GAYLORD ENTERTAINMENT CO /DE
Form 10-K
February 26, 2010

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2009

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

For the transition period from to

Commission File No. 1-13079
GAYLORD ENTERTAINMENT COMPANY
(Exact name of Registrant as Specified in its Charter)

Delaware	**73-0664379**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
One Gaylord Drive, Nashville, Tennessee	**37214**
(Address of Principal Executive Offices)	*(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	**New York Stock Exchange**
Preferred Stock Purchase Rights	**New York Stock Exchange**
(Title of Class)	*(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. o Yes þ 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. o Yes þ 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. þ Yes o 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). o Yes o 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. þ

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.

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
o Yes þ 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 as of June 30, 2009 was approximately $358,841,112 (assuming solely 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 29, 2010, there were 46,990,328 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant s definitive Proxy Statement for the 2010 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.

GAYLORD ENTERTAINMENT COMPANY
2009 FORM 10-K ANNUAL REPORT
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PART I

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

Item 1. *Business*

We believe that we are the only hospitality company whose stated primary focus is on the large group meetings and conventions sector of the lodging market. Our hospitality business includes our Gaylord branded hotels, consisting 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), which opened in April 2008. We also own and operate the Radisson Hotel at Opryland in Nashville, Tennessee.

Driven by our All-in-One-Place strategy, our award-winning Gaylord branded hotels incorporate not only high quality lodging, but also significant meeting, convention and exhibition space, superb food and beverage options and retail and spa facilities within a single self-contained property. As a result, our properties provide a convenient and entertaining environment for our convention guests. In addition, our custom-tailored, all-inclusive solutions cater to the unique needs of meeting planners.

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

We were originally incorporated in 1956 and were reorganized in connection with a 1997 corporate restructuring.

Our operations are organized into three principal business segments: (i) Hospitality, which includes our hotel operations; (ii) Opry and Attractions, which includes our Grand Ole Opry assets, our Corporate Magic event planning business, WSM-AM and our Nashville attractions; and (iii) Corporate and Other, which includes corporate expenses and, prior to May 31, 2007, our ownership interests in certain entities. These three business segments Hospitality, Opry and Attractions, and Corporate and Other represented approximately 92.6%, 7.4%, and 0.0%, respectively, of total revenues for 2009. Prior to May 31, 2007, our operations also included our ResortQuest business, described more fully below, which we now classify as discontinued operations.

Financial information by industry segment and for each of our Gaylord hotel properties as of December 31, 2009 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 18) to our consolidated financial statements included in this Annual Report on Form 10-K.

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Strategy

Our goal is to become the nation s premier hotel brand serving the meetings and conventions sector and to enhance our business by offering vacation and entertainment opportunities to our guests and target consumers. Our Gaylord branded hotels focus on the large group meetings market in the United States. Our properties and services are designed to appeal to meeting planners who arrange these large group meetings.

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

Create Customer Rotation Between Our Hotels. In order to further capitalize on our success in Nashville, we opened our Gaylord Palms hotel in January 2002, our Gaylord Texan hotel in April 2004 and our Gaylord National hotel in April 2008. As further described in the Future Development section below, we have also entered into a land purchase agreement with respect to a potential hotel development in Mesa, Arizona. We have focused the efforts of our sales force to capitalize on our expansion over the last eight years and the desires of some of our large group meeting clients to meet in different areas of the country each year and to establish relationships with new customers as we increase our geographic reach. We believe there is a significant opportunity to establish strong relationships with new customers and rotate them among our properties.

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, television and performances by the Grand Ole Opry s members, many of whom are renowned country music artists, and we believe that significant growth opportunities exist through leveraging and extending the Grand Ole Opry brand into other products and markets. As such, we have alliances in place with multiple distribution partners in an effort to foster brand extension. We are 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.

Industry Description

According to the biennial 2008 Meetings Market Report published by *Meetings and Conventions* magazine*,* the large group meetings market annually generates approximately $104 billion of revenues for the companies that provide services to it. *Tradeshow Week* Custom Research estimates that the convention hotel industry generates approximately $17.8 billion of these revenues. These revenues include event producer total gross sales (which include exhibitor and sponsor expenditures) and attendee economic impact (which includes spending on lodging, meals, entertainment and in-city transportation), not all of which we capture. The convention hotels that attract these group meetings typically have more than 1,200 guest rooms and, on average, contain approximately 125,000 square feet of exhibit space and approximately 45 meeting rooms.

According to the biennial 2008 Meetings Market Report published by *Meetings & Conventions* magazine, the group meetings market is comprised of approximately 1.3 million events annually, of which approximately 80% are corporate meetings and approximately 20% are association meetings or conventions. Nearly half of the venues hosting these events contain less than 150,000 square feet of exhibit or meeting space, with only approximately 10% containing over 500,000 square feet. Examples of industries participating in these meetings include health care, home furnishings, computers, sporting goods and recreation, education, building and construction, industrial, agriculture, food and beverage, boats and automotive. Conventions and association-sponsored events, which draw a large number of attendees requiring extensive meeting space and room availability, account for over half of total group spending and economic impact. Because associations and trade shows generally select their sites 2 to 6 years in advance, thereby increasing earnings visibility, and our group customers enter into contracts that provide for minimum spending on stays and cancellation and attrition fees, we believe the convention hotel segment of the lodging industry is more predictable than the general lodging industry.

We believe that a number of factors contribute to the success of a convention center hotel, including the following: the availability of sufficient meeting and exhibit space to satisfy large group users; the availability of rooms at competitive prices; access to quality entertainment and food and beverage venues; destination appeal; appropriate regional professional and consumer demographics; adequate loading docks, storage facilities and security; ease of site access via air and ground transportation; and the quality of service

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provided by hotel staff and event coordinators. The ability to offer as many as possible of these elements within close proximity of each other is important in order to reduce the organizational and logistical planning efforts of the meeting planner. The meeting planner, who acts as an intermediary between the hotel event coordinator and the group scheduling the event, is typically a convention hotel s direct customer. Effective interaction and coordination with meeting planners is key to booking events and generating repeat customers.

Based on our information and information obtained from the *Tradeshow Week Major Exhibit Hall Directory 2009*, the largest hotel exhibit halls (ranked by total square feet of total exhibit and meeting space) are as follows:

Facility	Location	Total Exhibit Space (sq. ft.)	Meeting Rooms	Total Meeting Space (sq. ft.)	Total Exhibit and Meeting Space (sq. ft.)
Las Vegas Sands MEGACENTER	Las Vegas, NV	1,125,600	293	400,378	1,525,978
Mandalay Bay Resort & Casino	Las Vegas, NV	934,731	121	360,924	1,295,655
MGM Grand Hotel & Casino	Las Vegas, NV	320,000	75	600,000	600,000*
Gaylord Opryland Resort & Convention Center	Nashville, TN	263,772	111	325,000	588,772
Gaylord National Resort & Convention Center	National Harbor, MD	180,000	82	470,000	470,000*
Orlando World Center Marriott	Orlando, FL	450,000	73	450,000	450,000*
Rosen Shingle Creek	Orlando, FL	445,000	99	445,000	445,000*
Gaylord Texan Resort & Convention Center	Grapevine, TX	400,000	70	400,000	400,000*
Gaylord Palms Resort & Convention Center	Kissimmee, FL	400,000	76	200,000	400,000*
Hilton Anatole Hotel	Dallas, TX	231,103	77	344,638	344,638*
Walt Disney World Swan and Dolphin Resort	Lake Buena Vista, FL	329,000	84	248,655	329,000*
Caesars Palace	Las Vegas, NV	300,000	110	300,000	300,000*
Grand Sierra Resort & Casino	Reno, NV	190,000	40	110,000	300,000
The Westin Diplomat Resort & Spa	Hollywood, FL	209,000	39	60,000	269,000
Sheraton Dallas	Dallas, TX	230,000	67	99,000	230,000*
Disney s Coronado Springs Resort	Lake Buena Vista, FL	220,000	45	220,000	220,000*

* Exhibit Space square footage is also included in the calculation of Meeting Space square footage.

Gaylord Hotels Strategic Plan

Our goal is to become the nation s premier brand in the meetings and convention sector. To accomplish this, our business strategy is to develop resorts and convention centers in desirable event destinations that are designed based in large part on the needs of meeting planners and attendees. Using the slogan All-in-One-Place, our hotels incorporate meeting, convention and exhibition space with a large hotel property so the attendees never have to leave the location during their meetings. This concept of a self-contained destination dedicated primarily to the meetings industry has placed Gaylord Opryland, as well as our more recently opened Gaylord hotels, among the leading convention hotels in the country. In addition to operating Gaylord Opryland, we opened the Gaylord Palms in January 2002, the Gaylord Texan in April 2004 and the Gaylord National in April 2008. We believe that our other hotels will enable us to capture additional convention business from groups that currently utilize one of our hotels but must rotate their meetings to other locations due to their attendees desires to visit different areas.

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 (Gaylord s 18-hole championship golf course), and other attractions in the Nashville area. Gaylord Opryland has 2,881 signature guest rooms,

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four ballrooms with approximately 127,000 square feet, 111 banquet/meeting rooms, and total meeting, exhibit and pre-function space of approximately 600,000 square feet. Gaylord Opryland has been recognized by many industry and commercial publications, receiving *Successful Meetings* magazine s Pinnacle Award in 2007 and 2008, as well as *Meeting & Convention s* Gold Key and Gold Platter Awards for 2007, 2008 and 2009.

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 and 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. Hotel guests also have golf privileges at the world class Falcon s Fire Golf Club, located a half-mile from the property. The Gaylord Palms is rated as a AAA Four-Diamond Hotel and has been recognized by many publications, receiving *Successful Meetings* magazine s Pinnacle Award in 2007, 2008 and 2009 and *Meeting and Convention s* Gold Key and Gold Platter Awards for 2007, 2008 and 2009.

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. The hotel features a lavish and expansive atrium, 1,511 signature guest rooms, 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. The Gaylord Texan is rated as a AAA Four-Diamond Hotel and it received *Successful Meetings* magazine s Pinnacle Award in 2008 and *Meeting and Convention s* Gold Key Award in 2007, 2008 and 2009.

Gaylord National Resort and Convention Center Prince George s County, Maryland. Gaylord National opened in April 2008 and 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 in 2009 it received *Meeting and Convention s* Gold Key Award.

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

Future Development. On September 3, 2008, we announced that we entered into a land purchase agreement with DMB Mesa Proving Grounds LLC, an affiliate of DMB Associates, Inc. (DMB), to create a resort and convention hotel at the Mesa Proving Grounds in Mesa, Arizona, which is located approximately 30 miles from downtown Phoenix. The DMB development is planned to host an urban environment that features a Gaylord resort property, a retail development, a golf course, office space, residential offerings and significant other mixed-use components. Gaylord s purchase agreement includes the purchase of 100 acres of real estate within the 3,200-acre Mesa Proving Grounds. The Gaylord project is contingent on the finalization of entitlements and incentives and final approval by Gaylord s Board of Directors. We made an initial deposit of a portion of the land purchase price upon execution of the agreement with DMB, and additional deposit amounts are due upon the occurrence of various development milestones, including required governmental approvals of the entitlements and incentives. These deposits are refundable to us upon a termination of the agreement with DMB during a specified due diligence period, except in the event of a breach of the agreement by us. The timing of this development is uncertain, and we have not made any financing plans or, except as described above, made any commitments in connection with the proposed development.

We are also considering expansions at Gaylord Opryland, Gaylord Texan, and Gaylord Palms, as well as other potential hotel sites throughout the country. We have made no commitments to construct expansions of our current facilities or to build new facilities. We are monitoring closely the condition of the economy and availability of attractive financing. We are unable to predict at this time when we might make such commitments or commence construction of these proposed expansion projects.

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Opry and Attractions

The Grand Ole Opry. The Grand Ole Opry, which celebrated its 84^{th} anniversary in 2009, 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 XM Radio and streamed on the Internet. The Grand Ole Opry is also broadcast on television via the Great American Country network and CMT-Canada. 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 2009 to January 2010. The Ryman Auditorium has been nominated for Theatre of the Year by Pollstar Concert Industry Awards from 2003 to 2009, winning the award in 2003 and 2004, and was named the 2009 Venue of the Year by the Academy of Country Music.

The General Jackson Showboat. We operate the General Jackson Showboat, a 300-foot, four-deck paddle wheel showboat, on the Cumberland River, which flows past the Gaylord Opryland complex in Nashville. Its Victorian Theatre can seat 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 Gaylord makes 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.

Gaylord Springs Golf Links. Home to a Senior PGA Tour event from 1994 to 2003 and minutes from Gaylord Opryland, the Gaylord Springs Golf Links was designed by former U.S. Open and PGA Champion Larry Nelson. The 40,000 square-foot antebellum-style clubhouse offers meeting space for up to 500 guests.

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

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

WSM-AM. WSM-AM commenced broadcasting in 1925. The involvement of Gaylord s predecessors with country music dates back to the creation of the radio program that became The Grand Ole Opry, which has been broadcast live on WSM-AM since 1925. WSM-AM is broadcast from the Gaylord Opryland complex in Nashville and has a country music format. WSM-AM is one of the nation s clear channel stations, meaning that no other station in a 750-mile radius uses the same frequency for 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

Corporate and Other includes operating and selling, general and administrative expenses related to the overall management of the Company which are not allocated to the other reportable segments, including costs for the Company s retirement plans, equity-based compensation plans, information technology, human resources, accounting, and other administrative expenses, and formerly included our ownership interests in the below investments.

Bass Pro. On May 31, 2007, we completed the sale of all of our interest in Bass Pro Group, LLC (consisting of 43,333 common units) for a purchase price of $222.0 million. Our Chief Executive Officer formerly served as a member of the board of managers of Bass Pro Group, LLC but resigned upon consummation of the sale. See Non-Operating Results Affecting Net (Loss) Income Income from Unconsolidated Companies under Item 7, Management s Discussion and Analysis of Financial Condition and Result of

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Operations, below for a discussion of the results of our investment in Bass Pro Group, LLC prior to the date of disposal. See Non-Operating Results Affecting Net Income (Loss) Other Gains and (Losses) under Item 7, Management s Discussion and Analysis of Financial Condition and Result of Operations, below for a discussion of the recognized gain on the sale of our interest in Bass Pro Group, LLC.

Viacom and CBS. In May 2007 we fulfilled our obligations under a secured forward exchange contract related to our investment in approximately 5.5 million shares of Viacom, Inc. Class B common stock (Viacom Stock) and 5.5 million shares of CBS Corporation Class B Common Stock (CBS Stock), which were received as the result of the sale of television station KTVT to CBS in 1999, the subsequent acquisition of CBS by Viacom in 2000, and the subsequent conversion of each outstanding share of Viacom Class B common stock into 0.5 shares of CBS Stock and 0.5 shares of Viacom Stock in 2006. The secured forward exchange contract, which we entered into in 2000, was designed to protect us against decreases in the combined fair market value of the Viacom Stock and CBS Stock, while providing for participation in increases in the combined fair market value. As a result of the settlement, we surrendered all of our shares of Viacom Stock and CBS Stock to an affiliate of Credit Suisse First Boston (Credit Suisse) in full satisfaction of all obligations under the secured forward exchange contract.

Nashville Predators. On February 22, 2005, we concluded the settlement of litigation with the Nashville Hockey Club Limited Partnership (NHC), which owned the Nashville Predators NHL hockey team, over (i) NHC s obligation to redeem our ownership interest, and (ii) our obligations under the Nashville Arena Naming Rights Agreement dated November 24, 1999. Under the Naming Rights Agreement, which had an original 20-year term, we were required to make annual payments to NHC, beginning at $2,050,000 in 1999 and with a 5% escalation each year thereafter, and to purchase a minimum number of tickets to Predators games each year. At the closing of the settlement, NHC redeemed all of our outstanding limited partnership units in the Predators pursuant to a Purchase Agreement dated February 22, 2005, effectively terminating our ownership interest in the Predators. In addition, the Naming Rights Agreement was cancelled. As a part of the settlement, we made a one-time cash payment to NHC of $4 million and issued to NHC a 5-year, $5 million promissory note bearing interest at 6% per annum. The note is payable at $1 million per year for 5 years and has an outstanding balance of $1 million, with the final payment due on October 5, 2010. Our obligation to pay the outstanding amount under the note shall terminate immediately if, at any time before the note is paid in full, the Predators cease to be an NHL team playing its home games in Nashville, Tennessee.

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

Employees

As of December 31, 2009, we had approximately 6,303 full-time and 3,004 part-time and temporary employees. Of these, approximately 5,670 full-time and 2,426 part-time employees were employed in Hospitality; approximately 333 full-time and 571 part-time employees were employed in Opry and Attractions; and approximately 300 full-time and 7 part-time employees were employed in Corporate and Other. We believe our relations with our employees are good.

As of December 31, 2009, approximately 1,365 employees at Gaylord National were represented by labor unions, and, as of February 26, 2010, collective bargaining agreements had been negotiated with the four unions representing these employees.

Competition

Hospitality

The Gaylord 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. Many of these hotels are operated by companies with greater financial, marketing and human resources than the Company. We believe that competition among convention hotels is based on, among other things: (i) the hotel s reputation, (ii) the quality of the hotel s facility, (iii) the quality and scope of a hotel s meeting and convention facilities and services, (iv) the desirability of a hotel s location, (v) travel distance to a hotel for meeting attendees, (vi) a hotel facility s accessibility to a recognized airport, (vii) the amount of entertainment and recreational options available in and in the vicinity of the hotel, (viii) service levels at the hotel, and (ix) price. Our hotels also compete against municipal convention centers. These include the largest convention centers (e.g., Orlando, Chicago and

Atlanta) as well as, for Gaylord Opryland, mid-size convention centers (between 100,000 and 500,000 square feet of meeting space located in second-tier cities).

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

Opry and Attractions

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

Seasonality

Portions of our business are seasonal in nature. Our group convention business is subject to reduced levels of demand during the year-end holiday periods. Although we typically attempt to attract general tourism guests by offering special events and attractions during these periods, there can be no assurance that our hotels can successfully operate such events and attractions or that we will attract enough general tourism guests during this period to offset the decreased group convention business.

Regulation and Legislation

Hospitality

Our hotels 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 we are in substantial compliance with such regulations. In addition, the sale of alcoholic beverages by a hotel requires a license and is subject to regulation by the applicable state and local authorities. The agencies involved have the power to limit, condition, suspend or revoke any such license, and any disciplinary action or revocation could have an adverse effect upon the results of operations of our Hospitality segment.

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 the FCC regulations or other violations which constitute a pattern of abuse. 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.

Additional Information

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

Executive Officers of the Registrant

The following table sets forth certain information regarding the executive officers of the Company as of December 31, 2009. 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).

NAME	AGE	POSITION
Colin V. Reed	62	Chairman of the Board of Directors and Chief Executive Officer
David C. Kloeppel	40	President and Chief Operating Officer
Carter R. Todd	52	Executive Vice President, General Counsel and Secretary
Mark Fioravanti	48	Senior Vice President and Chief Financial Officer
Rod Connor	57	Senior Vice President and Chief Administrative Officer
Richard A. Maradik	41	Senior Vice President and Chief Marketing Officer

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, 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. 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. As part of his duties at Harrah s, Mr. Reed served as a director and Chairman of the Board of JCC Holding Company, an entity in which Harrah s held a minority interest. On January 4, 2001, JCC Holding Company filed a petition for reorganization relief under Chapter 11 of the United States Bankruptcy Code. Mr. Reed is a director of First Horizon National Corporation.

David C. Kloeppel is the Company s President and Chief Operating Officer. Prior to June 2009, Mr. Kloeppel served as President and Chief Financial Officer of the Company and prior to November 2008, he served as Executive Vice President and Chief Financial Officer of the Company. Prior to joining the Company in September of 2001, Mr. Kloeppel worked in the Mergers and Acquisitions Department at Deutsche Bank in New York, where he was responsible for that department s activities in the lodging, leisure and real estate sectors. Mr. Kloeppel earned an MBA from Vanderbilt University s Owen Graduate School of Management, graduating with highest honors. He received his bachelor of science degree from Vanderbilt University, majoring in economics.

Carter R. Todd is the Company s Executive Vice President, General Counsel and Secretary. Prior to November 2008, Mr. Todd served as Senior Vice President, General Counsel and Secretary since he joined Gaylord Entertainment Company in July 2001. Prior to that time, he was a Corporate and Securities partner in the Nashville office of the regional law firm Baker, Donelson, Bearman & Caldwell. Mr. Todd has practiced law in Nashville since 1982 and is a graduate of Vanderbilt University School of Law and Davidson College.

Mark Fioravanti is Senior 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 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.

Rod Connor is the Senior Vice President and Chief Administrative Officer of the Company, a position he has held since September 2003. From January 2002 to September 2003, he was Senior Vice President of Risk Management and Administration. From December 1997 to January 2002, Mr. Connor was Senior Vice President and Chief Administrative Officer. From February 1995 to December 1997, he was the Vice President and Corporate Controller of the Company. Mr. Connor has been an employee of the Company for over 37 years. Mr. Connor, who is a certified public accountant, has a B.S. degree in accounting from the University of Tennessee.

Richard A. Maradik is the Senior Vice President and Chief Marketing Officer of the Company, a position he has held since November 2008. From February 2006, when he joined the Company, until November 2008, Mr. Maradik was the Company s Senior Vice President and Chief Information Officer. Previously, Mr. Maradik worked for Acxiom Corporation, overseeing the 2005 integration of SmartDM, Inc., a company which Mr. Maradik co-founded in 1995 and for which he served as chief executive officer. Mr. Maradik earned his Bachelor of Arts degree in English from Vanderbilt University in 1991.

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.

The current slowdown in the lodging industry and the economy generally will continue to impact our financial results and growth.

In 2010, our operations, financial results and growth are expected to be adversely affected by general economic conditions, weak hospitality demand and constraints on availability of financing. Recessionary conditions in the national economy have resulted in economic pressures on the hospitality industry generally, and on our operations and expansion plans. We have experienced declines in hotel occupancy, weakness in future bookings by our core large group customers, lower spending levels by groups, increased cancellation levels and increased attrition levels, which represents groups not fulfilling the minimum number of room nights originally contracted for. We believe corporate customers in particular continue to delay meetings and events and are seeking to minimize spending. While we have re-focused our marketing efforts on booking rooms in 2010, in addition to later years, there can be no assurance that we can achieve acceptable occupancy and revenue levels during continued periods of economic distress, in light of decreased demand. We believe that our contracts with our group customers (which generally require minimum levels of rooms revenue and banquet and catering revenues) provide a level of protection against the effects of these increased levels of attrition. There can be no assurance, however, that we will succeed in contracting for and collecting attrition and cancellation fees. In addition, our cost containment efforts at the property and corporate levels may not be successful. In particular, many of our expenses are relatively fixed (such as personnel costs, interest, rent, property taxes, insurance and utilities) and we may be unable to reduce these costs significantly or rapidly when demand for our hotel and convention business decreases. Further, we are reducing capital expenditure commitments and are delaying decisions on our proposed expansions, which will delay our future growth. We cannot predict when or if hospitality demand and spending will return to favorable levels, but we anticipate that our future financial results and growth will be further harmed if the economic recession continues for a significant period or becomes worse.

Our hotel and convention business is subject to significant market risks.

Our ability to continue to successfully operate our hotel and convention business is subject to factors beyond our control which could reduce the revenue and operating income of these properties. These factors include:

- the desirability and perceived attractiveness of the Nashville, Tennessee; 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 are affecting our hotels;
- our ability to continue to attract group convention business, which continues to be weaker than historical levels;
- our 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 our group convention business at our existing hotel properties;

the highly competitive nature of the hotel, tourism and convention businesses in which the Gaylord Opryland, the Gaylord Palms, the Gaylord Texan and the Gaylord National operate;

the susceptibility of our group convention business to reduced levels of demand during the year-end holiday periods, which we 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 hotels involved in labor negotiations and loss of group business.

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

Our business strategy focuses on the development of resort and convention center hotels in selected locations in the United States and on our attractions properties, including the Grand Ole Opry, which are focused primarily on the country music genre. The success of our future operating results depends on our ability to implement our business strategy by successfully operating the Gaylord Opryland, the Gaylord Palms, the Gaylord Texan and the Gaylord National, and by further utilizing our attractions assets. Our ability to do this depends upon many factors, some of which are beyond our control.

