

GAYLORD ENTERTAINMENT CO /DE
Form DEFM14A
August 22, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under § 240.14a-12

GAYLORD ENTERTAINMENT
COMPANY

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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August 22, 2012

Dear Stockholder,

I am pleased to invite you to attend a special meeting of stockholders of Gaylord Entertainment Company, or Gaylord, a Delaware corporation, which will be held on September 25, 2012 at 9:00 a.m., local time, at the Gaylord Opryland Resort and Convention Center, 2800 Opryland Drive, Nashville, Tennessee 37214.

I am also pleased to report that our board of directors has unanimously approved a plan to restructure our operations to allow us to be taxed as a real estate investment trust, or REIT, for federal income tax purposes. We refer to this restructuring plan as the REIT conversion. The REIT conversion will be implemented through a series of steps including, among other things, the merger of Gaylord with and into Granite Hotel Properties, Inc., or Granite, a Delaware corporation and wholly-owned subsidiary of Gaylord, which we formed in preparation for the REIT conversion. Upon the completion of the merger, the outstanding shares of Gaylord common stock will be converted into the right to receive the same number of shares of Granite common stock, and Granite will succeed to and continue to operate, directly or indirectly, the then existing business of Gaylord. We anticipate that the shares of Granite common stock will trade on the New York Stock Exchange, or NYSE, and retain Gaylord's symbol GET. We are requesting that our stockholders vote to adopt the Agreement and Plan of Merger, dated July 27, 2012 by and between Gaylord and Granite pursuant to which Gaylord will merge with and into Granite. We are also requesting that our stockholders approve the issuance of up to 34,000,000 shares of our common stock as part of a one-time special distribution related to the distribution of our accumulated earnings and profits to stockholders in connection with the REIT conversion.

After careful consideration, our board of directors has unanimously approved the REIT conversion, including the merger and other restructuring transactions, and recommends that all stockholders vote FOR the adoption of the merger agreement. The affirmative vote of the holders of a majority of the outstanding shares of our common stock is required for the adoption of the merger agreement. Our board of directors also recommends that all stockholders vote FOR the approval of the issuance of up to 34,000,000 shares of our common stock as part of a one-time special distribution related to the distribution of our accumulated earnings and profits to stockholders in connection with the REIT conversion. The proposal to approve the issuance of additional shares as part of this one-time special distribution requires the affirmative vote of a majority of the votes cast on the proposal, provided that the total votes cast on this proposal represent over 50% of the outstanding shares of our common stock.

This proxy statement/prospectus is a prospectus of Granite as well as a proxy statement for Gaylord and provides you with detailed information about the REIT conversion, the merger and the special meeting. **We encourage you to read carefully this entire proxy statement/prospectus, including all its annexes, and we especially encourage you to read the section entitled Risk Factors beginning on page 26.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the shares of common stock to be issued by Granite under this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated August 22, 2012 and is being first mailed to stockholders on or about August 22, 2012.

Sincerely,

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

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GAYLORD ENTERTAINMENT COMPANY

One Gaylord Drive

Nashville, Tennessee 37214

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS OF

GAYLORD ENTERTAINMENT COMPANY

TO BE HELD ON SEPTEMBER 25, 2012

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Gaylord Entertainment Company, a Delaware corporation, will be held on September 25, 2012 at 9:00 a.m., local time, at the Gaylord Opryland Resort and Convention Center, 2800 Opryland Drive, Nashville, Tennessee 37214, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger dated July 27, 2012 by and between Gaylord Entertainment Company and Granite Hotel Properties, Inc., a wholly-owned subsidiary of Gaylord, which is part of restructuring transactions intended to enable us to qualify as a real estate investment trust, or REIT, for federal income tax purposes;
2. To consider and vote upon a proposal to approve the issuance of up to 34,000,000 shares of our common stock as part of a one-time special distribution related to the distribution of our accumulated earnings and profits to stockholders in connection with the REIT conversion; and
3. To consider and vote upon a proposal to permit our board of directors to adjourn the special meeting, if necessary, for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the foregoing proposals.

Our board of directors has unanimously approved the REIT conversion, including the merger and other restructuring transactions, and recommends that you vote FOR the proposals that are described in more detail in this proxy statement/prospectus.

We reserve the right to cancel or defer the merger or the REIT conversion, even if our stockholders vote to adopt the merger agreement and to approve the issuance of shares in connection with the one-time special distribution, if our board of directors determines that the merger or the REIT conversion is no longer in the best interests of us and our stockholders.

If you own shares of Gaylord common stock as of the close of business on August 8, 2012, you are entitled to notice of, and to vote those shares by proxy or at the special meeting and at any adjournment or postponement of the special meeting. During the ten-day period before the special meeting, we will keep a list of stockholders entitled to vote at the special meeting available for inspection during normal business hours at our offices in Nashville, Tennessee, for any purpose germane to the special meeting. The list of stockholders will also be provided and kept at the location of the special meeting for the duration of the special meeting, and may be inspected by any stockholder who is present.

Your vote is important. Whether or not you plan to attend the special meeting in person, please complete, sign, date and promptly return the enclosed proxy card in the enclosed envelope. You may also authorize a proxy to vote your shares by telephone or over the Internet as described in your proxy card. Stockholders who return proxy cards by mail or vote by telephone or over the Internet prior to the special meeting may nevertheless attend the special meeting, revoke their proxies and vote their shares at the special meeting.

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We encourage you to read the attached proxy statement/prospectus carefully. If you have any questions or need assistance voting your shares, please call our proxy solicitor, MacKenzie Partners, Inc., toll-free at (800) 322-2885.

By order of the board of directors,

Carter R. Todd

Executive Vice President, General Counsel and Secretary

Nashville, Tennessee August 22, 2012

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WHERE YOU CAN FIND MORE INFORMATION

Gaylord Entertainment Company, or Gaylord, files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the Commission. Gaylord's Commission filings are also available over the Internet at the Commission's website at <http://www.sec.gov>. The Commission's website is included in this proxy statement/prospectus and any applicable prospectus supplement as an inactive textual reference only. The information contained on the Commission's website is not incorporated by reference into this proxy statement/prospectus and any applicable prospectus supplement and should not be considered to be part of this proxy statement/prospectus unless such information is otherwise specifically referenced elsewhere in this proxy statement/prospectus and any applicable prospectus supplement. You may also read and copy any document Gaylord files at the Commission's public reference room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 to obtain information on the operation of the public reference room. Gaylord makes available free of charge through our website its annual, quarterly and current reports, proxy statements and other information, including amendments thereto, as soon as reasonably practicable after such material is electronically filed with or furnished to the Commission. Gaylord's website address is www.gaylordentertainment.com. Gaylord's website address is provided as an inactive textual reference only. Information contained on or accessible through Gaylord's website is not part of this proxy statement/prospectus and any applicable prospectus supplement and is therefore not incorporated by reference unless such information is otherwise specifically referenced elsewhere in this proxy statement/prospectus or any applicable prospectus supplement.

Gaylord incorporates by reference into this proxy statement/prospectus, which means that Gaylord can disclose important information to you by referring you specifically to those documents. This means that the information incorporated by reference is deemed to be part of this proxy statement/prospectus, unless superseded by information contained directly in this proxy statement/prospectus. Certain information that Gaylord subsequently files with the Commission will automatically update and supersede information in this proxy statement/prospectus and in Gaylord's other filings with the Commission. Gaylord incorporates by reference the documents listed below, which Gaylord has already filed with the Commission, and any future filings Gaylord makes with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or Exchange Act, between the date of this proxy statement/prospectus and the date of the special meeting of stockholders, except that Gaylord is not incorporating any information included in a Current Report on Form 8-K that has been or will be furnished (and not filed) with the Commission, unless such information is expressly incorporated herein by reference to a furnished Current Report on Form 8-K or other furnished document:

1. Gaylord's Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Commission on February 24, 2012;
2. Gaylord's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, filed with the Commission on May 9, 2012 and August 7, 2012, respectively;
3. the information in Gaylord's Definitive Proxy Statement on Schedule 14A, filed with the Commission on April 3, 2012, to the extent that information included therein is deemed filed with the Commission under the Exchange Act;
4. Gaylord's Current Reports on Form 8-K filed with the Commission on January 17, 2012, February 7, 2012, May 11, 2012, May 31, 2012 (two filed that day), June 1, 2012, June 21, 2012, June 27, 2012, July 19, 2012, August 7, 2012 (five filed that day), August 13, 2012, and August 16, 2012; and
5. the description of Gaylord's common stock set forth in Gaylord's Form 10/A-3, filed on August 29, 1997, and as updated in Item I on Gaylord's Schedule 14A, filed on April 5, 2001.

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You may request a copy of these filings, at no cost, by writing or calling us at the following address:

Gaylord Entertainment Company

One Gaylord Drive

Nashville, Tennessee 37214

Attn: Corporate Secretary

Telephone: (615) 316-6000

Gaylord and Granite have filed a registration statement on Form S-4 to register with the Commission shares of Granite common stock that Gaylord stockholders will receive in connection with the completion of the merger, if the merger is approved and completed. This proxy statement/prospectus is part of the registration statement of Gaylord and Granite on Form S-4 and is a prospectus for Gaylord and Granite and a proxy statement of Gaylord for its special meeting of stockholders.

Upon completion of the merger, Granite will be required to file annual, quarterly and special reports, proxy statements and other information with the Commission.

You should only rely on the information in, or incorporated by reference into, this proxy statement/prospectus. No one has been authorized to provide you with different information. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than the date on the front page. We are not making an offer to sell or exchange any securities, soliciting any offer to buy any securities, or soliciting any proxy, in any state where it is unlawful to do so.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING, THE REIT CONVERSION AND THE MERGER

What follows are questions that you, as a stockholder of Gaylord Entertainment Company, or Gaylord, may have regarding the special meeting of stockholders, or the special meeting, the REIT conversion and the merger, and the answers to those questions. You are urged to carefully read this proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus in their entirety because the information in this section may not provide all of the information that might be important to you with respect to the special meeting, the REIT conversion and the merger. Additional important information is contained in the annexes to, and the documents incorporated by reference into, this proxy statement/prospectus.

The information contained in this proxy statement/prospectus, unless otherwise indicated, assumes the REIT conversion and all the transactions related to the REIT conversion, including the merger and the one-time special distribution related to the distribution of our accumulated earnings and profits to stockholders, will occur. When used in this proxy statement/prospectus, the term Granite refers to Granite Hotel Properties, Inc., and unless otherwise specifically stated or the context otherwise requires, the terms we, our and us refer to Gaylord and its subsidiaries with respect to the period prior to the completion of the merger, and Granite and its subsidiaries with respect to the period after the completion of the merger.

Q. What is the purpose of the special meeting?

A. At the special meeting, our stockholders will vote on the following matters:

Proposal 1: To consider and vote upon a proposal to adopt the Agreement and Plan of Merger dated July 27, 2012 by and between Gaylord and Granite, a wholly-owned subsidiary of Gaylord, which is part of the restructuring transactions intended to enable us to qualify as a real estate investment trust, or REIT, for federal income tax purposes.

Proposal 2: To consider and vote upon a proposal to approve the issuance of up to 34,000,000 shares of our common stock as part of a one-time special distribution related to the distribution of our accumulated earnings and profits to stockholders in connection with the REIT conversion.

Proposal 3: To consider and vote upon a proposal to permit our board of directors to adjourn the special meeting, if necessary, for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the foregoing proposals.

This proxy statement/prospectus more fully describes each of these proposals.

Q. What are we planning to do?

A. Our board of directors has unanimously approved a plan to restructure our operations to allow us to be taxed as a REIT for federal income tax purposes. We refer to this plan, including the related restructuring transactions, as the REIT conversion. Our board of directors has unanimously determined that the REIT conversion would be in the best interests of Gaylord and its stockholders. The REIT conversion includes the following:

the restructuring of our business operations to facilitate the election to be taxed as a REIT for federal income tax purposes;

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the payment of a one-time special distribution to distribute our earnings and profits accumulated in taxable years prior to the taxable year in which we elect REIT status; and

the payment of regular quarterly distributions, the amount of which will be determined and is subject to adjustment by the board of directors, and the declaration of which is expected to commence in the first quarter of 2013.

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Q. What is a REIT?

A. A REIT is a company that derives most of its income from real estate-based sources and, if it satisfies various qualification requirements, is eligible for special treatment for federal income tax purposes under the Internal Revenue Code of 1986, as amended, or the Code. We intend to operate as a REIT that principally invests in, and derives most of its income from owning, hotel properties.

A corporation that qualifies as a REIT generally is not subject to federal income taxes on its corporate income and gains that it distributes to its stockholders on a current basis, thereby reducing its corporate-level income taxes and substantially eliminating the double taxation of corporate income.

Even if we qualify as a REIT, we may continue to be required to pay federal income tax on earnings from all or a portion of our non-REIT assets or operations, which will consist primarily of the business conducted by our taxable REIT subsidiaries, or TRSs. We also may be subject to federal income and excise taxes in certain circumstances, as well as state and local income, property and other taxes.

Q. What will happen in the REIT Conversion?

A. The REIT conversion involves the following key elements:

Merger. Pursuant to the Agreement and Plan of Merger dated July 27, 2012 by and between Gaylord and Granite, or the merger agreement, Gaylord will merge with and into Granite, a wholly-owned subsidiary of Gaylord, which we formed in preparation for the REIT conversion. We refer to this transaction in this proxy statement/prospectus as the merger. Upon the effectiveness of the merger, the outstanding shares of Gaylord common stock will be converted into the right to receive the same number of shares of Granite common stock, and Granite will succeed to and continue to operate, directly or indirectly, the then existing business of Gaylord. The merger will facilitate our compliance with REIT tax rules by ensuring the effective adoption by Granite of a certificate of incorporation that implements share ownership and transfer restrictions that are intended to enable compliance with certain REIT tax rules relating to the ownership of our stock.

As a consequence of the merger:

the board of directors and executive management of Gaylord immediately prior to the completion of the merger will be the board of directors and executive management, respectively, of Granite immediately following the completion of the merger;

the outstanding shares of Gaylord common stock will be converted into the right to receive the same number of shares of Granite common stock;

effective at the time of the merger, Granite will become the publicly traded New York Stock Exchange, or NYSE, listed company that will continue to operate, directly or indirectly, our then existing business; and

the rights of the stockholders of Granite will be governed by the amended and restated certificate of incorporation and amended and restated bylaws of Granite, which we refer to as the Granite Charter and Granite Bylaws, respectively.

Other Restructuring Transactions. To comply with certain REIT qualification requirements, we must engage an eligible independent contractor to operate and manage our hotel properties. In connection therewith, on May 30, 2012, we entered into a purchase agreement by and among Gaylord, Gaylord Hotels, Inc., Marriott Hotel Services, Inc. and Marriott International, Inc., which we refer to as the purchase agreement. Under the purchase agreement, we have agreed to sell the Gaylord Hotels brand and rights to operate and manage the Gaylord Opryland Resort and Convention Center, the Gaylord National Resort and Convention Center, the Gaylord Palms Resort and Convention Center, and the Gaylord Texan Resort and Convention Center, which we collectively refer to as our Gaylord Hotels properties, to Marriott International, Inc., or Marriott. Pursuant to the terms of the purchase agreement, we will become a party to

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four hotel management agreements with Marriott under which Marriott will operate and manage our Gaylord Hotels properties. We will retain ownership of our Gaylord Hotels properties. Prior to the completion of the REIT conversion, we will identify and engage a third-party hotel manager to operate and manage the Radisson Hotel at Opryland. We will retain ownership of the Radisson Hotel at Opryland.

Furthermore, to comply with certain REIT qualification requirements, we must hold and operate certain assets and businesses through one or more TRSs. A TRS is a subsidiary of a REIT that is subject to corporate taxes on its taxable income. Net income from our TRSs will either be retained by our TRSs and used to fund their operations, or distributed to us, where it will either be reinvested by us into our business or be available for distribution to our stockholders. Please see the section entitled *Material Federal Income Tax Consequences Taxation of REITs Effect of Subsidiary Entities Taxable Corporations* beginning on page 162 for a more detailed description of the requirements and limitations regarding our expected use of TRSs. Our businesses that will be held by TRSs include those currently operated within our Opry and Attractions segment.

Q. What are our reasons for the REIT conversion and the merger?

- A. In reaching its unanimous decision to pursue the REIT conversion and the merger and to recommend adoption of the merger agreement, our board of directors considered the following factors, among others:

To increase stockholder value: As a REIT, we believe we will be able to increase stockholder value by reducing corporate level taxes on a substantial portion of our income, primarily the income we receive from our hotel properties, which in turn may improve cash flow and increase the amount of distributions to our stockholders;

To return capital to stockholders: We believe our stockholders will benefit from establishing regular cash distributions, resulting in a yield-oriented stock;

To reduce property-level costs and corporate overhead. As a result of contracting with third-party hotel managers, we believe our gross property-level costs and procurement savings at our Gaylord Hotels properties will be approximately \$19 million to \$24 million annually, net of the management fees, and we believe our corporate overhead savings will total approximately \$14 million to \$16 million annually;

To increase revenue through our relationship with Marriott. We believe our retention of Marriott as the third-party manager of our Gaylord Hotels properties will provide us with access to a world-class lodging operator with the ability to manage group business, and we expect the incentive management fee structure under the Marriott management agreements will incentivize Marriott to drive increased revenues for us by delivering new customer flows through their expansive sales force and attractive frequent traveler program;

To expand our base of potential stockholders: By becoming a company that makes regular distributions to its stockholders, our stockholder base may expand to include investors attracted by yield, which may result in a broader stockholder base and improve the liquidity of our common stock; and

To comply with REIT qualification rules: The merger will facilitate our compliance with REIT tax rules by ensuring the effective adoption by Granite of a certificate of incorporation that implements share ownership and transfer restrictions that are intended to enable compliance with certain REIT tax rules relating to the ownership of our stock.

The Marriott sale transaction and the REIT conversion resulted from a comprehensive review of strategic options to maximize long-term value for our stockholders. In concluding to pursue this strategic option, our board of directors and management team focused primarily on three elements (presented in no particular order): the cash received in connection with the sale of the Gaylord Hotels brand and management rights to our Gaylord Hotels properties, the opportunity to realize substantial cost savings and revenue enhancements due to Marriott's scale and reach in

the hospitality market, and our positioning as a well-capitalized REIT focused on group oriented hotels in urban and resort markets.

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To review the background of, and the reasons for, the REIT conversion and the merger in greater detail, and the related risks associated with the restructuring, see the sections entitled *Background of the REIT Conversion and the Merger* beginning on page 55, *Our Reasons for the REIT Conversion and the Merger* on page 57 and *Risk Factors* beginning on page 26. To review the ownership and transfer limitations on Granite common stock, see the section entitled *Description of Granite Capital Stock Restrictions on Ownership and Transfer* beginning on page 144.

Q. What will I receive in connection with the completion of the merger? When will I receive it?

A. You will receive shares of Granite common stock. At the time of the completion of the merger, your shares of Gaylord common stock will be canceled and will convert into the right to receive the number of shares of Granite common stock equal to the number of shares of Gaylord common stock that you owned immediately prior to the completion of the merger. After the merger is completed, you will receive written instructions from the exchange agent on how to exchange your shares of Gaylord common stock for shares of Granite common stock. **Please do not send your Gaylord stock certificates with your proxy.**

Q. What distributions will I receive in connection with the REIT conversion?

A: You will receive:

Regular Quarterly Distributions

As a REIT, we will be required to distribute annually at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain). Our REIT taxable income generally will not include income earned by our TRSs except to the extent that the TRSs pay dividends to the REIT.

Upon the completion of the merger and REIT conversion, we intend to declare regular quarterly distributions commencing in the first quarter of 2013, the amount of which will be determined and will be subject to adjustment by our board of directors. The actual timing and amount of distributions to our stockholders will be as determined and declared by our board of directors and will depend on, among other factors, actual results of operations, our debt service requirements and covenants under our debt agreements, and capital expenditure requirements for our hotel properties. See the section entitled *Distribution Policy* beginning on page 63.

If you dispose of your shares before the record date for the first quarterly distribution in 2013, you will not receive the first quarterly distribution or any other regular quarterly distribution.

Special E&P Distribution

A REIT is not permitted to retain earnings and profits accumulated during years when the company or its predecessor was taxed as a regular C corporation. For Granite to elect REIT status for the taxable year beginning January 1, 2013, we must distribute to our stockholders on or before December 31, 2013, our undistributed earnings and profits attributable to taxable periods ending prior to January 1, 2013, which we refer to as pre-REIT accumulated earnings and profits. Therefore, for purposes of qualifying as a REIT, we plan to distribute our pre-REIT accumulated earnings and profits by making a one-time special distribution to our stockholders payable, at the election of each stockholder, in cash or shares of our common stock. We refer to this distribution as the special E&P distribution.

We expect that the special E&P distribution will be declared and paid in the fourth quarter of 2012 to stockholders of record at such time, who may be different than those who are entitled to notice of and to vote at the special meeting. However, our board of directors may determine to pay the special E&P distribution at another time, but not later than December 31, 2013 if we elect REIT status for the taxable year beginning January 1, 2013.

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We have applied for a ruling from the Internal Revenue Service, or the IRS, to the effect that the special E&P distribution will generally be treated for federal income tax purposes as a taxable distribution. In the event that we receive a favorable ruling from the IRS, we expect to limit the total amount of cash payable in the special E&P distribution to a maximum of 20% of the total value of the special E&P distribution. The balance of the special E&P distribution will be in the form of shares of our common stock. If the total amount of cash elected by our stockholders exceeds 20% of the total value of the special E&P distribution, then, in general, the available cash will be prorated among those stockholders that elect to receive cash.

The details and consequences of the special E&P distribution will be described in the election form and accompanying materials that will be mailed to stockholders in connection with the special E&P distribution.

If you dispose of your shares before the record date for the special E&P distribution, you will not receive the special E&P distribution.

Q. How many shares of common stock will need to be issued in connection with the special E&P distribution?

A. In accordance with Section 312.03 of the NYSE Listed Company Manual, we are asking our stockholders to approve the issuance of shares of our common stock in an amount equal to or in excess of 20% of the number of shares of our common stock currently outstanding. Although the number of shares actually issued in connection with the special E&P distribution may be less than 20% of our outstanding shares, we have decided that it is in our best interests, and our stockholders' best interests, to seek stockholder approval of the issuance of up to 34,000,000 shares of our common stock in connection with the special E&P distribution because of the possibility that the shares to be issued in connection with the special E&P distribution may exceed 20% of our outstanding shares of common stock. The maximum number of shares of our common stock issued in the special E&P distribution will depend on the amount of the special E&P distribution and the average closing price per share of our common stock on the NYSE for a three-day period following the date election forms are due or as otherwise provided in the IRS ruling. See the section entitled "The Special E&P Distribution" on page 65 and "Proposal 2" beginning on page 172 for a more detailed discussion of the amount of the special E&P distribution and the number of shares of our common stock that may be issued pursuant to the special E&P distribution.

Q. Will the REIT conversion change our current operational strategy?

A. Due to federal income tax laws that restrict REITs from operating and managing hotels, we will not operate or manage any of our hotel properties after completing the REIT conversion. We will lease or sublease our hotel properties to TRSs, and such TRS lessees will engage third-party hotel managers pursuant to hotel management agreements. Upon the consummation of the Marriott sale transaction, Marriott will manage our Gaylord Hotels properties, and we will identify third-party hotel managers to operate and manage the Radisson Hotel at Opryland and any hotels that we acquire in the future. Our third-party hotel managers will be responsible for the day-to-day management of our hotel properties, including, but not limited to, implementing significant operating decisions, setting rates for rooms and meeting space, controlling revenue and expenditures, collecting accounts receivable, and recruiting, employing and supervising employees at our hotel properties. We will not have the authority to require our third-party hotel managers to operate our hotel properties in a particular manner. Under our management agreements with Marriott, however, we will have the right to participate in the decision making process with respect to some management activities including, but not limited to, the right to control certain renovation or construction projects and the right to review and approve certain aspects of preliminary business plans, assessment recommendations concerning the amount of funding allocated to replacements, renewals and additions to furniture, fixtures and equipment, certain capital expenditures, and the hiring of senior hotel management employees. Should we be unable to reach agreement with Marriott regarding those certain areas subject to our review and approval, the dispute will be resolved, in most cases, by a panel of experts. For a more detailed description of our rights under the management agreement, see the section entitled "Our Business - Our Relationship with

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Marriott Management Agreement and Pooling Agreement with Marriott Management Agreement Retained Management Rights Under the Management Agreement on page 78.

