRA coverage.

5. Termination. Executive’s employment hereunder may be terminated prior to the expiration of the Employment Period as follows:

(a) Termination by Death. Upon the death of Executive (“Death”), Executive’s employment shall automatically terminate as of the date of Death.

(b) Termination by Company for Permanent Disability. At the option of the Company, Executive’s employment may be terminated by written notice to Executive or his personal representative in the event of the Permanent Disability of Executive. As used herein, the term “Permanent Disability” shall mean a physical or mental incapacity or disability which renders Executive unable substantially to render the services required hereunder for a period of ninety (90) consecutive days or one hundred eighty (180) days during any twelve (12) month period as determined in good faith by the Company.

(c) Termination by Company for Cause. At the option of the Company, Executive’s employment may be terminated by written notice to Executive upon the occurrence of any one or more of the following events (each, a “Cause”):

- (i) any action by Executive constituting fraud, self-dealing, embezzlement, or dishonesty in the course of his employment hereunder;
- (ii) any conviction of Executive of a crime involving moral turpitude;
- (iii) failure of Executive after reasonable notice promptly to comply with any valid and legal directive of the CFO;

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

(v) a failure by Executive to perform adequately his responsibilities under this Agreement as demonstrated by objective and verifiable evidence showing that the business operations under Executive's control have been materially harmed as a result of Executive's gross negligence or willful misconduct.

(d) **Termination by Executive for Good Reason.** At the option of Executive, Executive may terminate his employment by written notice to Company given within a reasonable time after the occurrence of the following circumstances ("Good Reason"), unless the Company cures the same within thirty (30) days of such notice:

(i) Any adverse change by Company in the Executive's position or title described in Section 2 hereof, whether or not any such change has been approved by a majority of the members of the Board;

(ii) The assignment to Executive, over his reasonable objection, of any duties materially inconsistent with his status as Senior Vice President of Development and Design & Construction or a substantial adverse alteration in the nature of his responsibilities;

(iii) A reduction by Company in his annual base salary of \$285,000 as the same may be increased from time to time pursuant to Section 3(a) hereof;

(iv) Company's requiring Executive, without Executive's approval, to be based anywhere other than the Company's headquarters in Nashville, Tennessee except for required travel on the Company's business;

(v) The failure by Company, without Executive's consent, to pay to him any portion of his current compensation, except pursuant to this Agreement or pursuant to a compensation deferral elected by Executive;

(vi) Except as permitted by this Agreement, the failure by Company to continue in effect any compensation plan (or substitute or alternative plan) in which Executive is entitled to participate which is material to Executive's total compensation, or the failure by the Company to continue Executive's participation therein on a basis that is materially as favorable both in terms of the amount of benefits provided and the level of Executive's participation relative to other participants at Executive's grade level; or

(vii) The failure by Company to continue to provide Executive with benefits substantially similar to those enjoyed by senior executives under the Company's pension and deferred compensation plans, and the life insurance, medical, health and accident, and disability plans in which Executive is entitled to participate, except as required by law, or the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits or deprive Executive of any material fringe benefit enjoyed by Executive, or the failure by the Company to provide Executive with the number of paid vacation days to which Executive is entitled; or

(viii) A material breach by the Company of any of its obligations under this Agreement or the failure to renew or giving notice of non-renewal of this Agreement, as provided in Section 1, unless such non-renewal is due to termination by the Company for Cause, as provided in Section 5(c).

(e) Termination by Company Without Cause. At the option of the Company Executive's employment may be terminated by written notice to Executive at any time ("Without Cause").

6. Effect of Termination.

(a) Effect Generally. If Executive's employment is terminated during the Employment Period, the Company shall not have any liability or obligation to Executive other than as specifically set forth in Section 5, Section 6 and Section 7 hereof. Upon the termination of Executive's employment for any reason, he shall, upon the request of the Company, resign from all corporate offices held by Executive.