These include:

- our ability to generate cash flows from existing operations;
- our ability to hire and retain hotel management, catering and convention-related staff for our hotels;
- our ability to capitalize on the strong brand recognition of certain of our Opry and Attractions assets; and
- the continued popularity and demand for country music.

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

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

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

Our hotel developments, including our potential project in Mesa, Arizona, are subject to financing, timing, budgeting and other risks.

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

- construction delays or cost overruns that may increase project costs;
- construction defects or noncompliance with construction specifications;
- receipt of zoning, occupancy and other required governmental permits and authorizations;
- other risks of construction described below;
- development costs incurred for projects that are not pursued to completion;

so-called acts of God such as earthquakes, hurricanes, floods or fires that could delay the development of a project;

risks associated with joint ventures or alliances or other potential transaction structures we may enter into in connection with development projects;

- the availability and cost of capital, which is expected to be unfavorable until general economic conditions improve in the U.S.; and

- governmental restrictions on the nature or size of a project or timing of completion.

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

There are significant risks associated with our future construction projects, which could adversely affect our financial condition, results of operations or cash flows from these planned projects.

Our future construction projects, including our planned project in Mesa, Arizona, as well as the possible expansions of the Gaylord Opryland, Gaylord Palms, and Gaylord Texan, entail significant risks. Construction activity requires us to obtain qualified contractors and subcontractors, the availability of which may be uncertain. Construction projects are subject to cost overruns and delays caused by events outside of our control, such as shortages of materials or skilled labor, unforeseen engineering, environmental and/or geological problems, work stoppages, weather interference, unanticipated cost increases and unavailability of construction materials or equipment. Construction, equipment or staffing problems or difficulties in obtaining any of the requisite materials, licenses, permits, allocations and authorizations from governmental or regulatory authorities, construction defects or non-compliance with construction specification, could increase the total cost, delay, jeopardize or prevent the construction or opening of such projects or otherwise affect the design and features of Gaylord Opryland, Gaylord Palms, and Gaylord Texan or other projects. In addition, we will be required to obtain financing for development projects and to use cash flow from operations for development and construction. We may seek additional debt or equity financing for development and construction projects, and we may enter into joint ventures or alliances with one or more third parties. We have no financing plans for projects, and we do not know if any needed financing will be available on favorable terms.

We may be unable to successfully complete acquisitions.

As part of our growth strategy, we may attempt to acquire other convention hotels or otherwise engage in acquisitions, either alone or through joint ventures or alliances with one or more third parties. We may be unable to find or consummate 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. We continue to evaluate potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope. Acquisitions involve a number of special risks and factors, including:

- the possible diversion of our management s attention from other business concerns;

- the potential inability to successfully pursue some or all of the anticipated revenue opportunities associated with the acquisitions;

- the possible loss of the acquired business s key employees;

- the potential inability to achieve expected operating efficiencies in the acquired business s operations;

- the increased complexity and diversity of our operations after acquisitions compared to our prior operations;

- the impact on our internal controls and compliance with the regulatory requirements under the Sarbanes-Oxley Act of 2002; and

- unanticipated problems, expenses or liabilities, including contingent liabilities assumed through an acquisition.

If we fail to integrate acquired businesses successfully and/or fail to realize the intended benefits of acquisitions, our results of operations could be materially and adversely affected. In addition, acquisitions may result in a substantial goodwill asset, which will be subject to an annual impairment analysis. If this goodwill were to be impaired in the future, it could have a significant negative impact on our results of operations.

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

We currently have a significant amount of debt. As of December 31, 2009, we had $1,178.7 million of total debt and stockholders equity of $1,078.7 million.

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

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

In addition, the terms of our senior credit facility and the indenture governing our 6.75% senior notes allow us to incur substantial amounts of additional debt subject to certain limitations. Any such additional debt could increase the risks associated with our substantial leverage. Although our earnings were sufficient to cover fixed charges in 2009 and 2007, our substantial leverage is evidenced by our earnings being insufficient to cover fixed charges by $7.6 million in 2008. 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 this indebtedness on favorable terms, or at all. We may incur additional debt in connection with our potential expansions of Gaylord Opryland, Gaylord Palms and/or Gaylord Texan or any additional hotel development.

We will be required to refinance our credit facility by July 2012, and there is no assurance that we will be able to refinance our credit facility on acceptable terms.

The revolving loan, letters of credit and term loan under our credit facility mature on July 25, 2012. Prior to this date, we will be required to refinance our credit facility in order to finance our ongoing capital needs. Our ability to refinance our credit facility 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. The credit markets are in a period of uncertainty, and if conditions do not improve, we expect to encounter difficulties at any time that we seek to increase or refinance our debt. The availability of funds for new investments and improvement of existing hotels depends in large measure on capital markets and liquidity factors over which we can exert little control. Recent events, including failures and near failures of a number of large financial service companies and the contraction of available liquidity and leverage have impaired the capital markets for hotel and real estate investments. As a result, many current and prospective hotel owners are finding hotel financing on commercially viable terms to be extremely difficult to obtain. There is no assurance that we will be able to obtain additional financing on acceptable terms.

The agreements governing our debt, including our 6.75% senior notes and our senior credit facility, contain various covenants that limit our discretion in the operation of our business and could lead to acceleration of debt.
Our existing financial agreements, including our senior credit facility and the indentures governing our 6.75% senior notes, impose, and future financing agreements are likely to impose, operating and financial restrictions on our activities. Our senior credit facility requires us to comply with or maintain certain financial tests and ratios, including minimum consolidated net worth, minimum interest coverage ratio and maximum leverage ratios, and our senior credit facility and the indenture governing our 6.75% senior notes limit or prohibit our ability to, among other things:

- incur additional debt and issue preferred stock;
- create liens;
- redeem and/or prepay certain debt;
- pay dividends on our stock to our stockholders or repurchase our stock or other equity interests;
- make certain investments;
- enter new lines of business;
- engage in consolidations, mergers and acquisitions;
- make certain capital expenditures;
- use proceeds from any offering of securities to make capital expenditures in connection with the construction of Gaylord National; and
- pay dividends and make other distributions from our subsidiaries to us.

In addition, the indenture governing our 3.75% convertible senior notes restricts mergers under specified circumstances, may require us to offer to purchase the convertible notes from the holders upon the occurrence of specified fundamental changes, and may require adjustments in the conversion ratio for the convertible notes as a result of specified make-whole fundamental changes. These restrictions on our ability to operate our business could seriously harm our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition and other corporate opportunities.

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

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 the majority of our operations through our subsidiaries. As a result, our ability to meet our debt service obligations, including our obligations under our senior notes and our credit facility, substantially depends upon our subsidiaries cash flow and payment of funds to us by our subsidiaries as dividends, loans, advances or other payments. The payment of dividends and/or making of loans, advances or other payments by our subsidiaries will be subject to the approval of those subsidiaries boards, and our subsidiaries are not obligated to pay dividends or make loans, advances or other payments to us. Our subsidiaries ability to pay such dividends and/or make such loans, advances or other payments may also be restricted by, among other things, applicable laws and

regulations and current and future debt agreements into which our subsidiaries may enter.

We are dependent on our four main hotel properties for the substantial majority of all of our revenue and cash flow.

We are dependent upon the Gaylord Opryland, Gaylord Palms, Gaylord Texan and Gaylord National for the substantial majority of our revenue and cash flow. As a result, 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 meetings business at one of our properties.

Any of the factors outlined above could negatively affect our ability to generate sufficient cash flow to make payments with respect to our debt and could adversely affect our financial condition and results of operations.

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

Subject to applicable laws and certain agreed upon exceptions, our debt is secured by liens on the substantial majority of our assets. In the event of a default under our credit facility, or if we experience insolvency, liquidation, dissolution or reorganization, the holders of our secured debt instruments would first be entitled to payment from their collateral security, and only then would holders of our unsecured debt be entitled to payment from our remaining assets.

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

Our ability to make payments on, or repay or refinance, our debt, including our obligations under our senior notes and any future debt we may incur, and to fund planned capital expenditures will depend largely upon our future operating performance and our ability to generate cash from operations. Our future performance, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. 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 the indenture governing our 6.75% senior notes and other agreements we may enter into in the future. Our business may not generate sufficient cash flow from operations or we may not have future borrowings available to us under our senior credit facility or from other sources in an amount sufficient to enable us to pay our debt or to fund our other liquidity needs.

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

The reputation and perception of our brands is critical to our success in the hospitality industry. If our trademarks or intellectual property are copied or used without authorization, the value of our 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.

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 our trademarks and other intellectual property 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.

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

If we fail to comply with privacy regulations, we could be subject to fines or other restrictions on our business.

We collect and maintain information relating to our guests for various business purposes, including maintaining guest preferences to enhance our customer service and for marketing and promotion purposes and credit card information. The collection and use of personal data are governed by privacy laws and regulations enacted in the United States and by various contracts under which we operate. Privacy regulation is an evolving area in which different jurisdictions may subject us to inconsistent compliance requirements. Compliance with applicable privacy regulations may increase our operating costs and/or adversely impact our ability to service our guests and market our properties, products and services to our guests. In addition, noncompliance with applicable privacy regulations, either by us or, in some circumstances, noncompliance by third parties engaged by us, could result in fines or restrictions on our use or transfer of data.

We could become subject to claims in connection with the 2007 sales of our interests in ResortQuest Mainland, ResortQuest Hawaii and Bass Pro Group, LLC.

In connection with the sales of our equity interests in ResortQuest Mainland, ResortQuest Hawaii and Bass Pro Group, LLC, we agreed to indemnify the purchasers of these interests for a number of matters, including the breach of our representations, warranties and covenants contained in the agreements related to those transactions. A material breach or inaccuracy of any of the representations, warranties and covenants in any of the agreements related to those transactions could lead to a claim against us. Any such claims could require us to pay substantial sums and incur related costs and expenses and could have a material adverse effect on our financial condition.

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

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

The hospitality industry is heavily regulated, including with respect to food and beverage sales, employee relations and construction concerns, and compliance with these regulations could increase our costs and reduce our revenues and profits.

Our hotel operations are subject to numerous laws, including those relating to the preparation and sale of food and beverages, liquor service and health and safety of premises. The success of expanding our hotel operations also depends upon our obtaining necessary building permits and zoning variances from local authorities. Compliance with these laws and requirements is time intensive and costly and may reduce our revenues and operating income.

We are also subject to laws regulating our relationship with our employees in areas such as hiring and firing, minimum wage and maximum working hours, overtime and working conditions. Labor unions now represent certain employees at the Gaylord National. We have entered into signed agreements with three of the four unions representing these employees and have reached a tentative agreement with the remaining union. In addition, labor union organizing activities may take place at any of our other hotel properties. A lengthy strike or other work stoppage at one of our hotels, or the threat of such activity, could have an adverse effect on our business and results of operations. In addition, negotiating, and dedicating time and resources to administration of and compliance with the requirements of, any collective bargaining agreements could be costly.

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

In recent periods, the market price for our common stock has fluctuated substantially. From time to time, there may be significant volatility in the market price of our common stock. Investors could sell shares of our common stock at or after the time that market expectations of our stock change, resulting in a decrease in the market price of our common stock. In addition to our operating results, the operating results of other hospitality companies, changes in financial estimates or recommendations by analysts, adverse weather conditions, increased construction costs, increased labor and other costs, changes in general conditions in the economy or the financial or credit markets or other developments affecting us or our industry, such as the terrorist attacks, could cause the market price of our common stock to fluctuate substantially. In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market prices of securities issued by many companies for reasons unrelated to their operating performance.

Conversion of our 3.75% convertible senior notes may dilute the ownership interests of our stockholders at the time of conversion, and our stock price may be impacted by note hedge and warrant transactions we entered into in connection with the issuance of the 3.75% convertible senior notes.

Upon conversion of some or all of our 3.75% convertible senior notes issued in 2009, the ownership interests of our stockholders may be diluted. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock.

In addition, we entered into note hedge transactions with various financial institutions at the time of issuance of the convertible senior notes, intended to reduce potential dilution with respect to our common stock upon conversion of the notes. We also entered into separate warrant transactions with the same financial institutions. The warrant transactions could separately have a dilutive effect on our earnings per share to the extent that the market price of our common stock exceeds the strike price of the warrants.

In connection with establishing their initial hedge for the note hedge and warrant transactions, we expect that each of these financial institutions, or their affiliates, entered into their own various derivative transactions with respect to our common stock. These financial institutions or their affiliates are likely to modify their hedge positions by entering into or unwinding various derivative transactions with respect to our common stock and/or by purchasing or selling our common stock in secondary market transactions during the time the 3.75% convertible senior notes are outstanding. In addition, we will exercise options we hold under the convertible note hedge transactions whenever notes are converted. In order to unwind its hedge positions with respect to those exercised options, we expect each of these financial institutions or its affiliates will likely sell our common stock in secondary market transactions or unwind various derivative transactions with respect to our common stock during any settlement period for converted notes. The effect, if any, of any of these transactions and activities on the market price of our common stock or the 3.75% convertible senior notes will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the market price of our common stock and the value of the notes. For additional information on the 3.75% convertible senior notes and related note hedge and warrant transactions, please refer to Note 8 to our consolidated financial statements included herein.

Our certificate of incorporation and bylaws and Delaware law could make it difficult for a third party to acquire our company.

The Delaware General Corporation Law and our certificate of incorporation and 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:

- 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;

- provide that directors may only be removed with cause by the affirmative vote of at least a majority of the votes of shares entitled to vote thereon;

establish advance notice requirements for submitting nominations for election to the 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;

impose restrictions on ownership of our common stock by non-United States persons due to our ownership of a radio station; and

prohibit stockholder actions taken on written consent.

In addition, we have adopted a shareholder rights plan which provides, among other things, that when specified events occur, our shareholders will be entitled to purchase from us shares of junior preferred stock. The preferred stock purchase rights are triggered by the earlier to occur of (i) ten days after the date of a public announcement that a person or group acting in concert has acquired, or obtained the right to acquire, beneficial ownership of 22% or more of our outstanding common stock or (ii) ten business days after the commencement of or announcement of an intention to make a tender offer or exchange offer, the consummation of which would result in the acquiring person becoming the beneficial owner of 22% or more of our outstanding common stock. The preferred stock purchase rights would cause dilution to a person or group that attempts to acquire us on terms not approved by our board of directors. We are also subject to anti-takeover provisions under Delaware law, which could also delay or prevent a change of control. Together, these provisions of our certificate of incorporation and bylaws and Delaware law may discourage transactions that otherwise could provide for the payment of a premium over prevailing market prices for publicly traded equity securities or our notes, and also could limit the price that investors are willing to pay in the future for shares of our publicly traded equity securities.

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

Our Board of Directors has the power to issue up to 100.0 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 additional 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 or our notes 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 issuance of junior preferred stock is authorized pursuant to our shareholder rights plan.

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

Our future performance depends upon our ability to attract qualified senior executives, retain their services and integrate them into our business. Our future financial results also will depend upon our ability to attract and retain highly skilled managerial and marketing personnel in our different areas of operation. Competition for qualified personnel is intense and is likely to increase in the future. We compete for qualified personnel against companies with significantly greater financial resources than ours.

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

We have minority investments in RHAC Holdings, LLC and Waipouli Holdings, LLC which are not liquid and over which we have little or no rights, or ability, to exercise the direction or control of the respective enterprises. In connection with these investments, we may have obligations under certain guarantees related to such investments. The ultimate value of each of these investments will be dependent upon the efforts of others over an extended period of time. The nature of our interests and the absence of a readily available market for those interests restrict our ability to dispose of them. Our lack of control over the management of these businesses 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 that we do not control. These arrangements are subject to uncertainties and risks, including those related to conflicting joint venture partner interests and to our joint venture partners failing to meet their financial or other obligations. Further, the properties owned by these joint ventures are in Hawaii, which has experienced decreased tourist spending and lower hotel occupancy in recent periods. For further discussion of these investments, see Note 6 of our consolidated financial statements included herein.

The counterparties to our derivative financial agreements are various financial institutions, and we are subject to risks that these counterparties cannot or do not fulfill their obligations under these transactions.

Recent global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If the counterparties to one or more of our derivative financial agreements, which are various financial institutions, are unwilling or unable to perform their obligations under their respective derivative financial agreements for any reason, we would not be able to receive the benefit of these agreements. As result, we would not receive the intended benefits of these agreements, and the value of our common stock may be reduced accordingly. We cannot provide any assurances as to the financial stability or viability of any of these counterparties.

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

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

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.

Our results of operations could be adversely affected by increased costs if health care legislation is adopted.

The federal government and several state governments have proposed legislation regarding health care, including legislation that in some cases would require employers to either provide health care coverage to their employees or pay into a fund that would provide coverage for them. If this type of legislation is enacted in geographic areas where we do business, it would likely increase our costs and could have a material adverse effect on our business, results of operations and financial condition.

The efficient operation of our business is heavily dependent upon our information systems.

We depend on a variety of information technology systems for the efficient functioning of our business. We rely on certain software vendors to maintain and periodically upgrade many of these systems so that they can continue to support our business. The software programs supporting many of our systems were licensed to us by independent software developers. The inability of these developers or us to continue to maintain and upgrade these information systems and software programs would disrupt or reduce the efficiency of our operations if we were unable to convert to alternate systems in an efficient and timely manner. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations. We also rely heavily on our information technology staff. If we cannot meet our staffing needs in this area, we may not be able to fulfill our technology initiatives while continuing to provide maintenance on existing systems.

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Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

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 our shared services center located within the Opryland complex, which contains approximately 84,000 square feet of space. We believe that these facilities and the facilities described below utilized for each of our business segments are generally well maintained.

Hospitality

We own our Opryland complex in Nashville, Tennessee, which includes the site of Gaylord Opryland (approximately 172 acres). We also own the 6.5 acre site of the Radisson Hotel 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. All existing hotel properties secure our $1.0 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.

Opry and Attractions Group

We own the General Jackson Showboat s docking facility and the Opry House, both of which are located within the Opryland complex. We also own the Gaylord Springs Golf Links, an 18-hole golf course situated on over 200 acres, which is located near the Opryland complex. In downtown Nashville, we own the Ryman Auditorium and the Wildhorse Saloon dance hall and production facility. We own WSM Radio s offices and studios, which are also located within the Opryland complex.

Item 3. ***Legal Proceedings***

We and various of our subsidiaries are involved in 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. We believe that OPUBCO s indemnification will fully cover our Superfund liabilities, if any, and that, based on our current estimates of these liabilities, OPUBCO has sufficient financial resources to fulfill its indemnification obligations.

For further discussion of legal proceedings, see Note 15 of our consolidated financial statements included herein.

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

None.

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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 GET . The following table sets forth, for the calendar quarters indicated, the high and low sales prices for our common stock as reported by the NYSE for the last two years:

	2009		2008	
	High	**Low**	**High**	**Low**
First Quarter	$14.50	$ 4.76	$41.00	$25.89
Second Quarter	17.49	7.82	33.13	23.12
Third Quarter	25.85	9.52	36.27	19.30
Fourth Quarter	20.64	14.04	31.54	5.27

There were approximately 2,650 record holders of our common stock as of January 29, 2010. The closing price for our stock on January 29, 2010 was $19.24.

We did not pay dividends on our common stock during the 2009 or 2008 fiscal years. We do not presently intend to declare any cash dividends. We intend to retain our earnings to fund the operation of our business, to service and repay our debt, and to make strategic investments as they arise. Moreover, the terms of our debt contain financial covenants that restrict our ability to pay dividends. Our Board of Directors may reevaluate this dividend policy in the future in light of our results of operations, financial condition, cash requirements, future prospects, loan agreements and other factors deemed relevant by our Board.

The following table sets forth information with respect to purchases of shares of the Company s common stock made during the three months ended December 31, 2009 by or on behalf of the Company or any affiliated purchaser, as defined by Rule 10b-18 of the Exchange Act:

Period	**Total Number of Shares Purchased**	**Average Price Paid per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs**	**Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs**
October 1 October 31, 2009				
November 1 November 30, 2009 (1)	531	$16.91		
December 1 December 31, 2009				
Total	531	$16.91		

(1) Represents shares withheld from vested restricted stock to satisfy the minimum withholding requirement for

federal and state
taxes.

Item 6. ***Selected Financial Data***

The following selected historical financial information of Gaylord and its subsidiaries as of December 31, 2009 and 2008 and for each of the three years in the period ended December 31, 2009 was derived from our audited consolidated financial statements included herein. The selected financial information as of December 31, 2007, 2006 and 2005 and for each of the two years in the period ended December 31, 2006 was derived from previously issued audited consolidated financial statements adjusted for unaudited revisions for discontinued operations. The information in the following table should be read in conjunction with Management s Discussion of Financial Condition and Results of Operations and our consolidated financial statements and related notes as of December 31, 2009 and 2008 and for each of the three years in the period ended December 31, 2009 included herein (in thousands, except per share amounts).

	Years Ended December 31,				
	2009	**2008**	**2007**	**2006**	**2005**
Income Statement Data:					
Revenues:					
Hospitality	**$ 814,154**	$ 848,332	$ 669,743	$ 645,437	$ 576,927
Opry and Attractions	**64,875**	82,125	77,769	76,580	67,097
Corporate and Other	**92**	412	211	255	512
Total revenues	**879,121**	930,869	747,723	722,272	644,536
Operating expenses:					
Operating costs	**531,257**	566,366	448,975	442,679	395,461
Selling, general and administrative	**175,550**	178,809	160,699	153,763	143,184
Preopening costs (1)		19,190	17,518	7,174	5,005
Impairment and other charges	**6,586**(3)	19,264(3)			
Depreciation and amortization:					
Hospitality	**101,444**	97,229	65,369	64,502	63,188
Opry and Attractions	**4,699**	4,894	5,500	5,663	5,347
Corporate and Other	**10,449**	7,651	6,480	4,903	4,049
Total depreciation and amortization	**116,592**	109,774	77,349	75,068	72,584
Total operating expenses	**829,985**	893,403	704,541	678,684	616,234
Operating income (loss):					
Hospitality	**112,172**	124,828	110,126	99,080	72,684
Opry and Attractions	**3,928**	5,641	6,600	5,014	1,889
Corporate and Other	**(60,378)**	(54,549)	(56,026)	(53,332)	(41,266)
Preopening costs (1)		(19,190)	(17,518)	(7,174)	(5,005)
Impairment and other charges	**(6,586)**(3)	(19,264)(3)			
Total operating income	**49,136**	37,466	43,182	43,588	28,302
Interest expense, net of amounts capitalized	**(76,592)**	(64,069)	(38,536)	(72,473)	(73,249)
Interest income	**15,087**	12,689	3,234	2,088	1,787
Unrealized gain (loss) on Viacom stock and CBS stock			6,358	38,337	(41,554)
Unrealized gain (loss) on derivatives, net			3,121	(16,618)	35,705
(Loss) income from unconsolidated companies	**(5)**	(746)	964	10,565	2,169
Net gain on extinguishment of debt	**18,677**(4)	19,862(4)			
Other gains and (losses)	**2,847**	453	146,330(5)	3,280	5,938
Income (loss) from continuing operations before income taxes	**9,150**	5,655	164,653	8,767	(40,902)
Provision (benefit) for income taxes	**9,197**	1,046	62,665	3,989	(10,832)
(Loss) income from continuing operations	**(47)**	4,609	101,988	4,778	(30,070)
Income (loss) from discontinued operations, net of taxes (2)	**24**	(245)	9,923	(84,213)	(3,880)

Net (loss) income	**$ (23)**	$ 4,364	$ 111,911	$ (79,435)	$ (33,950)
(Loss) Income Per Share:					
(Loss) income from continuing operations	**$ (0.00)**	$ 0.11	$ 2.49	$ 0.12	$ (0.75)
Income (loss) from discontinued operations, net of taxes			0.24	(2.08)	(0.10)
Net (loss) income	**$ (0.00)**	$ 0.11	$ 2.73	$ (1.96)	$ (0.85)
(Loss) income Per Share Assuming Dilution:					
(Loss) income from continuing operations	**$ (0.00)**	$ 0.11	$ 2.41	$ 0.11	$ (0.75)
Income (loss) from discontinued operations, net of taxes			0.24	(2.02)	(0.10)
Net (loss) income	**$ (0.00)**	$ 0.11	$ 2.65	$ (1.91)	$ (0.85)

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	As of December 31,				
	2009	**2008**	**2007**	**2006**	**2005**
Balance Sheet Data:					
Total assets	**$2,661,023**	$2,560,379	$2,348,504(6)	$2,632,510(6)	$2,532,590(6)
Total debt	**1,178,688**(7)	1,262,901(7)	981,100(7)	755,553(7)	599,067(7)
Secured forward exchange contract			(6)	613,054(6)	613,054(6)
Total stockholders equity	**1,078,684**	903,219	941,492	798,026	848,567

(1) Preopening costs are primarily related to the Gaylord National, which opened in April 2008.