After we consummate the sale of the Gaylord Hotels brand and rights to manage our Gaylord Hotels properties to Marriott and complete the REIT conversion, acquisitions of other hotels, either alone or through joint ventures or alliances with one or more third-parties, will be part of our long-term growth strategy. We intend to pursue attractive investment opportunities that meet our acquisition parameters, specifically, group-oriented large hotels and overflow hotels with existing or potential leisure appeal. We are interested in highly accessible upper-upscale assets with over 400 hotel rooms in urban and resort group destination markets. We will also consider assets that possess or are located near convention centers that present a repositioning opportunity and/or would significantly benefit from capital investment in additional rooms or meeting space. Through acquisitions we plan to expand the geographic diversity of our existing asset portfolio. We will no longer view the independent development of large scale resort and convention hotels as a part of our growth strategy. However, we may in the future participate in joint ventures or other minority investment opportunities with respect to hotel development.

Q. Who will be the board of directors and management after the REIT conversion is completed?

A. The board of directors and executive officers of Gaylord immediately prior to the completion of the merger will be the board of directors and executive officers, respectively, of Granite immediately following the completion of the merger. However, it is anticipated that there will be a reorganization within, and a reduction in the number of members of, Gaylord's current executive management team and other employees currently within the Corporate and Other segment of Gaylord. Although the specific actions to be taken in connection with this reorganization have not yet been finally determined, we anticipate that these actions will reflect the fact that Granite will no longer operate or manage our hotel properties following our conversion to a REIT and will result in Granite having a more streamlined corporate overhead and executive management structure.

Q. Do any of our directors and executive officers have any interests in the REIT conversion or merger that is different from mine?

A. No. Our directors and executive officers own shares of our common stock, restricted stock units and options to purchase shares of our common stock, and, to that extent, their interest in the REIT conversion and the merger is the same as that of the other holders of our shares of common stock, restricted stock units and options to purchase shares of our common stock. We do not anticipate that the merger or the REIT conversion will cause any vesting or acceleration of benefits.

Q. When and where is the special meeting?

A. The special meeting will be held on September 25, 2012 at 9:00 a.m., local time, at the Gaylord Opryland Resort and Convention Center, 2800 Opryland Drive, Nashville, Tennessee 37214.

Q. What will I be voting on at the special meeting?

A. As a stockholder, you are entitled to, and requested to, vote on the proposal to adopt the merger agreement. In addition, you are requested to vote on the proposal to issue up to 34,000,000 shares of our common stock in connection with the special E&P distribution. Finally, you are requested to vote on the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposals regarding the adoption of the merger agreement and the issuance of up to 34,000,000 shares of our common stock in connection with the special E&P distribution. You are not being asked to vote on any other element of the REIT conversion.

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Q. Who can vote on the proposals at the meeting?

- A. If you are a stockholder of record at the close of business on August 8, 2012, you may vote the shares of our common stock that you hold on the record date at the special meeting. On the record date, there were 44,139,440 shares of our common stock outstanding. On such date, the shares were held by 2,202 holders of record. On or about August 22, 2012, we will begin mailing this proxy statement/prospectus to all persons entitled to vote at the special meeting.

Q. Why is my vote important?

- A. If you do not submit a proxy or vote in person at the meeting, it will be more difficult for us to obtain the necessary quorum to hold the special meeting. In addition, your failure to submit a proxy or to vote in person will have the same effect as a vote against the adoption of the merger agreement.

Q. What constitutes a quorum for the special meeting?

- A. The presence at the special meeting, in person or by proxy, of the holders of a majority of the aggregate voting power of our common stock outstanding on the record date, and otherwise entitled to vote, will constitute a quorum. There must be a quorum for business to be conducted at the special meeting. Failure of a quorum to be represented at the special meeting will necessitate an adjournment or postponement and will subject us to additional expense. Abstentions are counted as present or represented for purposes of determining the presence or absence of a quorum. However, because banks, brokers, or other nominees are not entitled to vote on any of the proposals at the special meeting absent specific instructions from the beneficial owner (as more fully described below), shares held by brokers, banks, or other nominees for which instructions have not been provided will not be included in the number of shares present and entitled to vote at the special meeting for the purposes of establishing a quorum.

Q. What vote is required?

- A. The vote required for each proposal is as follows:

Proposal 1: The affirmative vote of the holders of a majority of the outstanding shares of our common stock is required for the adoption of the merger agreement.

Proposal 2: The affirmative vote of a majority of votes cast on this proposal is required to approve the issuance of up to 34,000,000 shares of our common stock in connection with the special E&P distribution under the rules of the NYSE, provided that the total votes cast on this proposal represent over 50% of the outstanding shares of our common stock.

Proposal 3: The affirmative vote of a majority of the shares of our common stock that are present or represented by proxy at the special meeting is required to approve the adjournment proposal.

As of the close of business on the record date, there were 44,139,440 shares of our common stock outstanding and entitled to vote at the special meeting. Each share of outstanding common stock on the record date is entitled to one vote on each proposal submitted for your consideration.

Q. Are there any voting agreements relating to the special meeting proposals?

- A: Yes. Pursuant to a repurchase agreement by and between Gaylord and TRT Holdings, Inc., or TRT Holdings, dated as of August 6, 2012, TRT Holdings has agreed to vote all its shares of common stock held as of the record date in favor of the proposals being presented at the special meeting. As of the record date, TRT Holdings held 12.8% of our outstanding common stock. See the section entitled "Material Discussions and Transactions with TRT Holdings" beginning on page 66.

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Q. When is the merger expected to be completed and the REIT election expected to be made?

- A. We will complete the merger after the special meeting of stockholders, receipt of stockholder approval of the adoption of the merger agreement, the satisfaction or waiver of the other conditions to the merger and receipt of stockholder approval of the issuance of shares in connection with the special E&P distribution. In addition, the timing of the merger will depend on our ability to conform our operations to the requirements for qualification as a REIT. We currently anticipate that the completion of the merger will occur on or about the time of (but not earlier than) the consummation of the Marriott sale transaction. Additionally, even if the transactions necessary to implement the REIT conversion are effected, our board of directors may decide not to elect REIT status, or to delay such election, if it determines in its sole discretion that it is not in the best interests of us or our stockholders.

Q. What are some of the risks associated with the REIT conversion and the merger?

- A. There are a number of risks relating to the REIT conversion and the merger, including the following:

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

complying with REIT requirements may limit our flexibility or cause us to forego otherwise attractive opportunities; and

if our third-party hotel managers do not manage our hotel properties successfully, our financial condition, results of operations and our ability to service debt and make distributions to our stockholders may be negatively impacted.

To review the risks associated with the REIT conversion and merger, see the sections entitled **Risk Factors** beginning on page 26 and **Our Reasons for the REIT Conversion and the Merger** on page 57.

Q. Will REIT qualification requirements restrict any of our business activities or limit our financial flexibility?

- A. As summarized in the section entitled **Material Federal Income Tax Consequences** beginning on page 156, to qualify as a REIT, we must continually satisfy various qualification tests imposed under the Code, concerning, among other things, the sources of our income, the nature and diversification of our assets and the amounts we distribute to our stockholders. In particular, the REIT qualification requirements could restrict our business activities and financial flexibility because:

we may be required to liquidate assets or otherwise forego attractive investments to satisfy the asset and income tests or to qualify under certain statutory relief provisions; and

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

Although our use of TRSs may partially mitigate the impact of meeting the requirements necessary to maintain our REIT status, there are limits on our ability to own TRSs. To review in greater detail the risks associated with our status as a REIT and the limits on our ability to own TRSs, see the sections entitled **Risk Factors Risks Related to the REIT Conversion** beginning on page 26 and **Risk Factors Risks Related to the Merger** on page 33.

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In reaching its determination regarding a possible REIT conversion, our board of directors considered these REIT qualification requirements and other potential disadvantages regarding a potential REIT conversion, which are more fully described in the section entitled "Our Reasons for the REIT Conversion and the Merger" on page 57.

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Q. Will I have to pay federal income taxes as a result of the merger?

- A. No. You will not recognize gain or loss for federal income tax purposes as a result of the exchange of shares of Gaylord common stock for shares of Granite common stock in the merger. However, if you are a non-United States person who owns or has owned more than 5% of the outstanding Gaylord common stock, it may be necessary for you to comply with reporting and other requirements of the Treasury regulations in order to achieve non-recognition of gain on the exchange of your Gaylord common stock for Granite common stock in the merger. See the section entitled **Material Federal Income Tax Consequences** beginning on page 156 for a more detailed discussion of the federal income tax consequences of the merger.

Q. Will I have to pay federal income taxes as a result of the special E&P distribution?

- A. Assuming we obtain a private letter ruling from the IRS in the form anticipated regarding the tax treatment of the special E&P distribution, most or all of the special E&P distribution will result in the recognition of ordinary dividend income by you, which may qualify as qualified dividend income that is potentially eligible for special maximum rates of taxation depending on your circumstances. Any amounts not treated as ordinary dividend income generally will reduce your basis in your Granite common stock and generally will be taxable as capital gains to the extent in excess of that basis. The details and consequences of the special E&P distribution will be described in the election form and accompanying materials that will be mailed to stockholders in connection with the special E&P distribution, which is expected to occur in the fourth quarter of 2012.

Q. Am I entitled to appraisal rights?

- A. No. Under Delaware law, you are not entitled to any appraisal rights in connection with the merger or the REIT conversion.

Q. How does the Board recommend I vote on each of the proposals?

- A. Our Board recommends that you vote **FOR** all three of the proposals:

Proposal 1: To consider and vote upon a proposal to approve and adopt the merger agreement, which is part of the restructuring transactions intended to enable us to qualify as a REIT for federal income tax purposes.

Proposal 2: To consider and vote upon a proposal to approve the issuance of up to 34,000,000 shares of our common stock as part of a one-time special distribution related to the distribution of our accumulated earnings and profits to stockholders in connection with the REIT conversion.

Proposal 3: To consider and vote upon a proposal to permit our board of directors to adjourn the special meeting, if necessary, for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the foregoing proposals.

Q. How do I vote without attending the special meeting?

- A.

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If you are a registered holder of common stock on the record date, you may vote by completing, signing and promptly returning the proxy card in the enclosed prepaid envelope. You may also authorize a proxy to vote your shares by telephone or over the Internet as described in your proxy card. Authorizing a proxy by telephone or over the Internet or by mailing a proxy card will not limit your right to attend the special meeting and vote your shares in person. Those stockholders of record who choose to vote by telephone or over the Internet must do so no later than 11:59 p.m. Eastern time on September 24, 2012 (for shares in Gaylord's 401(k) Savings Plan, the voting deadline is 11:59 p.m. Eastern time on September 23, 2012). When voting using the Internet or by phone, have your proxy card in hand when you call and then follow the instructions.

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Q. Can I attend the special meeting and vote my shares in person?

- A. Yes. All stockholders are invited to attend the special meeting. Stockholders of record at the close of business on the record date are invited to attend and vote at the special meeting. If your shares are held by a broker, bank or other nominee, then you are not the stockholder of record. Therefore, to vote at the special meeting, you must bring the appropriate documentation from your broker, bank or other nominee confirming your beneficial ownership of the shares.

Q. If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?

- A. No. If your shares are held in street name by your broker, bank or other nominee, you should follow the directions provided by your broker, bank or other nominee. Your broker, bank or other nominee will vote your shares only if you provide instructions on how you would like your shares to be voted. If you do not give instructions, your shares will be counted as broker non-votes and will not be voted on any of these proposals. Your failure to provide voting instructions to the broker, bank or other nominee will have the same effect as a vote against the adoption of the merger agreement (Proposal 1). Your failure to provide voting instructions to the broker, bank or other nominee will not have any impact on the outcome of the proposal to issue additional shares (Proposal 2) or adjourn the special meeting (Proposal 3), assuming a quorum is otherwise present.

Q. How are shares in Gaylord's 401(k) Savings Plan voted?

- A. Participants in Gaylord's 401(k) Savings Plan are entitled to vote the shares held under the 401(k) Savings Plan in their name. To do this you must sign and timely return the proxy card you received with this proxy statement/prospectus, or submit voting instructions via the Internet or by telephone. By doing any of the above, you direct the trustee of the 401(k) Savings Plan to vote your 401(k) Savings Plan shares, in person or by proxy, as designated in your instructions at the special meeting. The proxy results for the shares held in the 401(k) Savings Plan will be tabulated by our transfer agent for all plan participants and reported to the 401(k) Savings Plan trustee on an aggregate basis. The overall vote tallies will not show how individual participants voted. The trustee will vote the shares at the meeting through the custodian holding the shares. If a plan participant's voting instructions are not received by our transfer agent before the meeting, or if the proxy is revoked by the participant before the meeting, the shares held by that participant will be considered unvoted. All unvoted shares in the plan will be voted at the special meeting by the 401(k) Savings Plan trustee in direct proportion to the voting results of 401(k) Savings Plan shares for which proxies are received.

Q. What shares are included on my proxy card?

- A. Your proxy card represents all shares registered in your name with the transfer agent on the record date, including those shares owned pursuant to Gaylord's 401(k) Savings Plan.

Q. What if I send in my proxy card and do not specify how my shares are to be voted?

- A. If you send in a signed proxy but do not give any voting instructions, your shares will be voted **FOR** :

Proposal 1: To consider and vote upon a proposal to approve and adopt the merger agreement, which is part of the restructuring transactions intended to enable us to qualify as a REIT for federal income tax purposes.

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Proposal 2: To consider and vote upon a proposal to approve the issuance of up to 34,000,000 shares of our common stock as part of a one-time special distribution related to the distribution of our accumulated earnings and profits to stockholders in connection with the REIT conversion.

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Proposal 3: To consider and vote upon a proposal to permit our board of directors to adjourn the special meeting, if necessary, for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the foregoing proposals.

Q. What are my voting options on the proposals?

A. Your voting options on the proposals are as follows:

With respect to Proposal 1, you may vote FOR the proposal, AGAINST the proposal or you may elect to ABSTAIN from voting.

With respect to Proposal 2, you may vote FOR the proposal, AGAINST the proposal or you may elect to ABSTAIN from voting.

With respect to Proposal 3, you may vote FOR the proposal, AGAINST the proposal or you may elect to ABSTAIN from voting.

Q. What is the effect of abstaining from voting?

A. If you abstain from voting on Proposals 1, 2 or 3, your shares will be counted as present in person or represented by proxy and entitled to vote on such proposal. An abstention on Proposal 1 or 3 will have the same effect as a vote against such proposal. An abstention on Proposal 2 is not considered a vote cast and will have no effect on the outcome of the proposal if the total votes cast on this proposal represent over 50% of the outstanding shares of our common stock.

Q. Can I change my vote after I have mailed my signed proxy card?

A. Yes. You can change your vote at any time before your proxy is voted at the special meeting. To revoke your proxy, you must either:

submit a later-dated proxy card by mail, Internet or phone (as provided above under How do I vote without attending the special meeting?);

give written notice to Carter R. Todd, the Secretary of Gaylord, stating that you are revoking your proxy; or

attend the special meeting and vote your shares in person (merely attending the special meeting will not constitute revocation of your proxy).

If your shares are held through a broker, bank, or other nominee, you should contact your broker, bank or other nominee to change your vote.

Q. Should I send my stock certificates now?

A.

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No. After the merger is completed, Gaylord stockholders will receive written instructions from the exchange agent on how to exchange their Gaylord common stock for shares of Granite common stock. **Please do not send your Gaylord stock certificates with your proxy.**

Q. Where will my Granite common stock be publicly traded?

- A. Granite will apply to list the new shares of Granite common stock on the NYSE upon completion of the merger. We expect that Granite common stock will trade under Gaylord's existing symbol GET.

Q. Will a proxy solicitor be used?

- A. Yes. We have engaged Mackenzie Partners, Inc. to assist in the solicitation of proxies for the special meeting and estimate we will pay Mackenzie Partners a fee of approximately \$25,000. We have also agreed

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to reimburse Mackenzie Partners for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify Mackenzie Partners against certain losses, costs and expenses. In addition, our officers and employees may also solicit proxies by mail, telephone, e-mail or facsimile transmission. They will not be paid additional remuneration for their efforts. Upon request, we will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in forwarding proxy material to beneficial owners of shares of our common stock.

Q. What do I need to do now?

- A. You should carefully read and consider the information contained in this proxy statement/prospectus, including its annexes. It contains important information about what our board of directors considered in evaluating and approving the REIT conversion and the merger agreement.

You should then complete and sign your proxy card and return it in the enclosed envelope as soon as possible so that your shares will be represented at the special meeting, or vote your proxy by telephone or over the Internet. If your shares are held through a broker, bank or other nominee, you should receive a separate voting instruction form with this proxy statement/prospectus.

Q. Whom should I call with questions?

- A. You should call Mackenzie Partners, our proxy solicitor, toll free at (800) 322-2885 with any questions about the special meeting, or to obtain additional copies of this proxy statement/prospectus or additional proxy cards. You may also call Mark Fioravanti, our Executive Vice President and Chief Financial Officer, at (615) 316-6000.

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STRUCTURE OF THE TRANSACTION

The following diagrams summarize the corporate structure of Gaylord and Granite, as applicable before and after the completion of the REIT conversion, including the merger and related restructuring transactions.

* Recently formed for the purpose of the REIT conversion.

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1. Gaylord Entertainment Company causes assets to be moved to, or retains non-REIT assets in, one or more wholly-owned subsidiaries which will become TRSs, or subsidiaries of TRSs, following the REIT conversion.
2. Gaylord Entertainment Company merges with and into Granite Hotel Properties, Inc. and Gaylord Entertainment Company stockholders receive a number of shares of Granite Hotel Properties, Inc. common stock equal to, and exchanged for, the number of shares of Gaylord Entertainment Company common stock they own.
3. Granite Hotel Properties, Inc. distributes the special E&P distribution to its stockholders, which is expected to be declared and paid in the fourth quarter of 2012, following completion of the merger.

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. You should carefully read this entire proxy statement/prospectus and the other documents to which this proxy statement/prospectus refers to fully understand the REIT conversion and the merger. In particular, you should read the annexes attached to this proxy statement/prospectus, including the merger agreement, which is attached as Annex A. You also should read the forms of the Granite Charter and Granite Bylaws, attached as Annex B and Annex C, respectively, because these documents will govern your rights as a stockholder following the completion of the merger. See the section entitled "Where You Can Find More Information" in the front part of this proxy statement/prospectus. For a discussion of the risk factors that you should carefully consider, see the section entitled "Risk Factors" beginning on page 26. Most items in this summary include a page reference directing you to a more complete description of that item.

The information contained in this proxy statement/prospectus, unless otherwise indicated, assumes the REIT conversion and all the transactions related to the REIT conversion, including the merger, will occur. When used in this proxy statement/prospectus, unless otherwise specifically stated or the context otherwise requires, the terms "we," "our" and "us" refer to Gaylord and its subsidiaries with respect to the period prior to the completion of the merger, and Granite and its subsidiaries with respect to the period after the completion of the merger.

The Companies

Gaylord Entertainment Company

One Gaylord Drive

Nashville, Tennessee 37214

(615) 316-6000

Gaylord Entertainment Company, a Delaware corporation, was originally incorporated in 1956 and was reorganized in connection with a 1997 corporate restructuring. Gaylord believes it is the only hospitality company whose stated primary focus is on the large group meetings and conventions sector of the lodging market. Gaylord's hospitality business includes our Gaylord branded hotels, consisting of the Gaylord Opryland Resort and Convention Center in Nashville, Tennessee, the Gaylord Palms Resort and Convention Center near Orlando, Florida, the Gaylord Texan Resort and Convention Center near Dallas, Texas and the Gaylord National Resort and Convention Center near Washington D.C. Gaylord also owns and operates the Radisson Hotel at Opryland in Nashville, Tennessee. Gaylord's award-winning Gaylord branded hotels incorporate not only high quality lodging, but also significant meeting, convention and exhibition space, superb food and beverage options and retail facilities within a single self-contained property. As a result, Gaylord's properties provide a convenient and entertaining environment for convention guests.

Gaylord also owns and operates several attractions in Nashville, including the Grand Ole Opry, a live country music variety show that is the nation's longest running live radio show and an icon in country music. Gaylord's Nashville attractions provide entertainment opportunities for Nashville-area residents and visitors, including our Gaylord Opryland Resort and Convention Center hotel and convention guests, while adding to Gaylord's destination appeal.

Gaylord's operations are organized into three principal business segments: (i) Hospitality, which includes hotel operations; (ii) Opry and Attractions, which includes the Grand Ole Opry assets, WSM-AM and our Nashville attractions; and (iii) Corporate and Other, which includes corporate expenses.

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Granite Hotel Properties, Inc.

One Gaylord Drive

Nashville, Tennessee 37214

(615) 316-6000

Granite Hotel Properties, Inc., a Delaware corporation, was organized on June 21, 2012 and is a wholly-owned subsidiary of Gaylord. Upon consummation of the merger, Granite will hold, directly or indirectly, all of Gaylord's assets and will succeed to and continue the then existing business of Gaylord. Prior to the merger, Granite will conduct no business other than incident to the merger. We anticipate that we may change the name of Granite Hotel Properties, Inc. to a different name prior to the completion of the merger of Gaylord with and into Granite, such that the surviving entity in the merger would have such new name.

Proposed REIT Conversion (including the Merger) and the Marriott Transaction

On May 30, 2012, the board of directors of Gaylord unanimously approved a plan to restructure our business operations to facilitate the qualification of Granite as a REIT for federal income tax purposes. We intend to complete the REIT conversion so that we may qualify as a REIT commencing with our 2013 tax year.

The REIT conversion will be implemented through a series of steps, including, among other things, the merger of Gaylord with and into Granite, in order to facilitate the qualification of Granite, as the successor business to Gaylord's assets and business operations, as a REIT for federal income tax purposes. Upon completion of the merger, the outstanding shares of Gaylord common stock will be converted into the right to receive the same number of shares of Granite common stock. We anticipate that the shares of Granite common stock will trade on the NYSE after completion of the merger under Gaylord's existing symbol GET. Consummation of the merger is subject to Gaylord's stockholders adopting the merger agreement.

After the merger is completed, Granite will succeed to Gaylord's current and accumulated earnings and profits. Because a REIT is not permitted to retain earnings and profits accumulated during years when the company or its predecessor was taxed as a C corporation, we will make a one-time special distribution, the special E&P distribution, to distribute all of our C corporation earnings and profits. For additional information about the special E&P distribution, see the section entitled "The Special E&P Distribution" on page 65.

In connection with the REIT conversion, on May 31, 2012, we announced our agreement to sell the Gaylord Hotels brand and rights to manage Gaylord Opryland Resort and Convention Center, Gaylord Palms Resort and Convention Center, Gaylord Texan Resort and Convention Center, and Gaylord National Resort and Convention Center to Marriott for \$210 million in cash. The closing of the Marriott sale transaction is subject to the satisfaction of certain conditions, including Gaylord's stockholders' adoption of the merger agreement. We expect the consummation of the Marriott sale transaction to occur promptly after Gaylord's stockholders adopt the merger agreement. When the Marriott sale transaction is completed, Marriott will assume responsibility for the day-to-day management of our Gaylord Hotels properties pursuant to management agreements that will be entered into when the Marriott sale transaction closes. We anticipate that management transition at the Gaylord Hotels properties will be complete by January 1, 2013, when we expect our election to become a REIT will be effective. In addition, prior to the completion of the REIT conversion, we will identify and engage a third-party hotel manager to operate and manage the Radisson Hotel at Opryland.