(b) Effect of Termination by Death. Upon the termination of Executive's employment as a result of Death, Executive's estate shall be entitled to receive an amount equal to: (i) accrued but unpaid Base Salary through the date of termination; (ii) a pro rata portion of Executive's Annual Bonus, if any, for the year in which termination occurs, (iii) any unpaid portion of the Annual Bonuses for prior calendar years, accrued and unpaid vacation pay, unreimbursed expenses incurred pursuant to Section 4(a), (b) or (c), and any other benefits owed to Executive pursuant to any written employee benefit plan or policy of the Company, excluding benefits payable pursuant to any plan beneficiary pursuant to a contractual beneficiary designation by Executive, (iv) the portion of the Restricted Stock Grant that is free from restrictions as of the date of death and the acceleration and immediate release of all restrictions from all Restricted Stock Grants that are subject to restrictions as of the date of death, (v) Executive's vested Stock Options as of the date of death, the vesting and exercise of which is governed by the Omnibus Plan; and (vi) all of Executive's Stock Options, which pursuant to the Omnibus Plan are accelerated as of the termination date (date of death) and are exercisable until the expiration of the Stock Option Term.

(c) Effect of Termination for Permanent Disability. Upon the termination of Executive's employment hereunder as a result of Permanent Disability, Executive shall be entitled to receive an amount equal to: (i) accrued but unpaid Base Salary through the date of termination; (ii) a pro rata portion of Executive's Annual Bonus, if any, for the year in which termination occurs, (iii) any unpaid portion of an Annual Bonus for prior calendar years, long-term disability benefits available to executives of the Company, accrued and unpaid vacation pay, unreimbursed expenses incurred pursuant to Section 4(a), (b) or (c) and any other benefits owed to Executive pursuant to any written employee benefit plan or policy of the Company; (iv) the portion of the Restricted Stock Grant that is free from restrictions as of the termination date; (v) Executive's vested Stock Options as of the date of termination, the vesting of which is governed by the Omnibus Plan; and (vi) all of Executive's Stock Options, which pursuant to the Omnibus Plan are accelerated as of the termination date and are exercisable until the expiration of the Stock Option Term. Payments to Executive hereunder shall be reduced by any payments received by Executive under any worker's compensation or similar law.

(d) Effect of Termination by the Company for Cause or by Executive Without Good Reason. Upon the termination of Executive's employment by the Company for Cause or by Executive for any reason other than Good Reason, Executive shall be entitled to receive an amount equal to: (i) accrued but unpaid Base Salary through the date of termination, (ii) any unpaid Annual Bonus for prior calendar years, accrued but unpaid vacation pay, unreimbursed expenses incurred pursuant to Section 4(a), (b) or (e) and any other benefits owed to Executive pursuant to any written employee benefit plan or policy of the Company; and (iii) the portion of the Restricted Stock Grant that is free from restrictions as of the termination date. All Stock Options, to the extent not theretofore exercised, shall terminate on the date of termination of employment under this Section 6(d). Executive shall also forfeit any right to an Annual Bonus for the calendar year in which Executive's termination occurs.

(e) Effect of Termination by the Company Without Cause or by Executive for Good Reason. Upon the termination of Executive's employment hereunder by the Company Without Cause or by Executive for Good Reason, Executive shall be entitled to: (i) the payment of one (1) times Executive's Base Salary for the year in which such termination shall occur; (ii) payment of one (1) times Executive's Annual Bonus for the preceding year, (iii) any unpaid portion of any Annual Bonus for prior calendar years and a prorated portion of any bonus the Executive may earn as an Annual Bonus for the current year, accrued and unpaid vacation pay, unreimbursed expenses incurred pursuant to Section 4(a), (b), or (e) and any other benefits owed to Executive pursuant to any written employee benefit plan or policy of the Company; (iv) the portion of the Restricted Stock Grant that is free from restrictions as of the date of termination and the acceleration and immediate release of all restrictions from any Restricted Stock Grant that is scheduled to vest during the one-year period following the date of Executive's termination; and (v) the vested portion of Executive's Stock Options, and the acceleration and immediate vesting of Executive's unvested Stock Options that were scheduled to vest during the one-year period following the date of Executive's termination. In the event such termination occurs prior to February 5, 2009, then Executive will also receive the immediate vesting of 33% of Executive's stock options under the 2008 Long Term Incentive Plan. In addition, Executive shall also be entitled to a pro rata share of his Restricted Stock Unit Grant under the 2008 Long Term Incentive Plan in the event the performance targets for such award are eventually satisfied on February 4, 2012 or the award is otherwise vested via change of control or otherwise (for example, if Executive were terminated two years into the four-year cliff vesting period, then Executive would receive fifty percent (50%) of the award if eventually earned). Executive shall also be entitled to continuation of his monthly car allowance during the one-year period following the date of Executive's termination. Executive shall have one (1) year from the date of such termination Without Cause or by Executive for Good Reason to exercise all vested Stock Options.