(2) We have presented the operating results of the following businesses as discontinued operations for all periods presented: ResortQuest; WSM-FM and WWTN(FM); Word Entertainment; and Acuff-Rose Music Publishing.

(3) As described more fully in Operating Results Impairment and other charges under Item 7. Management s Discussion and Analysis of Financial Condition and Results of

Operations, in the third quarter of 2009, we recorded an impairment charge of $6.6 million to write down the carrying value of goodwill of a reporting unit within our Opry and Attractions segment. In the second quarter of 2008, we recorded an impairment charge of $12.0 million related to the termination of our agreement to purchase the Westin La Cantera Resort, located in San Antonio, Texas. In the fourth quarter of 2008, we recorded an impairment charge of $4.7 million related to our decision to terminate our plans to develop a resort and convention hotel in Chula Vista, California. In the fourth quarter of 2008, we incurred a $2.5 million impairment charge to write off our investment in Waipouli Holdings, LLC.

(4) During the first three quarters of 2009, we repurchased $88.6 million in aggregate principal amount of our outstanding senior notes ($61.6 million of 8% senior notes and $27.0 million of 6.75% senior notes) for $64.5 million. After adjusting for accrued interest, deferred financing costs, and other costs, we recorded a pre-tax gain of $24.7 million as a result of these repurchases. During the fourth quarter of 2009, we executed a cash tender offer and called for redemption all of the remaining outstanding 8% senior notes that were not repurchased through the tender offer. Pursuant to these transactions, during the fourth quarter of 2009, we accepted for purchase all of the $259.8 million aggregate

principal amount outstanding 8% senior notes. After adjusting for accrued interest, deferred financing costs, the deferred gain on a terminated swap related to these notes, and other costs, we recorded a pre-tax loss of $6.0 million as a result of this repurchase. During December 2008, we repurchased $45.8 million in aggregate principal amount of our outstanding senior notes ($28.5 million of 8% senior notes and $17.3 million of 6.75% senior notes) for $25.6 million. After adjusting for accrued interest and deferred financing costs, we recorded a pre-tax gain of $19.9 million as a result of the repurchase.

(5) On May 31, 2007, we completed the sale of all of our ownership interest in Bass Pro Group, LLC

to Bass Pro Group, LLC for a purchase price of $222.0 million in cash and recognized a pre-tax gain of $140.3 million on the sale.

(6) In 1999 we recognized a pre-tax gain of $459.3 million as a result of the divestiture of television station KTVT in Dallas-Ft. Worth in exchange for CBS Series B preferred stock, which was later converted into 11,003,000 shares of Viacom Class B common stock, $4.2 million of cash and other consideration. During 2000, we entered into a seven-year secured forward exchange contract (SFEC) for a notional amount of $613.1 million with respect to 10,937,900 shares of the Viacom Class B common stock. We exchanged the 10,937,900 shares of Viacom Class B common stock

for 5,468,950 shares of Viacom Stock and 5,468,950 shares of CBS Stock effective January 3, 2006. During May 2007, the SFEC matured and we delivered all of the Viacom Stock and CBS Stock to Credit Suisse in full satisfaction of the $613.1 million debt obligation under the SFEC. As a result, the debt obligation, Viacom Stock, CBS Stock, put option, call option, and deferred financing costs related to the SFEC were removed from the consolidated balance sheet during the second quarter of 2007. The CBS Stock and Viacom Stock were included in total assets at their market values of $394.9 million and $356.6 million at December 31, 2006 and 2005, respectively. Prepaid interest related to the secured forward exchange contract of $10.5 million and $37.3 million was included in total assets at December 31, 2006 and 2005, respectively.

(7) Related primarily to the construction of the Gaylord Palms, the Gaylord Texan and the Gaylord National.

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

Overall Outlook

Our concentration in the hospitality industry, and in particular the large group meetings sector of the hospitality industry, exposes us to certain risks outside of our control. General economic conditions, particularly national and global economic conditions, can affect the number and size of meetings and conventions attending our hotels. Recessionary conditions in the national economy have resulted in economic pressures on the hospitality industry generally, and on our Company s operations and expansion plans. In recent quarters, we have experienced declines in hotel occupancy, weakness in future bookings by our core large group customers, lower spending levels by groups and increased cancellation and attrition levels. We believe that corporate customers in particular are delaying meetings and events and seeking to minimize spending. While we have re-focused our marketing efforts on booking rooms in 2010, in addition to later years, there can be no assurance that we can achieve acceptable occupancy and revenue levels during continued periods of economic distress, in light of decreased demand. We cannot predict when or if hospitality demand and spending will return to favorable levels, but we anticipate that our future financial results and growth will be further harmed if the economic slowdown continues for a significant period or becomes worse.

In addition, as more fully described below in Factors and Trends Contributing to Operating Performance we have experienced an increase in groups not fulfilling the minimum number of room nights originally contracted for, or rooms attrition. We believe that our contracts with our group customers (which generally require minimum levels of rooms revenue and banquet and catering revenues) provide a level of protection against the effects of these increased levels of attrition. There can be no assurance, however, that a prolonged recession in the national economy would not have a continuing adverse effect on our results of operations.

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 the Company faces.

Recent Events

Convertible Senior Notes. As more fully described under Principal Debt Agreements, during September 2009, we issued $360 million, including the exercise of an overallotment option, of 3.75% Convertible Senior Notes (the Convertible Notes). The Convertible Notes have a maturity date of October 1, 2014, and interest is payable semiannually in cash in arrears on April 1 and October 1, beginning April 1, 2010. The Convertible Notes are convertible, under certain circumstances, at the holder s option, into shares of our common stock, at an initial conversion rate of 36.6972 shares of common stock per $1,000 principal amount of Convertible Notes, which is equivalent to an initial conversion price of approximately $27.25 per share.

Our net proceeds from the issuance of the Convertible Notes totaled approximately $317.1 million, after deducting discounts, commissions and offering expenses payable by us (including the net cost of the convertible note hedge transactions entered into in connection with the offering of the Convertible Notes, as described more fully below). We used the majority of these proceeds, together with cash on hand, to purchase, redeem or otherwise acquire all of our 8% senior notes originally due 2013, as more fully disclosed below. The remaining balance of the net proceeds may be used for general corporate purposes, which may include acquisitions, future development opportunities for new hotel properties, potential expansions or ongoing maintenance of our existing hotel properties, investments, or the repayment or refinancing of all or a portion of any of our outstanding indebtedness. We will continue to evaluate these possibilities in light of economic conditions and other factors.

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. Accordingly, we recorded a debt discount and corresponding increase to additional paid-in capital of $68.0 million as of the date of issuance. We are amortizing the debt discount utilizing the effective interest method over the life of the Convertible Notes, which increases the effective interest rate of the Convertible Notes from its coupon rate of 3.75% to 8.46%. We incurred cash interest expense of $3.5 million relating to the interest coupon on the Convertible Notes and non-cash interest expense of $2.9 million related to the amortization of the debt discount on the Convertible Notes in 2009. In addition, transaction costs of approximately $10.0 million were proportionally allocated between the liability and equity components.

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 initial strike price of the Purchased Options is $27.25 per share of our common stock (the same as the initial conversion price of the Convertible Notes) and is subject to certain customary adjustments. The Purchased Options cover, subject to anti-dilution adjustments substantially similar to the

Convertible Notes, approximately 13.2 million shares of common stock. We may settle the Purchased Options in shares, cash or a combination of cash and shares, at our option. The cost of the Purchased Options was approximately $76.7 million, which was recorded as a reduction to additional paid-in capital. The Purchased Options will expire on October 1, 2014.

Separately and concurrently with entering into the Purchased Options, we also entered into warrant transactions whereby we sold warrants to each of the hedge counterparties to acquire, subject to anti-dilution adjustments, up to approximately 13.2 million shares of common stock at an initial exercise price of $32.70 per share. The warrants may only be settled in shares of our common stock. The aggregate proceeds from the warrant transactions were approximately $43.7 million, which was recorded as an increase to additional paid-in capital.

Common Stock Issuance. Concurrently with the offering and sale of the Convertible Notes discussed above, during September 2009, we also offered and sold 6.0 million shares of our common stock, par value $0.01 per share, at a price to the public of $21.80 per share. Our net proceeds, after deducting discounts, commissions and expenses, was approximately $125.3 million. We used the majority of these proceeds, together with the proceeds from the Convertible Notes and cash on hand, to purchase, redeem or otherwise acquire all of our 8% senior notes originally due 2013, as more fully disclosed below.

Repurchase of Senior Notes. During the first nine months of 2009, we repurchased $88.6 million in aggregate principal amount of our outstanding senior notes ($61.6 million of 8% senior notes and $27.0 million of 6.75% senior notes) for $64.5 million. After adjusting for accrued interest, deferred financing costs, and other costs, we recorded a pre-tax gain of $24.7 million as a result of the repurchases, which is recorded as a net gain on extinguishment of debt in the accompanying financial information. We used available cash and borrowings under our revolving credit facility to finance the purchases and intend to consider additional repurchases of our 6.75% senior notes from time to time depending on market conditions.

On September 23, 2009, we commenced a cash tender offer for our outstanding 8% senior notes. Following the expiration of the tender offer on October 21, 2009, $223.6 million aggregate principal amount of our outstanding 8% senior notes had been validly tendered and were repurchased by us pursuant to the terms of the tender offer. We also called for redemption at a price of 102.667% of the principal amount thereof, plus accrued interest, on November 15, 2009, all remaining outstanding 8% senior notes. As a result, after adjusting for accrued interest, deferred financing costs, the deferred gain on a terminated swap related to these notes, and other costs, we recorded a pre-tax loss of $6.0 million as a result of the repurchase, which is recorded as an offset in the net gain on extinguishment of debt in the accompanying financial information. We used available cash and proceeds from the issuance of the Convertible Notes and our common stock offering to finance these purchases.

Employee Severance Costs. During 2009, as part of our cost containment initiative, we eliminated approximately 490 employee positions, which included positions in all segments of the organization. As a result, we recognized approximately $7.9 million in severance costs during 2009. These costs are comprised of operating costs and selling, general and administrative costs of $2.9 million and $5.0 million, respectively, for the year ended December 31, 2009 in the accompanying financial information.

Impairment of Goodwill. In connection with the preparation of our financial statements for the third quarter of 2009, as a result of significant adverse changes in the business climate of a reporting unit within our Opry and Attractions segment, we determined that the goodwill of this reporting unit may be impaired and performed an interim impairment review on this goodwill. As a result, we recorded an impairment charge of $6.6 million in 2009 to write down the carrying value of goodwill at the impaired reporting unit to its implied fair value of $0.3 million.

Agreements with Significant Stockholders. As discussed more fully in Note 13 to our consolidated financial statements included herein, during the first quarter of 2009, we amended our shareholder rights plan, entered into a settlement agreement with TRT Holdings, Inc. (TRT), and entered into a letter agreement with GAMCO Asset Management, Inc. (GAMCO). During 2009, we incurred various costs in connection with reaching agreements with these stockholders, reimbursing certain expenses pursuant to the settlement agreement with TRT, and preparing for a proxy contest of $1.0 million. In addition, we incurred costs of $0.9 million in connection with the settlement of our shareholder rights plan litigation, as described in our Current Report on Form 8-K filed with the SEC on March 10, 2009. These costs are included in selling, general and administrative expense in the accompanying financial information.

Labor Union Activity. As of December 31, 2009, approximately 1,365 employees at Gaylord National were represented by labor unions, and, as of February 26, 2010, collective bargaining agreements had been negotiated with the four unions representing these employees. As a result, we anticipate an increase in labor and benefit costs in 2010.

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Development Update

We invested heavily in our operations during 2008 and 2007, primarily in connection with continued improvements of the Gaylord Opryland, and the construction of the Gaylord National beginning in 2005 and continuing in 2006, 2007 and 2008. Our investments in 2009 consisted primarily of ongoing maintenance capital expenditures for our existing properties. Our investments in 2010 are also expected to consist primarily of ongoing maintenance capital expenditures for our existing properties.

As described above in Recent Events , we have entered into a land purchase agreement with respect to a potential hotel development in Mesa, Arizona.

We are also considering expansions at Gaylord Opryland, Gaylord Texan, and Gaylord Palms, as well as other potential hotel sites throughout the country. We have made no commitments to construct expansions of our current facilities or to build new facilities. We are closely monitoring the condition of the economy and availability of attractive financing. We are unable to predict at this time when we might make such commitments or commence construction of these proposed expansion projects.

Our Current Operations

Our ongoing operations are organized into three principal business segments:

- Hospitality, consisting of Gaylord Opryland, Gaylord Palms, Gaylord Texan, Radisson Hotel at Opryland and, commencing in April 2008, Gaylord National, as well as our ownership interests in two joint ventures.

- Opry and Attractions, consisting of our Grand Ole Opry assets, our Corporate Magic event planning business, WSM-AM and our Nashville attractions.

- Corporate and Other, consisting of our corporate expenses and, prior to May 31, 2007, our ownership interests in certain entities.

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

Segment	**2009**	**2008**	**2007**
Hospitality	**93%**	91%	90%
Opry and Attractions	**7%**	9%	10%
Corporate and Other	**0%**	0%	0%

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

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. These factors impact the price we can charge for our hotel rooms and other amenities, such as food and beverage and meeting space. Key performance indicators related to revenue are:

- hotel occupancy (volume indicator);

- average daily rate (ADR) (price indicator);

- Revenue per Available Room (RevPAR) (a summary measure of hotel results calculated by dividing room sales by room nights available to guests for the period);

Total Revenue per Available Room (Total RevPAR) (a summary measure of hotel results calculated by dividing the sum of room, food and beverage and other ancillary service revenue by room nights available to guests for the period); and

Net Definite Room Nights Booked (a volume indicator which represents the total number of definite bookings for future room nights at Gaylord hotels confirmed during the applicable period, net of cancellations).

We recognize Hospitality segment revenue from rooms as earned on the close of business each day and from concessions and food and beverage sales at the time of 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 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 our credit criteria, billed and collected on a short-term receivables basis. Our industry is capital intensive, and we rely on the ability of our hotels to generate operating cash flow to repay debt financing, fund maintenance capital expenditures and provide excess cash flow for future development.

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

Summary Financial Results

The following table summarizes our financial results for the years ended December 31, 2009, 2008 and 2007 (in thousands, except percentages and per share data):

	Years Ended December 31,				
	2009	**% Change**	**2008**	**% Change**	**2007**
Total revenues	**$879,121**	-5.6%	$930,869	24.5%	$747,723
Total operating expenses	**829,985**	-7.1%	893,403	26.8%	704,541
Operating income	**49,136**	-31.1%	37,466	-13.2%	43,182
Net (loss) income	**(23)**	-100.5%	4,364	-96.1%	111,911
Net (loss) income per share fully diluted	**(0.00)**	-100.4%	0.11	-95.8%	2.65

2009 Results As Compared to 2008 Results

The decrease in our total revenues and total operating expenses during 2009, as compared to the same period in 2008, was due primarily to decreased Hospitality segment revenues and operating expenses, as more fully described below. These decreased Hospitality segment revenues and operating expenses were offset by a $12.7 million decrease in impairment charges and a $19.2 million decrease in preopening costs, which resulted in operating income increasing to $49.1 million for 2009, as compared to operating income of $37.5 million in 2008.

Our net loss was $0.02 million in 2009, as compared to net income of $4.4 million in 2008, due to our operating income described above and the following factors, each as described more fully below:

Interest expense of $76.6 million in 2009, as compared to interest expense of $64.1 million in 2008, primarily due to a $15.6 million decrease in capitalized interest as a result of the completion of construction of Gaylord National in 2008, described below, which served to reduce our pre-tax income by $12.5 million in 2009 as compared to 2008.

A provision for income taxes of $9.2 million in 2009, as compared to a provision for income taxes of $1.0 million in 2008, described below, which served to decrease our net income by $8.2 million in 2009 as compared to 2008.

Interest income of $15.1 million in 2009, as compared to interest income of $12.7 million in 2008, primarily related to our receipt of the Gaylord National bonds in 2008 described below, which served to increase our pre-tax income by $2.4 million in 2009 as compared to 2008.

Other gains and losses of $2.8 million in 2009, as compared to $0.5 million in 2008, primarily relating to the receipt of $3.6 million during 2009 under a tax increment financing arrangement related to the Ryman Auditorium, which served to increase our pre-tax income by $2.3 million in 2009 as compared to 2008.

2008 Results As Compared to 2007 Results

The increase in our total revenues and total operating expenses during 2008, as compared to the same period in 2007, was due primarily to increased Hospitality segment revenues and operating expenses, as more fully described below. These increased Hospitality segment revenues and operating expenses, combined with $19.3 million in impairment charges described below, resulted in operating income of $37.5 million for 2008, as compared to operating income of $43.2 million in 2007.

Our net income was $4.4 million in 2008, as compared to $111.9 million in 2007, due to our operating income described above and the following factors, each as described more fully below:

Other gains and losses of $0.5 million in 2008, as compared to $146.3 million in 2007, primarily relating to the one-time gain of $140.3 million on the sale of our interest in Bass Pro Group, LLC we recognized in 2007, which served to reduce our pre-tax income by $145.8 million in 2008 as compared to 2007.

A provision for income taxes of $1.0 million in 2008, as compared to a provision for income taxes of $62.7 million in 2007, described below, which served to increase our net income by $61.7 million in 2008 as compared to 2007.

Interest expense of $64.1 million in 2008, as compared to interest expense of $38.5 million in 2007, primarily due to a $26.0 million decrease in capitalized interest as a result of the completion of construction of Gaylord National in 2008, described below, which served to reduce our pre-tax income by $25.6 million in 2008 as compared to 2007.

A gain of $19.9 million on the repurchase of a portion of our senior notes in 2008, which served to increase our pre-tax income in 2008 as compared to 2007.

A loss on discontinued operations, net of taxes, of $0.2 million in 2008, as compared to a gain on discontinued operations, net of taxes, of $9.9 million in 2007, related primarily to the operations and disposition of our ResortQuest business, which served to decrease our net income by $10.1 million in 2008 as compared to 2007.

Our previous investment in Viacom stock and CBS stock and the related secured forward exchange contract, which expired in 2007. As more fully described below, in 2007 we recognized an unrealized gain on our investment in Viacom and CBS stock of $6.4 million, and we recognized an unrealized gain on derivatives of $3.1 million in 2007. Due to the elimination of these items in 2007, our pre-tax income decreased by $9.5 million in 2008 as compared to 2007.

Interest income of $12.7 million in 2008, as compared to interest income of $3.2 million in 2007, primarily related to our receipt of the Gaylord National bonds in 2008 described below, which served to increase our pre-tax income by $9.5 million in 2008 as compared to 2007.

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Factors and Trends Contributing to Operating Performance in 2009 Compared to 2008

The most important factors and trends contributing to our operating performance in 2009 as compared to 2008 have been:

The opening of Gaylord National in April 2008 and resulting increased revenues (revenues of $231.3 million and $169.2 million in 2009 and 2008, respectively), operating expenses (operating expenses of $171.4 million and $136.4 million in 2009 and 2008, respectively) and depreciation expense (depreciation expense of $32.4 million and $23.9 million in 2009 and 2008, respectively).

Decreased same-store occupancy levels (a decrease of 8.6 percentage points of occupancy in 2009 as compared to 2008) resulting from lower levels of group business during the period, combined with lower same-store ADR (a decrease of 4.7% in 2009 as compared to 2008) and lower same-store outside-the-room spend (a decrease of 13.1% in 2009 as compared to 2008) resulting from the decrease in occupancy. This combination resulted in decreased same-store RevPAR and Total RevPAR of 15.6% and 14.1%, respectively, in 2009, as compared to 2008. As used herein, same-store Hospitality properties exclude Gaylord National for all periods presented as a result of the fact that Gaylord National opened in April 2008.

Increased same-store attrition and cancellation levels in 2009, as compared to 2008, which decreased our same-store operating income, RevPAR and Total RevPAR. Same-store attrition in 2009 was 13.0% of bookings, compared to 11.3% in 2008.

The absence of preopening costs in 2009, as compared to 2008, due to the opening of the Gaylord National hotel in April 2008, which increased our operating income for 2009.

Impairment charges of $6.6 million in 2009 related to the goodwill of a reporting unit within our Opry and Attractions segment, as more fully described below, and impairment charges of $19.3 million in 2008, as more fully described below.

Factors and Trends Contributing to Operating Performance in 2008 Compared to 2007

The most important factors and trends contributing to our operating performance in 2008 as compared to 2007 were:

The opening of Gaylord National in April 2008 and resulting increased revenues (revenues of $169.2 million in 2008), operating expenses (operating expenses of $136.4 million in 2008) and depreciation expense (depreciation expense of $23.9 million in 2008) associated with the Gaylord National.

Decreased same-store occupancy levels (a decrease of 3.0 percentage points in 2008 as compared to 2007) resulting from lower levels of group business during 2008, combined with increased same-store ADR during this period (an increase of 2.6% in 2008 as compared to 2007) resulting from a higher quality mix of group business. This combination resulted in slightly decreased same-store RevPAR and Total RevPAR in 2008, as compared to 2007.

Increased attrition levels in 2008, as compared to 2007, decreased our operating income, same-store RevPAR and same-store Total RevPAR. Same-store attrition for 2008 was 11.3%, compared to 8.4% for 2007.

Increased preopening costs in 2008, as compared to 2007, associated with the opening of the Gaylord National in April 2008, described more fully below, which decreased our operating income as compared to 2007.

Impairment charges of $19.3 million, described below, which decreased our operating income for 2008, as compared to 2007.

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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, 2009, 2008 and 2007 (in thousands, except percentages and performance metrics):

	Years Ended December 31,				
	2009	**% Change**	**2008**	**% Change**	**2007**
Hospitality revenue (1)	**$ 814,154**	-4.0%	$ 848,332	26.7%	$ 669,743
Hospitality operating expenses:					
Operating costs	**482,420**	-4.2%	503,599	28.3%	392,655
Selling, general and administrative	**118,118**	-3.7%	122,676	20.8%	101,593
Depreciation and amortization	**101,444**	4.3%	97,229	48.7%	65,369
Total Hospitality operating expenses	**701,982**	-3.0%	723,504	29.3%	559,617
Hospitality operating income (2)	**$** 112,172	-10.1%	$ 124,828	13.4%	$ 110,126
Hospitality performance metrics:					
Occupancy (6)	65.8%	-8.9%	72.2%	-7.1%	77.7%
ADR	**$** 169.23	-1.2%	$ 171.36	6.5%	$ 160.94
RevPAR (3) (6)	**$** 111.30	-10.0%	$ 123.69	-1.2%	$ 125.13
Total RevPAR (4) (6)	**$** 275.55	-9.9%	$ 305.74	-0.6%	$ 307.49
Net Definite Room Nights Booked (5)	1,039,000	-35.9%	1,620,000	-17.8%	1,970,000

(1) Hospitality results and performance metrics include the results of our Radisson Hotel for all periods presented.

(2) Hospitality operating income does not include the effect of preopening costs and impairment charges. See the discussion of

preopening costs and impairment charges set forth below.

(3) We calculate Hospitality RevPAR by dividing room sales by room nights available to guests for the period. Hospitality RevPAR is not comparable to similarly titled measures such as revenues.

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

(5) Net Definite Room Nights Booked included 196,000,

460,000 and 405,000 room nights during 2009, 2008 and 2007, respectively, related to Gaylord National, which opened in April 2008. Net Definite Room Nights Booked during 2008 included approximately 200,000 room nights related to the proposed hotel expansions.

(6) Excludes 5,171 and 48,752 room nights that were taken out of service during 2008 and 2007, respectively, as a result of a multi-year rooms renovation program at Gaylord Opryland. The rooms renovation program was completed in February 2008. Also excludes 1,408 room nights that were not in service during 2008, as these rooms were not released from construction on

the date Gaylord National commenced normal operations.