The merger, the special E&P distribution, the Marriott sale transaction and the other restructuring transactions are designed to enable Granite, as the business successor of Gaylord, to hold its assets and business operations in a manner that will enable us to elect to be treated as a REIT for federal income tax purposes. If Granite qualifies as a REIT, it generally will not be subject to federal corporate income taxes on that portion of its capital gain or ordinary income from its REIT operations that is distributed to its stockholders. This treatment would substantially eliminate the federal "double taxation" on earnings from REIT operations, or taxation once at

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the corporate level and again at the stockholder level, that generally results from investment in a regular C corporation. As explained more fully in this proxy statement/prospectus, to comply with certain REIT qualification requirements, we must engage third-party managers to operate and manage our hotel properties. Additionally, non-REIT operations, which consist of the activities of taxable REIT subsidiaries that will act as lessees of our hotels, as well as the businesses within our Opry and Attractions segment, would continue to be subject, as applicable, to federal and state corporate income taxes.

We are distributing this proxy statement/prospectus to you as a holder of our common stock in connection with the solicitation of proxies by our board of directors for your approval of a proposal to adopt the merger agreement and approve the issuance of up to 34,000,000 shares of our common stock in connection with the special E&P distribution.

TRT Repurchase and Secondary Offering

On August 6, 2012, we entered into a repurchase agreement with our stockholder, TRT Holdings, pursuant to which we repurchased 5,000,000 shares of our common stock concurrently with the execution and delivery of the repurchase agreement. The aggregate purchase price in the privately negotiated transaction was \$185 million, or \$37.00 per share. We funded the repurchase with borrowings under our existing \$925 million senior secured credit facility. The repurchase agreement contains a covenant of TRT Holdings to vote all shares of Gaylord's common stock for which TRT Holdings had voting rights as of August 8, 2012, or 5,643,129 shares, in favor of the proposals to be presented at the special meeting. The repurchase agreement contained several post-closing obligations of the parties, which are described in the section entitled Material Discussions and Transactions with TRT Holdings beginning on page 66.

Pursuant to the terms of the repurchase agreement, we filed a registration statement under which TRT Holdings offered the remainder of its shares of our common stock, or 5,643,129 shares, in an underwritten secondary public offering. On August 13, 2012, we, TRT Holdings, and Deutsche Bank Securities Inc. entered into an underwriting agreement pursuant to which TRT Holdings sold the remainder of its shares of our common stock to Deutsche Bank Securities Inc. to be offered by the underwriter at a public offering price of \$40.00 per share. The closing of the secondary offering occurred on August 16, 2012, at which time TRT Holdings ceased to hold shares of Gaylord common stock. We reimbursed 50% of the underwriting discounts and commissions paid by TRT Holdings with respect to shares it sold in the secondary offering, or an aggregate of \$2,821,564.50, and also paid all costs of effecting the registration, other than the legal fees of TRT Holdings. Prior to the repurchase and secondary offering, TRT Holdings owned approximately 10,643,129 shares of our common stock, or approximately 21.7% of our common stock outstanding at such time.

Board of Directors and Management of Granite (See page 6)

The board of directors and executive officers of Gaylord immediately prior to the merger will be the board of directors and executive officers, respectively, of Granite immediately following the merger. However, it is anticipated that there will be a reorganization within, and a reduction in the number of members of, Gaylord's current executive management team and other employees. Although the specific actions to be taken in connection with this reorganization have not yet been finally determined, we anticipate that these actions will reflect the fact that Granite will no longer operate or manage our hotel properties following our conversion to a REIT and will result in Granite having a more streamlined corporate overhead and executive management structure.

Interests of Directors and Executive Officers in the REIT Conversion and the Merger (See page 6)

Our directors and executive officers own shares of our common stock, restricted stock units and options to purchase shares of our common stock, and, to that extent, their interest in the REIT conversion and the merger is the same as that of the other holders of our shares of common stock, restricted stock units and options to purchase shares of our common stock.

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Regulatory Approvals (See page 60)

We are not aware of any federal, state, local or foreign regulatory requirements that must be complied with or approvals that must be obtained prior to the completion of the merger pursuant to the merger agreement, other than compliance with applicable federal and state securities laws, the filing of a certificate of merger as required under the DGCL, and consent to a *pro forma* transfer of control from the Federal Communications Commission with respect to our radio station operations, and various state governmental authorizations.

Comparison of Rights of Stockholders of Gaylord and Granite (See page 149)

The rights of holders of Gaylord common stock are currently governed by the Delaware General Corporation Law, Gaylord's restated certificate of incorporation, which we refer to as the Gaylord Charter, and the second amended and restated bylaws of Gaylord, which we refer to as the Gaylord Bylaws. If the merger agreement is adopted by Gaylord's stockholders and the merger is completed, Gaylord stockholders will become stockholders of Granite. The rights of Granite's stockholders will be governed by the Delaware General Corporation Law, Granite's amended and restated certificate of incorporation, which we refer to as the Granite Charter, and Granite's amended and restated bylaws, which we refer to as the Granite Bylaws. There are certain differences between the rights of a holder of Gaylord common stock and the rights of a holder of Granite common stock.

A principal difference is that, to satisfy requirements under the Code that are applicable to REITs in general and to otherwise address concerns relating to capital stock ownership, the Granite Charter will generally restrict the percentage ownership any stockholder may own. The Granite Charter provides that (subject to certain exceptions described below) no person may beneficially own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8%, in value or in number of shares, whichever is more restrictive, of the outstanding shares of capital stock, or any class or series of capital stock, of Granite.

Another difference is that, under the Granite Bylaws, directors will be elected by the vote of the majority of the votes cast with respect to the director's election, except in connection with a contested director election, in which case directors will be elected by a plurality of the votes cast. In contrast, under the Gaylord Bylaws, directors are elected by a plurality of the votes cast in all director elections.

For more detail regarding the differences between your rights as a holder of Gaylord common stock and your rights as a holder of Granite common stock, see the sections entitled "Description of Granite Capital Stock" beginning on page 143 and "Comparison of Rights of Stockholders of Gaylord and Granite" beginning on page 149. In addition, the forms of the Granite Charter and Granite Bylaws are attached as Annex B and Annex C, respectively.

Material Federal Income Tax Consequences Taxation of the Merger (See page 156)

The merger is intended to qualify as a reorganization under Section 368(a) of the Code, and our special tax counsel, Skadden, Arps, Slate, Meagher & Flom LLP, or Skadden, has rendered an opinion, subject to the conditions and qualifications set forth therein, that the merger will be treated for federal income tax purposes as a reorganization under Section 368(a) of the Code. Accordingly, neither Gaylord, Granite nor you will recognize gain or loss as a result of the merger for federal income tax purposes.

Qualification of Granite following the REIT Conversion (See page 156)

We intend that following the completion of the merger and other transactions relating to the REIT conversion, Granite will be organized so that it may qualify for taxation as a REIT commencing with its 2013 tax

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year. Skadden has rendered an opinion, subject to the conditions and qualifications set forth therein, that Granite will be organized in conformity with the requirements for qualification as a REIT under the Code, and Granite's proposed method of operation will enable it to meet the requirements for qualification and taxation as a REIT. Granite's qualification and taxation as a REIT will depend upon its ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. Provided that Granite qualifies as a REIT, it will generally be entitled to a deduction for dividends that it pays, and therefore will not be subject to federal corporate income tax on its net income that is distributed to its stockholders on a current basis. This deduction for dividends paid substantially eliminates the double taxation of corporate income (i.e., taxation at both the corporate and stockholder levels) that generally results from investment in a corporation. In general, income that is generated by a REIT and distributed to its stockholders on a current basis is taxed only at the stockholder level.

Recommendation of the Board of Directors

Our board of directors believes that the REIT conversion and the merger are in the best interests of Gaylord and our stockholders. As such, our board of directors unanimously recommends that our stockholders vote FOR the adoption of the merger agreement, FOR the approval of the issuance of shares of our common stock in connection with the special E&P distribution, and FOR the adjournment proposal.

Date, Time and Place of the Special Meeting (See page 51)

The special meeting of our stockholders will be held on September 25, 2012 at 9:00 a.m., local time, at the Gaylord Opryland Resort and Convention Center, 2800 Opryland Drive, Nashville, Tennessee 37214, to consider and vote upon the proposals described in the notice of special meeting.

Stockholders Entitled to Vote (See page 51)

The Gaylord board of directors has fixed the close of business on August 8, 2012, as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the special meeting. On the record date, there were 44,139,440 shares of our common stock outstanding. On such date, the shares were held by 2,202 holders of record.

Vote Required For Each Proposal (See page 52)

The affirmative vote of the holders of a majority of the outstanding shares of our common stock is required for the adoption of the merger agreement. Accordingly, abstentions and broker non-votes will have the effect of a vote against the proposal to adopt the merger agreement.

The board of directors of Gaylord reserves the right to cancel the merger at any time prior to the filing of the certificate of merger with the Secretary of State of the State of Delaware, even if the stockholders vote to adopt the merger agreement and the other conditions to the completion of the merger are satisfied or waived, if the board determines that the merger is no longer in the best interests of Gaylord or its stockholders.

The affirmative vote of a majority of votes cast on the proposal to issue up to 34,000,000 shares of our common stock in connection with the special E&P distribution is required to approve this proposal, provided that the total votes cast on this proposal represent over 50% of the outstanding shares of our common stock. An abstention on Proposal 2 is not considered a vote cast and will have no effect on the outcome of the proposal if the total votes cast on this proposal represent over 50% of the outstanding shares of our common stock.

The affirmative vote of a majority of the shares of our common stock that are present or represented by proxy at the special meeting is required to approve the adjournment proposal. Accordingly, abstentions will have the effect of a vote against this proposal, while broker non-votes will not impact the outcome of this proposal, assuming a quorum is otherwise present.

Table of Contents**Agreement of TRT Holdings to Vote in Favor of Proposals (See page 52)**

Pursuant to a repurchase agreement by and between Gaylord and TRT Holdings dated as of August 6, 2012, TRT Holdings has agreed to vote all its shares of common stock held as of the record date in favor of the proposals being presented at the special meeting. As of the record date, TRT Holdings held 12.8% of our outstanding common stock.

Absence of Appraisal Rights (See page 60)

Under the Delaware General Corporation Law, you will not be entitled to any appraisal rights as a result of the merger or REIT conversion.

Shares Owned by Gaylord's Directors and Executive Officers

As of August 8, 2012 the directors and executive officers of Gaylord and their affiliates owned and were entitled to vote 1,168,378 shares of Gaylord common stock, or approximately 2.6% of the shares outstanding on that date entitled to vote with respect to each of the proposals. We currently expect that each director and executive officer of Gaylord will vote the shares of our common stock beneficially owned by such director or executive officer FOR adoption of the merger agreement, FOR the issuance of up to 34,000,000 shares of our common stock in connection with the special E&P distribution and FOR the proposal to adjourn or postpone the special meeting.

Historical Market Price of Gaylord Common Stock

Gaylord's common stock is listed on the NYSE under the symbol GET.

The following table presents the reported high and low sale prices of Gaylord common stock on the NYSE, in each case for the periods indicated, as reported by the NYSE. On May 30, 2012, the last full trading day prior to the announcement of the proposed REIT conversion, the closing sale price of Gaylord common stock on the NYSE was \$34.48 per share. On August 17, 2012, the latest practicable date before printing of this proxy statement/prospectus, the closing price of Gaylord common stock on the NYSE was \$40.15 per share. You should obtain a current stock price quotation for Gaylord common stock.

| | High | Low |
|---|----------|----------|
| Year Ending December 31, 2012 | | |
| Third Quarter (through August 17, 2012) | \$ 41.17 | \$ 35.02 |
| Second Quarter | \$ 40.37 | \$ 28.97 |
| First Quarter | \$ 32.14 | \$ 24.19 |
| Year Ended December 31, 2011 | | |
| Fourth Quarter | \$ 25.13 | \$ 17.39 |
| Third Quarter | \$ 32.37 | \$ 18.02 |
| Second Quarter | \$ 36.62 | \$ 27.92 |
| First Quarter | \$ 38.22 | \$ 32.74 |
| Year Ended December 31, 2010 | | |
| Fourth Quarter | \$ 37.38 | \$ 29.80 |
| Third Quarter | \$ 31.49 | \$ 20.87 |
| Second Quarter | \$ 34.55 | \$ 22.02 |
| First Quarter | \$ 29.47 | \$ 18.65 |

It is expected that, upon completion of the merger, Granite common stock will be listed and traded on the NYSE under Gaylord's existing symbol GET. The historical trading prices of Gaylord common stock are not

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necessarily indicative of the future trading prices of Granite's common stock because, among other things, the current stock price of Gaylord reflects the current market valuation of Gaylord's current business and assets, including the cash or stock that may be distributed in connection with the special E&P distribution, and does not necessarily take into account the changes in Gaylord's business and operations that will occur in connection with the REIT conversion. See the section entitled "Risk Factors - Risks Related to the REIT Conversion." The current market price of Gaylord common stock may not be indicative of the market price of Granite common stock following the completion of the REIT conversion and the special E&P distribution on page 32.

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SUMMARY UNAUDITED PRO FORMA CONDENSED FINANCIAL DATA

The following tables present selected financial data from the unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2011, the unaudited pro forma condensed consolidated statement of operations for the six months ended June 30, 2012, and the unaudited pro forma condensed consolidated balance sheet as of June 30, 2012. The following unaudited pro forma consolidated financial data gives effect to (i) the Marriott sale transaction, (ii) the REIT conversion, and (iii) our repurchase of 5,000,000 shares of common stock from TRT Holdings. The unaudited pro forma balance sheet is presented as if these transactions had occurred on June 30, 2012. The unaudited pro forma statements of operations present the effects of these transactions as though each had occurred on January 1, 2011, but calculated as each is expected to occur based on actual data as of June 30, 2012.

The unaudited pro forma consolidated financial data is based on the estimates and assumptions set forth in the notes to such statements, which are preliminary and have been made solely for the purposes of developing such pro forma information. See the section entitled "Pro Forma Financial Information" beginning on page 88. We believe these pro forma adjustments are reasonable; however, actual results may materially and adversely differ from the pro forma information. The unaudited pro forma consolidated financial data is not necessarily indicative of the financial position or operating results that would have been achieved had the transactions been completed as of the dates indicated, nor are they necessarily indicative of future financial position or operating results. This information should be read in conjunction with the unaudited pro forma condensed consolidated financial statements and related notes and the historical financial statements and related notes included in, or incorporated by reference into, this proxy statement/prospectus.

The unaudited pro forma condensed consolidated statements of operations and condensed consolidated balance sheet do not reflect the following:

One-time costs related to the REIT conversion and Marriott sale transaction currently estimated to be \$55 million, including approximately \$10 million in investment banking fees, \$6 million in legal fees, \$4 million in consulting fees, \$19 million in severance and retention costs, and \$16 million in conversion costs;

Anticipated federal income taxes associated with the receipt of the purchase price in the Marriott sale transaction and other transactions related to the REIT conversion net of remaining net operating losses, of approximately \$43 million to \$53 million;

Anticipated annualized cost synergies, net of management fees, of approximately \$33 million to \$40 million; or

The estimated amount to be paid in the special E&P distribution currently projected to be paid in the fourth quarter of 2012, as discussed in the section entitled "Pro Forma Financial Information" beginning on page 88.

The unaudited pro forma financial results assume that 100% of taxable income has been distributed and that all relevant REIT qualifying tests, as dictated by the Code and IRS rules and interpretations, were met for the entire period. All assumptions used in the following unaudited pro forma condensed consolidated financial data are described in the section entitled "Pro Forma Financial Information" beginning on page 88.

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| | For the Year Ended December 31, 2011 (Unaudited) | Pro Forma For the Six Months Ended June 30, 2012 (Unaudited) |
|--|---|---|
| | (in thousands) | |
| Condensed Consolidated Statement of Operations | | |
| Total operating revenues | \$ 952,144 | \$ 492,144 |
| Total operating expenses | 887,271 | 449,154 |
| Operating income | 64,873 | 42,990 |
| Interest expense, interest income, income from unconsolidated companies and other gains and losses | (66,666) | (24,841) |
| Benefit from income taxes | 2,312 | 1,630 |
| Income from continuing operations | 519 | 19,779 |

| | Pro Forma as of June 30, 2012 (Unaudited) |
|--|--|
| | (in thousands) |
| Condensed Consolidated Balance Sheet | |
| Cash and cash equivalents unrestricted | \$ 239,504 |
| Current deferred income tax assets | 3,093 |
| Total current assets | 342,338 |
| Property and equipment, net of accumulated depreciation | 2,200,616 |
| Total assets | 2,754,447 |
| Total current liabilities | 152,632 |
| Long-term debt and capital lease obligations, net of current portion | 1,219,456 |
| Long-term deferred income tax liability | 62,065 |
| Deferred management rights proceeds | 190,000 |
| Total stockholders equity | 959,064 |
| Total liabilities and stockholders equity | 2,754,447 |

Comparative Historical and Pro Forma Per Share Data

The following tables set forth selected historical per share data for Gaylord and selected unaudited pro forma per share data after giving effect to (i) the Marriott sale transaction, (ii) the REIT conversion, and (iii) our repurchase of 5,000,000 shares of common stock from TRT Holdings. This information should be read in conjunction with the selected historical financial information included elsewhere in this proxy statement/prospectus and the historical financial statements and related notes that are included in, or incorporated by reference in, this proxy statement/prospectus. The pro forma per share amounts have been computed using the assumptions described in the section entitled Pro Forma Financial Information. The unaudited pro forma consolidated financial data are presented for informational purposes only. The unaudited pro forma financial data is not necessarily indicative of the financial position or operating results that would have occurred had the transactions been completed, nor are they necessarily indicative of future financial position or operating results.

Table of Contents**Historical Data Per Share**

The historical book value per share data presented below is computed by dividing total stockholders' equity of approximately \$1,068,212,000 as of June 30, 2012 by 49,098,486, the number of shares outstanding as of that date.

| | As of or for the Six | |
|---|-----------------------------|----------------------|
| | For the Year Ended | Months Ended |
| | December 31, 2011 | June 30, 2012 |
| Income from continuing operations per share: | | |
| Basic | \$ 0.21 | \$ 0.31 |
| Diluted | 0.20 | 0.29 |
| Dividends | None | None |
| Book value per share | n/a | 21.76 |

Unaudited Pro Forma Per Share Data

The pro forma book value per share data presented below is computed by dividing pro forma total stockholders' equity of approximately \$959,064,000 by 44,098,486, the pro forma number of shares which would have been outstanding on June 30, 2012.

| | Pro Forma | |
|---|---------------------------|----------------------|
| | For the Year Ended | Months Ended |
| | December 31, 2011 | June 30, 2012 |
| Income from continuing operations per share: | | |
| Basic | \$ 0.01 | \$ 0.45 |
| Diluted | 0.01 | 0.43 |
| Dividends(1) | None | None |
| Book value per share | n/a | 21.75 |

(1) Pro forma results exclude calculation of dividends that would be required for a REIT.

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RISK FACTORS

In addition to the other information in this proxy statement/prospectus, you should carefully consider the following risk factors relating to the proposed REIT conversion, the merger, and our business in determining whether or not to vote for adoption of the merger agreement and the issuance of up to 34,000,000 shares of our common stock in connection with the special E&P distribution. You should carefully consider the additional risks described in Gaylord's annual, quarterly and current reports, including those identified in Gaylord's Annual Report on Form 10-K for the year ended December 31, 2011 and Gaylord's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012. This section includes or refers to certain forward-looking statements. See the section entitled "Special Note Regarding Forward-Looking Statements" beginning on page 50 for the qualifications and limitations of these forward-looking statements.

Risks Related to the REIT Conversion

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

We are currently not treated as a REIT for tax purposes. Our board of directors has authorized us to take the steps necessary to elect to be treated as a REIT for tax purposes, effective for the taxable year beginning January 1, 2013, subject to the prior consummation of the sale of the Gaylord Hotels brand and rights to manage our Gaylord Hotels properties and the transfer of certain assets to Marriott, which we refer to as the Marriott sale transaction, and receipt of stockholder adoption of the merger agreement. To qualify as a REIT, we plan to hold our non-qualifying REIT assets in one or more TRSs. These non-qualifying REIT assets consist principally of non-real estate assets related to our Hospitality segment and the assets related to our Opry and Attractions segment as currently structured and operated.

If, in any taxable year, we fail to qualify for taxation as a REIT, and are not entitled to relief under the Code:

we would not be allowed a deduction for distributions to stockholders in computing our taxable income;

we would be subject to federal and state income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates; and

we would be disqualified from REIT tax treatment for the four taxable years following the year during which we were so disqualified.

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

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

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

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While our tax counsel has rendered an opinion that we will be organized in accordance with the requirements for qualification as a REIT upon completing the REIT conversion and the restructuring transactions contemplated thereby, including the merger, this opinion is not binding on the IRS or any court and does not guarantee our qualification as a REIT.

Skadden has rendered an opinion that, following completion of the restructuring transactions in connection with the REIT conversion, and as of January 1, 2013, we will be organized in conformity with the requirements for qualification as a REIT under the Code, and that our planned method of operation will enable us to meet the requirements for qualification and taxation as a REIT under the Code. You should be aware, however, that opinions of counsel are not binding on the IRS or any court, and either could take a position different from that expressed by counsel. Any opinion of Skadden will represent only its view based on a review and analysis of existing law and would be conditioned upon certain assumptions, including the assumption that the Granite Charter and other applicable legal documents are enforceable and will be complied with, upon the accuracy and completeness of the factual matters described in this proxy statement/prospectus, upon a ruling received from the IRS as to certain federal income tax matters, and upon representations, statements and undertakings by us relating to Granite's organization and expected manner of operation. Given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given by Skadden or us that we will so qualify for any particular year. Any opinion of Skadden as to our qualification and taxation as a REIT is expressed as of the date issued.

Furthermore, both the validity of any opinion of Skadden and our qualification and taxation as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. Our ability to satisfy the quarterly asset tests under applicable Code provisions and Treasury regulations will depend in part upon our board of directors' good faith analysis of the fair market values of our assets, some of which are not susceptible to a precise determination. Our compliance with the REIT income and quarterly asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis. While we believe that we will satisfy these tests, Skadden will not review compliance with these tests on a continuing basis.

We may not realize the anticipated tax benefits from the REIT conversion effective January 1, 2013 because the timing of the merger and REIT conversion is not certain.

We will complete the merger after the special meeting of stockholders, receipt of stockholder adoption of the merger agreement, the satisfaction or waiver of the other conditions to the merger and receipt of stockholder approval of the issuance of shares in connection with the special E&P distribution. In addition, the timing of the merger will depend on our ability to conform our operations to the requirements for qualification as a REIT. We currently anticipate that the completion of the merger will occur on or about the time of (but not earlier than) the consummation of the Marriott sale transaction. We anticipate that the merger will occur no later than December 31, 2012, although we cannot assure you that the merger will not be delayed. If the merger and the other restructuring transactions were significantly delayed, we may not be qualified to elect REIT status effective January 1, 2013, in which event we could not elect REIT status until the taxable year beginning January 1, 2014, at the earliest. In that event, the benefits attributable to our qualification and taxation as a REIT, including our ability to reduce our corporate level federal income tax through distributions to our stockholders, would not commence January 1, 2013, and we would pay corporate level income taxes on our taxable income until such time as we became a REIT. Additionally, even if the transactions necessary to implement the REIT conversion are effected, our board of directors may decide not to elect REIT status, or to delay such election, if it determines in its sole discretion that it is not in the best interests of us or our stockholders.

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

We have not paid a cash distribution on our common stock since 1999. Following the completion of the REIT conversion, we intend to declare regular quarterly distributions commencing with the first quarter of 2013,

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the amount of which will be determined, and will be subject to adjustment, by our board of directors. To qualify and be taxed as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders. If our cash available for distribution falls short of our estimates, we may be unable to maintain the proposed quarterly distributions that approximate our taxable income, and may fail to qualify for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the recognition of income for federal income tax purposes, or the effect of nondeductible expenditures.

To the extent that we satisfy the 90% distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders for a calendar year is less than a minimum amount specified under the Code.

Covenants specified in our existing and future debt instruments may limit our ability to make required REIT distributions.