7. Change of Control.

(a) Definition. A "Change of Control" shall be deemed to have taken place if:

(i) any person or entity, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, other than the Company, a wholly-owned subsidiary thereof, or any employee benefit plan of the Company or any of its subsidiaries becomes the beneficial owner of Company securities having 35% or more of the combined voting power of the then outstanding securities of the Company that may be cast for the election of directors of the Company (other than as a result of the issuance of securities initiated by the Company in the ordinary course of business);

(ii) individuals who, as of the date of this Amendment, were members of the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the members of the Board; provided that any individual who becomes a director after such date whose election or nomination for election by the Company’s shareholders was approved by two-thirds of the members of the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened “election contest” relating to the election of the directors of the Company (as such terms are used in Rule 14a-11 under the Securities Exchange Act of 1934), “tender offer” (as such term is used in Section 14(d) of the Securities Exchange Act of 1934) or a proposed transaction described in clause (iii) below) shall be deemed to be members of the Incumbent Board.”.

(iii) as the result of, or in connection with, any cash tender or exchange offer, merger or other business combination, sale of assets or contested election, or any combination of the foregoing transactions, the holders of all the Company’s securities entitled to vote generally in the election of directors of the Company immediately prior to such transaction constitute, following such transaction, less than a majority of the combined voting power of the then-outstanding securities of the Company or any successor corporation or entity entitled to vote generally in the election of the directors of the Company or such other corporation or entity after such transactions; or

(iv) the Company sells all or substantially all of the assets of the Company.

(b) **Effect of Change of Control.** In the event that within one (1) year following a Change of Control, the Company terminates Executive Without Cause or Executive terminates employment for Good Reason, Executive shall be entitled to: (i) the payment of three (3) times Executive’s Base Salary for the year in which such termination shall occur; (ii) the payment of three (3) times Executive’s highest Annual Bonus for preceding three years; (iii) any unpaid portion of any Annual Bonus for prior calendar years, accrued and unpaid vacation pay, unreimbursed expenses incurred pursuant to Section 4(a), (b), or (e) and any other benefits owed to Executive pursuant to any written employee benefit plan or policy of the Company; (iv) the portion of the Restricted Stock Grant that is free from restrictions as of the date of termination and the acceleration and immediate release of all restrictions from all Restricted Stock Grants that are subject to restrictions as of the date of termination; (v) the vested portion of Executive’s Stock Options and the acceleration and immediate vesting of any unvested portion of Executive’s Stock Options, and (vi) three (3) years of continued \$1,000 per month vehicle allowance, \$3,000 per year financial planning assistance, and \$3,000 per year executive physical. Executive shall have three (3) years from the date of such termination to exercise all vested Stock Options. In this case, Executive shall also have continued coverage at employee rates for three (3) years after the Employment Period under all health and welfare plans or substantially similar plans including medical, dental, vision, life, disability and executive supplemental plans. At the end of such three (3) years of coverage, Executive shall be eligible for normal COBRA coverage.

8. **Excise Tax Reimbursement.** In connection with or arising out of a Change in Control of the Company, in the event Executive shall be subject to the tax imposed by Section 4999 of the Code (the "Excise Tax") in respect of any payment or distribution by the Company or any other person or entity to or for Executive's benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, or whether prior to or following any termination of Executive other than Termination for Cause or By Executive without Good Reason (a "Payment"), the Company shall pay to Executive an additional amount. The additional amount (the "Gross-Up Payment") shall be equal to the Excise Tax, together with any federal, state and local income tax, employment tax and any other taxes associated with this payment such that Executive incurs no out-of-pocket expenses associated with the Excise Tax. Provided, however, nothing in this Section shall obligate the Company to pay Executive for any federal, state or local income taxes imposed upon Executive by virtue of a Payment. For purposes of determining whether any of the Payments will be subject to the Excise Tax and the amount of such Excise Tax the following will apply:

(a) **Determination of Parachute Payments.** Any payments or benefits received or to be received by Executive in connection with a Change in Control of the Company or his termination of employment other than by the Company for Cause or by Executive Without Good Reason shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company's independent auditors and acceptable to Executive such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(3) of the Code, or are otherwise not subject to the Excise Tax; and