The decrease in total Hospitality segment revenue for 2009, as compared to 2008, was due primarily to a decrease in same-store Hospitality segment revenue during 2009, as compared to 2008, due to decreased occupancy levels, decreased ADR and decreased outside-the-room spending. The impact of these items was partially offset by Gaylord National being in service for the full year of 2009, as well as increased collection of attrition and cancellation fees.

The increase in total Hospitality segment revenue for 2008, as compared to 2007, was due primarily to the opening of the Gaylord National in April 2008. Same-store Hospitality segment revenue during 2008, as compared to 2007, increased slightly due to increased ADR and increased collection of attrition and cancellation fees, although the impact of these items was partially offset by lower same-store occupancy levels, as described more fully below.

Hospitality segment operating expenses consist of direct operating costs, selling, general and administrative expenses, and depreciation and amortization expense. The decrease in Hospitality operating expenses for 2009, as compared to 2008, is primarily attributable to decreases in operating expenses for our same-store Hospitality properties for 2009, partially offset by increased operating expenses associated with the fact that the Gaylord National was not operational for all of 2008 (the Gaylord National opened in April 2008). Total Hospitality segment operating expenses were also impacted by $3.4 million of severance costs recognized during 2009. The increase in Hospitality operating expenses during 2008, as compared to 2007, is primarily due to the opening of the Gaylord National, as described more fully below.

Hospitality operating costs, which consist of direct costs associated with the daily operations of our hotels (primarily room, food and beverage and convention costs), decreased during 2009, as compared to 2008, due to decreases in operating costs for our same-store Hospitality properties for 2009, partially offset by the fact that the Gaylord National was not operational for all of 2008 (the Gaylord National opened in April 2008). Hospitality operating costs increased for 2008, as compared to 2007, primarily due to the opening of the Gaylord National, as described more fully below.

Total Hospitality segment selling, general and administrative expenses, consisting of administrative and overhead costs, decreased in 2009, as compared to 2008, at each of our same-store Hospitality segment properties, primarily due to our cost containment initiative, partially offset by the fact that the Gaylord National was not operational for all of 2008 (the Gaylord National opened in April 2008). Total Hospitality segment selling, general and administrative increased during 2008, as compared to 2007, due primarily to the opening of Gaylord National. Same-store Hospitality selling, general and administrative expenses decreased slightly during 2008 primarily as a result of continued focus on cost control, as described below.

Hospitality depreciation and amortization expense increased during 2009, as compared to 2008, as well as during 2008, as compared to 2007, due to the opening of the Gaylord National and the related fixed assets placed into service.

Property-Level Results. The following presents the property-level financial results for Gaylord Opryland, Gaylord Palms and Gaylord Texan for the years ended December 31, 2009, 2008 and 2007 and for Gaylord National for the years ended December 31, 2009 and 2008 (Gaylord National opened in April 2008):

Gaylord Opryland Results. The results of Gaylord Opryland for the years ended December 31, 2009, 2008 and 2007 are as follows (in thousands, except percentages and performance metrics):

	Years Ended December 31,				
	2009	**% Change**	**2008**	**% Change**	**2007**
Total revenues	**$ 247,053**	-16.7%	$ 296,666	3.7%	$ 286,021
Operating expense data:					
Operating costs	**151,367**	-13.5%	174,927	1.2%	172,908
Selling, general and administrative	**33,723**	-10.5%	37,692	-10.0%	41,873
Hospitality performance metrics:					
Occupancy (1)	**66.5%**	-12.4%	75.9%	-5.4%	80.2%
ADR	**$ 150.07**	-4.6%	$ 157.30	3.8%	$ 151.50
RevPAR (1)	**$ 99.74**	-16.4%	$ 119.32	-1.9%	$ 121.57
Total RevPAR (1)	**$ 235.10**	-16.9%	$ 282.90	-0.8%	$ 285.22

(1) Excludes 5,171 and 48,752 room nights that were taken out of service during the years ended

December 31, 2008 and 2007, respectively, as a result of a multi-year rooms renovation program at Gaylord Opryland. The rooms renovation program was completed in February 2008.

The decrease in Gaylord Opryland revenue, RevPAR and Total RevPAR during 2009, as compared to 2008, was due to a combination of lower occupancy and a lower ADR, as the hotel experienced lower levels of group business during the period than in the prior year. This decrease in group business also led to decreases in banquet, catering and other outside-the-room spending at the hotel, which reduced the hotel s Total RevPAR for the period. These decreases were partially offset by increased collection of attrition and cancellation fees during the 2009 period.

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The increase in Gaylord Opryland revenue during 2008, as compared to 2007, was primarily due to a combination of a higher ADR and increased collection of attrition and cancellation fees. The increased ADR was due to a shift toward more corporate business groups with higher room rates. These increases were partially offset by lower occupancy rates.

Operating costs at Gaylord Opryland during 2009, as compared to 2008, decreased due to decreased variable operating costs associated with the lower levels of occupancy and outside-the-room spending at the hotel, as well as aggressive management of costs. Operating costs during 2008 remained relatively stable as compared to 2007.

Selling, general and administrative expenses at Gaylord Opryland decreased during 2009, as compared to 2008, primarily due to the results of our cost containment initiative and a decrease in bad debt expense associated with the write-down of a receivable from a large convention customer in the prior year. Selling, general and administrative expenses at Gaylord Opryland decreased in 2008, as compared to 2007, primarily due to lower incentive compensation expense and cost control measures in 2008. In addition, the 2007 period was impacted by a one-time charge incurred by Gaylord Opryland in 2007 in connection with the early termination of the lease held by the third-party operator of the Gaylord Opryland food court. These decreases in selling, general and administrative expenses were partially offset by an increase in bad debt expense associated with the write-down of a receivable from a large convention customer in 2008.

Gaylord Palms Results. The results of Gaylord Palms for the years ended December 31, 2009, 2008 and 2007 are as follows (in thousands, except percentages and performance metrics):

	Years Ended December 31,				
	2009	**% Change**	**2008**	**% Change**	**2007**
Total revenues	**$ 157,209**	-13.0%	$ 180,777	-0.6%	$ 181,826
Operating expense data:					
Operating costs	**90,365**	-11.4%	102,011	-1.4%	103,453
Selling, general and administrative	**28,342**	-12.9%	32,528	1.2%	32,154
Hospitality performance metrics:					
Occupancy	**67.0%**	-13.3%	77.3%	0.3%	77.1%
ADR	**$ 176.13**	-1.3%	$ 178.42	-1.2%	$ 180.52
RevPAR	**$ 118.01**	-14.4%	$ 137.93	-0.9%	$ 139.18
Total RevPAR	**$ 306.34**	-12.8%	$ 351.30	-0.8%	$ 354.30

The decrease in Gaylord Palms revenue, RevPAR and Total RevPAR in 2009, as compared to 2008, was primarily due to a combination of decreased occupancy and a lower ADR at the hotel during the period. The hotel suffered a decrease in group business during 2009, which also led to decreases in banquet, catering and other outside-the-room spending at the hotel. This reduced the hotel s Total RevPAR for the period. These decreases were partially offset by increased collection of attrition and cancellation fees.

Revenue decreased slightly at Gaylord Palms during 2008, as compared to 2007, due to lower ADR and lower banquet revenue, both primarily due to a decrease in corporate business groups and a shift in customer mix toward more transient business with lower nightly room rates and less outside-the-room spending. This decrease was partially offset by increased collection of attrition and cancellation fees.

Operating costs at Gaylord Palms during 2009 decreased as compared to 2008, primarily due to decreased variable operating costs associated with the lower levels of occupancy and outside-the-room spending at the hotel, as well as aggressive management of costs. Operating costs at Gaylord Palms decreased slightly during 2008, as compared to 2007, primarily as a result of decreased costs associated with the decrease in banquet revenue, as well as cost control measures in 2008.

Selling, general and administrative expenses decreased during 2009, as compared to 2008, primarily due to a decrease in expenses associated with certain cost control methods implemented by the hotel. Selling, general and administrative expenses during 2008 remained relatively stable as compared to 2007.

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Gaylord Texan Results. The results of Gaylord Texan for the years ended December 31, 2009, 2008 and 2007 are as follows (in thousands, except percentages and performance metrics):

	Years Ended December 31,				
	2009	**% Change**	**2008**	**% Change**	**2007**
Total revenues	**$ 171,357**	-11.1%	$ 192,706	-0.0%	$ 192,777
Operating expense data:					
Operating costs	**98,224**	-13.1%	113,091	0.7%	112,333
Selling, general and administrative	**22,223**	-6.5%	23,770	-6.4%	25,391
Hospitality performance metrics:					
Occupancy	**66.3%**	-7.9%	72.0%	-3.9%	74.9%
ADR	**$ 165.13**	-7.7%	$ 178.88	3.4%	$ 172.92
RevPAR	**$ 109.49**	-15.0%	$ 128.77	-0.6%	$ 129.55
Total RevPAR	**$ 310.74**	-10.8%	$ 348.46	-0.3%	$ 349.54

The decrease in Gaylord Texan revenue, RevPAR and Total RevPAR during 2009, as compared to 2008, was primarily due to a combination of decreased occupancy and a lower ADR at the hotel during 2009, as the hotel suffered a decrease in group business. This decrease in group business also led to decreases in banquet, catering and other outside-the-room spending at the hotel, which reduced the hotel s Total RevPAR for the period. These decreases were partially offset by increased collection of attrition and cancellation fees during 2009.

Revenue at Gaylord Texan remained stable during 2008, as compared to 2007. Lower occupancy due to lower group business and decreased banquet revenue during 2008 was offset by increased ADR, as a result of higher resort fees, increased revenues from the hotel s ICE! holiday exhibit, and higher collection of attrition and cancellation fees.

Operating costs at Gaylord Texan decreased during 2009, as compared to 2008, primarily due to decreased variable operating costs associated with the lower levels of occupancy and outside-the-room spending at the hotel, aggressive management of costs, and lower utility costs due to declines in rate and usage. Operating costs at the Gaylord Texan remained relatively stable during 2008, as compared to 2007.

Selling, general and administrative expenses decreased during 2009, as compared to 2008, primarily due to the results of our cost containment initiative. The decrease in selling, general and administrative expense at the Gaylord Texan for 2008, as compared to 2007, was due primarily to a decrease in incentive compensation and rental expenses.

Gaylord National Results. Gaylord National commenced normal operations in early April 2008. The results of Gaylord National for the years ended December 31, 2009 and 2008 are as follows (in thousands, except percentages and performance metrics):

	Years Ended December 31,		
	2009	**% Change**	**2008**
Total revenues	$ 231,341	36.7%	$ 169,224
Operating expense data:			
Operating costs	139,368	27.1%	109,629
Selling, general and administrative	31,982	19.6%	26,750
Hospitality performance metrics:			
Occupancy (1)	64.4%	4.5%	61.6%
ADR	$ 206.86	2.0%	$ 202.72
RevPAR (1)	$ 133.16	6.7%	$ 124.84
Total RevPAR (1)	$ 317.54	2.7%	$ 309.09

(1) Excludes 1,408 room nights that

were not in service during the year ended December 31, 2008 as these rooms were not released from construction on the date Gaylord National commenced normal operations.

Opry and Attractions Segment

The following presents the financial results of our Opry and Attractions segment for the years ended December 31, 2009, 2008 and 2007 (in thousands, except percentages):

	Years Ended December 31,				
	2009	**% Change**	**2008**	**% Change**	**2007**
Total revenues	**$ 64,875**	-21.0%	$ 82,125	5.6%	$ 77,769
Operating expense data:					
Operating costs	**39,604**	-25.1%	52,908	11.6%	47,422
Selling, general and administrative	**16,644**	-10.9%	18,682	2.4%	18,247
Depreciation and amortization	**4,699**	-4.0%	4,894	-11.0%	5,500
Operating income (1)	**$ 3,928**	-30.4%	$ 5,641	-14.5%	$ 6,600

(1) Opry and Attractions segment operating income does not include the effect of impairment charges. See the discussion of impairment and other charges set forth below.

The decrease in revenues in the Opry and Attractions segment during 2009, as compared to 2008, is primarily due to a decrease in revenues at our Corporate Magic corporate event planning business, as its customers held fewer events in 2009 as compared to 2008 due to lower levels of group travel. Opry and Attractions segment revenues increased in 2008, as compared to 2007, due primarily to an increase in revenues at our Corporate Magic corporate event planning business, as it produced more large corporate events in 2008 compared to 2007, as well as a slight increase in revenues for the Grand Ole Opry.

The decrease in Opry and Attractions operating costs during 2009, as compared to 2008, was due primarily to decreased variable costs at our Corporate Magic business associated with the decreased revenues described above. Opry and Attractions operating costs increased in 2008, as compared to 2007, due primarily to increased variable expenses at our Corporate Magic business and the Grand Ole Opry associated with the increased revenues described above.

The decrease in Opry and Attractions selling, general and administrative expenses during 2009, as compared to 2008, was due primarily to our cost containment initiative. Selling, general and administrative expenses during 2008 remained relatively stable as compared to 2007.

Corporate and Other Segment

The following presents the financial results of our Corporate and Other segment for the year ended December 31, 2009, 2008 and 2007 (in thousands, except percentages):

	Years Ended December 31,		
	2009	**2008**	**2007**

		% Change		% Change	
Total revenues	**$ 92**	-77.7%	$ 412	95.3%	$ 211
Operating expense data:					
Operating costs	**9,233**	-6.3%	9,859	10.8%	8,898
Selling, general and administrative	**40,788**	8.9%	37,451	-8.3%	40,859
Depreciation and amortization	**10,449**	36.6%	7,651	18.1%	6,480
Operating loss (1)	**$ (60,378)**	-10.7%	$ (54,549)	2.6%	$ (56,026)

(1) Corporate and Other segment operating loss does not include the effect of impairment charges. See the discussion of impairment and other charges set forth below.

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

Corporate and Other operating expenses consist of operating costs, selling, general and administrative expenses, and depreciation and amortization expense. Corporate and Other operating costs, which consist primarily of costs associated with information technology, decreased during 2009, as compared to 2008, due primarily to a decrease in employment costs associated with our cost containment initiative. Corporate and Other selling, general and administrative expenses, which consist of senior management salaries and benefits, legal, human resources, accounting, pension and other administrative costs, increased during 2009, as compared to 2008, due primarily to $4.0 million in severance costs incurred as part of our cost containment initiative, a $3.0 million non-cash charge to recognize compensation expense related to the surrender of certain executives stock options, and $1.9 million in expenses discussed above in Recent Events associated with preparing for a proxy contest, including reaching agreements with TRT and GAMCO, reimbursing certain expenses pursuant to the TRT Agreement, and settlement of our shareholder rights plan litigation. These increases were partially offset by consulting costs associated with a company-wide performance optimization project in 2008 that did not recur in 2009 and a decrease in employment costs associated with our cost containment initiative. Corporate and Other depreciation and amortization expense, which is primarily related to information technology equipment and capitalized electronic data processing software costs, increased during 2009, as compared to 2008, due to additional information technology equipment and capitalized software costs placed in service.

Corporate and Other operating increased during 2008, as compared to 2007, due primarily to increased software and hardware maintenance and consulting costs. Corporate and Other selling, general and administrative expenses decreased in 2008, as compared to 2007, due primarily to a decrease in incentive compensation costs and pension costs, partially offset by an increase in consulting costs associated with a company-wide cost structure analysis and performance optimization project. Corporate and Other depreciation and amortization expense increased in 2008, as compared to 2007, due to additional capitalized software costs placed in service.

Operating Results Preopening costs

We expense the costs associated with start-up activities and organization costs of our hotel development activities as incurred. Preopening costs for 2008 and 2007 were $19.1 million and $17.5 million, respectively, the majority of which were related to the construction of the Gaylord National, which opened in April 2008.

Operating Results Impairment and other charges

Goodwill. We perform an annual review of goodwill for impairment, and during interim periods if there are triggering events, by comparing the carrying value of the applicable reporting unit to the fair value of the reporting unit. If the fair value is less than the carrying value then we measure potential impairment by allocating the fair value of the reporting unit to the tangible assets and liabilities of the reporting unit in a manner similar to a business combination purchase price allocation. The remaining fair value of the reporting unit after assigning fair values to all of the reporting unit s assets and liabilities represents the implied fair value of goodwill of the reporting unit. The impairment is measured by the difference between the carrying value of goodwill and the implied fair value of goodwill. In connection with the preparation of our financial statements for the third quarter of 2009, as a result of significant adverse changes in the business climate of a reporting unit within our Opry and Attractions segment, we determined that the goodwill of this reporting unit may be impaired and performed an interim impairment review on the goodwill associated with this reporting unit as described above. As a result, we recorded an impairment charge of $6.6 million during 2009, to write down the carrying value of goodwill at the impaired reporting unit to its implied fair value of $0.3 million. We estimated the fair value of the reporting unit by using a discounted cash flow analysis that utilized comprehensive cash flow projections, as well as assumptions based on market data to the extent available. The discount rate utilized in this analysis was 16%, which reflected 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 of the reporting unit.

Termination of Purchase Agreement for Westin La Cantera Resort. On April 15, 2008, we terminated the Agreement of Purchase and Sale dated as of November 19, 2007 (the Purchase Agreement) with LCWW Partners, a Texas joint venture, and La Cantera Development Company, a Delaware corporation (collectively, Sellers), to acquire the assets related to the Westin La Cantera Resort, located in San Antonio, Texas, on the basis that we did not obtain financing satisfactory to us. Pursuant to the terms of the Purchase Agreement and a subsequent amendment, we forfeited a

$10.0 million deposit previously paid to Sellers. As a result, we recorded an impairment charge of $12.0 million during 2008 to write off the deposit, as well as certain transaction-related expenses that were also capitalized in connection with the potential acquisition.

Termination of Potential Development in Chula Vista, California. On November 17, 2008, we announced that we had terminated our plans to develop a resort and convention hotel in Chula Vista, California, due to prolonged planning and approval processes, a complicated regulatory and legal structure, and excessive off-site infrastructure costs. During 2008, we incurred a non-cash impairment charge of approximately $4.7 million to write off certain costs that were capitalized in connection with the Chula Vista project.

Investment in Waipouli Holdings, LLC. Through a joint venture arrangement, we hold an 18.1% ownership interest in Waipouli Holdings, LLC, which, through a wholly-owned subsidiary, owns the ResortQuest Kauai Beach at Makaiwa Hotel, located in Kapaa, Hawaii (the Kauai Hotel). During the fourth quarter of 2008, we determined that we would not be able to recover our investment in Waipouli Holdings, LLC by either continuing to operate the hotel or by selling the hotel. Therefore, we recorded an impairment charge of $2.5 million in 2008 to write off our investment balance and accrue the estimated costs of disposal related to Waipouli Holdings, LLC.

Non-Operating Results Affecting Net (Loss) Income

General

The following table summarizes the other factors which affected our net (loss) income for the years ended December 31, 2009, 2008 and 2007 (in thousands, except percentages):

	Years Ended December 31,				
	2009	**% Change**	**2008**	**% Change**	**2007**
Interest expense, net of amounts capitalized	**$ (76,592)**	-19.5%	$ (64,069)	-66.3%	$ (38,536)
Interest income	**15,087**	18.9%	12,689	292.4%	3,234
Unrealized gain on Viacom Stock and CBS Stock and derivatives, net		0.0%		-100.0%	9,479
(Loss) income from unconsolidated companies	**(5)**	99.3%	(746)	-177.4%	964
Net gain on extinguishment of debt	**18,677**	-6.0%	19,862	100.0%	
Other gains and (losses)	**2,847**	528.5%	453	-99.7%	146,330
Provision for income taxes	**9,197**	779.3%	1,046	-98.3%	62,665
Income (loss) from discontinued operations, net of taxes	**24**	109.8%	(245)	-102.5%	9,923

Interest Expense, Net of Amounts Capitalized

Interest expense, net of amounts capitalized, increased $12.5 million to $76.6 million (net of capitalized interest of $0.8 million) in 2009 as compared to 2008, due primarily to a $15.6 million decrease in capitalized interest as a result of the completion of construction of Gaylord National in 2008, $6.7 million in interest expense related to the Convertible Notes issued in 2009 and $4.5 million of increased interest expense under our $1.0 billion credit facility as a result of higher average debt balances during 2009. These increases are partially offset by decreases in interest expense on our 8% senior notes and 6.75% senior notes of $10.0 million and $2.7 million, respectively, as a result of the Company s redemption and repurchase of all of the 8% senior notes and a portion of the 6.75% senior notes, and the 2008 period including $1.3 million for the write-off of deferred financing costs associated with the refinancing of our $1.0 billion credit facility. Our weighted average interest rate on our borrowings, excluding the write-off of deferred financing costs during the period, was 6.2% in 2009 as compared to 6.5% in 2008.

Interest expense, net of amounts capitalized, increased $25.5 million to $64.1 million (net of capitalized interest of $16.4 million) in 2008 as compared to 2007, due primarily to a $26.0 million decrease in capitalized interest as a result of the construction of Gaylord National, and the impact of higher average debt balances during 2008. These increases were partially offset by the impact of the maturity of the secured forward exchange contract, which is further described below. Our weighted average interest rate on our borrowings, including the interest expense associated with the secured forward exchange contract but excluding the write-off of deferred financing costs during the period, was 6.5% in 2008 as compared to 7.3% in 2007.

As further discussed in Note 9 to our consolidated financial statements for the year ended December 31, 2009 included herewith, the secured forward exchange contract related to our Viacom Stock and CBS Stock investments resulted in non-cash interest expense of $10.5 million during 2007.

Interest Income

The increase in interest income during 2009, as compared to 2008, is primarily due to $14.8 million of interest income on the bonds that were received in April 2008 in connection with the development of Gaylord National, which included $12.6 million of interest that accrued on the bonds subsequent to their delivery to us and $2.2 million related to amortization of the discount on the bonds. The 2008 period included $11.3 million of interest income on these bonds, which included $9.4 million of interest that accrued on the bonds subsequent to their delivery to us and $1.9 million related to amortization of the discount on the bonds.

Unrealized Gain on Viacom and CBS Stock and Derivatives, Net

Prior to May 2007, we held a secured forward exchange contract with an affiliate of Credit Suisse with respect to our investment in Viacom Stock and CBS Stock. In May 2007, the secured forward exchange contract matured, and we delivered all of the Viacom Stock and CBS Stock to Credit Suisse in full satisfaction of the $613.1 million debt obligation under the SFEC. As a result, the debt obligation, Viacom Stock, CBS Stock, put option, call option, and deferred financing costs related to the secured forward exchange contract were removed from the consolidated balance sheet.

During 2007, we recorded a net pre-tax gain of $6.4 million related to the increase in fair value of the Viacom Stock and CBS Stock and a net pre-tax gain of $3.1 million related to the increase in fair value of the derivatives associated with the secured forward exchange contract.

Income From Unconsolidated Companies

We account for our minority investments in Bass Pro Group, LLC (prior to the sale of our ownership interest), RHAC Holdings, LLC (the joint venture entity which owns the ResortQuest Waikiki Beach Hotel), and Waipouli Holdings, LLC (the joint venture entity which owns the ResortQuest Kauai Beach at Makaiwa Hotel) under the equity method of accounting. Income from unconsolidated companies for the years ended December 31, 2009, 2008 and 2007 consisted of equity method (loss) income from these investments as follows (in thousands, except percentages):

	Years Ended December 31,				
	2009	**% Change**	**2008**	**% Change**	**2007**
Bass Pro	**$**	0.0%	$	-100.0%	$ 1,694
RHAC Holdings, LLC	**(5)**	-101.5%	334	854.3%	35
Waipouli Holdings, LLC (1)		100.0%	(1,080)	-41.2%	(765)
Total	**$ (5)**	99.3%	$ (746)	-177.4%	$ 964

(1) Equity method loss for Waipouli Holdings, LLC for 2008 does not include the effect of an impairment charge. See the discussion of impairment and other charges set forth above.