Our \$925 million senior secured 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, including restrictions on our ability to make distributions required for us to maintain qualification and taxation as a REIT. Prior to consummating the restructuring transaction, the merger and the Marriott sale transaction, we must obtain waivers and consents of the required lenders pursuant to our \$925 million senior secured credit facility to amend the facility. We anticipate that any amendments to our \$925 million senior secured credit facility will continue to impose operating and financial restrictions on our activities and will continue to limit our ability to make distributions. If these limits prevent us from satisfying our REIT distribution requirements, we could fail to qualify for taxation as a REIT.

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

To meet the REIT distribution requirements and maintain our qualification and taxation as a REIT, we may need to borrow funds, sell assets or issue equity, even if the then-prevailing market conditions are not favorable for these borrowings, sales or offerings. Any insufficiency of our cash flows to cover our REIT distribution requirements could adversely impact our ability to raise short- and long-term debt, to sell assets, or to offer equity securities to fund distributions required to maintain our qualification and taxation as a REIT. Furthermore, the REIT distribution requirements may increase the financing we need to fund capital expenditures, future growth and expansion initiatives. This would increase our total leverage. For a discussion of risks related to our substantial level of indebtedness, see Risks Related to Our Business and Properties beginning on page 34.

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

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

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our common stock. Thus, compliance with these tests will require us to

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refrain from certain activities discussed in **Material Federal Income Tax Consequences** in this proxy statement/prospectus and may hinder our ability to make certain attractive investments, including the purchase of non-qualifying assets, the expansion of non-real estate activities, and investments in the businesses to be conducted by our TRSs, and to that extent limit our opportunities and our flexibility to change our business strategy. Furthermore, acquisition opportunities may be adversely affected if we need or require the target company to comply with some REIT requirements prior to closing. In addition, converting to a REIT may result in investor pressures not to pursue growth opportunities that are not immediately accretive.

Following our election to be taxed as a REIT, we intend to conduct a significant portion of our business activities, including those currently operated within our Opry and Attractions segment, through TRSs. Under the Code, no more than 25% of the value of the assets of a REIT may be represented by securities of one or more TRSs and other non-qualifying assets. This limitation may affect our ability to make additional investments in our Opry and Attractions segment as currently structured and operated or in other non-REIT qualifying operations or assets. To meet our annual distribution requirements, we may be required to distribute amounts that may otherwise be used for our operations, including amounts that may otherwise be invested in future acquisitions, capital expenditures or repayment of debt, and it is possible that we might be required to borrow funds, sell assets or issue equity to fund these distributions, even if the then-prevailing market conditions are not favorable for these borrowings, sales or offerings.

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

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

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

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

If any of our third-party hotel managers fails to qualify as an eligible independent contractor, or if our hotels are not qualified lodging facilities, we will fail to qualify as a REIT.

Rent paid by a lessee or sublessee that is a related party tenant of ours will not be qualifying income for purposes of the two gross income tests applicable to REITs. An exception is provided, however, for leases of qualified lodging facilities to a TRS so long as the hotels are managed by an eligible independent contractor and certain other requirements are satisfied. After the consummation of the Marriott sale transaction, we will lease or sublease our Gaylord Hotels properties to TRS lessees, and such TRS lessees will have engaged Marriott as a third-party hotel manager. Prior to the completion of the REIT conversion, we will lease the Radisson Hotel at Opryland to a TRS lessee, and such TRS lessee will engage a third-party hotel manager. We believe Marriott and any other third-party hotel manager that our TRS lessees may engage in the future will qualify as eligible independent contractors for federal income tax purposes. Among other requirements, to qualify as an eligible independent contractor, the third-party hotel manager must not own, directly or through its stockholders, more than 35% of Granite's outstanding shares, and no person or group of persons can own more than 35% of Granite's outstanding shares and the shares (or ownership interest) of the third-party hotel manager, taking into

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account certain ownership attribution rules. The ownership attribution rules that apply for purposes of these 35% thresholds are complex, and monitoring actual and constructive ownership of Granite's shares by the third-party hotel manager and their owners may not be practical. Accordingly, there can be no assurance that these ownership levels will not be exceeded.

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

Finally, each property with respect to which our TRS lessees pay rent must be a qualified lodging facility. A qualified lodging facility is a hotel, motel or other establishment more than one-half of the dwelling units in which are used on a transient basis, including customary amenities and facilities, provided that no wagering activities are conducted at or in connection with such facility by any person who is engaged in the business of accepting wagers and who is legally authorized to engage in such business at or in connection with such facility. We believe that our hotel properties will be qualified lodging facilities. Although we intend to monitor future acquisitions and improvements of properties, REIT provisions of the Code provide only limited guidance for making determinations under the requirements for qualified lodging facilities, and there can be no assurance that these requirements will be satisfied.

Our cash distributions are not guaranteed and may fluctuate.

A REIT generally is required to distribute at least 90% of its REIT taxable income to its stockholders. Our board of directors, in its sole discretion, will determine on a quarterly basis the amount of cash to be distributed to our stockholders based on a number of factors including, but not limited to, our results of operations, cash flow and capital requirements, economic conditions, tax considerations, borrowing capacity and other factors, including debt covenant restrictions that may impose limitations on cash payments and plans for future acquisitions and divestitures. Consequently, our distribution levels may fluctuate.

There are uncertainties relating to the estimate of our special E&P distribution.

To qualify for taxation as a REIT, we will be required to distribute to our stockholders all of our pre-REIT accumulated earnings and profits as measured for federal income tax purposes, prior to the end of our first taxable year as a REIT, which we expect will be the taxable year ending December 31, 2013. Failure to make the special E&P distribution before December 31, 2013 could result in our disqualification for taxation as a REIT. While we estimate that we will declare and pay the special E&P distribution during the fourth quarter of 2012, the determination of the timing and amount to be distributed to our stockholders in the special E&P distribution is a complex factual and legal determination. We may have less than complete information at the time we undertake our analysis or may interpret the applicable law differently from the IRS. We currently believe and intend that our special E&P distribution will satisfy the requirements relating to the distribution of our pre-REIT accumulated earnings and profits. There are, however, substantial uncertainties relating to the computation of our special E&P distribution, including the possibility that the IRS could, in auditing tax years through 2012, successfully assert that our taxable income should be increased, which could increase our pre-REIT accumulated earnings and profits. Thus, we may fail to satisfy the requirement that we distribute all of our pre-REIT accumulated earnings and profits by the close of our first taxable year as a REIT. Moreover, although there are procedures available to cure a failure to distribute all of our pre-REIT accumulated earnings and profits, we cannot now determine whether we will be able to take advantage of them or the economic impact to us of doing so.

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

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

Our business related to the non-real estate assets of our Hospitality segment and the assets of our Opry and Attractions segment will be conducted through one or more wholly-owned TRSs because these activities could generate non-qualifying REIT income as currently structured and operated. Those TRS assets and operations would continue to be subject, as applicable, to federal and state corporate income taxes in the jurisdictions in which those assets and operations are located. Any of these taxes would decrease our earnings and our available cash.

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

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

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

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

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The current market price of Gaylord common stock may not be indicative of the market price of Granite common stock following the completion of the REIT conversion and the special E&P distribution.

The current market price of Gaylord common stock may not be indicative of how the market will value Granite common stock following the completion of the REIT conversion because of the effect of the distribution of cash and shares of Granite common stock in connection with the special E&P distribution, the change in our organization from a taxable C corporation to a REIT and the change in our distribution policy. Gaylord's common stock price does not necessarily take into account these effects, and the market price after the completion of the REIT conversion and the special E&P distribution could be lower than the current price. Furthermore, one of the factors that may influence the market price of Granite common stock will be the yield from distributions on Granite common stock compared to yields on other financial instruments. If, for example, an increase in market interest rates results in higher yields on other financial instruments, the market price of our common stock could be adversely affected. The market price of Granite common stock will also be affected by general market conditions (as the price of Gaylord common stock currently is) and will be potentially affected by the economic and market perception of REIT securities.

We have no experience operating as a REIT, which may adversely affect our financial condition, results of operations, the market price of our common stock and our ability to satisfy debt service obligations and make distributions to our stockholders.

Our senior management team has no experience operating a REIT. We cannot assure you that our past experience will be sufficient to operate our company successfully as a REIT. Failure to maintain REIT status could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to satisfy debt service obligations and make distributions to our stockholders.

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

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

You must hold your Granite common stock that you receive in the merger for a period of time after the merger is completed to receive the special E&P distribution.

If we complete the merger, the shares of Granite common stock that you receive in the merger must be held until the record date for the special E&P distribution for you to receive that distribution. We currently anticipate the record date for the special E&P distribution will be in the fourth quarter of 2012. During the period from the completion of the merger until the record date, your shares of Granite common stock will be subject to market risks and other risks inherent in holding equity securities, including the risk that the market price of Granite common stock may decline. In the event you dispose of your Granite common stock you receive in the merger prior to the record date for the special E&P distribution, you will not receive the special E&P distribution.

If the total cash payable to stockholders in the special E&P distribution is limited, your receipt of cash is dependent on the election of others.

In the event we receive a favorable ruling from the IRS, we expect to limit the total amount of cash payable in the special E&P distribution to a maximum of 20% of the total value of the special E&P distribution. The

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balance of the special E&P distribution will be in the form of shares of our common stock. If the total amount of cash elected by our stockholders exceeds 20% of the total value of the special E&P distribution, then, in general, the available cash will be prorated among those stockholders that elect to receive cash. Therefore, you may not receive exactly the dividend that you elect and may receive a pro rata amount of the available cash and shares of our common stock.

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

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

Risks Related to the Merger

We may be unable to satisfy the remaining conditions to the consummation of the Marriott sale transaction, and the Marriott sale transaction, the merger and the REIT conversion may not be completed which may materially and adversely affect our stock price.

Consummation of the Marriott sale transaction remains conditioned upon our obtaining the consent of the required lenders pursuant to our \$925 million senior secured credit facility, described in further detail below. In addition, consummation of the Marriott sale transaction and completion of the merger are conditioned on, among other things, the absence of any law or regulation that prohibits the consummation of the Marriott sale transaction or completion of the merger and the adoption by our stockholders of the merger agreement. Satisfying the conditions to consummation of the Marriott sale transaction and completion of the merger may take longer and could cost more than we expect, and our stockholders may not adopt the merger agreement. Failure to consummate the Marriott sale transaction and to complete the merger could negatively affect the market price of our common stock, and any delays in consummation of the Marriott sale transaction or completion of the merger may result in a delay of our qualification to elect REIT status until January 1, 2014, at the earliest.

If we are unable to obtain waivers and consents of the lenders to our \$925 million senior secured credit facility to amend the facility to accommodate the Marriott sale transaction, the REIT conversion and the merger, we may be delayed or prevented from consummating the Marriott sale transaction and completing the merger and REIT conversion.

Prior to consummating the Marriott sale transaction and completing the merger, we must obtain waivers and consents of the required lenders pursuant to our \$925 million senior secured credit facility to amend the facility to accommodate the Marriott sale transaction, the merger and the REIT conversion. If we are unable to obtain such waivers and consents of the lenders, the sale transaction, the merger and the REIT conversion will not be consummated. Although we believe that we will be able to obtain such waivers and consents, we cannot assure you that the required lenders will agree to the amendment of our \$925 million senior secured credit facility in a timely manner, or at all.

The purchase agreement with respect to the Marriott sale transaction may make it less likely that a competing transaction would emerge and may make it more difficult or expensive for Gaylord to accept a proposal to acquire Gaylord.

In the purchase agreement with respect to the Marriott sale transaction, we have agreed to cease all activities, discussions and negotiations and not to solicit proposals relating to the sale of the Gaylord Hotels

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brand and the right to manage our Gaylord Hotels properties. Although the purchase agreement does not prohibit us from considering or negotiating proposals to acquire Gaylord as a whole, if we terminate the purchase agreement because we enter into or our board has approved our entry into a definitive agreement with respect to an acquisition proposal, we would be required to pay Marriott a termination fee of \$12.5 million. If the special meeting of stockholders is held and stockholder approval of the merger is not obtained, or other conditions of the transaction are not met and the Marriott sale transaction is terminated, we may be required to pay a termination fee of \$5 million (with credit for any conversion expenses reimbursed to Marriott, which may exceed \$5 million). We may also be required to pay Marriott an additional fee of \$5 million if stockholder approval of the merger is not obtained and an alternative management or acquisition agreement is consummated. Such termination fees and expenses may make it less likely that a competing transaction would emerge and may make it more difficult and expensive for us to accept a competing transaction that our board of directors determines to be in the interests of us and our stockholders.

Risks Related to Our Business and Properties

If our third-party hotel managers do not manage our hotel properties successfully, our financial condition, results of operations and our ability to service debt and make distributions to our stockholders may be negatively impacted.

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

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

We will not have the authority to require our third-party hotel managers to operate our hotel properties in a particular manner, although we will have consent and approval rights for certain matters under our hotel management agreements with Marriott, subject to the limitations described therein. Thus, even if we believe our hotel properties are being operated inefficiently or in a manner that does not result in satisfactory occupancy rates, revenue per available room, or RevPAR, and average daily rate, or ADR, we will have limited ability to require our third-party hotel managers to change their method of operation of our hotel properties. We generally will attempt to resolve issues with third-party hotel managers through discussions and negotiations. However, if we are unable to reach satisfactory results through discussions and negotiations, we may choose to litigate the dispute or submit the matter to third-party dispute resolution or arbitration. We would be able to seek redress

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only if a third-party hotel manager violates the terms of the applicable hotel management agreement, and then only to the extent of the remedies provided for under the terms of the hotel management agreement. Additionally, in the event we need to replace any of our third-party hotel managers, we may experience significant business disruptions at the affected hotel properties, and may be liable, under certain circumstances, for significant damages and/or be required to make certain payments to our third-party managers.

The operation and management of our Gaylord Hotels properties from which we derive substantially all our Hospitality segment revenue will be concentrated in one third-party hotel manager.

After the consummation of the Marriott sale transaction, our Gaylord Hotels properties from which we derive substantially all our Hospitality segment revenue, will be operated and managed by Marriott. As a result, our operational risk will be concentrated in one third-party hotel manager, which makes us more vulnerable economically to any weakness of the hotel manager than if we entered into hotel management agreements with several third-party hotel managers. We cannot assure you that Marriott will satisfy its obligations to us or successfully operate and manage our Gaylord Hotels properties. Any adverse developments in Marriott's business and affairs, financial strength or ability to operate and manage our Gaylord Hotels properties successfully could materially reduce our revenues and net income, which could in turn reduce the amount of distributions to our stockholders.

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

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

Our third-party hotel managers may own or operate hotels that compete with our hotel properties.

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

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

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

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

the desirability and perceived attractiveness of the Nashville, Tennessee; Orlando, Florida; Dallas, Texas; and Washington D.C. areas as tourist and convention destinations;

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adverse changes in the national economy and in the levels of tourism and convention business that are affecting our hotel properties;

Marriott's ability to attract group convention business;

Marriott's ability to contract for and collect attrition and cancellation fees from groups that do not fulfill minimum stay or spending requirements;

the opening of other new hotels could impact the group convention business at our existing hotel properties;

the highly competitive nature of the hotel, tourism and convention businesses in which our Gaylord Hotels properties operate;

the susceptibility of group convention business to reduced levels of demand during the year-end holiday periods, which Marriott may not be able to offset by attracting sufficient general tourism guests;

the financial condition of the airline and other transportation-related industries and the resulting impact on travel; and

organized labor activities, which could cause a diversion of business from hotels involved in labor negotiations and loss of group business.

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

We are dependent on our Gaylord Hotels properties for the substantial majority of our revenue and cash flow.

We are dependent upon Gaylord Opryland, Gaylord Palms, Gaylord Texan and Gaylord National for the substantial majority of our revenue and cash flow. Due to our geographic concentration, 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 any of our properties.

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

There is no assurance that the anticipated reorganization within and downsizing of Gaylord's current executive management team following the completion of the merger will not adversely affect our operations.

We depend on the efforts and expertise of our executive management team to manage our day-to-day operations and strategic business direction. In connection with the REIT conversion, it is anticipated that there will be a reorganization within, and a reduction in the number of members of, Gaylord's current executive management team and other employees currently within the Corporate and Other segment at Gaylord that would reflect the fact that Granite will no longer operate or manage our hotel properties following the REIT conversion and would result in Granite having a more streamlined corporate overhead and executive management structure. We may be unable to successfully reorganize our executive management team, and there is no assurance that

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these anticipated reductions will not adversely affect our operations following our conversion to a REIT, including in connection with our Opry and Attractions segment, which we will continue to operate and manage.

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

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

In addition, we will no longer view independent large scale development of resort and convention hotels as a means of our growth. As a result, we will not proceed with our previously announced Aurora, Colorado and other potential development projects in the form we previously anticipated. We will reexamine how the Aurora project could be completed with minimal financial commitment, although we may not identify any such opportunity.

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

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

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

possible environmental problems;

construction cost overruns and delays;

the possibility that revenues will be reduced while rooms or restaurants are out of service due to capital improvement projects;

a possible shortage of available cash to fund capital improvements and the related possibility that financing for these capital improvements may not be available to us on attractive terms; and

uncertainties as to market demand or a loss of market demand after capital improvements have begun.

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

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Unanticipated expenses and insufficient demand for hotels in new geographic markets could adversely affect our profitability and our ability to make distributions to our stockholders.

As part of our business strategy, we may acquire or develop hotels in geographic areas in which our management may have little or no operating experience and in which potential customers may not be familiar with the brand of that particular hotel. As a result, we may have to incur costs relating to the opening, operation and promotion of such hotels that are substantially greater than those incurred in other areas. These hotels may attract fewer customers than other hotels, while at the same time, we may incur substantial additional costs with such hotels. Unanticipated expenses and insufficient demand at a new hotel, therefore, could adversely affect our financial condition, results of operations and our ability to make distributions to our stockholders.

Hotel and resort development and redevelopment is subject to timing, budgeting and other risks that may adversely affect our financial condition, results of operations, the market price of our common shares and our ability to service debt and make distributions to our stockholders.

Although we do not currently intend to focus on hotel development and redevelopment after we complete the REIT conversion, we may engage in such activities if suitable opportunities arise. Hotel development and redevelopment involves a number of risks, including risks associated with:

construction delays or cost overruns that may increase project costs;

the receipt of zoning, occupancy and other required governmental permits and authorizations;

development costs incurred for projects that are not pursued to completion;

acts of God, such as earthquakes, hurricanes, floods or fires, that could adversely impact a project;

the negative impact of construction on operating performance during and soon after the construction period;

the ability to raise capital; and

governmental restrictions on the nature or size of a project.

We cannot assure you that any development or redevelopment project will be completed on time or within budget. Our inability to complete a project on time or within budget could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to service debt and make distributions to our stockholders.

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

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

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

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

We currently have a significant amount of debt. As of June 30, 2012, we had approximately \$1.0 billion of total debt and on August 6, 2012 we drew \$185 million on the revolver to our \$925 million senior secured credit facility to fund our repurchase of 5,000,000 shares of common stock from TRT Holdings, all of which is currently scheduled to mature in 2014 and 2015. In addition, the closing of the Marriott sale transaction will trigger a requirement that we comply with certain asset sale provisions of our 6.75% senior notes, which may require us to repurchase or tender for the notes within one year of the Marriott sale transaction. We may incur additional debt in connection with our potential expansions of Gaylord Opryland, Gaylord Palms and/or Gaylord Texan or any additional hotel acquisitions, development, renovations, or capital improvement.

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

increase our vulnerability to general adverse economic and industry conditions;

require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to make distributions to our stockholders and to fund future capital expenditures, working capital and other general corporate requirements;

limit our flexibility in planning for, or reacting to, changes in our business and the hospitality industry, which may place us at a competitive disadvantage compared with competitors that are less leveraged;

limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity; and

limit our ability to obtain additional financing for various projects, including possible expansions of our existing properties and acquisitions of additional properties.

In addition, the terms of our \$925 million senior secured credit facility, which we will be required to amend prior to consummating the Marriott sale transaction, 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 2011, our substantial leverage is evidenced by our earnings being insufficient to cover fixed charges by \$130.4 million in 2010. At the time any principal amount of our indebtedness is due, we may not have cash available to pay this amount, and we may not be able to refinance our indebtedness on favorable terms, or at all.

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

Our outstanding 6.75% senior notes and 3.75% convertible senior notes mature on November 15, 2014 and October 1, 2014, respectively. In addition, any amounts of the net proceeds of the Marriott sale transaction that are not used within 360 days to repay indebtedness under our \$925 million senior secured credit facility, purchase replacement assets, or make capital expenditures must be used to offer to repurchase outstanding 6.75% senior notes at an offer price of 100% of the principal amount, plus accrued interest. We anticipate that we may not use the net proceeds of the Marriott sale transaction in such manners, and therefore, we may be required to tender for some of our outstanding 6.75% senior notes within 360 days of the consummation of the Marriott sale transaction. On or before the maturity date or, in the case of our obligation to repurchase 6.75% senior notes, we may or may not have cash available to pay amounts due, and we may be required to refinance the notes. In addition, prior to consummating the Marriott sale transaction, we must obtain waivers and consents of the required lenders pursuant to our \$925 million senior secured credit facility to amend the facility. Currently, the revolving loans, letters of credit and term loans under our \$925 million senior secured credit facility mature on August 1, 2015.

Our ability to refinance our senior secured credit facility, as amended, and our outstanding 6.75% senior notes and 3.75% convertible senior notes on acceptable terms will be dependent upon a number of factors,

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including our degree of leverage, the value of our assets, borrowing restrictions which may be imposed by lenders and conditions in the credit markets at the time we refinance. If we are unable to refinance our debt on acceptable terms, we may be forced to choose from a number of unfavorable options, including agreeing to otherwise unfavorable financing terms, selling one or more hotel properties at unattractive prices or on disadvantageous terms, or defaulting on mortgages and allowing our lenders to foreclose. Any one of these options could have a material adverse effect on our business, financial condition, results of operations and our ability to make distributions to our stockholders.

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

Our existing financial agreements, including our \$925 million senior secured credit facility, which we will be required to amend prior to consummating the Marriott sale transaction, 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, including our ability to make distributions to any stockholder. Our \$925 million senior secured credit facility currently 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 secured 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; and

agree to restrictions on our subsidiaries' ability to pay dividends and make other distributions 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 senior notes from the holders upon the occurrence of specified fundamental changes, and may require adjustments in the conversion ratio for the convertible senior 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, mergers and acquisitions and other corporate opportunities. We do not believe the Marriott sale transaction, the merger, or the REIT conversion will result in a fundamental change or a make-whole fundamental change.

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

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funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability to pay dividends, incur additional debt and to take other actions might significantly impair our ability to obtain other financing and make distributions to our stockholders to maintain our REIT qualification.

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

Subject to applicable laws and certain agreed-upon exceptions, our \$925 million senior secured credit facility, which we will be required to amend prior to consummating the Marriott sale transaction, is secured by liens on the substantial majority of our assets, including mortgages on each of our Gaylord Hotels properties. In the event of a default under our \$925 million senior secured credit facility, or if we experience insolvency, liquidation, dissolution or reorganization, the holders of our secured debt instruments would first be entitled to payment from their collateral security, and only then would holders of our unsecured debt be entitled to payment from our remaining assets.

We will continue to be a holding company and depend upon our subsidiaries' cash flow to meet our debt service obligations.

We will continue to be a holding company after the completion of the merger and REIT conversion, and we will conduct the majority of our operations through our subsidiaries, including our TRSs. As a result, our ability to meet our debt service obligations substantially depends upon our subsidiaries' cash flows and payments of funds to us by our subsidiaries as dividends, loans, advances, leases or other payments. The payment of dividends and/or making of loans, advances, leases or other payments by our subsidiaries will be subject to the approval of those subsidiaries' boards. Our subsidiaries' ability to pay such dividends and/or make such loans, advances, leases or other payments may also be restricted by, among other things, applicable laws and regulations and current and future debt agreements into which our subsidiaries may enter.