(b) **Valuation of Benefits and Determination of Tax Rates.** The value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with proposed, temporary or final regulations under Section 280G(d)(3) and (4) of the Code or, in the absence of such regulations, in accordance with the principles of Section 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of Executive's residence on the date of termination of his employment, net of the applicable reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(c) **Repayment of Gross-Up by Executive and Possible Additional Gross-Up by Company.** In the event that the amount of Excise Tax attributable to Payments is subsequently determined to be less than the amount taken into account hereunder at the time of termination of Executive's employment, he shall repay to the Company at the time that the amount of such reduction in Excise Tax is finally determined the portion of the Gross-Up Payment attributable to such reduction (including the portion of the Gross-Up Payment attributable to the Excise Tax, employment tax and federal (and state and local) income tax imposed on the Gross-Up Payment being repaid by Executive if such repayment results in a reduction in Excise Tax and/or a federal (and state and local) income tax deduction) plus interest on the amount of such repayment at the

rate provided in section 1274(b)(2)(B) of the Code. In the event that the Excise Tax attributable to Payments is determined to exceed the amount taken into account hereunder at the time of the termination of Executive's employment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional gross-up payment in respect of such excess (plus any interest and/or penalties payable by Executive with respect to such excess) at the time that the amount of such excess is finally determined.

9. **Executive Covenants.**

(a) **General.** Executive and the Company understand and agree that the purpose of the provisions of this Section 9 is to protect legitimate business interests of the Company, as more fully described below, and is not intended to impair or infringe upon Executive's right to work, earn a living, or acquire and possess property from the fruits of his labor. Executive hereby acknowledges that the post-employment restrictions set forth in this Section 9 are reasonable and that they do not, and will not, unduly impair his ability to earn a living after the termination of his employment with the Company. Therefore, subject to the limitations of reasonableness imposed by law upon restrictions set forth herein, Executive shall be subject to the restrictions set forth in this Section 9.

(b) **Definitions.** The following capitalized terms used in this Section 10 shall have the meanings assigned to them below, which definitions shall apply to both the singular and the plural forms of such terms: "Confidential Information" means any confidential or proprietary information possessed by the Company without limitation, any confidential "know-how," customer lists, details of client and consultant contracts, current and anticipated customer requirements, pricing policies, price lists, market studies, business plans, operational methods, marketing plans or strategies, product development techniques or plans, computer software programs (including object code and source code), data and documentation, data base technologies, systems, structures and architectures, inventions and ideas, past, current and planned research and development, compilations, devices, methods, techniques, processes, financial information and data, business acquisition plans, new personnel acquisition plans and any other information that would constitute a trade secret under the common law or statutory law of the State of Tennessee.

"Person" means any individual or any corporation, partnership, joint venture, association or other entity or enterprise.

"Protected Employees" means employees of the Company or its affiliated companies who are employed by the Company or its affiliated companies at any time within six (6) months prior to the date of termination of Executive for any reason whatsoever or any earlier date (during the Restricted Period) of an alleged breach of the Restrictive Covenants by Executive.

"Restricted Period" means the period of Executive's employment by the Company plus a period extending one (1) year from the date of termination of employment; provided, however, the Restricted Period shall be extended for a period equal to the time during which Executive is in breach of his obligations to the Company under this Section 9.

“Restrictive Covenants” means the restrictive covenants contained in Section 9(c) hereof:

(c) Restrictive Covenants.

(i) Restriction on Disclosure and Use of Confidential Information. Executive understands and agrees that the Confidential Information constitutes a valuable asset of the Company and its affiliated entities, and may not be converted to Executive’s own use or converted by Executive for the use of any other Person. Accordingly, Executive hereby agrees that Executive shall not, directly or indirectly, at any time during the Restricted Period or thereafter, reveal, divulge or disclose to any Person not expressly authorized by the Company any Confidential Information, and Executive shall not, at any time during the Restricted Period or thereafter, directly or indirectly, use or make use of any Confidential Information in connection with any business activity other than that of the Company. The parties acknowledge and agree that this Agreement is not intended to, and does not, alter either the Company’s rights or Executive’s obligations under any state or federal statutory or common law regarding trade secrets and unfair trade practices,

(ii) Non-Competition. Executive shall not, during the Restricted Period, directly or indirectly, for himself or on behalf of or in conjunction with any other Person: (x) engage, as an officer, director, shareholder, owner, partner, joint venturer or in a managerial capacity whether as an employee, independent contractor, consultant or advisor, or as sales representative, in any hotel business and/or meeting and convention center business in direct competition with the Company or any subsidiary of the Company, within seventy-five (75) miles of the locations in which the Company or any of the Company’s subsidiaries owns or operates any hotel and/or meeting and convention center (the “Territory”), or (y) call upon any Person which is at that time, or which has been, within one (1) year prior to that time, a customer of the Company (including the subsidiaries thereof) within the Territory for the purpose of providing meeting or convention services in competition with the Company or any subsidiary of the Company within the Territory. The foregoing shall not be deemed to prohibit Executive from acquiring as an investment not more than two percent (2%) of the capital stock of a competing business whose stock is traded on a national securities exchange or over-the-counter.