Bass Pro. Prior to May 31, 2007, we owned 13.0% of Bass Pro Group, LLC, the owner of the Bass Pro, Inc., Tracker Marine Boats and Big Cedar Lodge businesses. On May 31, 2007, we completed the sale of all of our ownership interest in Bass Pro Group, LLC to Bass Pro Group, LLC for a purchase price of $222.0 million in cash. We recognized a pre-tax gain of $140.3 million from the sale of our interest in Bass Pro Group, LLC, which is recorded in other gains and losses as described below. We recorded equity method income from our investment in Bass Pro prior to the date of sale as shown above.

RHAC Holdings, LLC (ResortQuest Waikiki Beach Hotel). Through a joint venture arrangement with G.O. IB-SIV US, a private real estate fund managed by DB Real Estate Opportunities Group (IB-SIV), we hold a 19.9% ownership interest in RHAC Holdings, LLC, which we acquired in 2005 in exchange for an initial capital contribution of $4.7 million to RHAC Holdings, LLC. Through a wholly-owned subsidiary, RHAC, LLC, RHAC Holdings LLC owns the 716-room ResortQuest Waikiki Beach Hotel and related assets located in Honolulu, Hawaii (the Waikiki Hotel). IB-SIV is the managing member of RHAC Holdings, LLC, but certain actions of RHAC Holdings, LLC initiated by IB-SIV require our approval as a member. In addition, under the joint venture arrangement, Aston Hotels & Resorts (recently renamed from ResortQuest Hawaii, which we formerly owned) manages the hotel under a 20-year hotel management agreement from RHAC, LLC and Aston Hotels & Resorts is responsible for the day-to-day operations of the Waikiki Hotel in accordance with RHAC, LLC s business plan.

Waipouli Holdings, LLC (ResortQuest Kauai Beach at Makaiwa Hotel). Through a joint venture arrangement with RREEF Global Opportunities Fund II, LLC, a private real estate fund managed by DB Real Estate Opportunities Group (RREEF), we hold an 18.1% ownership interest in Waipouli Holdings, LLC, which we acquired in 2006 in exchange for an initial capital contribution of $3.8 million to Waipouli Holdings, LLC. Through a wholly-owned subsidiary, Waipouli Owner, LLC, Waipouli Holdings, LLC owns the 311-room Kauai Hotel. RREEF is the managing member of Waipouli Holdings, LLC, but certain actions of Waipouli Holdings, LLC initiated by RREEF require our approval as a member. In addition, under the joint venture arrangement, Aston Hotels & Resorts (recently renamed from ResortQuest Hawaii, which we formerly owned) manages the hotel under a five-year hotel management agreement from Waipouli Owner, LLC and Aston Hotels & Resorts is responsible for the day-to-day operations of the Kauai Hotel in accordance with Waipouli Owner, LLC s business plan.

As more fully discussed above in Operating Results Impairment and other charges, we recognized a non-cash impairment charge of approximately $2.5 million during 2008 to write off our investment in Waipouli Holdings, LLC.

Net Gain on Extinguishment of Debt

During the first nine months of 2009, we repurchased $88.6 million in aggregate principal amount of our outstanding senior notes ($61.6 million of 8% senior notes and $27.0 million of 6.75% senior notes) for $64.5 million. After adjusting for accrued interest, deferred financing costs, and other costs, we recorded a pre-tax gain of $24.7 million as a result of the repurchases.

On September 23, 2009, we commenced a cash tender offer for our outstanding 8% senior notes. Following the expiration of the tender offer on October 21, 2009, $223.6 million aggregate principal amount of our outstanding 8% senior notes had been validly tendered and were repurchased by us pursuant to the terms of the tender offer. We also called for redemption at a price of 102.667% of the principal amount thereof, plus accrued interest, on November 15, 2009, all remaining outstanding 8% senior notes. As a result of these transactions, after adjusting for accrued interest, deferred financing costs, the deferred gain on a terminated swap related to these notes, and other costs, we recorded a pre-tax loss of $6.0 million, which is recorded as an offset in the net gain on extinguishment of debt in the accompanying financial information.

During 2008, we repurchased $45.8 million in aggregate principal amount of our outstanding senior notes ($28.5 million of 8% senior notes and $17.3 million of 6.75% senior notes) for $25.6 million. After adjusting for accrued interest and deferred financing costs, we recorded a pre-tax gain of $19.9 million as a result of the repurchase.

Other Gains and (Losses)

Our other gains and (losses) during 2009 primarily consisted of the receipt of $3.6 million under a tax increment financing arrangement related to the Ryman Auditorium, partially offset by other miscellaneous income and expenses.

Our other gains and (losses) for 2008 primarily consisted of a $1.3 million gain from the termination of certain interest rate swaps in connection with the refinancing of our $1.0 Billion Credit Facility, partially offset by other miscellaneous income and expenses.

Our other gains and (losses) for 2007 primarily consisted of a $140.3 million gain on the sale of our investment in Bass Pro Group, LLC, as well as a dividend distribution related to our investment in CBS Stock and a gain on the sale of the previously utilized corporate aircraft.

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Provision for Income Taxes

The effective tax rate as applied to pre-tax income from continuing operations differed from the statutory federal rate due to the following:

	Years Ended December 31,		
	2009	2008	2007
U.S. federal statutory rate	35%	35%	35%
State taxes (net of federal tax benefit and change in valuation allowance)	40%	0%	1%
Permanent items	-13%	-22%	0%
Nondeductible goodwill impairment	25%	0%	0%
Discontinued operations	0%	0%	2%
Unrecognized tax benefits	14%	5%	0%
	101%	18%	38%

The increase in our effective tax rate for 2009, as compared to 2008, resulted primarily from the impact of permanent differences related to goodwill impairment not deductible for taxes, increases in state valuation allowances, and the impact of state taxes payable in relation to pre-tax income.

The decrease in our effective tax rate for 2008, as compared to 2007, was due primarily to the impact of permanent differences relative to pre-tax income for each of the respective periods.

Income (Loss) from Discontinued Operations, Net of Taxes

We reflect the following businesses as discontinued operations in our financial results for the years ended December 31, 2009, 2008 and 2007. The results of operations, net of taxes (prior to their disposal where applicable), and the estimated fair value of the assets and liabilities of these businesses have been reflected in our consolidated financial statements as discontinued operations for all periods presented.

ResortQuest. During the second quarter of 2007, in a continued effort to focus on our Gaylord Hotels and Opry and Attractions businesses, we committed to a plan of disposal of our ResortQuest business. On May 31, 2007, we completed the sale of our ResortQuest Hawaii operations through the transfer of all of our equity interests in our ResortQuest Hawaii subsidiaries (ResortQuest Hawaii) to Vacation Holdings Hawaii, Inc., an affiliated company of Interval International, for $109.1 million in cash, prior to giving effect to a purchase price adjustment based on the working capital of ResortQuest Hawaii as of the closing. We retained our 19.9% ownership interest in RHAC Holdings, LLC and our 18.1% ownership interest in Waipouli Holdings LLC, which ownership interests were excluded from this transaction. During 2007, we recognized a pre-tax gain of $50.0 million in discontinued operations related to the sale of ResortQuest Hawaii. In connection with the sale of ResortQuest Hawaii, we recorded pre-tax restructuring charges for employee severance benefits of $0.4 million during 2007, all of which was included in the pre-tax gain on the sale of ResortQuest Hawaii.

On June 1, 2007, we completed the sale of the remainder of the operations of our ResortQuest subsidiary through the transfer of all of our capital stock in our ResortQuest Mainland subsidiary (ResortQuest Mainland) to BEI-RZT Corporation, a subsidiary of Leucadia National Corporation for $35.0 million, prior to giving effect to certain purchase price adjustments, including a purchase price adjustment based on the working capital of ResortQuest Mainland as of the closing. We recognized a pre-tax loss of $59.5 million in discontinued operations for 2007 related to the sale of ResortQuest Mainland. In connection with the sale of ResortQuest Mainland, we recorded pre-tax restructuring charges for employee severance benefits of $0.4 million for 2007, of which $0.3 million was included in the pre-tax loss on the sale of ResortQuest Mainland. We recorded pre-tax restructuring charges for employee severance benefits of $0.3 million during 2008.

The following table reflects the results of operations of businesses accounted for as discontinued operations for the years ended December 31, 2009, 2008 and 2007 (in thousands):

	2009	2008	2007
Revenues:			
ResortQuest	**$**	$	$ 91,229
Operating loss:			
ResortQuest	**$ (97)**	$ (354)	$ (4,460)
Other	**10**		517
Restructuring charges		(262)	(125)
Total operating loss	**(87)**	(616)	(4,068)
Interest expense, net of amounts capitalized	**(1)**	(4)	(17)
Interest income			309
Other gains and (losses)			
ResortQuest	**24**	159	(9,450)
Other	**95**	55	
Total other gains and (losses)	**119**	214	(9,450)
Income (loss) before (provision) benefit for income taxes	**31**	(406)	(13,226)
(Provision) benefit for income taxes	**(7)**	161	23,149
Income (loss) from discontinued operations	**$ 24**	$ (245)	$ 9,923

Included in other gains and (losses) for 2009 and 2008 are miscellaneous income and expenses. Included in other gains and (losses) for 2007 is a pre-tax gain of $50.0 million on the sale of ResortQuest Hawaii and a pre-tax loss of $59.5 million on the sale of ResortQuest Mainland. The remaining gains and (losses) in 2007 are primarily comprised of other miscellaneous income and expenses.

The benefit for income taxes in 2007 primarily relates to a permanent tax benefit recognized due to differences between book and tax basis on the sales of ResortQuest Hawaii and ResortQuest Mainland, the Company settling certain ResortQuest issues with the Internal Revenue Service related to periods prior to the acquisition of ResortQuest, the tax effect of interest charged to ResortQuest International, Inc. during the period, and the write-off of taxable goodwill associated with the ResortQuest markets sold in this period.

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, and maintenance capital expenditures. During 2009, our net cash flows provided by our operating activities continuing operations were $123.5 million, reflecting primarily our income from continuing operations before non-cash depreciation expense, amortization expense, impairment charges, income tax provision, stock-based compensation expense, loss from unconsolidated companies, net gain on extinguishment of debt, and losses on the sales of certain fixed assets of approximately $159.7 million, partially offset by unfavorable changes in working capital of approximately $36.1 million. The unfavorable changes in working capital primarily resulted from an increase in income taxes receivable, an increase in interest receivable associated with the bonds that were received in connection with the development of Gaylord National, and a decrease in accrued compensation. These unfavorable changes in working capital were partially offset by a decrease in trade receivables due to a combination of lower revenues in the current year and better collection efforts and an increase in deferred revenues due to increased receipts of deposits on advance bookings of hotel rooms at Gaylord National.

During 2008, our net cash flows provided by our operating activities continuing operations were $123.2 million, reflecting primarily our income from continuing operations before non-cash depreciation expense, amortization expense, impairment charges, income tax provision, stock-based compensation expense, excess tax benefits from stock-based compensation, loss from unconsolidated companies, net gain on extinguishment of debt, and losses on the sales of certain fixed assets of approximately $138.4 million, partially offset by unfavorable changes in working capital of approximately $15.1 million. The unfavorable changes in working capital primarily resulted from an increase in trade receivables due to the opening of Gaylord National in April 2008, an increase in interest receivable associated with the bonds that were received in connection with the development of Gaylord National, and a decrease in accrued expenses related to the payment of prior year accrued compensation and a decrease in accrued incentive compensation. These unfavorable changes in working capital were partially offset by an increase in accrued interest as well as an increase in deferred revenues due to increased receipts of deposits on advance bookings of hotel rooms at Gaylord Opryland, Gaylord Palms, and Gaylord Texan, and an increase in trade payables, accrued expenses, and receipts of deposits on advance bookings of hotel rooms at Gaylord National in connection with the opening of that hotel.

During 2007, our net cash flows provided by our operating activities continuing operations were $10.5 million, reflecting primarily our income from continuing operations before non-cash depreciation expense, amortization expense, income tax benefit, gain on the Viacom stock and CBS stock and related derivatives, stock-based compensation expense, excess tax benefits from stock-based compensation, income from unconsolidated companies, and gains on the sales of our investment in Bass Pro Group, LLC and certain fixed assets of approximately $11.9 million, partially offset by unfavorable changes in working capital of approximately $1.4 million. Our cash flows provided by income from continuing operations before the non-cash items described above were negatively impacted during the year ended December 31, 2007 by us incurring a tax liability of $99.1 million (after the application of federal and state net operating loss carryforwards and federal credit carryforwards), which primarily resulted from the net impact of the taxable gains we recognized upon maturity of our secured forward exchange contract and on the sales of our ResortQuest business and our investment in Bass Pro Group, LLC. The unfavorable changes in working capital primarily resulted from an increase in prepaid expenses at Gaylord National due to deposits made for purchases of furniture, fixtures, and equipment and other capital assets for the hotel, as well as an increase in other receivables as a result of the timing of our estimated federal tax payment. These unfavorable changes in working capital were partially offset by a net decrease in trade receivables primarily due to a change in the timing of guest lodging versus payments received at our hotels, as well as an increase in receipts of deposits on advance bookings of hotel rooms at Gaylord Opryland, Gaylord Palms, and Gaylord National.

Cash Flows From Investing Activities. During 2009, our primary uses of funds and investing activities were the purchase of property and equipment totaling $49.6 million, partially offset by the receipt of a $17.1 million payment on the bonds that were received in April 2008 in connection with the development of Gaylord National.

During 2008, our primary uses of funds and investing activities were the purchase of property and equipment totaling $395.2 million. Our capital expenditures during 2008 included construction at Gaylord National of $327.2 million, as well as $32.9 million at Gaylord Opryland, primarily to refurbish guestrooms and renovate certain food and beverage outlets.

During 2007, our primary uses of funds and investing activities were the purchase of property and equipment totaling $578.8 million. Our capital expenditures during 2007 included construction at Gaylord National of $499.3 million, as well as $48.2 million to refurbish guestrooms and renovate certain food and beverage outlets at Gaylord Opryland. During 2007, we also paid a $10.0 million deposit on the potential purchase of Westin La Cantera Resort, and received net cash proceeds of $221.5 million from the sale of our investment in Bass Pro Group, LLC and $5.1 million from the sales of certain fixed assets. Our net cash flows provided by investing activities discontinued operations during 2007 primarily consist of cash proceeds received from the sale of discontinued operations.

Cash Flows From Financing Activities. Our cash flows from financing activities reflect primarily the issuance of debt and the repayment of long-term debt. During 2009, our net cash flows provided by financing activities continuing operations were $89.4 million, primarily reflecting $358.1 million in proceeds from the issuance of our Convertible Notes, net of equity-related issuance costs, $169.0 million in proceeds from the issuance of common stock and warrants, net of issuance costs, and $5.0 million received from the termination of the interest rate swap agreements associated with our senior notes, partially offset by the payment of $329.6 million to repurchase portions of our senior notes, the payment of $76.7 million to purchase a convertible note hedge associated with the Convertible Notes, $22.5 million in net repayments under our $1.0 billion credit facility, the payment of $8.1 million in deferred financing costs associated with the Convertible Notes and the payment of $4.6 million to purchase shares of our common stock to fund a supplemental employee retirement plan.

During 2008, our net cash flows provided by financing activities continuing operations were $268.6 million, primarily reflecting $324.5 million in net borrowings under our $1.0 billion credit facility, partially offset by the payment of $25.6 million to repurchase portions of our senior notes, the payment of $20.0 million to repurchase shares of our common stock and the payment of $10.8 million in deferred financing costs to refinance our $1.0 billion credit facility.

During 2007, our net cash flows provided by financing activities continuing operations were $231.7 million, reflecting $223.0 million in net borrowings under the $1.0 billion credit facility and $12.6 million in proceeds received from the exercise of stock options, partially offset by the payment of $4.0 million in deferred financing costs to refinance our $600.0 million credit facility.

Liquidity

As further described above, during September 2009, we issued $360 million in Convertible Notes and offered and sold six million shares of our common stock. Our total proceeds of these offerings, after deducting discounts, commissions, expenses and the cost of convertible note hedge transactions, was approximately $442.4 million. We used the majority of these proceeds, together with cash on hand, to purchase, redeem or otherwise acquire all of our 8% senior notes originally due 2013. The remaining balance of the net proceeds may be used for general corporate purposes, which may include acquisitions, future development opportunities for new hotel properties, potential expansions or ongoing maintenance of our existing hotel properties, investments, or the repayment or refinancing of all or a portion of any of our outstanding indebtedness. We will continue to evaluate these possibilities in light of economic conditions and other factors. We are unable to predict at this time if or when acquisition opportunities may present themselves. In addition, we are unable to predict at this time when we might make commitments or commence construction related to the proposed development in Mesa, Arizona or our proposed expansions. Furthermore, we do not anticipate making significant capital expenditures on the development in Mesa, Arizona or the proposed expansions during 2010.

Principal Debt Agreements

$1.0 Billion Credit Facility. We entered into an Amended and Restated Credit Agreement effective March 23, 2007, by and among the Company, certain subsidiaries of the Company party thereto, as guarantors, the lenders party thereto and Bank of America, N.A., as administrative agent (the $1.0 Billion Credit Facility). On July 25, 2008, we refinanced the $1.0 Billion Credit Facility by entering into a Second Amended and Restated Credit Agreement (the New $1.0 Billion Credit Facility) by and among the Company, certain subsidiaries of the Company party thereto, as guarantors, the lenders party thereto and Bank of America, N.A., as administrative agent. The New $1.0 Billion Credit Facility consists of the following components: (a) $300.0 million senior secured revolving credit facility, which includes a $50.0 million letter of credit sublimit and a $30.0 million sublimit for swingline loans, and (b) a $700.0 million senior secured term loan facility. The term loan facility was fully funded at closing. The New $1.0 Billion Credit Facility also includes an accordion feature that will allow us to increase the New $1.0 Billion Credit Facility by a total of up to $400.0 million in no more than three occasions, subject to securing additional commitments from existing lenders or new lending institutions. The revolving loan, letters of credit, and term loan mature on July 25, 2012. At our election, the revolving loans and the term loans will bear interest at an annual rate of LIBOR plus 2.50% or a base rate (the higher of the lead bank s prime rate and the federal funds rate) plus 0.50%. We entered into interest rate swaps with respect to $500.0 million aggregate principal amount of borrowings under the term loan portion to convert the variable rate on those borrowings to a fixed weighted average interest rate of 3.94% plus the applicable margin on these borrowings during the term of the swap agreements. Interest on our borrowings is payable quarterly, in arrears, for base rate loans and at the end of each interest rate period for LIBOR rate-based loans. Principal is payable in full at maturity. We will be required to pay a commitment fee of 0.25% per year of the average unused portion of the New $1.0 Billion Credit Facility.

The New $1.0 Billion Credit Facility is (i) secured by a first mortgage and lien on the real property and related personal and intellectual property of Gaylord Opryland, Gaylord Texan, Gaylord Palms and Gaylord National, and pledges of equity interests in the entities that own such properties and (ii) guaranteed by each of the four wholly owned subsidiaries that own the four hotels. Advances are subject to a 55% borrowing base, based on the appraisal value of the hotel properties (reduced to 50% in the event a hotel property is sold).

In addition, the New $1.0 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 New $1.0 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%.

- We must maintain a consolidated tangible net worth of not less than the sum of $600.0 million, increased on a cumulative basis as of the end of each calendar quarter, commencing with the calendar quarter ending March 31, 2005, by an amount equal to (i) 75% of consolidated net income (to the extent positive) for the calendar quarter then ended, plus (ii) 75% of the proceeds received by us or any of the our subsidiaries in connection with any equity issuance.

We must maintain a minimum consolidated fixed charge coverage ratio, as defined in the agreement, of not less than 2.00 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 New $1.0 Billion Credit Facility, the commitments under the New $1.0 Billion Credit Facility may be terminated and the principal amount outstanding under the New $1.0 Billion Credit Facility, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable. The New $1.0 Billion Credit Facility is cross-defaulted to our other indebtedness.

As a result of the 2008 refinancing of the $1.0 Billion Credit Facility, as described below, we wrote off $1.3 million of deferred financing costs, which is included in interest expense in the accompanying consolidated statement of operations for the year ended December 31, 2008.

As of December 31, 2009, $700.0 million of borrowings were outstanding under the New $1.0 Billion Credit Facility, and the lending banks had issued $9.8 million of letters of credit under the facility for us, which left $290.2 million of availability under the credit facility (subject to the satisfaction of debt incurrence tests under the indentures governing our senior notes).

3.75% Convertible Senior Notes. During September 2009, we issued $360 million, including the exercise of an overallotment option, of the Convertible Notes. The Convertible Notes have a maturity date of October 1, 2014, and interest is payable semiannually in cash in arrears on April 1 and October 1, beginning April 1, 2010. The Notes are convertible, under certain circumstances as described below, at the holder s option, into shares of our common stock, at an initial conversion rate of 36.6972 shares of common stock per $1,000 principal amount of Convertible Notes, which is equivalent to an initial conversion price of approximately $27.25 per share. We may elect, at our option, to deliver shares of our common stock, cash or a combination of cash and shares of our common stock in satisfaction of our obligations upon conversion of the Convertible Notes.

The Convertible Notes are convertible under any of the following circumstances: (1) during any calendar quarter ending after September 30, 2009 (and only during such calendar quarter), if the closing price of our common stock for at least 20 trading days during the 30 consecutive trading day period ending on the last trading day of the immediately preceding calendar quarter exceeds 120% of the applicable conversion price per share of common stock on the last trading day of such preceding calendar quarter; (2) during the ten business day period after any five consecutive trading day period in which the Trading Price (as defined in the Indenture) per $1,000 principal amount of Convertible Notes, as determined following a request by a Convertible Note holder, for each day in such five consecutive trading day period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate, subject to certain procedures; (3) if specified corporate transactions or events occur; or (4) at any time on or after July 1, 2014, until the second scheduled trading day immediately preceding October 1, 2014. As of December 31, 2009, none of the conditions permitting conversion had been satisfied.

The Convertible Notes are general unsecured and unsubordinated obligations of us and rank equal in right of payment with all of our existing and future senior unsecured indebtedness, including our 6.75% senior notes due 2014, and senior in right of payment to all of our future subordinated indebtedness, if any. The Convertible Notes will be effectively subordinated to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness.

The Convertible Notes are guaranteed, jointly and severally, on an unsecured unsubordinated basis by generally all of our active domestic subsidiaries. Each guarantee will rank equally in right of payment with such subsidiary guarantor s existing and future senior unsecured indebtedness and senior in right of payment to all future subordinated indebtedness, if any, of such subsidiary guarantor. The Convertible Notes will be effectively subordinated to any secured indebtedness and effectively subordinated to all indebtedness and other obligations of our subsidiaries that do not guarantee the Convertible Notes.

Upon a Fundamental Change (as defined), holders may require us to repurchase all or a portion of their Convertible Notes at a purchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus any accrued and unpaid interest, if any, thereon to (but excluding) the Fundamental Change Repurchase Date (as defined). The Convertible Notes are not redeemable at our option prior to maturity.

We do not intend to file a registration statement for the resale of the Convertible Notes or any common stock issuable upon conversion of the Convertible Notes. As a result, holders may only resell the Convertible Notes or common stock issued upon conversion of the Convertible Notes, if any, pursuant to an exemption from the registration requirements of the Securities Act and other applicable securities laws.

6.75% Senior Notes. On November 30, 2004, we completed our offering of $225 million in aggregate principal amount of senior notes bearing an interest rate of 6.75% (the 6.75% Senior Notes). The 6.75% Senior Notes, which mature on November 15, 2014, bear interest semi-annually in cash in arrears on May 15 and November 15 of each year, starting on May 15, 2005. The 6.75% Senior Notes are redeemable, in whole or in part, at any time on or after November 15, 2009 at a designated redemption amount, plus accrued and unpaid interest. The 6.75% Senior Notes rank equally in right of payment with our other unsecured unsubordinated debt, but are effectively subordinated to all of our secured debt to the extent of the assets securing such debt. The 6.75% Senior Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by generally all of our active domestic subsidiaries. In connection with the offering of the 6.75% Senior Notes, we paid approximately $4.2 million in deferred financing costs. In addition, the 6.75% Senior Notes indenture contains certain covenants which, among other things, limit the incurrence of additional indebtedness (including additional indebtedness under the term loan portion of our senior secured credit facility), investments, dividends, transactions with affiliates, asset sales, capital expenditures, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements. The 6.75% Senior Notes are cross-defaulted to our other indebtedness.

As of December 31, 2009, we were in compliance with all covenants related to our outstanding debt.