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

We and our third-party hotel managers will rely on information technology systems, including networks and the Internet, to process, transmit, and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, personal identifying information, reservations, billing and operating data. Our businesses require collection of large volumes of internal and customer data, including credit card numbers and other personally identifiable information of our customers in various information systems and those of our service providers. The integrity and protection of customer, employee, and company data is critical to us. If that data is inaccurate or incomplete, we or the hotel managers could make faulty decisions. Customers and employees also have a high expectation that we and our service providers will adequately protect their personal information. The regulatory environment surrounding information, security and privacy is also increasingly demanding. Our existing systems may be unable to satisfy changing regulatory requirements and employee and customer expectations, or may require significant additional investments or time to do so. Despite implementation of various measures designed to protect our information systems and records, including those we maintain with our service providers, we or the hotel managers may be subject to security breaches, system failures, viruses, operator error or inadvertent releases of data. A significant theft, loss, or fraudulent use of customer, employee, or company data maintained by us or by a service provider or failure to comply with the various U.S. and international laws and regulations applicable to the protection of such data or with Payment Card Industry data security standards, could adversely impact our reputation and could result in remedial and other expenses, fines, or litigation. A breach in the security of our information systems or those of our service providers could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits.

Our 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

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properly clean up such substances when present, could jeopardize our ability to develop, use, sell or rent the real property or to borrow using the real property as collateral. If we arrange for the disposal or treatment of hazardous or toxic wastes, we could be liable for the costs of removing or cleaning up wastes at the disposal or treatment facility, even if we never owned or operated that facility. Other laws, ordinances and regulations could require us to manage, abate or remove lead- or asbestos-containing materials. Similarly, the operation and closure of storage tanks are often regulated by federal, state, local and foreign laws. Finally, certain laws, ordinances and regulations, particularly those governing the management or preservation of wetlands, coastal zones and threatened or endangered species, could limit our ability to develop, use, sell or rent our real property. Existing governmental laws and regulations may be revised or new laws and regulations relating to climate change, air quality or other environmental and health concerns may be adopted or become applicable to us, which could affect the operations of our hotels and/or result in significant additional expense and operating restrictions. The costs to clean up a contaminated property, to defend a claim, or to comply with environmental laws could be material and could adversely affect our financial condition, results of operations, the market price of our common stock and our ability to make distributions to our stockholders.

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

Under the Americans with Disabilities Act of 1990, as amended, or the ADA, all public accommodations must meet various federal requirements related to access and use by disabled persons. Compliance with the ADA's requirements could require removal of access barriers, and non-compliance could result in the U.S. government imposing fines or in private litigants winning damages. Although we believe that our hotel properties substantially comply with present requirements of the ADA, we may be subject to audits or investigations of all of our hotels to determine our compliance, and one or more hotels may not be fully compliant with the ADA. Noncompliance with the ADA could result in the incurrence of additional costs to attain compliance. The obligation to make readily achievable accommodations is an ongoing one, and we will continue to assess our hotel properties and to make alterations as appropriate in this respect. If we are required to make substantial modifications to our hotel properties, whether to comply with the ADA or other changes in governmental rules and regulations, our financial condition, results of operations, the market price of our common stock and amount of cash available for debt service or distributions to our stockholders could be adversely affected.

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

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

Our operating income and ability to make distributions to our stockholders may be reduced by acts of God, such as natural disasters or acts of terrorism, in locations where we own and/or operate significant properties and

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areas of the world from which we draw a large number of customers. Gaylord Opryland, which is located adjacent to the Cumberland River and is protected by levees built to sustain a 100-year flood, suffered flood damage on May 3, 2010 as the river rose to levels that over-topped the levees. In response to the flood, we have increased the per occurrence flood insurance limit for our Gaylord Opryland hotel to \$150 million. We have also commenced enhancements to the levees that protect the hotel to increase the height of the levees. While we believe these steps are reasonable given the likelihood of flood damage at Gaylord Opryland, there can be no assurances that flooding will not occur at Gaylord Opryland in the future. In addition, in January of 2007, the Army Corps of Engineers announced that the Wolf Creek Dam on Lake Cumberland in Kentucky was at risk for structural failure. Although the Corps is taking action, including lowering the water level at Lake Cumberland and making structural repairs to the dam to reduce the chances of a dam breach, a significant portion of our Gaylord Opryland property in Nashville is in the Cumberland River flood plain and would be at risk if the dam should fail. Some types of losses, such as from flood, earthquake, terrorism and environmental hazards, may be either uninsurable, subject to sublimit, or too expensive to justify insuring against. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in a hotel, as well as the anticipated future revenue from the hotel. In that event, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property. Similarly, wars (including the potential for war), terrorist activity (including threats of terrorist activity), political unrest and other forms of civil strife as well as geopolitical uncertainty, may cause our future results to differ materially from anticipated results.

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

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

General Risks Related to the Lodging Industry

Current economic conditions may reduce demand for hotel properties and adversely affect hotel profitability.

The performance of the lodging industry has historically been closely linked to the performance of the general economy and, specifically, growth in U.S. GDP. It is also sensitive to business and personal discretionary spending levels. Declines in corporate travel budgets and consumer demand due to adverse general economic conditions, such as declines in U.S. GDP, risks affecting or reducing travel patterns, lower consumer confidence or adverse political conditions can lower the revenues and profitability of our hotel properties and therefore the net operating profits of our TRS lessees to whom we will lease our hotel properties. The recent global economic downturn led to a significant decline in demand for products and services provided by the lodging industry, lower occupancy levels and significantly reduced room rates.

We anticipate that recovery of demand for products and services provided by the lodging industry will lag improvement in economic conditions. We cannot predict how slow the global or domestic economic recovery will be or how slow the recovery in the lodging industry will be. An ongoing period of economic weakness

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would likely have an adverse impact on our revenues and negatively affect our financial condition, results of operations, the market price of our common shares and our ability to make distributions to our stockholders.

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

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

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

competition from other hotel properties in our markets;

over-building of hotels in our markets, which could adversely affect occupancy and revenues at our hotel properties;

dependence on business and commercial travelers and tourism;

increases in energy costs and other expenses affecting travel, which may affect travel patterns and reduce the number of business and commercial travelers and tourists;

increases in operating costs due to inflation and other factors that may not be offset by increased room rates;

changes in interest rates and in the availability, cost and terms of debt financing;

changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;

adverse effects of international, national, regional and local economic and market conditions;

the impact of the use of Internet travel intermediaries by consumers;

unforeseen events beyond our control, such as terrorist attacks, travel related health concerns including pandemics and epidemics such as H1N1 influenza (swine flu), avian bird flu and SARS, political instability, regional hostilities, imposition of taxes or surcharges by regulatory authorities, travel related accidents and unusual weather patterns, including natural disasters, such as hurricanes and earthquakes;

adverse effects of a downturn in the lodging industry; and

risks generally associated with the ownership of hotels and real estate, as discussed in more detail below.

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

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General Risks Related to the Real Estate Industry

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

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

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

changes in interest rates and in the availability, cost and terms of debt financing;

changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;

the ongoing need for capital improvements, particularly in older structures;

changes in operating expenses; and

civil unrest, acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses, and acts of war or terrorism, including the consequences of the terrorist acts, such as those that occurred on September 11, 2001.

We may decide in the future to sell one or more of our hotel properties. We cannot predict whether we will be able to sell any hotel property for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a hotel property.

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

Risks Related to Granite Hotel Properties, Inc.'s Organizational Structure

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

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

impose restrictions on transfer and ownership of our common stock that are designed to assist us in maintaining our status as a REIT;

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authorize us to issue blank check preferred stock, which is preferred stock that can be created and issued by our board of directors, without stockholder approval, with rights senior to those of common stock;

establish advance notice requirements for submitting nominations for election to our board of directors and for proposing matters that can be acted upon by stockholders at meetings;

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provide that special meetings of stockholders may be called only by our chairman or by a majority of the members of our board of directors;

prohibit stockholder actions taken on written consent; and

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

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

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

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

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

To qualify and remain qualified as a REIT, no more than 50% in value of our outstanding shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include various kinds of entities) during the last half of any taxable year. To assist us in qualifying as a REIT, upon completion of the merger, the Granite Charter will contain a share ownership limit. Generally, any of our shares owned by affiliated owners will be added together for purposes of the share ownership limit. This share ownership limit provides that (subject to certain exceptions described below) no person may beneficially own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8%, in value or in number of shares, whichever is more restrictive, of the outstanding shares of capital stock, or any class or series of capital stock, of Granite. If anyone transfers shares in a manner that would violate the share ownership limit or prevent us from qualifying as a REIT, those shares instead will be transferred to a trust for the benefit of a charitable beneficiary and will be either redeemed by us or sold to a person whose ownership of the shares will not violate the share ownership limit or we will consider the transfer to be null and void from the outset, and the intended transferee of those shares will be deemed never to have owned the shares.

The Granite Charter also prohibits the ownership of shares by any person or entity if such would violate or otherwise be inconsistent with federal communications laws or regulations pertaining to the ownership of television or radio stations, cable television or other radio authorizations by (i) foreign persons or entities, (ii) persons or entities having interests in television or radio broadcast stations, newspapers or cable television systems, and (iii) entities seeking direct or indirect control of us without prior federal regulatory approval. In the event of a transfer that would result in a violation or inconsistency with federal communications laws or regulations we may refuse to permit the transfer, suspend the rights of share ownership as necessary to prohibit the violation or inconsistency, or redeem the shares.

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Anyone who acquires shares in violation of the share ownership limit or the other restrictions on transfer in the Granite Charter bears the risk of suffering a financial loss when the shares are redeemed or sold if the market price of our shares falls between the date of purchase and the date of redemption or sale. In addition, these ownership limitations may prevent an acquisition of control of us by a third-party without the approval of our board of directors, even if our stockholders believe the change of control is in their interest.

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

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

Risks Related to Stock Ownership

We have not established a minimum distribution payment level, and we may be unable to generate sufficient cash flows from our operations to make distributions to our stockholders at any time in the future.

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

Subject to maintaining our REIT qualification, we intend to make regular quarterly distributions to our stockholders, but no assurances can be made as to the amount of distributions in the future. Our board of directors will have the sole discretion to determine the timing, form and amount of any distributions to our stockholders. Among the factors that could impair our ability to make distributions to our stockholders are:

our inability to invest our available cash;

our inability to realize attractive risk-adjusted returns on our investments;

unanticipated expenses that reduce our cash flow or non-cash earnings;

defaults in our investment portfolio or decreases in the value of the underlying assets; and

the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates.

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

In addition, distributions that we make to our stockholders will generally be taxable to our stockholders as ordinary income. However, a portion of our distributions may be designated by us as long-term capital gains to the extent that they are attributable to capital gains income recognized by us or may constitute a return of capital to the extent that they exceed our earnings and profits as determined for tax purposes. A return of capital is not taxable, but has the effect of reducing the basis of a stockholder's investment in our common stock.

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The market price of our common stock may vary substantially.

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

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

actual or anticipated variations in our quarterly results of operations;

changes in market valuations of companies in the hotel or real estate industries;

changes in expectations of future financial performance or changes in estimates of securities analysts;

fluctuations in stock market prices and volumes;

issuances of common stock or other securities in the future;

the addition or departure of key personnel;

announcements by us or our competitors of acquisitions, investments or strategic alliances; and

unforeseen events beyond our control, such as terrorist attacks, travel related health concerns including pandemics and epidemics, such as H1N1 influenza (swine flu), avian bird flu and SARS, political instability, regional hostilities, increases in fuel prices, imposition of taxes or surcharges by regulatory authorities, travel related accidents and unusual weather patterns, including natural disasters, such as hurricanes, tsunamis or earthquakes.

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

Our 3.75% convertible senior notes are convertible at the option of the holders during the third quarter of 2012. The notes may become convertible in other future calendar quarters if the closing market price of our common stock exceeds 120% of the then effective conversion price for at least 20 trading days during the 30 consecutive trading day period immediately prior to the beginning of such calendar quarter. The notes may also become convertible if the cash portion of the special E&P distribution, or any future distributions, exceeds 10% of the market price of our common stock on the day before the declaration of such distribution.

Upon the conversion of our 3.75% convertible senior notes, we may elect, at our option, to deliver shares of common stock, cash, or a combination of cash and shares of common stock in satisfaction of our conversion obligations. We intend to settle the face value of any notes that are converted in cash. Any shares of common stock that we elect to issue upon conversion of the notes will dilute the ownership interests of our stockholders, and any sales in the public market of the common stock issued upon such conversion could adversely affect the market price of our common stock.

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In addition, we entered into note hedge transactions with various financial institutions at the time of issuance of the 3.75% 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 believe 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

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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. 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.

The conversion rate of our 3.75% convertible senior notes will be adjusted in connection with the special E&P distribution pursuant to customary anti-dilution provisions of the indenture governing the 3.75% convertible senior notes, which will result in additional shares of our common stock becoming issuable upon conversion of the 3.75% convertible senior notes (subject to the anti-dilutive effect of the note hedge transactions).

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains forward-looking statements concerning our goals, beliefs, expectations, strategies, objectives, plans, future operating results and underlying assumptions, and other statements that are not necessarily based on historical facts. Without limitation, you can identify these statements by forward-looking words such as expects, anticipates, intends, plans, believes, estimates, projects, similar terms. Examples of these statements include, but are not limited to, statements regarding: the consummation of the Marriott sale transaction and the fulfillment of conditions to the closing, including our obtaining consent and waivers of the lenders to our \$925 million senior secured credit facility permitting us to amend the facility and the effects of such amendment; our expectation to effect the REIT conversion and to elect REIT status, including the timing and effect(s) of such election; the expected form, timing and amount of the special E&P distribution; the anticipated benefits of the REIT conversion, Marriott sale transaction and the merger, including potential increases in revenue and anticipated annualized cost synergies, net of management fees, of approximately \$33 million to \$40 million; estimated one-time costs related to the REIT conversion, including conversion, transaction, severance and retention costs of \$55 million, and anticipated federal income taxes associated with the receipt of the purchase price in the Marriott sale transaction and other transactions related to the REIT conversion net of remaining net operating losses of approximately \$43 million to \$53 million; the satisfaction of the condition to and the completion of the merger of Gaylord with and into Granite; the holding of Granite's non-qualifying REIT assets in one or more TRSs; our plan to operate as an umbrella partnership REIT; the expectation that Granite common stock will trade on the NYSE; potential growth opportunities, including future expansion of the geographic diversity of our existing asset portfolio through acquisitions; the anticipated pace of recovery in demand for products and services provided by the lodging industry, including group convention business, relative to general economic conditions; the potential operating and financial restrictions imposed on our activities under existing and future financing agreements and other contractual arrangements with third-parties; any potential future adoption of a shareholder rights plan by Gaylord or Granite; and any other business or operational matters.

The foregoing list is illustrative, but it is by no means an exclusive or exhaustive list of all the forward-looking statements made by us. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, among other things, the following risks and uncertainties: those associated with economic conditions affecting the hospitality business generally; the failure to receive, on a timely basis or otherwise, the required approvals of our stockholders; our ability to elect and qualify for REIT status, and the timing and effect(s) of that election; our ability to remain qualified as a REIT; the form, timing and amount of the special E&P distribution and receipt of a private letter ruling from the IRS with respect thereto; our and Marriott's ability to consummate the sale transaction; our third-party hotel manager's ability to profitably operate our hotel properties; operating costs and business disruption may be greater than expected; and our ability to realize cost savings and revenue enhancements from the proposed REIT conversion and the Marriott sale transaction.

These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Additional factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, those described in the section entitled Risk Factors beginning on page 26 or incorporated by reference into this proxy statement/prospectus and other risks which are described in Gaylord's filings with the Commission.

You should keep in mind that any forward-looking statement we make in this proxy statement/prospectus or elsewhere speaks only as of the date on which we make it. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. In any event, these and other important factors, including those set forth under the heading Risk Factors beginning on page 26, may cause actual results to differ materially from those indicated by our forward-looking statements. We have no duty to, and do not intend to, update or revise the forward-looking statements we make in this proxy statement/prospectus, except as may be required by law. In light of these risks and uncertainties, you should keep in mind that the future events or circumstances described in any forward-looking statement we make in this proxy statement/prospectus or elsewhere might not occur.

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VOTING AND PROXIES

This proxy statement/prospectus is furnished in connection with the solicitation of proxies by the board of directors of Gaylord for use at the special meeting of stockholders to be held on September 25, 2012, or any adjournments or postponements thereof.

Date, Time and Place of the Special Meeting

The special meeting will be held on September 25, 2012 at 9:00 a.m., local time, at the Gaylord Opryland Resort and Convention Center, 2800 Opryland Drive, Nashville, Tennessee 37214.

Purpose of the Special Meeting

The purposes of the special meeting are:

To consider and vote upon a proposal to adopt the merger agreement, which is part of the restructuring through which Gaylord intends to qualify as a REIT for federal income tax purposes;

To consider and vote upon a proposal to approve the issuance of up to 34,000,000 shares of our common stock as part of a one-time special distribution related to the distribution of our accumulated earnings and profits to stockholders in connection with the REIT conversion; and

To consider and vote upon a proposal to permit our board of directors to adjourn the special meeting, if necessary, for further solicitation of proxies if there are not sufficient votes at the originally scheduled time of the special meeting to approve the foregoing proposals.

Stockholder Record Date for the Special Meeting

Our board of directors has fixed the close of business on August 8, 2012 as the record date for determining which Gaylord stockholders are entitled to notice of, and to vote their shares in person or by proxy at, the special meeting and any adjournment of the special meeting. On the record date, there were 44,139,440 shares of our common stock outstanding, held by 2,202 holders of record.

During the ten-day period before the special meeting, we will keep a list of stockholders entitled to vote at the special meeting available for inspection during normal business hours at our offices in Nashville, Tennessee, for any purpose germane to the special meeting. The list of stockholders will also be provided and kept at the location of the special meeting for the duration of the special meeting, and may be inspected by any stockholder who is present.

Quorum

A quorum is necessary to hold the special meeting. A majority of the outstanding shares of common stock on the record date, or 22,069,721 shares, must be represented either in person or by proxy to constitute a quorum at the special meeting. For the purposes of determining the presence of a quorum, abstentions will be included in determining the number of shares of common stock present and entitled to vote at the special meeting. However, because banks, brokers, or other nominees are not entitled to vote on any of the proposals at the special meeting absent specific instructions from the beneficial owner (as more fully described below), shares held by brokers, banks, or other nominees for which instructions have not been provided will not be included in the number of shares present and entitled to vote at the special meeting for the purposes of establishing a quorum. At the special meeting, each share of common stock is entitled to one vote on all matters properly submitted to our stockholders.

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Vote Required for Each Proposal; Recommendation of the Board of Directors

The vote required for each proposal is as follows:

Proposal 1: The affirmative vote of a majority of the outstanding shares of our common stock is required for the adoption of the merger agreement.

Proposal 2: The affirmative vote of a majority of votes cast on this proposal is required to approve the issuance of up to 34,000,000 shares of our common stock in connection with the special E&P distribution under the rules of the NYSE, provided that the total votes cast on this proposal represent over 50% of the shares of our outstanding common stock.

Proposal 3: The affirmative vote of a majority of the shares of our common stock that are present or represented by proxy at the special meeting is required to approve the adjournment proposal.

Our board of directors unanimously recommends that our stockholders vote **FOR** each of the proposals.

Agreement of TRT Holdings to Vote in Favor of Proposals

Pursuant to a repurchase agreement by and between Gaylord and TRT Holdings dated as of August 6, 2012, TRT Holdings has agreed to vote all of its shares held as of the record date in favor of the proposals being presented at the special meeting. As of the record date, TRT Holdings held 12.8% of our outstanding common stock. See the section entitled "Material Discussions and Transactions with TRT Holdings" beginning on page 66.

Proxies

If you hold shares of common stock in your own name, you can vote in person at the meeting or by signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope. If you vote by proxy, the proxies identified on the back of the proxy card will vote your shares in accordance with your instructions. If you submit a signed proxy card but do not mark the boxes showing how you wish to vote, the proxies will vote your shares in accordance with the recommendations of the Board of Directors as described above under "Vote Required for Each Proposal; Recommendation of the Board of Directors."

In addition, you can vote using the Internet or by phone. To authorize your proxy to vote your shares by telephone or over the Internet, follow the instructions on your proxy card. Those stockholders of record who choose to vote by telephone or over the Internet must do so no later than 11:59 p.m. Eastern time on September 24, 2012 (for shares in Gaylord's 401(k) Savings Plan, the voting deadline is 11:59 p.m. Eastern time on September 23, 2012). When voting using the Internet or by phone, have your proxy card in hand when you call and then follow the instructions.

Participants in Gaylord's 401(k) Savings Plan are entitled to vote the shares held under the 401(k) Savings Plan in their name. To do this you must sign and timely return the proxy card you received with this proxy statement/prospectus, or submit voting instructions via the Internet or by telephone. By doing any of the above, you direct the trustee of the 401(k) Savings Plan to vote your 401(k) Savings Plan shares, in person or by proxy, as designated in your instructions at the special meeting. The proxy results for the shares held in the 401(k) Savings Plan will be tabulated by our transfer agent for all plan participants and reported to the 401(k) Savings Plan trustee on an aggregate basis. The overall vote tallies will not show how individual participants voted. The trustee will vote the shares at the meeting through the custodian holding the shares. If a plan participant's voting instructions are not received by our transfer agent before the meeting, or if the proxy is revoked by the participant before the meeting, the shares held by that participant will be considered unvoted. All unvoted shares in the plan will be voted at the special meeting by the 401(k) Savings Plan trustee in direct proportion to the voting results of 401(k) Savings Plan shares for which proxies are received.

Authorizing a proxy to vote your shares by telephone or over the Internet or by mailing a proxy card will not limit your right to attend the special meeting and vote your shares in person. You are urged to indicate how you vote your shares, whether you vote by proxy card, by telephone or over the Internet.

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If a properly executed proxy card is returned or properly submitted by telephone or over the Internet and the stockholder has abstained from voting on one or more of the proposals, the Gaylord common stock represented by the proxy will be considered present at the special meeting for purposes of determining a quorum, but will not be considered to have been voted on the abstained proposals. Thus, an abstention on Proposal 1 or 3 will have the same effect as a vote against such proposal. However, an abstention on Proposal 2 is not considered a vote cast and will have no effect on the outcome of the proposal if the total votes cast on this proposal represent over 50% of the outstanding shares of our common stock.

If you do not own your shares directly, but instead are the beneficial owner of shares held in street name by a broker, bank or other nominee, your broker, bank or other nominee, as the record holder of the shares, must vote those shares in accordance with your instructions. If you do not give instructions to your broker, bank or other nominee, your broker, bank or other nominee can vote your shares with respect to discretionary items, but not with respect to non-discretionary items. A discretionary item is a proposal that is considered routine under the rules of the NYSE. On non-discretionary items for which you do not give instructions, your shares will be counted as broker non-votes.

The matters presented in each of Proposals 1, 2 and 3 are not considered routine under the rules of the NYSE. Therefore, brokers, banks or other nominees subject to NYSE Rules will not have the ability to vote shares held in street name with respect to those proposals unless the broker, bank or other nominee has received voting instructions from the beneficial owner of the shares held in street name. It is therefore important that you provide instructions to your broker, bank or other nominee if your shares are held in street name by a broker, banker or other nominee so that you are able to vote with respect to Proposals 1, 2 or 3. Broker non-votes will have the same impact as a vote against the adoption of the merger agreement. Broker non-votes will not impact the outcome of Proposals 2 or 3, provided that a quorum is otherwise present.

Revoking Your Proxy

You can change your vote at any time before your proxy is voted at the special meeting. To revoke your proxy, you must either (i) submit a later-dated proxy card by mail, Internet or phone; (ii) give written notice to Carter R. Todd, the Secretary of Gaylord, stating that you are revoking your proxy; or (iii) attend the special meeting and vote your shares in person (merely attending the special meeting will not constitute revocation of your proxy). If your shares are held through a broker, bank or other nominee, you should contact your broker, bank or other nominee to change your vote.