(iii) Non-solicitation of Protected Employees. Executive understands and agrees that the relationship between the Company and each of its Protected Employees constitutes a valuable asset of the Company and may not be converted to Executive’s own use or converted by Executive for the use of any other Person. Accordingly, Executive hereby agrees that during the Restricted Period Executive shall not directly or indirectly on Executive’s own behalf or on behalf of any Person solicit any Protected Employee to terminate his or his employment with the Company.

(iv) Non-interference with Company Opportunities. Executive understands and agrees that all business opportunities with which he is involved during his employment with the Company constitute valuable assets of the Company and its affiliated

entities, and may not be converted to Executive's own use or converted by Executive for the use of any other Person. Accordingly, Executive hereby agrees that during the Restricted Period or thereafter, Executive shall not directly or indirectly on Executive's own behalf or on behalf of any Person, interfere with, solicit, pursue, or in any way make use of any such business opportunities.

(d) **Exceptions from Disclosure Restrictions.** Anything herein to the contrary notwithstanding, Executive shall not be restricted from disclosing or using Confidential Information that: (i) is or becomes generally available to the public other than as a result of an unauthorized disclosure by Executive or his agent; (ii) becomes available to Executive in a manner that is not in contravention of applicable law from a source (other than the Company or its affiliated entities or one of its or their officers, employees, agents or representatives) that is not known by Executive, after reasonable investigation, to be bound by a confidentiality or other similar agreement; or (iii) is required to be disclosed by law, court order or other legal process; provided, however, that in the event disclosure is required by law, court order or legal process, Executive shall provide the Company with prompt notice of such requirement so that the Company may seek an appropriate protective order prior to any such required disclosure by Executive.

(e) **Enforcement of the Restrictive Covenants.**

(i) **Rights and Remedies upon Breach.** In the event Executive breaches, or threatens to commit a breach of, any of the provisions of the Restrictive Covenants, the Company shall have the right and remedy to enjoin, preliminarily and permanently, Executive from violating or threatening to violate the Restrictive Covenants and to have the Restrictive Covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. The rights referred to herein shall be independent of any others and severally enforceable, and shall be in addition to, and not in lieu of, any other rights and remedies available to the Company at law or in equity.

(ii) **Severability of Covenant.** Executive acknowledges and agrees that the Restrictive Covenants are reasonable and valid in all respects. If any court determines that any Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions.

10. **Cooperation in Future Matters.** Executive hereby agrees that, for a period of three (3) years following the date of his termination, he shall cooperate with the Company's reasonable requests relating to matters that pertain to Executive's employment by the Company, including, without limitation, providing information of limited consultation as to such matters, participating in legal proceedings, investigations or audits on behalf of the Company, or otherwise making himself reasonably available to the Company for other related purposes. Any such cooperation shall be performed at times scheduled taking into consideration Executive's other commitments, and Executive shall be compensated (except for cooperation in connection with legal proceedings) at a reasonable hourly or *per diem* rate to be agreed by the parties to the

extent such cooperation is required on more than an occasional and limited basis. Executive shall also be reimbursed for all reasonable out of pocket expenses. Executive shall not be required to perform such cooperation to the extent it conflicts with any requirements of exclusivity of service for another employer or otherwise, nor in any manner that in the good faith belief of Executive would conflict with his rights under or ability to enforce this Agreement.

11. **Indemnification.** The Company shall indemnify Executive and hold him harmless from and against any and all costs, expenses, losses, claims, damages, obligations or liabilities (including actual attorneys fees and expenses) arising out of any acts or failures to act by the Company, its directors, employees or agents that occurred prior to the Effective Date, or arising out of or relating to any acts, or omissions to act, made by Executive on behalf of or in the course of performing services for the Company to the fullest extent permitted by the Bylaws of the Company, or, if greater, as permitted by applicable law, as the same shall be in effect from time to time. If any claim, action, suit or proceeding is brought, or any claim relating thereto is made, against Executive with respect to which indemnity may be sought against the Company pursuant to this Section, Executive shall notify the Company in writing thereof, and the Company shall have the right to participate in, and to the extent that it shall wish, in its discretion, assume and control the defense thereof, with counsel satisfactory to Executive.