Senior Note Repurchases

As described above, during the first nine months of 2009, we repurchased $88.6 million in aggregate principal amount of our outstanding senior notes ($61.6 million of 8% Senior Notes and $27.0 million of 6.75% Senior Notes) for $64.5 million. After adjusting for accrued interest, deferred financing costs, and other costs, we recorded a pre-tax gain of $24.7 million as a result of the repurchases. We used available cash and borrowings under our revolving credit facility to finance the purchases.

On September 23, 2009, we commenced a cash tender offer for our outstanding 8% Senior Notes and a solicitation of consents from holders of the 8% Senior Notes to effect certain proposed amendments to the indenture governing these notes. On October 6, 2009, the Company received the requisite consents of holders representing at least a majority in principal amount of the 8% Senior Notes then outstanding, to enter into the Sixth Supplemental Indenture pursuant to the Company s previously announced consent solicitation with respect to the 8% Senior Notes. Following the expiration of the tender offer on October 21, 2009, $223.6 million aggregate principal amount of our outstanding 8% Senior Notes had been validly tendered and were repurchased by us pursuant to the terms of the tender offer. We also called for redemption at a price of 102.667% of the principal amount thereof, plus accrued interest, on November 15, 2009, all remaining outstanding 8% Senior Notes. As a result, after adjusting for accrued interest, deferred financing costs, the deferred gain on a terminated swap related to these notes, and other costs, we recorded a pre-tax loss of $6.0 million as a result of the repurchase, which is recorded as a offset in the net gain on extinguishment of debt in the accompanying financial information. We used available cash and proceeds from the issuance of the Convertible Notes and our common stock offering to finance the purchases.

Stock Repurchases

During the first quarter of the year ended December 31, 2008, we repurchased 656,700 shares of our common stock at a weighted average purchase price of $30.42 per share. During the first quarter of 2009, we repurchased 385,242 shares of our common stock at a weighted average purchase price of $11.91 per share to fund a supplemental employee retirement plan.

Future Developments

As described in Development Update above, we are considering other potential hotel sites throughout the country, including Mesa, Arizona.

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Off-Balance Sheet Arrangements

As described in Note 6 to our consolidated financial statements included herein, we have investments in two unconsolidated entities, each of which owns a hotel located in Hawaii. Our joint venture partner in each of these unconsolidated entities has guaranteed, under certain circumstances, certain loans made to wholly-owned subsidiaries of each of these entities, and we have agreed to contribute to these joint venture partners our pro rata share of any payments under such guarantees required to be made by such joint venture partners. In addition, we enter into commitments under letters of credit, primarily for the purpose of securing our deductible obligations with our workers compensation insurers, and lending banks under our credit facility had issued $9.8 million of letters of credit as of December 31, 2009 for us. Except as set forth above, we do not have any off-balance sheet arrangements.

Commitments and Contractual Obligations

The following table summarizes our significant contractual obligations as of December 31, 2009, 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	$ 1,240,700	$	$ 700,000	$ 540,700	$
Capital leases	2,124	814	1,246	64	
Promissory note payable to Nashville Predators	1,000	1,000			
Construction commitments	24,458	24,458			
Operating leases (1)	660,303	6,612	11,113	8,813	633,765
Other	75	75			
Total contractual obligations	$ 1,928,660	$ 32,959	$ 712,359	$ 549,577	$ 633,765

(1) The total operating lease commitments of $660.3 million above includes the 75-year operating lease agreement we entered into during 1999 for 65.3 acres of land located in Osceola County, Florida where Gaylord Palms is located.

The cash obligations in the table above do not include future cash obligations for interest associated with our outstanding long-term debt, capital lease obligations, and promissory note payable to Nashville Predators. See Supplemental Cash Flow Information in Note 1 to our consolidated financial statements included herewith for a discussion of the interest we paid during 2009, 2008 and 2007.

Due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits at December 31, 2009, we cannot make reasonably certain estimates of the period of cash settlement, if any, with the respective taxing authority. Therefore, $16.1 million of unrecognized tax benefits have been excluded from the contractual obligations table above.

Critical Accounting Policies and Estimates

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

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

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

Impairment of long-lived assets and indefinite-lived intangible assets, including goodwill. In accounting for our long-lived assets other than goodwill, 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. During 2009, the market price per share of our common stock traded below its book value per share, which is a possible indicator that our long lived assets may not be recoverable. Our long-lived assets are primarily comprised of property and equipment assets at Gaylord Opryland, Gaylord Palms, Gaylord Texan, and Gaylord National. Therefore, in order to determine whether the carrying value of our long-lived assets was recoverable, we compared the carrying value of these hotels to their total future undiscounted cash flows and noted that their carrying value was recoverable from these cash flows. Based on the results of these impairment reviews, we concluded that our long-lived assets were not impaired, so no impairment charges on long-lived assets were recorded during 2009.

Goodwill and other intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually and whenever triggering events or circumstances occur indicating that these intangibles may be impaired. We allocate goodwill to reporting units by comparing the fair value of each reporting unit identified to the total fair value of the acquired company on the acquisition date. We perform our review of goodwill for impairment by comparing the carrying value of the applicable reporting unit to the fair value of the reporting unit. We estimate fair value using discounted cash flow analyses that utilize comprehensive cash flow projections, as well as observable market data to the extent available. If the fair value is less than the carrying value, we measure potential impairment by allocating the fair value of the reporting unit to the tangible assets and liabilities of the reporting unit in a manner similar to a business combination purchase price allocation. The remaining fair value of the reporting unit after assigning fair values to all of the reporting unit s assets and liabilities represents the implied fair value of goodwill of the reporting unit. The impairment is measured by the difference between the carrying value of goodwill and the implied fair value of goodwill. In connection with the preparation of the Company s financial statements for the third quarter of 2009, as a result of significant adverse changes in the business climate of a reporting unit within its Opry and Attractions segment, the Company determined that the goodwill of this reporting unit may be impaired and performed an interim impairment review on this goodwill, as described above. As a result, the Company recorded an impairment charge of $6.6 million during 2009, to write down the carrying value of goodwill at the impaired reporting unit to its implied fair value of $0.3 million. The Company estimated the fair value of the reporting unit by using a discounted cash flow analysis that utilized comprehensive cash flow projections, as well as assumptions based on market data to the extent available. The discount rate utilized in this analysis was 16%, which reflected 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 of the reporting unit. Holding all other assumptions constant, a 1% increase or decrease in this assumed discount rate would increase or decrease the resulting impairment charge by approximately $0.1 million and $0.1 million, respectively. No additional impairment charges on goodwill were recorded during 2009.

Stock-based compensation. 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 unless the stock option award contains a market provision, in which case we record compensation expense equal to the fair value of each award on a straight-line basis over the requisite service period for each separately vesting portion of the award. 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 rate, 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 and expected term are the two assumptions that significantly affect the grant date fair value. The expected dividend rate and expected risk-free rate of return are not significant to the calculation of fair value.

Derivative financial instruments. The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed by using derivative instruments are interest rate risk and commodity price risk. Interest rate swaps are entered into to manage interest rate risk associated with portions of the Company s fixed and variable rate borrowings. Natural gas price swaps are entered into to manage the price risk associated with forecasted purchases of natural gas and electricity used by the Company s hotels. The Company designates certain interest rate swaps as cash flow hedges of variable rate borrowings, the remaining interest rate swaps as fair value hedges of fixed rate borrowings, and natural gas price swaps as cash flow hedges of forecasted purchases of natural gas and electricity. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings (e.g., in interest expense when the hedged transactions are interest cash flows associated with variable rate debt). The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, or ineffectiveness, if any, is recognized in the statement of operations during the current period. For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative instrument, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, is recognized in the same line item associated with the hedged item in current earnings (e.g., in interest expense when the hedged item is fixed-rate debt).

The derivative liabilities held by us at December 31, 2009 include variable to fixed interest rate swaps. These derivative liabilities have been designated as cash flow hedges. Therefore, the Company records the fair value of these derivatives as a derivative asset or liability, with the offset applied to other comprehensive income, net of applicable income taxes. Any gain or loss is reclassified from other comprehensive income and recognized in earnings in the same period or periods in which the hedged transaction affects earnings. As of December 31, 2009, the fair value of the variable to fixed interest rate swaps were liabilities of $25.7 million.

Prior to their termination during the second quarter of 2009, we were a party to two fixed to variable interest rate swap agreements associated with our 8% Senior Notes, and at various points during 2009, 2008 and 2007, we were a party to natural gas price swaps. In addition, prior to its maturity during the second quarter of 2007, we held a secured forward exchange contract with respect to 5,468,950 shares of Viacom stock and 5,468,950 shares of CBS stock.

We determine the fair values of our derivative assets and liabilities based on quotes, with appropriate adjustments for any significant impact of non-performance risk of the parties to the contracts. The key input used to determine the fair value of our variable to fixed interest rate swaps and our fixed to variable interest rate swaps is changes in LIBOR interest rates. The key input used to determine the fair value of our variable to fixed natural gas price swaps is the forward price of natural gas futures contracts for delivery at the Henry Hub as quoted on the New York Mercantile Exchange. We believe it is unlikely that materially different estimates for the fair value of financial derivative instruments would be made or reported based on other reasonable assumptions or conditions suggested by actual historical experience and other data available at the time the estimates were made.

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

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

We have some state net operating loss and credit carryforwards for which management believes it is more-likely-than-not that future taxable income will be sufficient to realize the recorded deferred tax assets. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies, which involve estimates and uncertainties, in making this assessment. Projected future taxable income is based on management s forecast of our operating results. Management periodically reviews such forecasts in comparison with actual results and expected trends. We have established valuation allowances for deferred tax assets primarily associated with certain subsidiaries with state operating loss carryforwards. At December 31, 2009, we had state net operating loss carryforwards of $423.8 million resulting in a deferred tax benefit of $17.5 million. At December 31, 2009, we had state credit carryforwards of $1.1 million. A valuation allowance of $10.1 million has been provided for certain state deferred tax assets, including loss and credit carryforwards, as of December 31, 2009. In the event management determines that a change in the realizability of these deferred tax assets is necessary, we will be required to adjust our deferred tax valuation allowance in the period in which the determination is made.

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, mortality rates, and health care cost trend 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 6.3% as of December 31, 2008 to 5.8% at December 31, 2009 for the retirement plan and decreased from 6.1% at December 31, 2008 to 5.8% at December 31, 2009 for the postretirement benefit other than pension plan.

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 targeted allocation of plan assets, return premiums generated by portfolio management, and by a comparison to rates used by other companies. 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, 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 five-to-ten year horizon. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our pension obligations and expense. The expected return on plan assets assumption used for determining net periodic pension expense for 2009 and 2008 was 8.0%. Actual return on plan assets for 2009 was 28.4%. Due to a significant decline in the global stock markets in 2008, our historical actual return averaged 3.6% for the ten-year period ended December 31, 2009. 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, 2009 and 2008 was based on the RP 2000 Combined Mortality Tables. In estimating the health care cost trend rate, we consider our actual health care cost experience, industry trends, and advice from our third-party actuary. We assume that the relative increase in health care costs will generally trend downward over the next several years, reflecting assumed increases in efficiency in the health care system and industry-wide cost containment initiatives.

While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect our pension and postretirement benefit obligations and expense. For example, holding all other assumptions constant, a 1% increase or decrease in the assumed discount rate related to the retirement plan would decrease or increase 2009 net periodic pension expense by approximately $0.8 million and $0.9 million, respectively. Likewise, a 1% increase or decrease in the assumed rate of return on plan assets would decrease or increase, respectively, 2009 net periodic pension expense by approximately $0.5 million.

A 1% increase or decrease in the assumed discount rate related to the postretirement benefit plan would increase or decrease, respectively, the aggregate of the service and interest cost components of 2009 net postretirement benefit expense by approximately $33,000 and $47,000, respectively. Finally, a 1% increase or decrease in the assumed health care cost trend rate each year would increase or decrease, respectively, the aggregate of the service and interest cost components of 2009 net postretirement benefit expense by $0.1 million.

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

In September 2006, the Financial Accounting Standards Board (FASB) modified Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* (Topic 820), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. We adopted the provisions of this statement during the first quarter of 2008. In February 2008, the FASB modified Topic 820 to provide a one year deferral of the effective date of Topic 820 for non-financial assets and non-financial liabilities, except those that are recognized or disclosed in the financial statements at fair value at least annually. Therefore, we adopted the provisions of Topic 820 with respect to our non-financial assets and non-financial liabilities during the first quarter of 2009. The adoption of this statement with respect to non-financial assets and non-financial liabilities did not have a material impact on our consolidated results of operations and financial condition. See Note 16 of our consolidated financial statements included herein for additional disclosures.

In December 2007, the FASB modified FASB ASC 805, *Business Combinations* (Topic 805). This revised guidance applies to all transactions and other events in which one entity obtains control over one or more other businesses. Topic 805 now requires an acquirer, upon initially obtaining control of another entity, to recognize the assets, liabilities and any non-controlling interest in the acquiree at fair value as of the acquisition date. Contingent consideration is required to be recognized and measured at fair value on the date of acquisition rather than at a later date when the amount of that consideration may be determinable beyond a reasonable doubt. Topic 805 now requires acquirers to expense acquisition-related costs as incurred rather than allocating such costs to the assets acquired and liabilities assumed, as was previously required. Under this revised guidance, the requirements of FASB ASC 420, *Exit or Disposal Cost Obligations*, would have to be met in order to accrue for a restructuring plan in purchase accounting. Pre-acquisition contingencies are to be recognized at fair value, unless it is a non-contractual contingency that is not likely to materialize, in which case, no amounts should be recognized in purchase accounting and, instead, that contingency would be subject to the probable and estimable recognition criteria of FASB ASC 450, *Contingencies*. This statement is effective prospectively and we adopted the provisions of this statement in the first quarter of 2009. The adoption of this statement did not have a material impact on our consolidated financial statements.

In March 2008, the FASB modified FASB ASC 815, *Derivatives and Hedging* (Topic 815). This revised guidance is intended to improve financial reporting of derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity s financial position, financial performance, and cash flows. We adopted the provisions of this statement in the first quarter of 2009, and the adoption of Topic 815 did not have a material impact on our consolidated financial position or results of operations. See Note 9 of our consolidated financial statements included herein for additional disclosures.

In November 2008, the Emerging Issues Task Force (EITF) reached a consensus related to FASB ASC 323, *Investments Equity Method and Joint Ventures* (Topic 323). Topic 323 concludes that an equity method investment should be recognized by using a cost accumulation model. In addition, equity method investments as a whole should be assessed for other-than-temporary impairment. We adopted the provisions of this statement in the first quarter of 2009, and the adoption of Topic 323 did not have a material impact on our consolidated financial position or results of operations.

In December 2008, the FASB amended FASB ASC 715, *Compensation Retirement Benefits* (Topic 715), to require additional disclosures about assets held in an employer s defined benefit pension or other postretirement plan. We adopted these changes in the fourth quarter of 2009, and this adoption did not have a material impact on our consolidated financial position or results of operations. See Note 11 of our consolidated financial statement included herein for additional disclosures.

In April 2009, the FASB modified FASB ASC 825, *Financial Instruments*, which extends the disclosure requirements of the fair value of financial instruments to interim financial statements of publicly traded companies. We are now required to disclose, on a quarterly basis, fair value information for financial instruments that are not reflected in the condensed consolidated balance sheets at fair value. We adopted these changes in the second quarter of 2009, and this adoption did not have a material impact on our consolidated financial position or results of operations.

In May 2009, the FASB modified FASB ASC 855, *Subsequent Events* (Topic 855) in order to establish principles and requirements for reviewing and reporting subsequent events and requires disclosure of the date through which subsequent events are evaluated and whether the date corresponds with the time at which the financial statements were available for issue (as defined) or were issued. We adopted the modifications of Topic 855 during the second quarter of 2009, and this adoption did not have a material impact on our consolidated financial position or results of operations. See Note 20 of our consolidated financial statements included herein for additional disclosures.

In June 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-01, Topic 105, *Generally Accepted Accounting Principles* to establish the ASC as the single source of authoritative nongovernmental U.S. generally accepted accounting principles (GAAP), superseding existing FASB, American Institute of Certified Public Accountants, EITF, and related accounting literature. This modification does not change the content of GAAP, but reorganizes the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. Also included is relevant SEC guidance organized using the same topical structure in separate sections. This modification became effective for us on July 1, 2009. This had an impact on the footnotes to our financial statements, as all references to authoritative accounting literature are now references in accordance with this modification.

In August 2009, the FASB issued ASU No. 2009-05, Topic 820, *Measuring Liabilities at Fair Value*, which provides additional guidance to clarify the measurement of liabilities at fair value. When a quoted price in an active market for the identical liability is not available, this modification requires that the fair value of a liability be measured using one or more of the listed valuation techniques that should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The modification also clarifies how the price of a traded debt security (i.e., an asset value) should be considered in estimating the fair value of the issuer s liability. We adopted this guidance during the fourth quarter of 2009, and this adoption did not have a material impact on our consolidated financial statements.

In June 2009, the FASB modified FASB ASC 810, *Consolidation* (Topic 810) to amend the guidance governing the determination of whether an enterprise is the primary beneficiary of a variable interest entity (VIE). This modification requires a qualitative analysis, rather than a quantitative analysis, that considers who has the power to direct the activities of the entity that most significantly impact the entity s economic performance, as well as an assessment of who has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. This modification also requires ongoing assessments of whether an enterprise is the primary beneficiary of a VIE. Before this modification, reconsideration of whether an enterprise is the primary beneficiary of a VIE was required only when specific events occurred. This modification will be effective for us beginning January 1, 2010, and we do not expect this modification to have a material impact on our consolidated financial position or results of operations.

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, changes in equity prices and changes in asset values of investments that fund our pension plan.

Risk Related to Changes in Interest Rates

In conjunction with our offering of the 8% Senior Notes, we entered into an interest rate swap with respect to $125 million aggregate principal amount of our 8% Senior Notes. This interest rate swap, which had an initial term of ten years, effectively adjusted the interest rate of that portion of the 8% Senior Notes to LIBOR plus 2.95%. The interest rate swap on the 8% Senior Notes was deemed effective and therefore the hedge was treated as an effective fair value hedge. The counterparties under this swap agreement notified us that, as permitted by the agreement, each was opting to terminate its portion of the $125.0 million swap agreement effective May 15, 2009. As stated in the agreement, the two counterparties each paid a $2.5 million termination fee, plus accrued interest, to the Company on May 15, 2009.

Subsequent to its refinancing on July 25, 2008, borrowings outstanding under our New $1.0 Billion Credit Facility bear interest at an annual rate at our election of either LIBOR plus 2.50% or a base rate (the higher of the lead bank s prime rate and the federal funds rate) plus 0.50%. In connection with the refinancing of the $1.0 Billion Credit Facility, we entered into a new series of forward-starting interest rate swaps to effectively convert the variable rate on $500.0 million aggregate principal amount of borrowings under the term loan portion of our New $1.0 Billion Credit Facility to a fixed rate. These interest rate swaps, which expire on various dates through July 25, 2011, effectively adjust the variable interest rate on those borrowings to a fixed weighted average interest rate of 3.94% plus the applicable margin on these borrowings during the term of the swap agreements. These interest rate swaps are deemed effective and therefore the hedges have been treated as effective cash flow hedges.

If LIBOR were to increase by 100 basis points, our annual interest cost on the remaining $200.0 million in borrowings outstanding under our New $1.0 Billion Credit Facility as of December 31, 2009 would increase by approximately $2.0 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, 2009. As a result, the interest rate market risk implicit in these investments at December 31, 2009, if any, is low.

Risk Related to Changes in Equity Prices

The $360 million aggregate principal amount of Convertible Notes we issued in September 2009 may be converted prior to maturity, at the holder s option, into shares of our common stock under certain circumstances as described in Note 8 to our consolidated financial statements included herein. The initial conversion price is approximately $27.25 per share. Upon conversion, we may elect, at our option, to deliver shares of our common stock, cash or a combination of cash and shares of our common stock in satisfaction of our obligations upon conversion of the Convertible Notes. As such, the fair value of the Convertible Notes will generally increase as our share price increases and decrease as the share price declines.

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. The convertible note hedge transactions involved us purchasing from four counterparties options to purchase approximately 13.2 million shares of our common stock at a price per share equal to the initial conversion price of the Convertible Notes. Separately we sold warrants to the same counterparties whereby they have the option to purchase 13.2 million shares of our common stock at a price of $32.70 per share. As a result of the convertible note hedge transactions and related warrants, the Convertible Notes will not have a dilutive impact on shares outstanding if the share price of our common stock is below $32.70. For every $1 increase in the share price of our common stock above $32.70, we will be required to deliver, upon the exercise of the warrants, the equivalent of $13.2 million in shares of our common stock (at the relevant share price).

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, 2009, the value of the investments in the pension fund was $60.1 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 $6.0 million.

Risk Related to Foreign Currency Exchange Rates

Substantially all of our revenues are realized in U.S. dollars and are from customers in the United States. Therefore, we do not believe we have any significant foreign currency exchange rate risk. We do not hedge against foreign currency exchange rate changes and do not speculate on the future direction of foreign currencies.

Summary

Based upon our overall market risk exposures at December 31, 2009, 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. However, we are no longer exposed to the risks associated with changes in the price of Viacom Stock and CBS Stock, and we believe that the effects of fluctuations in foreign currency exchange rates on our consolidated financial position, results of operations or cash flows would not be material.

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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 56 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 Securities Exchange Act of 1934. The Company s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company s internal control over financial reporting includes those policies and procedures that:

- 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, 2009. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework.

Based on management s assessment and those criteria, management believes that, as of December 31, 2009, 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. That report begins on page 58 and is incorporated by reference 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, 2009 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 Directors in our Proxy Statement for the 2010 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 Stockholder Nominations of Candidates for Board Membership in our Proxy Statement for the 2010 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 2010 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.
Certain other information concerning executive officers and certain other officers of the Company is included in Part I of this Annual Report on Form 10-K under the caption Executive Officers of the Registrant.
The Company has a separately designated audit committee of the Board of Directors established in accordance with the Exchange Act. Glenn J. Angiolillo, Michael J. Bender, E.K. Gaylord II, D. Ralph Horn and David W. Johnson currently serve as members of the Audit Committee. Our Board of Directors has determined that D. Ralph Horn 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.gaylordentertainment.com or request a copy of any of the foregoing by writing to the following address: Gaylord Entertainment Company, Attention: Secretary, One Gaylord Drive, Nashville, Tennessee 37214. The Company will make any legally required disclosures regarding amendments to, or waivers of, provisions of the Code of Business Conduct and Ethics, Corporate Governance Guidelines or current committee charters on its website. In accordance with the corporate governance listing standards of the New York Stock Exchange, the Company has designated Mr. Ralph Horn as the lead director at all meetings of non-management directors, which meetings will be held on a regular basis. Stockholders, 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@gaylordentertainment.com.

Item 11. *Executive Compensation*
The information required by this Item is incorporated herein by reference to the discussions under the headings 2009 Compensation of Directors, Compensation Discussion and Analysis, Summary Compensation Table, Grants of Plan-Based Awards for Fiscal Year End December 31, 2009, Outstanding Equity Awards at Fiscal Year End December 31, 2009, Option Exercises and Stock Vested as of Fiscal Year End December 31, 2009, Pension Benefits, Nonqualified Deferred Compensation, Potential Payouts on Termination or Change of Control, Election of Directors - Compensation Committee Interlocks and Insider Participation , and Compensation Committee Report in our Proxy Statement for the 2010 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 Security Ownership of Certain Beneficial Owners and Management and Equity Compensation Plan Information in our Proxy Statement for the 2010 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

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 Election of Directors Independence of Directors and Transactions with Related Persons in our Proxy Statement for the 2010 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission.

Item 14. ***Principal Accounting Fees and Services***

The information required by this Item is incorporated herein by reference to the discussion under the heading Independent Registered Public Accounting Firm in our Proxy Statement for the 2010 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 56 of this Annual Report on Form 10-K is provided in response to this Item.

(a)(2) *Financial Statement Schedules*

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

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.

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SIGNATURES

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

GAYLORD ENTERTAINMENT COMPANY

Date: February 26, 2010

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

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.