Adjournment or Postponement

Although it is not currently expected, the special meeting may be adjourned to solicit additional proxies if there are not sufficient votes to adopt the merger agreement or approve the issuance of additional shares of common stock in connection with the special E&P distribution. In that event, we may ask our stockholders to vote upon the proposal to consider the adjournment of the special meeting to solicit additional proxies, but not the proposal to adopt the merger agreement or proposal to approve the issuance of additional shares of our common stock in connection with the special E&P distribution. If our stockholders approve this proposal, we could adjourn the meeting and use the time to solicit additional proxies.

Additionally, at any time prior to convening the special meeting, we may seek to postpone the meeting if we expect that a quorum will not be present at the meeting or as otherwise permitted by applicable law and the organizational documents of Gaylord.

Solicitation of Proxies

We will bear all expenses incurred in connection with the printing and mailing of this proxy statement/prospectus. We will also request banks, brokers and other nominees holding shares of common stock beneficially owned by others to send this proxy statement/prospectus to, and obtain proxies from, the beneficial owners and will, upon request, reimburse the holders for their reasonable expenses in so doing. Solicitation of proxies by

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mail may be supplemented by telephone and other electronic means and personal solicitation by the officers or employees of Gaylord. No additional compensation will be paid to officers or employees for those solicitation efforts.

Gaylord has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the special meeting and estimates that it will pay MacKenzie Partners a fee of approximately \$25,000. Gaylord has also agreed to reimburse MacKenzie Partners for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify MacKenzie Partners against certain losses, costs and expenses.

Other Matters

We are not aware of any business to be considered at the special meeting other than the proposals described in this proxy statement/prospectus. If any other business is properly presented at the special meeting, or any adjournment or postponement of the special meeting, your signed proxy card authorizes the proxies identified on the back of the proxy card to use their discretion to vote on these other matters.

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PROPOSAL 1

**TO ADOPT THE MERGER AGREEMENT, WHICH IS PART OF THE RESTRUCTURING TRANSACTIONS INTENDED TO
ENABLE US TO QUALIFY AS A REIT**

BACKGROUND OF THE REIT CONVERSION AND THE MERGER

As part of a strategic review of our businesses, our board of directors and management considered a number of strategic alternatives to enhance stockholder value. During the past several years, despite our assets demonstrating good profitability and growth through a challenging economic environment, our stock has traded at a discount to that of our C corporation peers. As the owner and operator of large resort and convention hotels, we have faced challenges relating to, among other things, overhead costs that are concentrated over a small property portfolio, an atypical level of asset ownership for a C corporation, a limited ability to expand our asset base and the need for a substantial amount of capital and significant lead time to expand and develop additional hotel properties of a scale comparable to our existing properties. As a result of the strategic review described below, our board of directors and management decided to pursue the REIT conversion.

In August 2011, we retained Deutsche Bank Securities Inc., or Deutsche Bank, to assist us in our evaluation of strategic alternatives to enhance stockholder value. Management and its advisors presented our board of directors with a number of strategic alternatives designed to increase stockholder value, including converting to a REIT. The strategic alternatives considered by our board of directors at this stage in the process included, in addition to converting to a REIT, effecting a share buy-back or special cash dividend, selling a portion of our assets, selling the entire company and/or effecting a merger, and continuing to operate as a stand-alone entity.

In November 2011, our board of directors authorized management and Deutsche Bank to explore a number of strategic alternatives, including the sale of the rights to manage our Gaylord Hotels properties and the restructuring of our business to accommodate a potential REIT conversion. We engaged Bass, Berry & Sims PLC to analyze certain legal matters.

In December 2011, we engaged Hogan Lovells US LLP, or Hogan Lovells, and Skadden. Hogan Lovells was engaged to, among other things, prepare a request for proposals for hotel management agreements. Skadden was engaged to analyze certain tax and legal implications of a possible conversion to a REIT. In addition, we worked with our independent accountants to analyze certain accounting and tax implications related to the REIT conversion, as well as to quantify our pre-REIT accumulated earnings and profits (which we would be required to distribute to stockholders in connection with the REIT conversion).

In January 2012, we requested proposals for management agreements from several hotel management companies. Our board of directors sought to identify and select a third-party hotel manager to assume the management responsibilities for our Gaylord Hotels properties. We also engaged the Olinger Group to conduct a meeting planner survey to gauge customer brand impressions, preferences, and usage of the hotel brands participating in the process.

In February 2012, our board of directors met and formally authorized management and Deutsche Bank to pursue the REIT conversion, including the sale of the rights to manage our Gaylord Hotels properties. Additionally, we engaged McKinsey & Co. to evaluate our overall fit and expected synergies with each of the hotel management companies participating in management agreement discussions. Management continued to conduct meetings with interested hotel management companies.

In March 2012, our board of directors met to discuss the status of the REIT conversion process. Additionally, our board of directors appointed a negotiating committee, which we refer to as the Negotiating Committee, to analyze the management agreement proposals. Management held meetings to discuss, among other things, certain due diligence matters with the interested hotel management companies.

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In April 2012, the Negotiating Committee convened and narrowed the field of potential hotel management companies to two potential managers. Management continued to negotiate the terms of hotel management agreements with the two remaining hotel management companies. The Negotiating Committee conducted a number of meetings to discuss and receive updates regarding the progress and the interest of the remaining hotel management companies.

In May 2012, management, Deutsche Bank and McKinsey presented a detailed review of the REIT organizational structure and the sale of the management rights for the Gaylord Hotels properties to our board of directors. Following the presentation, our board of directors requested that management and Deutsche Bank obtain an enhanced economic proposal from Marriott. Management conveyed this request to Marriott. Later that month, we engaged with Marriott to negotiate a purchase agreement for the sale of the Gaylord Hotels brand and the management rights to our Gaylord Hotels properties. On May 23, 2012, the Negotiating Committee was presented with Marriott's revised proposal. The Negotiating Committee decided to request that a full meeting of our board of directors be convened on May 30, 2012 to recommend that our board of directors approve the REIT conversion, including the merger, the sale of the Gaylord Hotels brand and the rights to manage our Gaylord Hotels properties to Marriott, and other restructuring transactions. On May 30, 2012, our board of directors, at the request of the Negotiating Committee, met and unanimously approved the REIT conversion, including the merger, the sale of the Gaylord Hotels brand and the rights to manage the Gaylord Hotels properties to Marriott, and other restructuring transactions. On May 31, 2012, we announced that we had entered into a purchase agreement to sell the Gaylord Hotels brand and the rights to manage our Gaylord Hotels properties to Marriott.

We believe the REIT conversion and merger will allow us to significantly reduce corporate overhead and property level expenses. In addition, the sale of the Gaylord Hotels brand and the rights to manage our Gaylord Hotels properties to Marriott provides us with access to a world-class lodging operator. We expect Marriott to drive increased revenues by delivering new customer flows through their expansive sales force and attractive frequent traveler program, as well as their ability to manage group business. For more information, see the section entitled, "Our Reasons for the REIT Conversion and the Merger" on page 57.

Alternatives to REIT conversion considered. In addition to the hotel management companies discussed above, at the same time we considered the proposed REIT conversion, we also undertook a number of discussions with financial buyers to determine if there was an interest in acquiring our entire Company. We executed confidentiality agreements with and provided information to three potential financial buyers, including both private equity firms and sovereign wealth funds. Out of these discussions, we received a single indication of interest from one private equity firm for a possible acquisition of our entire Company at an all cash price less than the closing price of our common stock on the date of the announcement of the Marriott sale transaction and the REIT conversion. Neither the Negotiating Committee, nor our board of directors, believed that this indication was sufficiently attractive to pursue it further. In addition, as part of the discussions with the hotel operators who had been invited to submit proposals with respect to acquiring the rights to manage our hotels, we made inquiry of each of those operators as to whether they would be interested in acquiring our entire Company at the time that it became apparent that that operator would not be selected to operate our hotels as part of the proposed REIT conversion. None of the operators submitted an indication of interest to acquire our entire Company. Our agreement with Marriott provides that we can continue to discuss and negotiate a possible sale of the entire Company during the period prior to the date stockholder approval is obtained. Notwithstanding our ability to discuss and negotiate a possible sale of the entire company prior to the date stockholder approval is obtained, if we enter into a definitive agreement with respect to an acquisition proposal or our board of directors or a committee thereof approves an acquisition proposal and intends to cause us to enter into a definitive agreement with respect to an acquisition proposal, prior to the date stockholder approval is obtained, we will be required to pay Marriott a termination fee of \$12.5 million. For a more detailed description of the various termination fees contained in the purchase agreement see the section entitled "Our Business - Our Relationship with Marriott - Purchase Agreement with Marriott" beginning on page 74.

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OUR REASONS FOR THE REIT CONVERSION AND THE MERGER

In reaching its unanimous decision to pursue the REIT conversion and the merger and recommend adoption of the merger agreement, our board of directors consulted with management, as well as Deutsche Bank, McKinsey & Co. and its legal advisors. The factors considered by our board of directors in reaching its determination included, but were not limited to, the following:

As a REIT, we believe we will be able to increase stockholder value by reducing corporate level taxes on a substantial portion of our income, primarily the income we receive from our hotel properties, which in turn may improve cash flow and increase the amount of distributions to our stockholders.

We believe our stockholders will benefit from our establishing regular cash distributions, resulting in a yield-oriented stock.

As a result of contracting with third-party hotel managers, we believe our gross property-level cost and procurement savings at our Gaylord Hotels properties will be approximately \$19 million to \$24 million annually, net of the management fees, and we believe our corporate overhead savings will total approximately \$14 million to \$16 million annually.

We believe our retention of Marriott as the third-party manager of our Gaylord Hotels properties will provide us with access to a world-class lodging operator with the ability to manage group business, and we expect that the incentive management fee structure under the Marriott management agreements will incentivize Marriott to drive increased revenues for us by delivering new customer flows through their expansive sales force and attractive frequent traveler program.

By becoming a company that makes regular distributions to its stockholders, our stockholder base may expand to include investors attracted by yield, which may provide a broader stockholder base and improve the liquidity of our common stock.

The merger will facilitate our compliance with REIT tax rules by ensuring the effective adoption by Granite of a certificate of incorporation that implements share ownership and transfer restrictions that are intended to enable compliance with certain REIT tax rules relating to the ownership of our common stock.

The Marriott sale transaction and the REIT conversion resulted from a comprehensive review of strategic options to maximize long-term value for our stockholders. In concluding to pursue this strategic option, our board of directors and management team focused primarily on three elements (presented in no particular order): the cash received in connection with the sale of the Gaylord Hotels brand and management rights to our Gaylord Hotels properties, the opportunity to realize substantial cost savings and revenue enhancements due to Marriott's scale and reach in the hospitality market, and our positioning as a well-capitalized REIT focused on group oriented hotels in urban and resort markets.

Our board of directors weighed the advantages against the disadvantages and potential risks of the REIT conversion including, but not limited to, the one-time costs related to the REIT conversion, including conversion, transaction, severance and retention costs, currently estimated to be \$55 million, that as a REIT, we will be required to engage one or more third-party hotel managers to operate and manage our hotel properties and we will be unable to retain earnings since we will be required to distribute to our stockholders at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and by excluding any net capital gain) each year and that we will need to comply with highly technical REIT qualification provisions, which may hinder our ability to make certain attractive investments, including investments in the businesses to be conducted by our TRSs. In addition, our board of directors considered the potential risks discussed in the sections entitled "Risk Factors - Risks Related to the REIT Conversion" beginning on page 26 and "Risk Factors - Risks Related to the Merger" on page 33.

The foregoing discussion does not include all of the information and factors considered by our board of directors. Our board of directors did not quantify or otherwise assign relative weights to the particular factors considered, but conducted an overall analysis of the information presented to and considered by it in reaching its determination.

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TERMS OF THE MERGER AGREEMENT

The following is a summary of the material terms of the merger agreement. For a complete description of all of the terms of the merger agreement, you should refer to the copy of the merger agreement that is attached to this proxy statement/prospectus as Annex A and incorporated herein by reference. You should carefully read the merger agreement in its entirety as it is a legal document that governs the merger.

Structure and Completion of the Merger

Granite is presently a wholly-owned subsidiary of Gaylord. The merger agreement provides that Gaylord will merge with and into Granite, at which time the separate corporate existence of Gaylord will cease and Granite will be the surviving entity of the merger. Upon the effectiveness of the merger, the outstanding shares of Gaylord common stock will be converted into the right to receive the same number of shares of Granite common stock and Granite will succeed to and continue to operate, directly or indirectly, the then existing business of Gaylord.

The board of directors of Gaylord and the board of directors of Granite have approved the merger agreement, subject to stockholder approval. The merger will become effective at the time the certificate of merger is submitted for filing with the Secretary of State of the State of Delaware in accordance with the Delaware General Corporation Law, or DGCL, or at such later time as specified in the certificate of merger. We currently anticipate that the completion of the merger will occur on or about the time of (but not earlier than) the consummation of the Marriott transaction. The board of directors of Gaylord, however, reserves the right to cancel the merger at any time prior to the filing of the certificate of merger with the Secretary of State of the State of Delaware, even if the stockholders vote to adopt the merger agreement and the other conditions to the completion of the merger are satisfied or waived, if it determines that the merger is no longer in the best interests of Gaylord or its stockholders.

Exchange of Certificates

Surrender of Certificates. Computershare Investor Services will act as exchange agent for the merger. As soon as reasonably practicable after the merger is completed, the exchange agent will mail to each registered holder of a certificate of Gaylord common stock a letter of transmittal containing instructions for surrendering each holder's certificate. Holders who properly submit a letter of transmittal and surrender their certificates to the exchange agent will receive, at their election, a certificate representing shares of Granite common stock equal to the number of shares reflected in the surrendered certificate or, alternatively, book-entry confirmation evidencing the number of shares of Granite common stock equal to the number of shares reflected in the surrendered certificate. The surrendered certificate will thereafter be canceled. Upon the effectiveness of the merger, each certificate representing shares of Gaylord common stock will be deemed for all purposes to represent a right to receive the same number of shares of Granite common stock until such certificate is exchanged for a certificate representing an equal number of shares of Granite common stock. If you currently hold shares of Gaylord common stock in uncertificated book-entry form, you will receive a notice of the completion of the merger and your shares of Granite common stock received in connection with the merger will continue to exist in uncertificated form.

Lost Certificates. If any Gaylord certificate is lost, stolen or destroyed, the owner of the certificate must provide an appropriate affidavit of that fact to the exchange agent and, if required by Granite, post a reasonable bond as indemnity against any claim that may be made against Granite with respect to such lost certificate.

Stock Transfer Books. At the completion of the merger, Gaylord will close its stock transfer books, and no subsequent transfers of Gaylord common stock will be recorded on such books.

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Other Effects of the Merger

We expect the following to occur in connection with the merger:

Organizational Documents of Granite. The certificate of incorporation and the bylaws of Granite will be amended prior to the merger, and the certificate of incorporation and bylaws, as so amended, will be the Granite Charter and Bylaws following the completion of the merger. Copies of the forms of the Granite Charter and Granite Bylaws are set forth in Annex B and Annex C, respectively, of this proxy statement/prospectus.

Directors and Officers. The directors and officers of Gaylord immediately prior to the completion of the merger will be the directors and officers of Granite immediately after the completion of the merger.

Stock Incentive Plans. Granite will assume the Amended and Restated Gaylord Entertainment Company 1997 Omnibus Stock Option and Incentive Plan and the Gaylord Entertainment Company Amended and Restated 2006 Omnibus Incentive Plan and all rights of participants in such plans to acquire shares of Gaylord common stock will be converted into rights to acquire shares of Granite in accordance with the terms of the plans.

Listing of Granite Common Stock. We expect that Granite's common stock will trade on the NYSE under Gaylord's existing symbol GET .

Conditions to Completion of the Merger

The merger is subject to the following conditions:

adoption of the merger agreement by the requisite vote of the stockholders of Gaylord and Granite;

the board of directors of Gaylord shall not have determined that the restructuring transactions in connection with the REIT conversion have not occurred or are not reasonably likely to occur;

Granite will have amended and restated its certificate of incorporation to read substantially in the form attached to this proxy statement/prospectus as Annex B and amended and restated its bylaws to read substantially in the form attached to this proxy statement/prospectus as Annex C;

approval of the shares of Granite common stock for listing on the NYSE, subject to official notice of issuance;

the effectiveness of the registration statement, of which this proxy statement/prospectus is a part, without the issuance of a stop order or initiation of any proceeding seeking a stop order by the Commission;

the board of directors shall not have determined, in its sole discretion, that legislation or proposed legislation with a reasonable possibility of being enacted would have the effect of substantially (i) impairing the ability of Granite to qualify as a REIT, (ii) increasing the federal tax liabilities of Gaylord or Granite resulting from the REIT conversion, or (iii) reducing the expected benefits to Granite resulting from the REIT conversion;

receipt of all governmental approvals and third-party consents to the merger, except for approvals or consents as would not reasonably be expected to materially and adversely affect the business, financial condition or results of operations of Granite and its subsidiaries taken as a whole; and

receipt by Gaylord from its tax counsel of an opinion to the effect that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code.

Termination of the Merger Agreement

The board of directors of Gaylord has the right to terminate the merger even if the stockholders vote to adopt the merger agreement and the other conditions to the completion of the merger are satisfied or waived, if it determines that the merger is no longer in the best interest of Gaylord and its stockholders.

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We have no current intention of abandoning the merger subsequent to the special meeting if the stockholders adopt the merger agreement, the other conditions to the merger are satisfied or waived and the stockholders approve the issuance of shares in connection with the special E&P distribution. However, the board of directors of Gaylord reserves the right to cancel the merger or the REIT conversion even if the stockholders of Gaylord vote to adopt the merger agreement, which is an important element of the REIT conversion, and the other conditions to the completion of the merger are satisfied or waived, if the board of directors determines that the merger or the REIT conversion is no longer in the best interests of Gaylord and its stockholders.

Regulatory Approvals

We are not aware of any federal, state, local or foreign regulatory requirements that must be complied with or approvals that must be obtained prior to the completion of the merger pursuant to the merger agreement, other than compliance with applicable federal and state securities laws, the filing of a certificate of merger as required under the DGCL, and consent to a *pro forma* transfer of control from the Federal Communications Commission with respect to our radio station operations, and various state governmental authorizations.

Absence of Appraisal Rights

Pursuant to Section 262(b) of the DGCL, the stockholders of Gaylord will not be entitled to any appraisal rights as a result of the merger and the REIT conversion.

Restrictions on Sales of Granite Common Stock Issued Pursuant to the Merger

The shares of Granite common stock to be issued in connection with the merger will be, subject to the restrictions on the transfer of Granite common stock set forth in the Granite Charter, freely transferrable under the Securities Act, except for shares issued to any stockholder who may be deemed an affiliate of Gaylord for purposes of Rule 144 of the Securities Act. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with Gaylord and may include the executive officers, directors and significant stockholders of Gaylord.

Accounting Treatment of the Merger

For accounting purposes, the merger will be treated as a transfer of assets and exchange of shares between entities under common control. The accounting basis used to initially record the assets and liabilities in Granite is the carryover basis of Gaylord. Stockholders' equity of Granite will be that carried over from Gaylord, after giving effect to the special E&P distribution.

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RESTRUCTURING TRANSACTIONS IN CONNECTION WITH THE REIT CONVERSION

We will effect certain structural changes to the organization of our business prior to and after the completion of the merger. These restructuring transactions are intended to enable us to qualify as a REIT for federal income tax purposes for the taxable year beginning January 1, 2013 and to improve our tax efficiency. We have already commenced these restructuring transactions and will continue to pursue them to completion.

Restructuring Transactions Related to Engaging Third-Party Hotel Managers

Due to federal income tax laws that restrict REITs and their affiliates from operating and managing hotels, third-party hotel managers will operate and manage our hotel properties. In connection with our engaging third-party hotel managers to operate and manage our hotel properties, we have agreed to sell the Gaylord Hotels brand and rights to manage our Gaylord Hotels properties to Marriott and to enter into hotel management agreements with respect to such properties. Prior to the completion of the REIT conversion, we will be required to identify and engage a third-party hotel manager to operate and manage the Radisson Hotel at Opryland.

In connection with the Marriott sale transaction, we will form a limited liability company, which we refer to as the Transfer Subsidiary, the membership units of which will be sold to Marriott. Prior to the consummation of the Marriott sale transaction, we will transfer the workforce of our Gaylord Hotels properties to Transfer Subsidiary. In addition, we and our existing subsidiaries will transfer our intellectual property used primarily for operating and marketing our Gaylord Hotels properties, including the Gaylord Hotels brand, to Marriott.

After consummating the Marriott sale transaction and our engagement of a third-party hotel manager to operate and manage the Radisson Hotel at Opryland, we will cease to have employees of our hotel properties.

Formation of an UPREIT Structure

We plan to operate as an umbrella partnership REIT, or UPREIT, which means that substantially all of our assets will be held by, and operations will be conducted through, a subsidiary operating partnership that we will form, which we refer to as the Operating Partnership. We anticipate that the limited partnership interests of the Operating Partnership will be represented by units which will have the economic equivalent of and be convertible into one share of our common stock. By operating in an UPREIT structure, under certain circumstances we may issue units of limited partnership interest of the Operating Partnership to acquire hotel properties, which could defer the federal income tax on any gain of the sellers. Accordingly, because we may offer tax advantages to sellers receiving limited partnership interest units, our UPREIT structure may enable us to acquire hotel properties in the future which otherwise might not be available for sale.

Restructuring Transactions to Establish a REIT Corporate Structure

Prior to completing the merger, we will form a limited liability company as a wholly-owned subsidiary of Gaylord. Gaylord and such limited liability company will then form the Operating Partnership, of which Gaylord (and after the completion of the merger, Granite) will be the sole general partner owning 99% of the ownership interests of the Operating Partnership and such limited liability company will be a 1% limited partner.

Due to federal income tax laws, prior to the completion of the REIT conversion, our subsidiaries that own or have a leasehold interest in our hotel real property will transfer non-qualifying personal property, including certain fixtures, furniture and equipment, to our TRSs.

In connection with the REIT conversion, we will form new subsidiaries and cause such subsidiaries and certain existing subsidiaries to qualify as TRSs. Our TRSs will hold our non-qualifying assets and conduct our non-qualifying operations. Under the Code, no more than 25% of the value of our assets may be represented by securities of one or more TRSs and other non-qualifying assets.

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Our TRSs that will lease or sublease our hotel properties, which we refer to as our TRS lessees, pursuant to such leases or subleases will make lease payments for the hotel properties. Our TRS lessees will engage third-party hotel managers to operate and manage our hotel properties pursuant to hotel management agreements.

Also in connection with the REIT conversion, we will restructure the business conducted by our Opry and Attractions segment so that such business, including the Grand Ole Opry, the Ryman Auditorium, the General Jackson, the Music City Queen, the Wildhorse Saloon, the ownership of Gaylord Springs Golf Links, WSM Radio, Hee Haw, and any other non-REIT activities will be conducted through TRSs.

Amendment to \$925 Million Senior Secured Credit Facility

Prior to consummating the Marriott sale transaction, we must obtain waivers and consents of the required lenders pursuant to our \$925 million senior secured credit facility to amend the facility to accommodate the Marriott sale transaction, the merger, and the REIT conversion. We anticipate that this amendment, among other things, will (i) permit dividends to the extent permitted by the indenture for our 6.75% senior notes, and, if such indenture is terminated, to the extent necessary for us to maintain REIT status, (ii) allow our TRS lessees to lease our hotel properties, and (iii) update the facility generally to permit us to restructure and operate our business as described in this section. We believe that we will be able to obtain such waivers and consents. We anticipate that any amendment to our \$925 million senior secured credit facility will continue to limit our levels of indebtedness and restrict our ability to pay distributions to our stockholders.

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DISTRIBUTION POLICY

Upon completion of the merger and the REIT conversion, we intend to declare regular quarterly distributions to our stockholders commencing in the first quarter of 2013, the amount of which will be determined, and will be subject to adjustment by, our board of directors. However, if the merger or our ability to conform our operations to the requirements for qualification as a REIT are delayed, we may not be qualified to elect REIT status effective as of January 1, 2013. In such a case, we would not be able to reduce our corporate level federal income tax through distributions to our stockholders, and we would not commence the payment of distributions to our stockholders until such time as we qualified as a REIT.