12. **Executive's Representations and Warranties.** Executive represents and warrants that he is free to enter into this Agreement and, as of the Effective Date, that he is not subject to any conflicting obligation or any disability which shall prevent or hinder Executive's execution of this Agreement or the performance of his obligations hereunder; that no lawsuits or claims are pending or, to Executive's knowledge, threatened against Executive; and that he has never been subject to bankruptcy, insolvency, or similar proceedings, has never been convicted of a felony or a crime involving moral turpitude, and has never been subject to an investigation or proceeding by or before the Securities and Exchange Commission or any state securities commission. The Company shall have the authority to conduct an independent investigation into the background of Executive and Executive agrees to fully cooperate in any such investigation. The Company shall notify Executive if it intends to conduct such an investigation.

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

(a) if to the Company, to:

Gaylord Entertainment Company
One Gaylord Drive
Nashville, Tennessee 37214
Attention: President
Facsimile Number: (615) 316-6010

(b) if to Executive, to:

Bennett Westbrook
c/o Gaylord Entertainment Company
One Gaylord Drive
Nashville, TN 37214

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

14. Miscellaneous.

(a) Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supercedes and replaces in its entirety Executive's July 15, 2003 employment agreement with the Company. This Agreement may not be modified, amended, or terminated except by a written agreement signed by all of the parties hereto. Nothing contained in this Agreement shall be construed to impose any obligation on the Company to renew this Agreement and neither the continuation of employment nor any other conduct shall be deemed to imply a continuing obligation upon the expiration of this Agreement.

(b) Assignment; Binding Effect. This Agreement shall not be assignable by Executive, but it shall be binding upon, and shall inure to the benefit of, his heirs, executors, administrators, and legal representatives. This Agreement shall be binding upon the Company and inure to the benefit of the Company and its respective successors and permitted assigns. This Agreement may only be assigned by the Company to an entity controlling, controlled by, or under common control with the Company; provided, however, that no such assignment shall relieve the Company of any of its obligations hereunder.

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

(d) Enforceability. Subject to the terms of Section 9(e) hereof, if any provision of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render invalid or unenforceable any other severable provision of this Agreement, and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained herein, unless the invalidity or unenforceability of such provision substantially impairs the benefits of the remaining portions of this Agreement.

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

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

(g) Confidentiality of Agreement. The parties agree that the terms of this Agreement as they relate to compensation, benefits, and termination shall, unless otherwise

required by law (including, in the Company's reasonable judgment, as required by federal and state securities laws), be kept confidential; provided, however, that any party hereto shall be permitted to disclose this Agreement or the terms hereof with any of its legal, accounting, or financial advisors provided that such party ensures that the recipient shall comply with the provisions of this Section 14(g).

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

(i) No Third Party Beneficiary. This Agreement shall not confer any rights or remedies upon any person or entity other than the parties hereto and their respective successors and permitted assigns.

(j) Arbitration. Any controversy or claim between or among the parties hereto, including but not limited to those arising out of or relating to this Agreement or any related agreements or instruments, including any claim based on or arising from an alleged tort, shall be determined by binding arbitration in accordance with the Federal Arbitration Act (or if not applicable, the law of the state of Tennessee), the Commercial Arbitration Rules of the American Arbitration Association in effect as of the date hereof, and the provisions set forth below. In the event of any inconsistency, the provisions herein shall control. Judgment upon any arbitration award may be entered in any court having jurisdiction. Any party to the Agreement may bring an action, including a summary or expedited proceeding, to compel arbitration of any controversy or claim to which this Agreement applies in any court having jurisdiction over such action; provided, however, that all arbitration proceedings shall take place in Nashville, Tennessee. The arbitration body shall set forth its findings of fact and conclusions of law with citations to the evidence presented and the applicable law, and shall render an award based thereon. In making its determinations and award(s), the arbitration body shall base its award on applicable law and precedent, and shall not entertain arguments regarding punitive damages, nor shall the arbitration body award punitive damages to any person. If Executive is entitled to any award pursuant to the determination reached in the arbitration that is greater than that proposed by the Company, he or she shall be entitled to payment by the Company of all attorneys' fees, costs (including expenses of arbitration), and other out-of-pocket expenses incurred in connection with the arbitration.