Signature	Title	Date
/s/ Colin V. Reed Colin V. Reed	Chairman of the Board of Directors and Chief Executive Officer	February 26, 2010
/s/ Glenn J. Angiolillo Glenn J. Angiolillo	Director	February 26, 2010
/s/ Michael J. Bender Michael J. Bender	Director	February 26, 2010
/s/ E.K. Gaylord, II E.K. Gaylord, II	Director	February 26, 2010
/s/ D. Ralph Horn D. Ralph Horn	Director	February 26, 2010
/s/ David W. Johnson David W. Johnson	Director	February 26, 2010
/s/ Ellen R. Levine Ellen R. Levine	Director	February 26, 2010
/s/ Robert S. Prather, Jr. Robert S. Prather, Jr.	Director	February 26, 2010
/s/ Michael D. Rose	Director	February 26, 2010

Michael D. Rose		
/s/ Michael I. Roth	Director	February 26, 2010
Michael I. Roth		
/s/ Robert B. Rowling	Director	February 26, 2010
Robert. B. Rowling		
/s/ Mark Fioravanti	Senior Vice President and Chief Financial Officer	February 26, 2010
Mark Fioravanti	(Principal Financial Officer)	
/s/ Rod Connor	Senior Vice President and Chief Administrative Officer	February 26, 2010
Rod Connor	(Principal Accounting Officer)	

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Gaylord Entertainment Company

We have audited the accompanying consolidated balance sheets of Gaylord Entertainment Company and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of operations, cash flows and stockholders equity for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gaylord Entertainment Company and subsidiaries at December 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Gaylord Entertainment Company s internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 26, 2010 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
February 26, 2010

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Gaylord Entertainment Company

We have audited Gaylord Entertainment Company s internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Gaylord Entertainment Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on 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, Gaylord Entertainment Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Gaylord Entertainment Company as of December 31, 2009 and 2008, and the related consolidated statements of operations, cash flows and stockholders equity for each of the three years in the period ended December 31, 2009, and our report dated February 26, 2010 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Nashville, Tennessee
February 26, 2010

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GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2009, 2008 and 2007
(Amounts in thousands, except per share data)

	2009	2008	2007
Revenues	**$879,121**	$930,869	$747,723
Operating expenses:			
Operating costs	**531,257**	566,366	448,975
Selling, general and administrative	**175,550**	178,809	160,699
Preopening costs		19,190	17,518
Impairment and other charges	**6,586**	19,264	
Depreciation and amortization	**116,592**	109,774	77,349
Operating income	**49,136**	37,466	43,182
Interest expense, net of amounts capitalized	**(76,592)**	(64,069)	(38,536)
Interest income	**15,087**	12,689	3,234
Unrealized gain on Viacom stock and CBS stock			6,358
Unrealized gain on derivatives			3,121
(Loss) income from unconsolidated companies	**(5)**	(746)	964
Net gain on extinguishment of debt	**18,677**	19,862	
Other gains and (losses)	**2,847**	453	146,330
Income before provision for income taxes and discontinued operations	**9,150**	5,655	164,653
Provision for income taxes	**9,197**	1,046	62,665
(Loss) income from continuing operations	**(47)**	4,609	101,988
Income (loss) from discontinued operations, net of taxes	**24**	(245)	9,923
Net (loss) income	**$ (23)**	$ 4,364	$111,911
<u>(Loss) income per share</u>:			
(Loss) income from continuing operations	**$ (0.00)**	$ 0.11	$ 2.49
Income from discontinued operations, net of taxes			0.24
Net (loss) income	**$ (0.00)**	$ 0.11	$ 2.73
<u>(Loss) income per share assuming dilution</u>:			
(Loss) income from continuing operations	**$ (0.00)**	$ 0.11	$ 2.41
Income from discontinued operations, net of taxes			0.24
Net (loss) income	**$ (0.00)**	$ 0.11	$ 2.65

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

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GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2009 and 2008
(Amounts in thousands, except per share data)

	December 31, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents unrestricted	**$ 180,033**	$ 1,043
Cash and cash equivalents restricted	**1,150**	1,165
Trade receivables, less allowance of $977 and $2,016, respectively	**40,917**	49,114
Deferred income taxes	**2,525**	6,266
Other current assets	**80,888**	50,793
Current assets of discontinued operations	**63**	197
Total current assets	**305,576**	108,578
Property and equipment, net of accumulated depreciation	**2,149,814**	2,227,574
Notes receivable, net of current portion	**142,311**	146,866
Intangible assets, net of accumulated amortization	**108**	121
Goodwill	**329**	6,915
Indefinite lived intangible assets	**1,480**	1,480
Investments	**128**	1,131
Estimated fair value of derivative assets		6,235
Long-term deferred financing costs	**18,081**	18,888
Other long-term assets	**43,196**	42,591
Total assets	**$ 2,661,023**	$ 2,560,379
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	**$ 1,814**	$ 1,904
Accounts payable and accrued liabilities	**151,863**	168,155
Estimated fair value of derivative liabilities		1,606
Current liabilities of discontinued operations	**669**	1,329
Total current liabilities	**154,346**	172,994
Long-term debt and capital lease obligations, net of current portion	**1,176,874**	1,260,997
Deferred income taxes	**100,590**	62,656
Estimated fair value of derivative liabilities	**25,661**	28,489
Other long-term liabilities	**124,421**	131,578
Long-term liabilities of discontinued operations	**447**	446

Commitments and contingencies		
Stockholders equity:		
Preferred stock, $.01 par value, 100,000 shares authorized, no shares issued or outstanding		
Common stock, $.01 par value, 150,000 shares authorized, 46,990 and 40,916 shares issued and outstanding, respectively	**470**	409
Additional paid-in capital	**881,512**	711,444
Treasury stock of 385 shares, at cost	**(4,599)**	
Retained earnings	**234,728**	234,751
Accumulated other comprehensive loss	**(33,427)**	(43,385)
Total stockholders equity	**1,078,684**	903,219
Total liabilities and stockholders equity	**$ 2,661,023**	$ 2,560,379

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

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GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2009, 2008 and 2007
(Amounts in thousands)

	2009	2008	2007
Cash Flows from Operating Activities:			
Net (loss) income	**$ (23)**	$ 4,364	$ 111,911
Amounts to reconcile net (loss) income to net cash flows provided by operating activities:			
(Gain) loss from discontinued operations, net of taxes	**(24)**	245	(9,923)
Loss (income) from unconsolidated companies	**5**	746	(964)
Impairment and other charges	**6,586**	19,264	
Unrealized gain on Viacom stock and CBS stock and related derivatives			(9,479)
Provision (benefit) for deferred income taxes	**36,726**	6,753	(36,396)
Depreciation and amortization	**116,592**	109,774	77,349
Amortization of deferred financing costs	**4,762**	4,408	14,269
Amortization of discount on convertible notes	**2,864**		
Write-off of deferred financing costs related to refinancing of credit facility		1,476	1,192
Stock-based compensation expense	**10,013**	11,202	10,220
Excess tax benefit from stock-based compensation		(859)	(2,078)
Gain on sale of investment in Bass Pro			(140,313)
Net gain on extinguishment of debt	**(18,677)**	(19,862)	
Loss (gain) on sales of long-lived assets	**828**	876	(3,862)
Changes in (net of acquisitions and divestitures):			
Trade receivables	**8,197**	(17,743)	2,363
Interest receivable	**(14,807)**	(10,186)	
Accounts payable and accrued liabilities	**(3,169)**	18,115	3,499
Other assets and liabilities	**(26,365)**	(5,329)	(7,242)
Net cash flows provided by operating activities continuing operations	**123,508**	123,244	10,546
Net cash flows (used in) provided by operating activities discontinued operations	**(452)**	(1,003)	16,153
Net cash flows provided by operating activities	**123,056**	122,241	26,699
Cash Flows from Investing Activities:			
Purchases of property and equipment	**(49,552)**	(395,156)	(578,815)
Proceeds from sale of investment in Bass Pro			221,527
Collection of notes receivable	**17,621**	622	599
Deposit on potential acquisition of business			(10,000)
Other investing activities	**(1,564)**	(19,025)	509
Net cash flows used in investing activities continuing operations	**(33,495)**	(413,559)	(366,180)

Net cash flows provided by investing activities discontinued operations		159	115,400
Net cash flows used in investing activities	**(33,495)**	(413,400)	(250,780)
Cash Flows from Financing Activities:			
Net (repayments) borrowings under credit facility	**(22,500)**	324,500	223,000
Repurchases of senior notes	**(329,571)**	(25,636)	
Proceeds from the issuance of convertible notes, net of equity-related issuance costs of $1,893	**358,107**		
Deferred financing costs paid	**(8,077)**	(10,753)	(4,042)
Purchase of convertible note hedge	**(76,680)**		
Proceeds from the issuance of common stock warrants	**43,740**		
Proceeds from the issuance of common stock, net of issuance costs of $5,499	**125,297**		
Purchases of Company s common stock		(19,999)	
Purchases of treasury stock	**(4,599)**		
Proceeds from the termination of an interest rate swap on senior notes	**5,000**		
Proceeds from exercise of stock option and purchase plans	**566**	1,859	12,573
Excess tax benefit from stock-based compensation		859	2,078
Decrease in restricted cash and cash equivalents	**15**	51	50
Other financing activities, net	**(1,869)**	(2,271)	(1,977)
Net cash flows provided by financing activities continuing operations	**89,429**	268,610	231,682
Net cash flows used in financing activities discontinued operations			(19,365)
Net cash flows provided by financing activities	**89,429**	268,610	212,317
Net change in cash and cash equivalents	**178,990**	(22,549)	(11,764)
Cash and cash equivalents unrestricted, beginning of period	**1,043**	23,592	35,356
Cash and cash equivalents unrestricted, end of period	**$ 180,033**	$ 1,043	$ 23,592

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

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GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY
For the Years Ended December 31, 2009, 2008 and 2007
(Amounts in thousands)

	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Other Comprehensive (Loss) Income	Total Stockholders Equity
BALANCE, December 31, 2006	$408	$694,941	$	$118,885	$ (16,208)	$ 798,026
COMPREHENSIVE INCOME:						
Net income				111,911		111,911
Unrealized gain on natural gas derivatives, net of deferred income taxes					202	202
Minimum pension liability, net of deferred income taxes					5,683	5,683
Foreign currency translation, net of deferred income taxes					(1,117)	(1,117)
Reclassification of foreign currency translation for sale of foreign subsidiary, net of deferred income taxes					565	565
Comprehensive income						117,244
Adjustment to initially apply amendments to ASC Topic 740				(38)		(38)
Exercise of stock options	5	12,085				12,090
Net tax benefit on stock options		3,350				3,350
Employee stock plan purchases		483				483
Restricted stock shares surrendered		(428)				(428)
Stock-based compensation expense		10,765				10,765
BALANCE, December 31, 2007	$413	$721,196	$	$230,758	$ (10,875)	$ 941,492
COMPREHENSIVE INCOME:						
Net income				4,364		4,364
					(884)	(884)

Unrealized loss on natural gas derivatives, net of deferred income taxes						
Unrealized loss on interest rate derivatives, net of deferred income taxes					(18,258)	(18,258)
Minimum pension liability, net of deferred income taxes					(13,368)	(13,368)
Comprehensive loss						(28,146)
Adjustment to apply measurement date provisions of ASC Topic 715				(371)		(371)
Exercise of stock options	1	1,387				1,388
Net tax benefit for stock based compensation		175				175
Employee stock plan purchases		462				462
Issuance of stock to employees		9				9
Restricted stock units surrendered	2	(2,926)				(2,924)
Restricted stock shares surrendered		(141)				(141)
Purchase of Company s common stock	(7)	(19,992)				(19,999)
Stock-based compensation expense		11,274				11,274
BALANCE, December 31, 2008	$409	$711,444	$	$234,751	$ (43,385)	$ 903,219
COMPREHENSIVE INCOME:						
Net loss				**(23)**		**(23)**
Unrealized gain on natural gas derivatives, net of deferred income taxes					**867**	**867**
Unrealized gain on interest rate derivatives, net of deferred income taxes					**1,777**	**1,777**
Minimum pension liability, net of deferred income taxes					**7,314**	**7,314**
Comprehensive income						**9,935**
Issuance of common stock	**60**	**125,237**				**125,297**

Issuance of common stock warrants		**43,740**				**43,740**
Issuance of convertible notes, including equity-related issuance costs		**66,107**				**66,107**
Purchase of convertible note hedge		**(76,680)**				**(76,680)**
Exercise of stock options		**145**				**145**
Net tax expense related to stock based compensation		**(3,126)**				**(3,126)**
Employee stock plan purchases	**1**	**414**				**415**
Issuance of stock to employees		**6**				**6**
Restricted stock units surrendered		**(112)**				**(112)**
Restricted stock shares surrendered		**(61)**				**(61)**
Purchase of Company s common stock to fund a supplemental employee retirement plan		**4,074**	**(4,599)**			**(525)**
Stock-based compensation expense		**10,324**				**10,324**
BALANCE, December 31, 2009	**$470**	**$881,512**	**$(4,599)**	**$234,728**	**$ (33,427)**	**$1,078,684**

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

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GAYLORD ENTERTAINMENT COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Gaylord Entertainment Company (the Company) is a diversified hospitality and entertainment company principally operating, through its subsidiaries, in three business segments: Hospitality; Opry and Attractions; and Corporate and Other. The Company s fiscal year ends on December 31 for all periods presented.

During the third quarter of 2005, the Company committed to a plan of disposal of certain markets of its ResortQuest business that were considered to be inconsistent with the Company s long term growth strategy. During the second quarter of 2006, the Company completed the sale of one additional market of its ResortQuest business that was not included in the original plan of disposal, but was later determined to be inconsistent with the Company s long term growth strategy. During the second quarter of 2007, the Company disposed of the remainder of its ResortQuest business. The ResortQuest business, along with other businesses with respect to which the Company pursued plans of disposal in prior periods, have been presented as discontinued operations, net of taxes, for all periods presented.

Business Segments

Hospitality

The Hospitality segment includes the operations of Gaylord Hotels branded hotels and the Radisson Hotel at Opryland, as well as the Company s ownership interests in two joint ventures. At December 31, 2009, the Company owns and operates 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), and the Radisson Hotel at Opryland. Gaylord Opryland and the Radisson Hotel at Opryland are both located in Nashville, Tennessee. The Gaylord Palms in Kissimmee, Florida opened in January 2002. The Gaylord Texan in Grapevine, Texas opened in April 2004. The Gaylord National, located in Prince George s County, Maryland, opened in April 2008.

Opry and Attractions

The Opry and Attractions segment includes all of the Company s Nashville-based tourist attractions. At December 31, 2009, these include the Grand Ole Opry, the General Jackson Showboat, the Wildhorse Saloon, the Ryman Auditorium and the Gaylord Springs Golf Links, among others. The Opry and Attractions segment also includes Corporate Magic, which specializes in the production of creative events in the corporate entertainment marketplace, and WSM-AM.

Corporate and Other

Corporate and Other includes operating and selling, general and administrative expenses related to the overall management of the Company which are not allocated to the other reportable segments, including costs for the Company s retirement plans, equity-based compensation plans, information technology, human resources, accounting, and other administrative expenses. This segment also includes, prior to May 31, 2007, the expenses and activities associated with the Company s ownership of various investments. Until the second quarter of 2007, the Company owned a minority interest in Bass Pro Group, LLC, a leading retailer of premium outdoor sporting goods and fishing products. On May 31, 2007, the Company completed the sale of all of its ownership interest in Bass Pro Group, LLC.

ResortQuest

On November 20, 2003, the Company acquired 100% of the outstanding common shares of ResortQuest International, Inc. (ResortQuest) in a tax-free, stock-for-stock merger. Based on the average market price of the Company s common stock ($19.81, which was based on an average of the closing prices for two days before, the day of, and two days after the date of the definitive agreement, August 4, 2003), together with the direct merger costs, the Company paid an aggregate purchase price of approximately $114.7 million in stock plus the assumption of ResortQuest s outstanding indebtedness as of November 20, 2003, which totaled $85.1 million. On January 1, 2005, the Company acquired 100% of the outstanding membership interests of East West Resorts at Summit County, LLC, Aspen Lodging Company, LLC, Great Beach Vacations, LLC, East West Realty Aspen, LLC, and Sand Dollar

Management Investors, LLC (collectively, East West Resorts) from East West Resorts, LLC for an aggregate purchase price of $20.7 million in cash plus the assumption of East West Resorts liabilities as of January 1, 2005 of $7.8 million. On February 1, 2005, the Company acquired 100% of the outstanding common shares of Whistler Lodging Company, Ltd. (Whistler) from O Neill Hotels and Resorts Whistler, Ltd. for an aggregate purchase price of $0.1 million in cash plus the assumption of Whistler s liabilities as of February 1, 2005 of $4.9 million. Prior to the sale of these businesses, which is further described in Note 2, ResortQuest, East West Resorts, and Whistler comprised the Company s ResortQuest segment. These businesses offered management services to properties in premier beach, mountain, and tropical resort locations in the United States and Canada. Due to the sale of these businesses, the results of their operations from the date of acquisition have been classified as discontinued operations in these consolidated financial statements.

Principles of Consolidation

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

Cash and Cash Equivalents Unrestricted

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

Cash and Cash Equivalents Restricted

Restricted cash and cash equivalents represent cash held in certificates of deposit with an original maturity of greater than three months. The Company is required to maintain this certificate of deposit in order to secure its Tennessee workers compensation self-insurance obligations.

Supplemental Cash Flow Information

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

	2009	2008	2007
Debt interest paid	**$71,561**	$ 75,526	$ 65,256
Deferred financing costs paid	**8,077**	10,753	4,042
Capitalized interest	**(793)**	(16,360)	(42,313)
Cash paid for interest, net of capitalized interest	**$78,845**	$ 69,919	$ 26,985

Net cash refunds of income tax payments in 2009 and 2008 were $3.8 million and $6.6 million, respectively (net of cash payments of income taxes of $1.6 million and $1.6 million, respectively). Cash payments for income taxes in 2007 were $103.5 million.

As further discussed in Note 4, the Company received two bonds from Prince George s County, Maryland during the second quarter of 2008 in connection with the development of Gaylord National. The receipt of these bonds in 2008 is reflected as a non-cash activity for an increase in notes receivable and decrease in property and equipment of $150.4 million in the accompanying consolidated statement of cash flows.

The Company s net cash flows provided by investing activities discontinued operations in 2007 primarily consist of cash proceeds received from the sale of discontinued operations.

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. No customers accounted for more than 10% of the Company s trade receivables at December 31, 2009.

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 2009, 2008 and 2007, deferred financing costs of $4.8 million, $4.4 million, and $14.3 million, respectively, were amortized and recorded as interest expense in the accompanying consolidated statements of operations.

As more fully discussed in Note 8, as a result of the refinancing of the Company s $1.0 billion credit facility, the Company wrote off $1.3 million of deferred financing costs, which is included in interest expense in the accompanying consolidated statements of operations for 2008. In addition, as more fully discussed in Note 8, as a result of the Company s repurchase of portions of its senior notes outstanding, the Company wrote off $4.2 million and $0.6 million of deferred financing costs during 2009 and 2008, respectively, which is included as a reduction in the net gain on extinguishment of debt in the accompanying consolidated statements of operations for 2009 and 2008.

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

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

Impairment of Long-Lived Assets
In accounting for the Company s long-lived assets other than goodwill, the Company 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.

Goodwill and Indefinite-Lived Intangibles
Goodwill and other intangible assets with indefinite useful lives are not amortized but are tested for impairment at least annually and whenever triggering events or circumstances occur indicating that these intangibles may be impaired. The Company allocates goodwill to reporting units by comparing the fair value of each reporting unit identified to the total fair value of the acquired company on the acquisition date. The Company performs its review of goodwill for impairment by comparing the carrying value of the applicable reporting unit to the fair value of the reporting unit. The Company estimates fair value using discounted cash flow analyses that utilize comprehensive cash flow projections, as well as observable market data to the extent available. If the fair value is less than the carrying value, the Company measures potential impairment by allocating the fair value of the reporting unit to the tangible assets and liabilities of the reporting unit in a manner similar to a business combination purchase price allocation. The remaining fair value of the reporting unit after assigning fair values to all of the reporting unit s assets and liabilities represents the implied fair value of goodwill of the reporting unit. The impairment is measured by the difference between the carrying value of goodwill and the implied fair value of goodwill. The Company s goodwill and intangibles are discussed further in Note 5.

Leases

The Company is leasing a 65.3 acre site in Osceola County, Florida on which the Gaylord Palms is located, a 10 acre site in Grapevine, Texas on which a portion of the Gaylord Texan is located, and is a lessee under various other leasing arrangements, including leases for office space, office equipment, and other equipment. The Company accounts for lease obligations under the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 840, *Leases*. The Company s leases are discussed further in Note 15.

Long-Term Investments

The Company owns 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.

Other Assets

Other current and long-term assets of continuing operations at December 31 consist of (amounts in thousands):

	2009	**2008**
Other current assets:		
Other current receivables	**$19,596**	$17,568
Prepaid expenses	**21,869**	18,319
Inventories	**10,616**	10,222
Current income tax receivable	**28,797**	4,651
Other current assets	**10**	33
Total other current assets	**$80,888**	$50,793
Other long-term assets:		
Other long-term receivables	**$ 1,098**	$ 1,780
Deferred software costs, net	**21,795**	23,297
Supplemental deferred compensation plan assets	**11,895**	10,086
Other long-term assets	**8,408**	7,428
Total other long-term assets	**$43,196**	$42,591

Other Current Assets

Other current receivables result primarily from interest income accrued on the notes received in connection with the development of Gaylord National and other non-operating income that are due within one year. Prepaid expenses consist of prepayments for property taxes at one of our hotel properties, insurance and other contracts that will be expensed during the subsequent year. Inventories consist primarily of merchandise for resale and are carried at the lower of cost or market. Cost is computed on an average cost basis. Current income tax receivable represents amounts to be received as a result of carryback adjustments to prior year tax returns.

Other Long-Term Assets

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 acquire and 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 2009, 2008 and 2007 was $7.1 million, $5.6 million, and $4.0 million, respectively.

Preopening Costs

The Company expenses the costs associated with preopening expenses related to the construction of new hotels, start-up activities and organization costs as incurred.

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Accounts Payable and Accrued Liabilities

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

	2009	2008
Trade accounts payable	**$ 10,386**	$ 13,022
Accrued construction in progress	**4,412**	16,123
Property and other taxes payable	**27,456**	26,779
Deferred revenues	**49,094**	45,292
Accrued salaries and benefits	**17,801**	20,921
Accrued self-insurance reserves	**9,248**	9,751
Accrued interest payable	**11,224**	10,323
Other accrued liabilities	**22,242**	25,944
Total accounts payable and accrued liabilities	**$151,863**	$168,155

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, employee medical benefits and general liability claims. The Company recognizes self-insured losses based upon estimates of the aggregate liability for uninsured claims incurred using certain actuarial assumptions followed in the insurance industry or the Company s historical experience.

Income Taxes

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 14 for more detail on the Company s income taxes.

Other Long-Term Liabilities

Other long-term liabilities of continuing operations at December 31 consist of (amounts in thousands):

	2009	2008
Pension and postretirement benefits liability	**$ 42,149**	$ 57,610
Non-cash lease liability	**50,840**	44,823
Deferred compensation liability	**11,895**	14,159
Unrealized tax benefits	**16,123**	12,417
Other long-term liabilities	**3,414**	2,569
Total other long-term liabilities	**$124,421**	$131,578

Revenue Recognition

Revenues from 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 back 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.

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Advertising Costs

Advertising costs are expensed as incurred. Advertising costs included in continuing operations were $19.0 million, $26.1 million, and $20.3 million for 2009, 2008 and 2007, respectively.

Stock-Based Compensation

At December 31, 2009, the Company has stock-based employee compensation plans, which are described more fully in Note 10. The Company accounts for its stock-based compensation plan under the provisions of FASB ASC 718, *Compensation   Stock Compensation*.

Discontinued Operations

The Company has presented the operating results, financial position and cash flows of the following businesses as discontinued operations in the accompanying consolidated financial statements as of December 31, 2009 and 2008 and for each of the three years in the period ended December 31, 2009: ResortQuest; WSM-FM and WWTN(FM); Word Entertainment, the Company s contemporary Christian music business; and the Acuff-Rose Music Publishing entity. The results of operations of these businesses, including impairment and other charges, restructuring charges and any gain or loss on disposal, have been reflected as discontinued operations, net of taxes, in the accompanying consolidated statements of operations and the assets and liabilities of these businesses are reflected as discontinued operations in the accompanying consolidated balance sheets, as further described in Note 2.