To qualify as a REIT, we must annually distribute to our stockholders an amount at least equal to:

- (i) 90% of our REIT taxable income (determined before the deduction for dividends paid and excluding any net capital gain); plus
- (ii) 90% of the excess of our net income from foreclosure property over the tax imposed on such income by the Code; less
- (iii) any excess non-cash income (as determined under Sections 856 through 860 of the Code).

Distributions to our stockholders will be authorized by our board of directors and declared by us based upon a variety of factors, including:

historical and projected results of operations, financial condition, cash flows, and liquidity;

our debt service requirements and covenants under our debt agreements;

capital expenditure and other expense obligations;

our taxable income;

the annual distribution requirement under the REIT provisions of the Code; and

other factors that our board of directors may deem relevant.

The amount of cash available for distributions to our stockholders depends, in part, upon our receipt of distributions from our Operating Partnership, which may depend upon receipt of lease payments from our TRS lessees, and, in turn, upon management of our hotel properties by our third-party hotel managers, and receipt of distributions from our TRSs. In addition to the factors outlined above, the per share amounts of distributions will depend on the number of our shares of common stock outstanding from time to time.

To the extent that, in respect of any calendar year, cash available for distributions to our stockholders is less than our REIT taxable income, we could be required to sell assets or borrow funds to make cash distributions or make a portion of the required distribution in the form of a taxable share distribution or distribution of debt securities. Income as computed for purposes of the tax rules described above will not necessarily correspond to our income as determined for financial reporting purposes.

Prior to consummating the Marriott sale transaction, we must obtain waivers and consents of the required lenders pursuant to our \$925 million senior secured credit facility to amend the facility to accommodate the Marriott sale transaction, the merger, and the REIT conversion. We anticipate that such amendment, among other things, will (i) permit dividends to the extent permitted by the indenture for our 6.75% Senior

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notes, and, if such indenture is terminated, to the extent necessary for us to maintain REIT status, (ii) allow our TRS lessees to lease our hotel properties, and (iii) update the facility generally to permit us to restructure and operate our business as described in the section entitled Restructuring Transactions in Connection with the REIT Conversion beginning on page 61.

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The indenture for our 6.75% senior notes and the terms of our current \$925 million senior secured credit facility restrict our ability to pay dividends. Generally, unless we are permitted to pay a dividend in the circumstances described below, we are restricted from declaring or paying dividends (other than certain dividends payable in our equity securities) under the terms of the indenture and the credit facility. We may declare and pay a dividend if, after giving effect to such payment, (i) we will not be in default under the indenture or the credit facility, (ii) we would be permitted to incur \$1.00 of additional indebtedness under the 2.00 to 1.00 fixed charge coverage ratio for our four most recent fiscal quarters, and (iii) such dividend payment (together with the amount of certain other restricted payments made by us since November 12, 2003) is less than the sum of:

an amount equal to our consolidated cash flow (from the beginning of the first fiscal quarter after November 12, 2003 to the end of the most recent fiscal quarter) less the product of 2.00 times our fixed charges for the same period; plus

100% of the aggregate net cash proceeds received by us since November 12, 2003 as contribution to our common equity capital or from the issue or sale of our equity securities; plus

the net reduction in our investments made after November 12, 2003 resulting from repayment of loans or advances or other transfers of assets or from the sale of any such investment.

We anticipate that the foregoing limitations would not prevent us from paying the special E&P distribution and future quarterly distributions in an amount sufficient to enable us to maintain our status as a REIT.

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THE SPECIAL E&P DISTRIBUTION

We have operated as a taxable C corporation for federal tax purposes since our incorporation. To the extent our taxable income (with certain adjustments) in any given year is not distributed to our stockholders or otherwise reduced by losses, it becomes accumulated earnings and profits. After the merger is completed, Granite will succeed to Gaylord's current and accumulated earnings and profits. Because a REIT is not permitted to retain earnings and profits accumulated during years when the company or its predecessor was taxed as a C corporation, we will make a one-time special distribution, the special E&P distribution, to distribute all of our C corporation earnings and profits. The special E&P distribution is not subject to stockholder approval, except that, as noted in this proxy statement/prospectus, in accordance with Section 312.03 of the NYSE Listed Company Manual, we are asking our stockholders to approve the issuance of shares of our common stock equal to or in excess of 20% of the number of shares of our common stock currently outstanding in the event shares in excess of this percentage are issued in connection with the special E&P distribution.

We expect that the special E&P distribution will be declared and paid in the fourth quarter of 2012 to stockholders of record at such time, who may be different than those who are entitled to notice of and to vote at the special meeting. However, our board of directors may determine to declare and pay the special E&P distribution at another time, but not later than December 31, 2013 if we elect REIT status for the taxable year beginning January 1, 2013.

We have applied for a ruling from the IRS to the effect that the special E&P distribution will generally be treated for federal income tax purposes as a taxable distribution. In the event that we receive a favorable ruling from the IRS, we expect to limit the total amount of cash payable in the special E&P distribution to a maximum of 20% of the total value of the special E&P distribution. The balance of the special E&P distribution will be in the form of shares of our common stock. For a description of the tax consequences of the special E&P distribution see [Material Federal Income Tax Consequences Taxation of the Special E&P Distribution beginning on page 157](#).

If the total amount of cash elected by our stockholders exceeds 20% of the total value of the special E&P distribution, then, in general, the available cash will be prorated among those stockholders that elect to receive cash. The details and consequences of the special E&P distribution will be described in the election form and accompanying materials that will be mailed to stockholders in connection with the special E&P distribution.

In connection with our declaration and payment of the special E&P distribution, we expect that we will adjust the number of shares of stock subject to and the exercise price for outstanding equity awards, if any, under our Amended and Restated 2006 Omnibus Plan and our Amended and Restated 1997 Omnibus Stock Option and Incentive Plan. In addition, the conversion rate for our outstanding 3.75% convertible senior notes will be adjusted, resulting in an increase in the number of shares underlying our 3.75% convertible senior notes. The number of shares subject to the options we purchased and the warrants we sold in connection with the issuance of our 3.75% convertible senior notes and the exercise prices per share for such options and warrants will also be adjusted.

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MATERIAL DISCUSSIONS AND TRANSACTIONS WITH TRT HOLDINGS

Prior to the closings of our repurchase of 5,000,000 shares of our common stock from TRT Holdings and the secondary offering of the remainder of TRT Holdings' shares of our common stock in August 2012, TRT Holdings owned approximately 10,643,129 shares of our common stock, or approximately 21.7% outstanding at such time. As a result of the closings of the TRT repurchase and the secondary offering, TRT Holdings no longer owns shares of our common stock. As described below, TRT Holdings has agreed to vote all its shares of our common stock held as of the record date, or approximately 12.8% of our outstanding common stock, in favor of the proposals presented at the special meeting. The following provides a summary of material discussions between us and TRT Holdings during 2012 and the TRT repurchase and secondary offering.

Material Discussions with TRT Holdings in 2012

Throughout 2012, we have engaged in discussions with TRT Holdings related to corporate governance matters, the REIT conversion and, most recently, our repurchase of 5,000,000 shares of our common stock from TRT Holdings at a price of \$37.00 per share, which we refer to as the TRT repurchase, and the secondary public offering of 5,643,129 shares of our common stock by TRT Holdings at a price of \$40.00 per share, which we refer to as the secondary offering. The following is a summary of the material discussions with TRT Holdings since January 2012.

In January 2012, we discussed with TRT Holdings certain matters related to a non-binding stockholder proposal submitted by GAMCO Asset Management, Inc., or GAMCO. GAMCO's stockholder proposal requested that our board of directors not extend the August 12, 2012 expiration date of our rights plan unless our stockholders approved such extension. As a result of these discussions, on January 13, 2012, we entered into a letter agreement, which we refer to as the 2012 TRT agreement, with TRT Holdings. For additional information regarding the 2012 TRT agreement, see our Current Report on Form 8-K filed with the Commission on January 17, 2012, which is incorporated herein by reference.

Consistent with the 2012 TRT agreement, we invited TRT Holdings to participate in the confidential process we conducted to identify an independent third-party manager to manage our Gaylord Hotels properties. In January 2012, we distributed to TRT Holdings and other selected interested parties a request for proposals with respect to a management agreement related to the management of the Gaylord Hotels properties. TRT Holdings responded to the request for proposals and was granted access to confidential information we made available to bidders in the management agreement process. During March 2012, TRT Holdings met on two occasions with members of our management team to discuss preliminary due diligence topics related to the management of the Gaylord Hotels properties. In early April 2012, we discussed the potential terms of a proposed hotel management agreement with TRT Holdings. However, in mid-April, 2012, TRT Holdings indicated that it would not go forward with management agreement negotiations and removed itself from consideration as a potential third-party manager of the Gaylord Hotels properties, and indicated its potential interest in acquiring our entire company. Members of our management team met with TRT Holdings to discuss the potential sale of our entire company in May 2012. However, TRT Holdings elected not to make an offer to purchase our entire company.

In June 2012, members of our management team met with Robert Rowling. A number of matters were discussed relating to the REIT conversion. At the conclusion of the meeting, Mr. Rowling indicated his interest in potential strategies to divest his and TRT Holdings' 21.7% stake in Gaylord. On July 31, 2012, members of our management team met again with TRT Holdings to discuss a possible sale by TRT Holdings of some or all of TRT Holdings' ownership position in Gaylord. The parties discussed a potential transaction whereby we would repurchase roughly half of our common stock held by TRT Holdings, and a potential sale of TRT Holdings' remaining stake our common stock through a secondary public offering, which would require us to facilitate the registration of the shares of common stock to be sold to the public. During the first week of August 2012, we negotiated the terms of the TRT repurchase and the secondary offering. For additional information regarding the

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TRT repurchase and the secondary offering, see the section entitled TRT Repurchase and Secondary Offering below.

TRT Repurchase and Secondary Offering

On August 6, 2012, we entered into a repurchase agreement with TRT Holdings pursuant to which we repurchased 5,000,000 shares of our common stock concurrently with the execution and delivery of the repurchase agreement. The aggregate purchase price in the privately negotiated transaction was \$185 million, or \$37.00 per share. We funded the repurchase with borrowings under the revolver to our \$925 million senior secured credit facility. The repurchase agreement contains a covenant of TRT Holdings to vote all shares of our common stock for which TRT Holdings had voting rights as of August 8, 2012, or 5,643,129 shares, in favor of the proposals to be presented at the special meeting.

Pursuant to the terms of the repurchase agreement, we filed a registration statement under which TRT Holdings offered the remainder of its shares of our common stock, or 5,643,129 shares, in an underwritten secondary public offering. On August 13, 2012, we, TRT Holdings, and Deutsche Bank Securities Inc. entered into an underwriting agreement pursuant to which TRT Holdings agreed to sell the remainder of its shares of our common stock to Deutsche Bank Securities Inc. to be offered by the underwriter at a public offering price of \$40.00 per share. The closing of the secondary offering occurred on August 16, 2012, at which time TRT Holdings ceased to hold shares of Gaylord common stock. We reimbursed 50% of the underwriting discounts and commissions paid by TRT Holdings with respect to shares it sold in the secondary offering, or an aggregate of \$2,821,564.50, and also paid all costs of effecting the registration, other than the legal fees of TRT Holdings.

The repurchase agreement also contains several post-closing obligations of the parties. Under a standstill provision in the repurchase agreement, TRT Holdings and affiliated parties of TRT Holdings have agreed not to take certain actions for a period of three years ending on August 6, 2015, including acquiring beneficial ownership of any of our securities, indebtedness, or assets, making any take-over bid, merger or tender offer involving us, seeking to influence or control management, our board of directors, or our policies, and participating in any proxy solicitation with respect to us. In addition, under the repurchase agreement, we, TRT Holdings, and affiliated parties of TRT Holdings have agreed to a mutual non-disparagement provision for the same period ending on August 6, 2015. Each of us, TRT Holdings, and affiliates of TRT Holdings has agreed to a general release of any or all past, existing, or future claims relating to matters, causes or things occurring or existing on or prior to August 6, 2012, subject to certain exceptions in the repurchase agreement.

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OUR BUSINESS

Granite Hotel Properties, Inc., a Delaware corporation and wholly-owned subsidiary of Gaylord, was incorporated on June 21, 2012. Granite has no material assets or liabilities and has not conducted any activities other than those incident to its formation, the execution of the merger agreement and the preparation of this proxy statement/prospectus. Upon completion of the merger, Granite will succeed to and continue the then existing business of Gaylord. However, as described further in this section and throughout this proxy statement/prospectus, Granite will not operate or manage any of its hotel properties after completing the REIT conversion.

Overview

Gaylord, a Delaware corporation, was originally incorporated in 1956 and was reorganized in connection with a 1997 corporate restructuring. In May 2012, after conducting a strategic review of our businesses, our board of directors unanimously approved a plan to restructure our operations to allow us to be taxed as a REIT for federal income tax purposes beginning January 1, 2013, subject to the prior consummation of the Marriott sale transaction. In connection therewith, on May 31, 2012, we announced our agreement to sell the Gaylord Hotels brand and rights to manage our Gaylord Hotels properties to Marriott for \$210 million in cash. The closing of the Marriott sale transaction is subject to the satisfaction of certain conditions, including our stockholders' adoption of the merger agreement. We expect the consummation of the Marriott sale transaction to occur promptly after our stockholders adopt the merger agreement. Upon consummation of the Marriott sale transaction, Marriott will begin to be responsible for the day-to-day management of our Gaylord Hotels properties pursuant to management agreements to be entered into upon the closing of the Marriott sale transaction, and we anticipate that this management transition will be complete by January 1, 2013, when we anticipate that our election to become a REIT will be effective. In addition, prior to the completion of the REIT conversion, we will identify and engage a third-party hotel manager to operate and manage the Radisson Hotel at Opryland.

Due to federal income tax laws that restrict REITs from operating and managing hotels, we will not operate or manage any of our hotel properties after completing the REIT conversion. We will engage third-party hotel managers pursuant to hotel management agreements, and such third-party hotel managers will be responsible for the day-to-day management of our hotel properties, including, but not limited to, implementing significant operating decisions, setting rates for rooms and meeting space, controlling revenue and expenditures, collecting accounts receivable, and recruiting, employing and supervising employees at our hotel properties. We will not have the authority to require our third-party managers to operate our hotel properties in a particular manner, although we will have consent and approval rights for certain matters under our hotel management agreements with Marriott, subject to the limitations described therein. We believe that Marriott provides us with access to a world-class lodging operator. We expect Marriott to drive increased revenues by delivering new customer flows through their expansive sales force and attractive frequent traveler program, as well as their ability to manage group business. Additionally, we anticipate that our relationship with Marriott will allow us to significantly reduce corporate overhead and property level expenses.

The information in this section assumes that the merger and the REIT conversion have been completed, and that Granite has succeeded to and is continuing the then existing business of Gaylord.

After the completion of the REIT conversion, we believe that we will be the only hospitality REIT whose stated primary focus is group-oriented hotel properties located in urban and resort markets. Our current real estate portfolio includes our Gaylord Hotels properties consisting of the Gaylord Opryland Resort and Convention Center in Nashville, Tennessee, referred to as Gaylord Opryland, the Gaylord Palms Resort and Convention Center near Orlando, Florida, referred to as Gaylord Palms, the Gaylord Texan Resort and Convention Center near Dallas, Texas, referred to as Gaylord Texan, and the Gaylord National Resort and Convention Center near Washington D.C., referred to as Gaylord National. We also own the Radisson Hotel at Opryland in Nashville, Tennessee.

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Our award-winning Gaylord Hotels properties incorporate not only high quality lodging, but also significant meeting, convention and exhibition space and restaurant, retail and spa facilities within a single self-contained property. As a result, our properties provide a convenient and entertaining environment for convention guests.

In addition to our hotel properties, we also currently own and operate, and following the completion of the REIT conversion we will continue to own and operate through our TRSs, several attractions in Nashville, Tennessee, including the Grand Ole Opry, a live country music variety show that is the nation's longest running live radio show and an icon in country music. Our local Nashville attractions provide entertainment opportunities for Nashville-area residents and visitors, including guests at Gaylord Opryland and the Radisson Hotel at Opryland.

Our operations are organized into three principal business segments: (i) Hospitality, which includes our hotel properties; (ii) Opry and Attractions, which includes our Grand Ole Opry assets, WSM-AM and our Nashville attractions; and (iii) Corporate and Other, which includes corporate expenses. These three business segments—Hospitality, Opry and Attractions, and Corporate and Other—represented approximately 93%, 7%, and 0%, respectively, of Gaylord's total revenues for 2011.

Strategy

Our goal is to become the nation's premier hospitality REIT for group-oriented meetings hotel assets located in urban and resort markets. Our current hotel properties focus on the large group meetings market in the United States. Our existing hotel properties are designed to appeal to meeting planners who arrange these large group meetings.

Existing Hotel Property Design. Our existing hotel properties incorporate meeting and exhibition space, signature guest rooms, food and beverage offerings, fitness and spa facilities and other attractions within a large hotel property so attendees' needs are met in one location. This property design creates a better experience for both meeting planners and guests, and has led to our hotel properties claiming a place among the leading convention hotels in the country.

Expansion of Hotel Asset Portfolio. After we consummate the Marriott sale transaction and complete the REIT conversion, acquisitions of other hotels, particularly in the group meetings sector of the hospitality industry, either alone or through joint venture or alliances with one or more third-parties, will be part of our long-term growth strategy. We will no longer view independent large scale development of resort and convention hotels as part of our long-term growth strategy. We intend to pursue attractive investment opportunities which meet our acquisition parameters, specifically, group-oriented large hotels and overflow hotels with existing or potential leisure appeal. We are interested in highly accessible upper-upscale assets with over 400 hotel rooms in urban and resort group destination markets. We will also consider assets that possess or are located near conventions centers that present a repositioning opportunity and/or would significantly benefit from capital investment in additional rooms or meeting space. Through acquisitions we plan to expand the geographic diversity of our existing asset portfolio.

Leverage Brand Name Awareness. We believe the Grand Ole Opry is one of the most recognized entertainment brands in the United States. We promote the Grand Ole Opry name through various media, including our WSM-AM radio station, the Internet and television, and through performances by the Grand Ole Opry's members, many of whom are renowned country music artists, 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.

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Industry Description

According to the February 2011 study, *The Economic Significance of Meetings to the U.S. Economy*, conducted by PriceWaterhouseCoopers and published by the Convention Industry Council, in 2009, the meetings industry generated approximately \$263 billion in direct spending. Of this amount, approximately \$62 billion was spent on accommodations and food and beverage. These revenues include attendee economic impact (which includes spending on lodging, meals, entertainment and in-city transportation), not all of which we capture. An additional approximate \$150 billion was spent on meetings and other commodities, which include event producer total gross sales (which include exhibitor and sponsor expenditures) and venue rentals. Convention hotels that attract larger group meetings typically have more than 1,000 guest rooms and, on average, contain approximately 125,000 square feet of exhibit space and approximately 45 meeting rooms.

According to the same study published by the Convention Industry Council, the group meetings market was comprised of approximately 1.8 million events in 2009, of which approximately 71% were corporate meetings and approximately 29% were conventions, trade shows, incentive and other meetings. Of the 100 largest hotels with meeting space, as tracked by Smith Travel Research, over half of the hotels contain over 130,000 square feet of meeting and exhibit space. Conversely, only 4% of these properties feature 500,000 square feet or more of meeting and exhibit space to host the nation's largest groups. Examples of industries participating in larger 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 groups, associations and trade shows generally select their sites two to six years in advance, thereby increasing earnings visibility, and groups 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 provided by hotel staff and event coordinators. The ability to offer as many of these elements as possible 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 business. We believe Marriott's ability to manage group business will enhance the interaction and coordination at our Gaylord Hotels properties and result in increased repeat business.

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Based on our information and information and data obtained from Smith Travel Research, the hotels within the United States with the largest levels of exhibit and meeting space as of January 2012 are as follows:

| Facility | Location | Hotel Rooms | Total Exhibit and Meeting Space (sq.ft.) |
|--|----------------------------|--------------|--|
| Venetian Resort & Casino | Las Vegas, NV | 4,049 | 2,250,000 |
| Mandalay Bay Resort & Casino | Las Vegas, NV | 4,332 | 1,295,655 |
| Gaylord Opryland Resort & Convention Center | Nashville, TN | 2,882 | 640,000 |
| MGM Grand Hotel & Casino | Las Vegas, NV | 5,044 | 600,000 |
| Gaylord National Resort & Convention Center | National Harbor, MD | 1,996 | 470,000 |
| Marriott Orlando World Center | Orlando, FL | 2,000 | 450,000 |
| Rosen Shingle Creek | Orlando, FL | 1,500 | 445,000 |
| Gaylord Texan Resort & Convention Center | Grapevine, TX | 1,511 | 400,000 |
| Gaylord Palms Resort & Convention Center | Kissimmee, FL | 1,406 | 400,000 |
| Hilton Anatole Hotel | Dallas, TX | 1,608 | 344,638 |
| Walt Disney World Swan and Dolphin Resort | Lake Buena Vista, FL | 758 | 329,000 |
| Caesars Palace | Las Vegas, NV | 4,016 | 300,000 |
| The Peabody Orlando | Orlando, FL | 1,641 | 300,000 |
| The Westin Diplomat Resort & Spa | Hollywood, FL | 1,058 | 269,000 |
| Sheraton Dallas | Dallas, TX | 1,840 | 230,000 |
| Disney's Coronado Springs Resort | Lake Buena Vista, FL | 1,921 | 220,000 |
| Grand Sierra Resort & Casino | Reno, NV | 2,001 | 200,000 |

Hotel Asset Portfolio Strategic Plan

Our goal is to become the nation's premier hospitality REIT for group-oriented hotel properties located in urban and resort markets. After we consummate the sale of the Gaylord Hotels brand and our rights to operate and manage our Gaylord Hotels properties are transferred to Marriott and we complete the REIT conversion, acquisitions of other hotels, particularly in the group meetings sector of the hospitality industry, either alone or through joint ventures or alliances with one or more third-parties, will be part of our long-term growth strategy. For additional information please see the section entitled "Strategy Expansion of Hotel Asset Portfolio" on page 69. Our existing 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 our Gaylord Hotels properties among the leading convention hotels in the country. In addition to Gaylord Opryland, we opened Gaylord Palms in January 2002, Gaylord Texan in April 2004 and Gaylord National in April 2008. In May 2012, we announced the sale of the Gaylord Hotels brand and the rights to manage our Gaylord Hotels properties to Marriott. We expect, among other things, that following consummation of the Marriott sale transaction, our Gaylord Hotels properties will generate increased revenues as Marriott will deliver new customer flows through their expansive sales force and attractive frequent traveler program, as well as their ability to manage group business.

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 Gaylord 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, Gaylord Springs Golf Links (Gaylord's 18-hole championship golf course), and other attractions in the Nashville area. Gaylord Opryland has 2,882 signature guest rooms, four ballrooms with approximately 127,000 square feet, 111 banquet/

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meeting rooms, and total meeting, exhibit and pre-function space of approximately 640,000 square feet. Gaylord Opryland has been recognized by many industry and commercial publications, receiving Successful Meetings magazine's Pinnacle Award in 2007, 2008, 2010 and 2011, as well as Meeting & Convention's Gold Key and Gold Platter Awards every year since 1993.

Gaylord Palms Resort and Convention Center Kissimmee, Florida. Gaylord Palms has 1,406 signature guest rooms, three ballrooms with approximately 76,000 square feet, 76 banquet/meeting rooms, and total meeting, exhibit and pre-function space of approximately 400,000 square feet. The resort is situated on a 65-acre site in Osceola County, Florida, which we have leased pursuant to a 75-year ground lease with a 24-year renewal option. The resort is approximately a five minute drive from the main gate of the Walt Disney World® Resort complex. Gaylord Palms has a number of themed restaurants, retail outlets and a full-service spa, with 20,000 square feet of dedicated space and 25 treatment rooms. In 2012, a new resort pool and new 2-story sports bar complex opened at Gaylord Palms. Hotel guests also have golf privileges at the world class Falcon's Fire Golf Club, located a half-mile from the property. 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, 2009, 2010 and 2011 and Meeting and Convention's Gold Key and Gold Platter Awards every year since 2003.