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

GAYLORD ENTERTAINMENT COMPANY

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

EXECUTIVE:

/s/ Bennett Westbrook

Ryman Hospitality Properties, Inc. (the “Company”)

Summary of Director and Executive Officer Compensation

- I. Director Compensation.** Directors who are employees of the Company do not receive additional compensation for serving as directors of the Company. The following table sets forth current rates of cash compensation for the Company’s non-employee directors.

<u>Retainer</u>	<u>2015</u>
Board retainer	\$60,000
Lead Non-Management Director retainer	\$20,000
Audit chair retainer	\$20,000
Human Resources/Nominating and Corporate Governance chair retainer	\$15,000
Human Resources/Nominating and Corporate Governance member retainer	\$ 7,500
Audit member retainer	\$10,000

Non-employee directors may elect payment in cash or may defer this portion of their compensation and receive restricted stock units pursuant to the Company’s Amended and Restated 2006 Omnibus Incentive Plan with a value equal to the fees, based on the fair market value of the Company’s common stock on the date of issuance. Such restricted stock units will be deferred until a specified date or the end of the director’s service on the Board of Directors. All directors are reimbursed for expenses incurred in attending meetings.

In addition, as of the date of our board meeting following our annual meeting of stockholders, each non-employee director will receive an annual grant of restricted stock units having a dollar value of \$75,000, based on the fair market value of the Company’s common stock on the date of grant. The restricted stock units vest fully on the first anniversary of the date of grant, pursuant to the Company’s Amended and Restated 2006 Omnibus Incentive Plan, unless deferred by the director until either a specified date or the end of the director’s service on the Board of Directors. Directors will not receive fees for attending meetings.

- II. Compensation of Named Executive Officers.** The following table sets forth the 2015 annual base salaries and the fiscal 2014 performance bonuses provided to the Company’s Chief Executive Officer, the Company’s Chief Financial Officer and the three other most highly compensated executive officers to be named in the Company’s proxy statement to be filed in connection with the 2015 annual meeting of stockholders (the “Named Executive Officers”).

	<u>2015 Salary</u>	<u>Fiscal 2014 Bonus Amount</u>
Colin V. Reed	\$ 800,000	\$ 2,137,932
Mark Fioravanti	\$ 475,000	\$ 869,771
Bennett Westbrook	\$ 320,433	\$ 464,594
Patrick Chaffin	\$ 280,000	\$ 400,000
Scott Lynn	\$ 270,000	\$ 370,000

The above-described fiscal 2014 Bonus Amounts were paid pursuant to the Company’s cash bonus program under the Company’s Amended and Restated 2006 Omnibus Incentive Plan. In addition, certain performance-based restricted stock unit awards under the Company’s Amended and Restated 2006 Omnibus Incentive Plan with respect to performance periods ended December 31, 2014 vested, as reflected in Form 4 filings made with the SEC.

The following table sets forth the fiscal 2015 bonus targets as a percentage of 2015 base salary set for the Named Executive Officers:

	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>
Colin V. Reed	75%	150%	300%
Mark Fioravanti	50%	100%	200%
Bennett Westbrook	37.5%	75%	150%
Patrick Chaffin	37.5%	75%	150%
Scott Lynn	37.5%	75%	150%

The fiscal 2015 bonuses will be determined based upon the achievement of certain goals and Company performance criteria, and if earned, will be paid pursuant to the Company's cash bonus program under the Company's Amended and Restated 2006 Omnibus Incentive Plan.

The Named Executive Officers also receive long-term incentive awards, as discussed below, pursuant to the Company's stockholder-approved equity incentive plans.

On February 24, 2015, the Named Executive Officers were granted the following awards of time-based vesting restricted stock units (vesting ratably over four years beginning on March 15, 2016) and the following awards of performance-vesting restricted stock units for the 2015-2017 performance period (of which up to 150% will vest on March 15, 2018 based on the achievement of designated financial goals), pursuant to the Company's Amended and Restated 2006 Omnibus Incentive Plan.

	Time-Based RSUs	Performance-Based RSUs
Colin V. Reed	17,989	17,059
Mark Fioravanti	6,409	6,077
Bennett Westbrook	2,822	2,733
Patrick Chaffin	4,407	1,791
Scott Lynn	4,249	1,727

- III. Additional Information.** The foregoing information is summary in nature. Additional information regarding the compensation of directors and named executive officers may be provided in the Company's filings with the SEC, including the proxy statement to be filed in connection with the 2015 annual meeting of stockholders.