(Loss) Income Per Share

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

		2009	
	Loss	**Shares**	**Per Share**
Net loss	**$(23)**	**42,490**	**$(0.00)**
Effect of dilutive stock options			
Net loss assuming dilution	**$(23)**	**42,490**	**$(0.00)**

		2008	
	Income	**Shares**	**Per Share**
Net income	$4,364	40,943	$0.11
Effect of dilutive stock options		314	
Net income assuming dilution	$4,364	41,257	$0.11

		2007	
	Income	**Shares**	**Per Share**
Net income	$111,911	41,010	$2.73
Effect of dilutive stock options		1,283	
Net income assuming dilution	$111,911	42,293	$2.65

For 2009, the effect of dilutive stock options was the equivalent of approximately 243,000 shares of common stock outstanding. Because the Company had a loss from continuing operations during 2009, these incremental shares were excluded from the computation of dilutive earnings per share for 2009 as the effect of their inclusion would have been anti-dilutive.

Additionally, the Company had approximately 3,546,000, 3,727,000 and 547,000 stock-based compensation awards outstanding as of December 31, 2009, 2008, and 2007, respectively, that could potentially dilute earnings per share in the future but were excluded from the computation of diluted earnings per share for 2009, 2008 and 2007, respectively, as the effect of their inclusion would have been anti-dilutive.

As discussed in Note 8, during September 2009, the Company issued 3.75% Convertible Senior Notes (the Convertible Notes) due 2014. In connection with the issuance of these notes, the Company entered into a warrant transaction with the note underwriters to sell common stock warrants. The initial strike price of these warrants is $32.70 per share of the Company s common stock and the warrants cover an aggregate of 13.2 million shares of the Company s common stock. If the closing stock price of the Company s stock exceeds this strike price, these warrants will be dilutive. It is the Company s intention to settle the face value of the Convertible Notes in cash upon conversion/maturity. The warrants may only be settled in shares of the Company s common stock.

Comprehensive (Loss) Income

The Company s comprehensive (loss) income is presented in the accompanying consolidated statements of stockholders equity.

A rollforward of the amounts included in comprehensive (loss) income related to the fair value of financial derivative instruments that qualify for hedge accounting, net of deferred taxes, for the years ended December 31 is as follows (in thousands):

	Interest Rate Derivatives	Natural Gas Derivatives	Total Derivatives
Balance at December 31, 2007	$	$ 17	$ 17
2008 changes in fair value, net of deferred taxes of $9,772 and $533	(17,440)	(884)	(18,324)
Reclassification to earnings, net of deferred taxes of $458 and $0	(818)		(818)
Balance at December 31, 2008	(18,258)	(867)	(19,125)
2009 changes in fair value, net of deferred taxes of $1,050 and $515	**1,777**	**867**	**2,644**
Reclassification to earnings			
Balance at December 31, 2009	**$(16,481)**	**$**	**$(16,481)**

Derivatives and Hedging Activities

As more fully discussed in Note 9, the Company 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, as well as changes in the prices at which the Company purchases natural gas. 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 an integral part of the Company s risk management program, which seeks to reduce the potentially adverse effect that the volatility of the interest rate and natural gas commodity 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.

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 September 2006, the FASB modified ASC 820, *Fair Value Measurements and Disclosures* (Topic 820), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The Company adopted the provisions of this statement during the first quarter of 2008. In February 2008, the FASB modified Topic 820 to provide a one year deferral of the effective date of Topic 820 for non-financial assets and non-financial liabilities, except those that are recognized or disclosed in the financial statements at fair value at least annually. Therefore, the Company adopted the provisions of Topic 820 with respect to its non-financial assets and non-financial liabilities during the first quarter of 2009. The adoption of this statement with respect to non-financial assets and non-financial liabilities did not have a material impact on the Company s consolidated results of operations and financial condition. See Note 16 of the Company s consolidated financial statements included herein for additional disclosures.

In December 2007, the FASB modified FASB ASC 805, *Business Combinations* (Topic 805). This revised guidance applies to all transactions and other events in which one entity obtains control over one or more other businesses. Topic 805 now requires an acquirer, upon initially obtaining control of another entity, to recognize the assets, liabilities and any non-controlling interest in the acquiree at fair value as of the acquisition date. Contingent consideration is required to be recognized and measured at fair value on the date of acquisition rather than at a later date when the amount of that consideration may be determinable beyond a reasonable doubt. Topic 805 now requires acquirers to expense acquisition-related costs as incurred rather than allocating such costs to the assets acquired and liabilities assumed, as was previously required. Under this revised guidance, the requirements of FASB ASC 420, *Exit or Disposal Cost Obligations*, would have to be met in order to accrue for a restructuring plan in purchase accounting. Pre-acquisition contingencies are to be recognized at fair value, unless it is a non-contractual contingency that is not likely to materialize, in which case, no amounts should be recognized in purchase accounting and, instead, that contingency would be subject to the probable and estimable recognition criteria of FASB ASC 450, *Contingencies*. This statement is effective prospectively and the Company adopted the provisions of this statement in the first quarter of 2009. The adoption of this statement did not have a material impact on the Company s consolidated financial statements.

In March 2008, the FASB modified FASB ASC 815, *Derivatives and Hedging* (Topic 815). This revised guidance is intended to improve financial reporting of derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity s financial position, financial performance, and cash flows. The Company adopted the provisions of this statement in the first quarter of 2009, and the adoption of Topic 815 did not have a material impact on its consolidated financial position or results of operations. See Note 9 of the Company s consolidated financial statements included herein for additional disclosures.

In November 2008, the Emerging Issues Task Force (EITF) reached a consensus related to FASB ASC 323, *Investments Equity Method and Joint Ventures* (Topic 323). Topic 323 concludes that an equity method investment should be recognized by using a cost accumulation model. In addition, equity method investments as a whole should be assessed for other-than-temporary impairment. The Company adopted the provisions of this statement in the first quarter of 2009, and the adoption of Topic 323 did not have a material impact on the Company s consolidated financial position or results of operations.

In December 2008, the FASB amended FASB ASC 715, *Compensation Retirement Benefits* (Topic 715), to require additional disclosures about assets held in an employer s defined benefit pension or other postretirement plan. The Company adopted these changes in the fourth quarter of 2009, and this adoption did not have a material impact on the Company s consolidated financial position or results of operations. See Note 11 of the Company s consolidated financial statement included herein for additional disclosures.

In April 2009, the FASB modified FASB ASC 825, *Financial Instruments* , which extends the disclosure requirements of the fair value of financial instruments to interim financial statements of publicly traded companies. The Company is now required to disclose, on a quarterly basis, fair value information for financial instruments that are not reflected in the condensed consolidated balance sheets at fair value. The Company adopted these changes in the second quarter of

2009, and this adoption did not have a material impact on the Company s consolidated financial position or results of operations.

In May 2009, the FASB modified FASB ASC 855, *Subsequent Events* (Topic 855) in order to establish principles and requirements for reviewing and reporting subsequent events and requires disclosure of the date through which subsequent events are

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evaluated and whether the date corresponds with the time at which the financial statements were available for issue (as defined) or were issued. The Company adopted the modifications of Topic 855 during the second quarter of 2009, and this adoption did not have a material impact on the Company s consolidated financial position or results of operations. See Note 20 of the Company s consolidated financial statements included herein for additional disclosures.

In June 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-01, Topic 105, *Generally Accepted Accounting Principles* to establish the ASC as the single source of authoritative nongovernmental U.S. generally accepted accounting principles (GAAP), superseding existing FASB, American Institute of Certified Public Accountants, EITF, and related accounting literature. This modification does not change the content of GAAP, but reorganizes the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. Also included is relevant SEC guidance organized using the same topical structure in separate sections. This modification became effective for us on July 1, 2009. This had an impact on the footnotes to the Company s financial statements, as all references to authoritative accounting literature are now references in accordance with this modification.

In August 2009, the FASB issued ASU No. 2009-05, Topic 820, *Measuring Liabilities at Fair Value*, which provides additional guidance to clarify the measurement of liabilities at fair value. When a quoted price in an active market for the identical liability is not available, this modification requires that the fair value of a liability be measured using one or more of the listed valuation techniques that should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The modification also clarifies how the price of a traded debt security (i.e., an asset value) should be considered in estimating the fair value of the issuer s liability. The Company adopted this guidance during the fourth quarter of 2009, and this adoption did not have a material impact on the Company s consolidated financial statements.

In June 2009, the FASB modified FASB ASC 810, *Consolidation* (Topic 810) to amend the guidance governing the determination of whether an enterprise is the primary beneficiary of a variable interest entity (VIE). This modification requires a qualitative analysis, rather than a quantitative analysis, that considers who has the power to direct the activities of the entity that most significantly impact the entity s economic performance, as well as an assessment of who has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. This modification also requires ongoing assessments of whether an enterprise is the primary beneficiary of a VIE. Before this modification, reconsideration of whether an enterprise is the primary beneficiary of a VIE was required only when specific events occurred. This modification will be effective for the Company beginning January 1, 2010, and the Company does not expect this modification to have a material impact on its consolidated financial position or results of operations.

2. Discontinued Operations

As discussed in Note 1, the Company has reflected the following businesses as discontinued operations. The results of operations, net of taxes (prior to their disposal, where applicable) and the carrying value of the assets and liabilities of these businesses have been reflected in the accompanying consolidated financial statements as discontinued operations for all periods presented.

ResortQuest

During the second quarter of 2007, in a continued effort to focus on its Gaylord Hotels and Opry and Attractions businesses, the Company committed to a plan of disposal of its ResortQuest business. On May 31, 2007, the Company completed the sale of its ResortQuest Hawaii operations through the transfer of all of its equity interests in its ResortQuest Hawaii subsidiaries (ResortQuest Hawaii) to Vacation Holdings Hawaii, Inc., an affiliated company of Interval International, for $109.1 million in cash, prior to giving effect to a purchase price adjustment based on the working capital of ResortQuest Hawaii as of the closing. The Company retained its 19.9% ownership interest in RHAC Holdings, LLC and its 18.1% ownership interest in Waipouli Holdings LLC, which ownership interests were excluded from this transaction. During 2007, the Company recognized a pre-tax gain of $50.0 million in discontinued operations in the accompanying consolidated statements of operations related to the sale of ResortQuest Hawaii. In connection with the sale of ResortQuest Hawaii, the Company recorded pre-tax restructuring charges for employee severance benefits of $0.4 million during 2007, all of which was included in the pre-tax gain on the sale of ResortQuest Hawaii.

On June 1, 2007, the Company completed the sale of the remainder of the operations of its ResortQuest subsidiary through the transfer of all of its capital stock in its ResortQuest Mainland subsidiary (ResortQuest Mainland) to BEI-RZT Corporation, a subsidiary of Leucadia National Corporation for $35.0 million, prior to giving effect to certain purchase price adjustments, including a purchase price adjustment based on the working capital of ResortQuest Mainland as of the closing. The Company recognized a pre-tax loss of $59.5 million in discontinued operations in the accompanying consolidated statements of operations for 2007 related to the sale of

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ResortQuest Mainland. In connection with the sale of ResortQuest Mainland, the Company recorded pre-tax restructuring charges for employee severance benefits of $0.4 million during 2007, of which $0.3 million was included in the pre-tax loss on the sale of ResortQuest Mainland. The Company recorded pre-tax restructuring charges for employee severance benefits of $0.3 million during 2008.

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

	2009	2008	2007
Revenues:			
ResortQuest	**$**	$	$ 91,229
Operating (loss) income:			
ResortQuest	**$ (97)**	$ (354)	$ (4,460)
Other	**10**		517
Restructuring charges		(262)	(125)
Total operating loss	**(87)**	(616)	(4,068)
Interest expense, net of amounts capitalized	**(1)**	(4)	(17)
Interest income			309
Other gains and (losses)			
ResortQuest	**24**	159	(9,450)
Other	**95**	55	
Total other gains and (losses)	**119**	214	(9,450)
Income (loss) before (provision) benefit for income taxes	**31**	(406)	(13,226)
(Provision) benefit for income taxes	**(7)**	161	23,149
Income (loss) from discontinued operations	**$ 24**	$ (245)	$ 9,923

Included in other gains and (losses) in 2009 and 2008 is miscellaneous income and expense. Included in other gains and (losses) in 2007 is a pre-tax gain of $50.0 million on the sale of ResortQuest Hawaii and a pre-tax loss of $59.5 million on the sale of ResortQuest Mainland. The remaining gains and (losses) in 2007 are primarily comprised of miscellaneous income and expense.

The benefit for income taxes in 2007 primarily relates to a permanent tax benefit recognized due to differences between book and tax basis on the sales of ResortQuest Hawaii and ResortQuest Mainland, the Company settling certain ResortQuest issues with the Internal Revenue Service related to periods prior to the acquisition of ResortQuest, the tax effect of interest charged to ResortQuest International, Inc. during the period, and the write-off of taxable goodwill associated with the ResortQuest markets sold in this period.

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

	December 31, 2009	December 31, 2008
Current assets:		
Other current assets	**$ 63**	$ 197
Total current assets	**63**	197
Total assets	**$ 63**	$ 197
Current liabilities:		
Accounts payable and accrued liabilities	**$ 669**	$ 1,329
Total current liabilities	**669**	1,329
Other long-term liabilities:		
Other long-term liabilities	**447**	446
Total long-term liabilities	**447**	446
Total liabilities	**$ 1,116**	$ 1,775

3. Property and Equipment

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

	2009	2008
Land and land improvements	**$ 212,953**	$ 198,169
Buildings	**2,195,367**	2,180,232
Furniture, fixtures and equipment	**507,454**	510,358
Construction in progress	**34,664**	47,234
	2,950,438	2,935,993
Accumulated depreciation	**(800,624)**	(708,419)
Property and equipment, net	**$2,149,814**	$2,227,574

Depreciation expense, including amortization of assets under capital lease obligations, of continuing operations during 2009, 2008 and 2007 was $109.2 million, $104.1 million, and $73.3 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 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 Company is currently holding the Series A Bond and Series B Bond and receiving the debt service thereon, which is payable from tax increments, hotel taxes and special hotel rental taxes generated from the development. Accordingly, 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 2009 and 2008, the Company recorded interest income of $14.8 million and $11.3 million, respectively, on these bonds, which included $12.6 million and $9.4 million, respectively, of interest that accrued on the bonds subsequent to their delivery to the Company and $2.2 million and $1.9 million, respectively, related to amortization of the discount on the bonds. The Company received payments of $17.1 million during 2009 relating to this note receivable.

5. Goodwill and Intangibles

As further discussed in Note 1, the Company performs an annual review of goodwill for impairment. At December 31, 2008, the carrying amount of the Company s goodwill was $6.9 million and was associated with one reporting unit within its Opry and Attractions segment. In connection with the preparation of the Company s financial statements for the third quarter of 2009, as a result of significant adverse changes in the business climate of a reporting unit within its Opry and Attractions segment, the Company determined that the goodwill of this reporting unit may be impaired and performed an interim impairment review on this goodwill, as described in Note 1. As a result, the Company recorded an impairment charge of $6.6 million during 2009, to write down the carrying value of goodwill at the impaired reporting unit to its implied fair value of $0.3 million. The Company estimated the fair value of the reporting unit by using a discounted cash flow analysis that utilized comprehensive cash flow projections, as well as assumptions based on market data to the extent available. The discount rate utilized in this analysis was 16%, which reflected 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 of the reporting unit. No additional impairment charges on goodwill were recorded during 2009.

The carrying amount of indefinite lived intangible assets not subject to amortization in continuing operations was $1.5 million at December 31, 2009 and 2008. The gross carrying amount of amortized intangible assets in continuing operations was $1.1 million at December 31, 2009 and 2008. The related accumulated amortization of intangible assets in continuing operations was $1.0 million and $0.9 million at December 31, 2009 and 2008, respectively. The amortization expense related to intangibles from continuing operations during 2009, 2008, and 2007 was $52,000 $53,000 and $54,000 respectively. The estimated amounts of amortization expense for the next five years are as follows (amounts in thousands):

2010	$ 42
2011	20
2012	9
2013	9
2014	8
	$ 88

6. Investments

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

	2009	**2008**
Long term investments:		
RHAC Holdings, LLC	**$ 128**	$ 1,131
Waipouli Holdings, LLC		
Bass Pro Group, LLC		

Total long-term investments	**$ 128**	$ 1,131

RHAC Holdings, LLC

Through a joint venture arrangement with G.O. IB-SIV US, a private real estate fund managed by DB Real Estate Opportunities Group (IB-SIV), the Company holds a 19.9% ownership interest in RHAC Holdings, LLC, which it acquired in exchange for its initial capital contribution of $4.7 million to RHAC Holdings, LLC in 2005. Through a wholly-owned subsidiary, RHAC, LLC, RHAC Holdings LLC owns the 716-room ResortQuest Waikiki Beach Hotel and related assets located in Honolulu, Hawaii (the Waikiki Hotel). RHAC, LLC financed the purchase of the Waikiki Hotel by entering into a series of loan transactions with Greenwich Capital Financial Products, Inc. (the Waikiki Hotel Lender) consisting of a $70.0 million senior loan secured by the Waikiki Hotel and a $16.3 million mezzanine loan secured by the ownership interest of RHAC, LLC (collectively, the Waikiki Hotel Loans). On September 29, 2006, RHAC, LLC refinanced the Waikiki Hotel Loans with the Waikiki Hotel Lender, which resulted in the mezzanine loan increasing from $16.3 million to $34.9 million. IB-SIV is the managing member of RHAC Holdings, LLC, but certain actions of RHAC Holdings, LLC initiated by IB-SIV require the Company s approval as a member. In addition, under the joint venture arrangement, Aston Hotels & Resorts (recently renamed from ResortQuest Hawaii, which we formerly owned) manages the hotel under a 20-year hotel management agreement with RHAC, LLC and Aston Hotels & Resorts is responsible for the day-to-day operations of the Waikiki Hotel in accordance with RHAC, LLC s business plan. The Company retained its ownership interest in RHAC Holdings, LLC after the sale of ResortQuest Hawaii and is accounting for its investment in RHAC Holdings, LLC under the equity method of accounting.

For the period January 1, 2007 to May 31, 2007 (which is the period during 2007 that the Company owned ResortQuest Hawaii), ResortQuest Hawaii earned total fees of $1.0 million from its management agreement with RHAC, LLC.

Waipouli Holdings, LLC

Through a joint venture arrangement with RREEF Global Opportunities Fund II, LLC, a private real estate fund managed by DB Real Estate Opportunities Group (RREEF), the Company holds an 18.1% ownership interest in Waipouli Holdings, LLC, which it acquired in exchange for its initial capital contribution of $3.8 million to Waipouli Holdings, LLC in 2006. Through a wholly-owned subsidiary, Waipouli Owner, LLC, Waipouli Holdings, LLC owns the 311-room ResortQuest Kauai Beach at Makaiwa Hotel, located in Kapaa, Hawaii (the Kauai Hotel). Waipouli Owner, LLC financed the purchase of the Kauai Hotel in 2006 by entering into a series of loan transactions with Morgan Stanley Mortgage Capital, Inc. (the Kauai Hotel Lender) consisting of a $52.0 million senior loan secured by the Kauai Hotel, an $8.2 million senior mezzanine loan secured by the ownership interest of Waipouli Owner, LLC, and an $8.2 million junior mezzanine loan secured by the ownership interest of Waipouli Owner, LLC (collectively, the Kauai Hotel Loans). RREEF is the managing member of Waipouli Holdings, LLC, but certain actions of Waipouli Holdings, LLC initiated by RREEF require the Company s approval as a member. In addition, under the joint venture arrangement, Aston Hotels & Resorts (recently renamed from ResortQuest Hawaii, which we formerly owned) manages the hotel under a five-year hotel management agreement with Waipouli Owner, LLC and Aston Hotels & Resorts is responsible for the day-to-day operations of the Kauai Hotel in accordance with Waipouli Owner, LLC s business plan. The Company retained its ownership interest in Waipouli Holdings, LLC after the sale of ResortQuest Hawaii and is accounting for its investment in Waipouli Holdings, LLC under the equity method of accounting.

For the period January 1, 2007 to May 31, 2007 (which is the period during 2007 that the Company owned ResortQuest Hawaii), ResortQuest Hawaii earned total fees of $0.4 million from its management agreement with Waipouli Owner, LLC.

As more fully discussed in Note 7, the Company recognized a non-cash impairment charge of approximately $2.5 million during 2008 to write off its investment in Waipouli Holdings, LLC.

Bass Pro

Prior to May 31, 2007, the Company owned 13.0% of Bass Pro Group, LLC, the owner of Bass Pro, Inc., Tracker Marine Boats and Big Cedar Lodge businesses. On May 31, 2007, the Company completed the sale of all of its ownership interest in Bass Pro Group, LLC to Bass Pro Group, LLC for a purchase price of $222.0 million in cash. The Company recognized a pre-tax gain of $140.3 million from the sale of its interest in Bass Pro Group, LLC, which is recorded in other gains and losses in the accompanying consolidated statements of operations. Net proceeds from the sale of $221.5 million were used to reduce the Company s outstanding indebtedness. The Company s Chief Executive Officer formerly served as a member of the board of managers of Bass Pro Group, LLC but resigned upon consummation of the sale.

7. Impairment and Other Charges

Goodwill

As more fully discussed in Note 5, the Company recorded an impairment charge of $6.6 million during 2009 to write down the carrying value of goodwill at an impaired reporting unit within its Opry and Attractions segment to its implied fair value of $0.3 million.

La Cantera

On April 15, 2008, the Company terminated the Agreement of Purchase and Sale dated as of November 19, 2007 (the Purchase Agreement) with LCWW Partners, a Texas joint venture, and La Cantera Development Company, a Delaware corporation (collectively, Sellers), to acquire the assets related to the Westin La Cantera Resort, located in San Antonio, Texas, on the basis that the Company did not obtain financing satisfactory to it. Pursuant to the terms of the Purchase Agreement and a subsequent amendment, the Company forfeited a $10.0 million deposit previously paid to Sellers. As a result, the Company recorded an impairment charge of $12.0 million during 2008 to write off the deposit, as well as certain transaction-related expenses that were also capitalized in connection with the potential acquisition.

Chula Vista

On November 17, 2008, the Company announced that it had terminated its plans to develop a resort and convention hotel in Chula Vista, California, due to prolonged planning and approval processes, a complicated regulatory and legal structure, and excessive off-site infrastructure costs. As a result of this decision, during 2008, the Company incurred a non-cash impairment charge of approximately $4.7 million to write off certain costs that were capitalized in connection with the Chula Vista project.

Waipouli Holdings, LLC

As further discussed in Note 6, through a joint venture arrangement, the Company holds an 18.1% ownership interest in Waipouli Holdings, LLC, which, through a wholly-owned subsidiary, owns the Kauai Hotel. During the fourth quarter of 2008, the Company determined that it would not be able to recover its investment in Waipouli Holdings, LLC by either continuing to operate the hotel or by selling the hotel. Therefore, the Company recorded an impairment charge of $2.5 million during 2008 to write off its investment balance and accrue the estimated costs of disposal related to Waipouli Holdings, LLC.

8. Debt

The Company s debt and capital lease obligations related to continuing operations at December 31 consisted of (amounts in thousands):

	2009	2008
$1.0 Billion Credit Facility	**$ 700,000**	$ 722,500
3.75% Convertible Senior Notes, net of unamortized discount of $65,136	**294,864**	
8.00% Senior Notes		321,459
6.75% Senior Notes	**180,700**	207,700
Nashville Predators Promissory Note	**1,000**	2,000
Capital lease obligations	**2,124**	3,007
Fair value hedge effective for 8.00% Senior Notes		6,235
Total debt	**1,178,688**	1,262,901
Less amounts due within one year	**(1,814)**	(1,904)
Total long-term debt	**$1,176,874**	$1,260,997

Note 15 discusses the Nashville Predators Promissory Note and capital lease obligations in more detail, including annual maturities.

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

2010	**$ 1,000**
2011	
2012	**700,000**
2013	
2014	**540,700**
Years thereafter	