SUBSIDIARIES OF THE COMPANY

<u>Subsidiary Name</u>	<u>Jurisdiction of Organization</u>
300 Broadway, LLC	Delaware
Attractions IP, LLC	Delaware
Country Music Television International, LLC	Delaware
GN Bond Holdings, LLC	Delaware
GPSI, Inc.	Delaware
Grand Ole Opry, LLC	Delaware
Grand Ole Opry IP, LLC	Delaware
RHP Corporate Properties, LLC	Delaware
RHP Creative Group, Inc.	Delaware
RHP Finance Corporation	Delaware
RHP Hotel Operations HoldCo, LLC	Delaware
RHP Hotel Properties, LP	Delaware
RHP Hotels, LLC	Delaware
RHP Investments, Inc.	Delaware
RHP Operations and Attractions Holdings, LLC	Delaware
RHP Operations DC, LLC	Delaware
RHP Operations GP, LLC	Delaware
RHP Operations GT, LLC	Delaware
RHP Operations Inn at Opryland, LLC	Delaware
RHP Operations NH, LLC	Delaware
RHP Operations OH, LLC	Delaware
RHP Partner, LLC	Delaware
RHP Property DC, LLC	Delaware
RHP Property GP, LP	Florida
RHP Property GT, LP	Delaware
RHP Property GT, LLC	Delaware
RHP Property NH, LLC	Maryland
RHP Sub Holdings, LLC	Delaware
OLH,GP	Tennessee
OLH Holdings, LLC	Delaware
Opryland Attractions, LLC	Delaware
Opryland Hospitality, LLC	Tennessee
Springhouse Golf, LLC	Delaware
Wildhorse Saloon Entertainment Ventures, LLC	Tennessee

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-183105) of Ryman Hospitality Properties, Inc.;
- (2) Registration Statement (Form S-8 No. 333-136494) pertaining to the Gaylord Entertainment Company 2006 Omnibus Incentive Plan;
- (3) Registration Statement (Form S-8 No. 333-174070) pertaining to the Gaylord Entertainment Company Amended and Restated 2006 Omnibus Incentive Plan;
- (4) Registration Statement (Form S-8 No. 333-37051) pertaining to the Amended and Restated Gaylord Entertainment Company 401(K) Savings Plan;
- (5) Registration Statement (Form S-8 No. 333-37053) pertaining to the Gaylord Entertainment Company 1997 Stock Option and Incentive Plan;
- (6) Registration Statement (Form S-8 No. 333-31254) pertaining to the Amended and Restated Gaylord Entertainment Company 1997 Stock Option and Incentive Plan;
- (7) Registration Statement (Form S-8 No. 333-40676) pertaining to the Gaylord Entertainment Company 1997 Omnibus Stock Option and Incentive Plan;

of our reports dated February 26, 2015 with respect to the consolidated financial statements and schedule of Ryman Hospitality Properties, Inc. and subsidiaries and the effectiveness of internal control over financial reporting of Ryman Hospitality Properties, Inc. and subsidiaries, included in this Annual Report (Form 10-K) for the year ended December 31, 2014.

/s/ Ernst & Young LLP

Nashville, Tennessee
February 26, 2015

CERTIFICATION

I, Colin V. Reed, certify that:

1. I have reviewed this annual report on Form 10-K of Ryman Hospitality Properties, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2015

By: /s/ Colin V. Reed

Colin V. Reed
Chairman of the Board of Directors,
Chief Executive Officer and President

CERTIFICATION

I, Mark Fioravanti, certify that:

1. I have reviewed this annual report on Form 10-K of Ryman Hospitality Properties, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2015

By: /s/ Mark Fioravanti

Mark Fioravanti

Executive Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Ryman Hospitality Properties, Inc. (the "Company") on Form 10-K for the period ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Colin V. Reed, Chairman of the Board of Directors and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Colin V. Reed

Colin V. Reed
Chairman of the Board of Directors, Chief Executive Officer
and President
February 26, 2015

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Ryman Hospitality Properties, Inc. (the "Company") on Form 10-K for the period ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Fioravanti, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark Fioravanti

Mark Fioravanti
Executive Vice President and Chief Financial Officer
February 26, 2015

A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