Gaylord Texan Resort and Convention Center Grapevine, Texas. Gaylord Texan is situated on approximately 85 acres and is located approximately six minutes from the Dallas/Fort Worth International Airport. Of the 85 acres, we own 75 acres and lease approximately 10 acres pursuant to a ground lease. The hotel features a lavish and expansive atrium, 1,511 signature guest rooms, 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 foot venue with a performance stage, dance floor, and two-story outdoor deck, on land we own adjacent to the hotel. In 2011, we opened the Paradise Springs resort pool, a western-themed 10-acre resort pool and lazy river complex. Gaylord Texan is rated as a AAA Four-Diamond Hotel, and it received Successful Meetings magazine's Pinnacle Award in 2008, Meeting and Convention's Gold Key Award every year since 2005 and Meeting and Convention's Gold Platter Award in 2007, 2010 and 2011.

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. Gaylord National is rated as a AAA Four-Diamond Hotel, and it received Successful Meetings magazine's Pinnacle Award in 2011 and Meeting and Convention's Gold Key Award in 2009, 2010 and 2011.

Radisson Hotel at Opryland. We also own 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 2000, we entered into a 20-year franchise agreement with Radisson in connection with the operation of this hotel. Prior to the completion of the REIT conversion, we will identify and engage a third-party hotel manager to operate and manage the Radisson Hotel at Opryland.

Future Development. Upon completion of the REIT conversion, we will no longer view independent large scale development of resort and convention hotels as a means of our growth. As a result, we will not proceed with our previously announced Aurora, Colorado and other potential development projects in the form we previously anticipated. We will reexamine how the Aurora project could be completed with minimal financial commitment, although we may not identify any such opportunity.

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In January 2012, we announced that we had entered into a memorandum of understanding for a 50/50 joint venture with the Dollywood Company to develop a family entertainment zone adjacent to the Gaylord Opryland on land that we currently own. The Dollywood Company will operate the park, and we will contribute both land and cash to represent our 50 percent share of the venture. Phase one of the project is a yet unnamed approximately \$50 million water and snow park, which we believe will be the first of its kind in the U.S. An early 2013 groundbreaking date is expected with the park opening slated for summer 2014. The project is contingent upon finalizing agreements with governmental authorities pertaining to the construction of the necessary infrastructure and other contingencies.

Hotel Operating Data.

The following table presents hotel operating data for our five hotel properties over the last five years (except for Gaylord National, which opened in 2008). For more information about our hotel properties, see the section entitled *Hotel Asset Portfolio Strategic Plan* beginning on page 71. All amounts are presented in thousands, except for percentages.

Gaylord Opryland.

| | For the Year Ended December 31, | | | | |
|--------------|---------------------------------|--------------|-----------|--------------|--------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Occupancy | 72.8% | 65.4%(1) | 66.5% | 75.9%(2) | 80.2%(2) |
| ADR | \$ 153.54 | \$ 144.38 | \$ 150.07 | \$ 157.30 | \$ 151.50 |
| RevPAR | \$ 111.76 | \$ 94.41(1) | \$ 99.74 | \$ 119.32(2) | \$ 121.57(2) |
| Total RevPAR | \$ 277.61 | \$ 234.27(1) | \$ 235.10 | \$ 289.90(2) | \$ 285.22(2) |

- (1) Results and performance do not include the effect of casualty loss and preopening costs related to the Nashville flood in 2010 and are for the periods of time that the hotel was open. See the discussion of casualty loss set forth in the section entitled *Management's Discussion & Analysis of Financial Condition and Results of Operations Operating Results Casualty Loss* on page 123.
- (2) 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.

Gaylord Palms.

| | For the Year Ended December 31, | | | | |
|--------------|---------------------------------|-----------|-----------|-----------|-----------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Occupancy | 73.9%(1) | 74.0% | 67.0% | 77.3% | 77.1% |
| ADR | \$ 155.09 | \$ 156.73 | \$ 176.13 | \$ 178.42 | \$ 180.52 |
| RevPAR | \$ 114.58(1) | \$ 116.00 | \$ 118.01 | \$ 137.93 | \$ 139.18 |
| Total RevPAR | \$ 306.31(1) | \$ 304.75 | \$ 306.34 | \$ 351.30 | \$ 354.30 |

- (1) Excludes 23,960 room nights that were taken out of service during 2011 as a result of a rooms renovation program at Gaylord Palms.

Gaylord Texan.

| | For the Year Ended December 31, | | | | |
|--------------|---------------------------------|-----------|-----------|-----------|-----------|
| | 2011 | 2010 | 2009 | 2008 | 2007 |
| Occupancy | 75.7% | 72.4% | 66.3% | 72.0% | 74.9% |
| ADR | \$ 178.32 | \$ 164.82 | \$ 165.13 | \$ 178.88 | \$ 172.92 |
| RevPAR | \$ 135.03 | \$ 119.27 | \$ 109.49 | \$ 128.77 | \$ 129.55 |
| Total RevPAR | \$ 366.89 | \$ 348.46 | \$ 310.74 | \$ 348.46 | \$ 349.54 |

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| | 2011 | For the Year Ended December 31, | | |
|--------------|-----------|---------------------------------|-----------|--------------|
| | | 2010 | 2009 | 2008 |
| Occupancy | 68.8% | 73.7% | 64.4% | 61.6%(1) |
| ADR | \$ 195.66 | \$ 191.00 | \$ 206.86 | \$ 202.72 |
| RevPAR | \$ 134.52 | \$ 140.69 | \$ 133.16 | \$ 124.84(1) |
| Total RevPAR | \$ 322.72 | \$ 348.80 | \$ 317.54 | \$ 309.09(1) |

- (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.

Radisson Hotel at Opryland.

| | 2011 | For the Year Ended December 31, | | | |
|--------------|----------|---------------------------------|----------|-----------|----------|
| | | 2010 | 2009 | 2008 | 2007 |
| Occupancy | 62.6% | 51.0% | 60.0% | 66.9% | 72.2% |
| ADR | \$ 98.24 | \$ 87.11 | \$ 91.71 | \$ 101.37 | \$ 97.08 |
| RevPAR | \$ 61.52 | \$ 44.40 | \$ 55.03 | \$ 67.79 | \$ 70.09 |
| Total RevPAR | \$ 84.80 | \$ 54.96 | \$ 65.40 | \$ 82.07 | \$ 82.31 |

Our Relationship with Marriott***Purchase Agreement with Marriott***

The following is a brief summary of the purchase agreement, and does not purport to be complete, and is qualified in its entirety by reference to the complete purchase agreement which is incorporated herein by reference to Exhibit 2.1 of our Current Report on Form 8-K filed May 31, 2012. You should carefully read the purchase agreement in its entirety as it is a legal document that governs the sale to Marriott of the Gaylord Hotels brand and the rights to manage our Gaylord Hotels properties.

In May 2012, we entered into a purchase agreement with Marriott, pursuant to which, subject to the satisfaction or waiver of certain conditions, we will transfer the Gaylord Hotels brand and the rights to manage our Gaylord Hotels properties to Marriott for \$210 million in cash. Following the consummation of the Marriott sale transaction, Marriott will operate and manage our Gaylord Hotels properties. We will retain ownership in our Gaylord Hotels properties following the consummation of the sale transaction.

Pursuant to the terms of the purchase agreement, the consummation of the Marriott sale transaction remains conditioned upon our stockholders adopting the merger agreement, our obtaining the consent of the required lenders pursuant to our \$925 million senior secured credit facility, the absence of any law or regulation that prohibits the consummation of the Marriott sale transaction, and, subject to materiality exceptions, the accuracy of representations and warranties made by Gaylord, Gaylord Hotels, Inc., Marriott Hotel Services, Inc., and Marriott. The purchase agreement contains certain termination rights for each of Gaylord and Marriott, including the right of each party to terminate the purchase agreement if the Marriott sale transaction has not been consummated by December 10, 2012, subject to Gaylord and Marriott agreeing to extend the closing to a later date.

Pursuant to the purchase agreement, we have agreed to cease all activities, discussions or negotiations and not to solicit proposals relating to the sale of the Gaylord Hotels brand and the right to manage our Gaylord Hotels properties. Although the purchase agreement does not prohibit us from considering or negotiating proposals to acquire Gaylord as a whole, if we enter into a definitive agreement with respect to an acquisition proposal or our board of directors or a committee thereof approves an acquisition proposal and intends to cause us to enter into a definitive agreement with respect to an acquisition proposal, prior to the date stockholder

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approval is obtained, we will be required to pay Marriott a termination fee of \$12.5 million. Additionally, if stockholder approval of the merger is not obtained, or other conditions of the transaction are not met and the Marriott sale transaction is terminated, we may be required to pay a termination fee of \$5 million (with credit for any conversion expenses reimbursed to Marriott, which may exceed \$5 million). We may also be required to pay Marriott an additional fee of \$5 million if stockholder approval of the merger is not obtained and an alternative management or acquisition agreement is consummated.

Upon the consummation of the Marriott sale transaction and pursuant to the terms of the purchase agreement, we will be a party to the form management agreement and the form pooling agreement discussed below.

Management Agreement and Pooling Agreement with Marriott

The following is a summary of the principal terms of the form management agreement, which we refer to as the management agreement, and the form pooling agreement, which we refer to as the pooling agreement, which we will enter into in connection with the consummation of the Marriott sale transaction. The following summary does not purport to be complete, and is qualified in its entirety by reference to the complete form management agreement and form pooling agreement, which are incorporated herein by reference to Exhibit 2.1 of our Current Report on Form 8-K filed May 31, 2012. You should carefully read the form management agreement and the form pooling agreement in their entirety as they are legal documents that will govern our relationship with Marriott following consummation of the sale transaction.

All capitalized terms in this section not defined herein have the meanings ascribed to them in the form management agreement and the form pooling agreement.

To comply with certain REIT qualification requirements, we must engage third-party managers to operate and manage our hotel properties. On or about the time of the merger, we plan to become a party to four hotel management agreements (one for each of our Gaylord Hotels properties) with Marble Transfer, LLC, or Manager, which will become a direct or indirect wholly-owned subsidiary of Marriott. Manager will operate and manage the Gaylord Hotels properties with the goal of optimizing long-term profitability.

Additionally, each owner of our Gaylord Hotels properties and each of our TRS lessees will be a party to a single pooling agreement with Manager.

Management Agreement

Term. Each management agreement will have a term of thirty-five years, with three automatic 10-year renewal terms (provided the applicable Hotel has met certain performance thresholds), which we refer to as the Term.

Fees. Manager will be entitled to a base management fee of two percent of gross revenues from each Hotel for each fiscal year or portion thereof, which we refer to as the Base Management Fee, and an incentive fee based on hotel profitability calculated on a pooled basis among the then Pooled Hotels, which we refer to as the Incentive Management Fee. The Base Management Fee is directly deducted by Manager from the gross revenues of each Hotel for each fiscal year. The Incentive Management Fee, if any, will be retained by Manager from Operating Profit (the Incentive Management Fee is discussed in greater detail below under the heading *Pooling Agreement*).

Payment of Operating Profit. Annually, following the deduction of the Base Management Fee by Manager, the Operating Profit of each Hotel, if any, will be paid in the following manner:

First: We will receive our Owner's Priority (which is collectively \$240,000,000 plus, in each case, certain additional amounts more specifically described in the Management Agreement, but approximately

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equal to (A) ten percent of the amount of Capital Expenditures funded by us, (B) ten percent of the cost of Conversion Work, as certified by us, and (C) ten percent of the amount funded by us for replacements, renewals, and additions to the furniture, fixtures and equipment and Routine Capital Expenditures, in excess of the FF&E Reserve).

Second: Any Incentive Management Fee (as described in the Pooling Agreement below) will be paid to Manager.

Third: The remaining balance of the Operating Profit, if any, will be paid to us.

Management Responsibilities. Manager will, among other things, perform each of the following functions at the Hotel:

Establish employment policies and recruit, employ, supervise, direct and discharge the employees at the Hotel.

Establish prices, rates and charges for services provided in the Hotel, including guest room rates and rates for commercial space and other space in the Hotel.

Establish and revise, as necessary, administrative policies and procedures, including policies and procedures for the control of revenue and expenditures, for the purchasing of supplies and services, for the control of credit, and for the scheduling of maintenance, and verify that the foregoing procedures are operating in a sound manner.

Receive, hold and disburse funds, maintain bank accounts and make payments on accounts payable and handle collections of accounts receivable.

Undertake publicity and promotion, arrange for and supervise public relations and advertising, prepare marketing plans, and make available to the Hotel the benefits of various marketing and guest loyalty and recognition programs in use in the Gaylord Hotel System as they may exist from time to time, such as the Loyalty Program.

Procure all inventories, including, but not limited to, provisions in storerooms, refrigerators, pantries and kitchens; beverages in wine cellars and bars; and other merchandise intended for sale.

Procure all replacement fixed asset supplies, including, but not limited to, linen, china, glassware, tableware, uniforms and similar items, whether used in connection with public space or guest rooms.

Prepare and deliver interim and annual accounting statements, annual operating statements, building estimates, furniture, fixtures and equipment estimates, and such other information as is required by the management agreement and be available at reasonable times to discuss generally with us and any mortgagee the above-listed items as well as the operations at the Hotel.

Plan, execute and supervise repairs, maintenance and furniture, fixtures and equipment purchases at the Hotel.

Provide, or cause to be provided, risk management services relating to the types of insurance required to be obtained or provided by Manager.

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Provide food and beverage services.

Provide certain chain services that are furnished on a comparable basis to the full service hotels in the Marriott Hotel System.

Assignment by Manager. Manager will not assign or transfer its interest in the management agreement without our prior consent; provided, however, that Manager will have the right, without our consent, to (1) assign its interest in the management agreement to Marriott or any Affiliate of Marriott, (2) lease shops or grant concessions at the Hotel so long as the terms of any such leases or concessions do not exceed the Term of the

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management agreement (and subject to the limitations on Manager’s authority set forth in Section 1.16 of the management agreement), (3) assign its interest in the management agreement in connection with a merger or consolidation or a sale of all or substantially all of the assets of Manager or Marriott, and (4) assign its interest in the management agreement in connection with a merger or consolidation or a sale of all or substantially all of the Gaylord Hotel System assets owned by Manager, Marriott or any Affiliate of Manager or Marriott provided that, in each instance, Manager shall ensure that such assignee is able to avail itself of the same trademarks, systems and other benefits of the Marriott Hotel System as are generally available to other hotels in the Marriott Hotel System both before and after the applicable transaction and provided further that, for so long as the pooling agreement is in effect as to the Hotel, the Hotel and the other hotels which are subject to the pooling agreement shall continue to be managed by one entity or such entity’s Affiliate.

Assignment by Granite. We will not assign or transfer our interest in any management agreement without the prior consent of Manager; provided, however, that we will have the right, without such consent, to (1) conditionally assign any management agreement as security for a mortgage encumbering the Hotel in accordance with the management agreement and transfer our interest in connection with a foreclosure (or deed in lieu) in connection with such assignment, (2) assign our interest in any management agreement in connection with a Sale of the Hotel that complies with the provisions summarized below under *Sale of the Hotel*, and (3) assign any management agreement to any of our Affiliates, subject to compliance with provisions (3) and clause (4) summarized below under *Sale of the Hotel*.

Sale of the Hotel. We will not enter into any Sale of the Hotel to any Person (or any Affiliate of any Person) who: (1) does not, in Manager’s reasonable judgment, have sufficient financial resources and liquidity to fulfill our obligations under the management agreement; (2) is known in the community as being of bad moral character, or has been convicted of a felony in any state or federal court, or is in control of or controlled by persons who have been convicted of felonies in any state or federal court; (3) either directly or indirectly, has an ownership interest (excluding that of a mere franchisee or a mere passive investor with a non-controlling interest) in a hotel brand (e.g., Hilton, Hyatt) totaling at least ten (10) full-service hotels or twenty-five (25) select-service hotels, or in a group of hotels totaling at least ten (10) full-service hotels or twenty-five (25) select-service hotels that are not affiliated with a brand but that are marketed and operated as a collective group, if such brand or group of hotels compete with Manager, Marriott or any Affiliate of Marriott; or (4) is, or any of its Affiliates or any other Person related to such Person that is proscribed by applicable law is, a Specially Designated National or Blocked Person. Furthermore, we will not enter into a Sale of the hotel if we are at the time in Default under the terms of the management agreement.

Performance Termination. We generally have the right to terminate a management agreement if, subject to certain Manager cure rights, with respect to any two (2) consecutive fiscal years (not including any portion of any fiscal year prior to the expiration of the third (3rd) full fiscal year after the effective date), if Operating Profit for each such fiscal year is less than the Performance Termination Threshold for such fiscal year; and the Revenue Index of the Hotel during each such fiscal year is less than the product of (i) the Revenue Index Threshold multiplied by the Hurdle; provided, however, that subject to the agreement between us and Manager, the Hurdle will be replaced with an amount equal to ninety-five percent (95%) of the actual index achieved for the twelve-month period ending June 30, 2012; and the failure of the Hotel to meet the tests described above is not wholly or partially the result of (i) an Extraordinary Event, (ii) any major renovation of the Hotel, (iii) any default by us, or (iv) the failure of the Hotel to comply with System Standards (unless such failure is caused by a default by Manager of its obligations under the management agreement).

Termination Due to Damage. If, during the Term, the Hotel suffers fire or other casualty that results in damage to the Hotel and its contents to the extent that the total costs of repairing and/or replacing the damaged portion of the Hotel to the same condition as existed previously would be fifty percent (50%) or more of the then total replacement cost of the Hotel, the management agreement is terminable at the option of either party upon ninety (90) days’ written notice to the other party.

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Condemnation. In the event all or substantially all of the Hotel is taken in any eminent domain, condemnation, compulsory acquisition, or similar proceeding by any competent authority for any public or quasi-public use or purpose, or in the event that a portion of the Hotel will be taken, but the result is that it is unreasonable to continue to operate the Hotel in accordance with the standards of the management agreement, the management agreement will terminate. Each party will have the right to initiate any such proceedings they deem advisable to recover any compensation to which they may be entitled.

Events of Default. Subject to certain qualifications, after an Event of Default, the management agreement is generally terminable by the non-defaulting party if (a) the event of default has a material adverse effect on the non-defaulting party, and (b) if the defaulting party contests the occurrence of the Event of Default or its effect on the non-defaulting party, a court of competent jurisdiction has issued a final, binding and non-appealable order finding that the event of default has occurred and that it has had such a material adverse effect. Events of Default under the management agreement generally include, but are not limited to the following: the filing of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law by either party, or the admission by either party that it is unable to pay its debts as they become due; the consent to an involuntary petition in bankruptcy or the failure to vacate within ninety (90) days from the day of entry thereof, any order approving an involuntary petition by either party; and the failure of either party to perform, keep or fulfill any of the other covenants, undertakings, obligations or conditions set forth in the management agreement, and the continuance of such default for a period of thirty (30) days after the defaulting party's receipt of notice from the non-defaulting party of such a failure.

Repayment of Initial Payment. If the management agreement were to terminate for any reason during its initial thirty-five year term, except under certain limited exceptions (as described in the management agreement), we will be required to pay to Manager a certain portion of the unamortized Initial Payment, calculated in accordance with the terms of the management agreement.

Retained Management Rights Under the Management Agreement. Pursuant to the terms of the management agreement, and subject to the limitations described therein, we will have the right to participate with Manager in the decision making process with respect to certain management activities including, but not limited to, the following:

review and approval of certain aspects of Manager's preliminary business plan; provided that, should we disapprove of an item in the preliminary business plan and be unable to come to an agreement with Manager regarding such item, then a panel of experts will resolve the dispute;

review and approval of Manager's assessment recommendations concerning the funding of the FF&E Reserve; provided that, should we disapprove of an FF&E estimate and be unable to come to an agreement with Manager regarding such estimate, then a panel of experts will resolve the dispute;

review and approval of Capital Expenditures; provided that, should we disapprove of a Capital Expenditure and be unable to come to an agreement with Manager regarding such expenditure, then a panel of experts will resolve the dispute;

control over and the right to manage, through one of our Affiliates or a third-party, any Hotel renovation or construction project that exceeds a total budget cost of \$750,000, as adjusted by the GDP Deflator; and

review and approval of the hiring of any Senior Manager; provided that, should we reject three successive candidates for a single position, Manager will have the right, at its discretion, to fill the position with one of the rejected candidates.

Management Agreement Limitations on Secured Debt. Subject to the pooling agreement described below, the management agreement provides for the following limitations on indebtedness encumbering a Hotel:

The aggregate principal balance of all mortgage and mezzanine debt encumbering the Hotel shall be no greater than 75% of the fair market value of the Hotel; and

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The ratio of (a) aggregate Operating Profit (in the 12 months prior to the closing on the mortgage or mezzanine debt) to (b) annual debt service for the Hotel shall equal or exceed 1.2:1.

Pooling Agreement

The pooling agreement provides for (i) the calculation of the Incentive Management Fees for the Gaylord Hotels properties on an aggregated basis; and (ii) the application of the limitations on secured debt on an aggregated basis.

Pooled Incentive Management Fee. The pooled Incentive Management Fee will be equal to the following:

For the first two full fiscal years of the Term, an amount that is equal to twenty percent (20%) of Pooled Available Cash Flow for such fiscal year or portion thereof;

For the third (3rd) full fiscal year of the Term, the sum of ten percent (10%) of the first ten million dollars (\$10,000,000) of Pooled Available Cash Flow for such fiscal year, plus twenty percent (20%) of any additional Pooled Available Cash Flow for such fiscal year; and

Commencing with the fourth (4th) full fiscal year of the Term, with respect to each such fiscal year or portion thereof, the sum of ten percent (10%) of the first fifteen million (\$15,000,000) of Pooled Available Cash Flow for such fiscal year, plus twenty percent (20%) of any additional Pooled Available Cash Flow for such fiscal year or portion thereof.

Pooled Available Cash Flow is the amount by which Operating Profit for all then Pooled Hotels exceeds Owner's Priority.

Pooled Limitations on Secured Debt. The pooled limitations on Secured Debt will be as follows:

The aggregate principal balance of all mortgage and mezzanine debt on Pooled Hotels shall be no more than 75% of the fair market value of Pooled Hotels.

The ratio of (a) aggregate Operating Profit of Pooled Hotels (in the 12 months prior to closing on any mortgage or mezzanine debt), to (b) annual debt service for the Pooled Hotels, shall equal or exceed 1.2:1.

Opry and Attractions

In connection with the REIT conversion, we will own our Opry and Attractions businesses in TRSs which will conduct their business consistent with past practice, except that we will negotiate management or service agreements for Marriott to manage Gaylord Springs Golf Links. In addition, we may negotiate and enter into additional management or service agreements with Marriott with respect to certain of our other Opry and Attractions businesses, including the General Jackson and the Wildhorse Saloon. Any future management or service agreements we enter into will be fully negotiated and made pursuant to reasonable and customary industry terms and conditions.

The Grand Ole Opry. The Grand Ole Opry, which celebrated its 86th anniversary in 2011, 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 Gaylord Opryland complex. The Grand Ole Opry moved to the Opry House in 1974 from its most famous home in the Ryman Auditorium in downtown Nashville. Each week, the Grand Ole Opry is broadcast live to millions of country lifestyle consumers on radio via WSM-AM and Sirius/XM Radio and streamed on the Internet. Select performances of the Grand Ole Opry are also broadcast on television via the Great American Country network. The show has been broadcast since 1925 on WSM-AM, making it the longest running live radio program in the United States. In addition to performances by its members, the Grand Ole Opry presents performances by many other country music artists.

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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 2011 to January 2012. The Ryman Auditorium has been nominated for Theatre of the Year by Pollstar Concert Industry Awards from 2003 to 2011, winning the award in 2003, 2004, 2010 and 2011, and was named the Venue of the Year by the Academy of Country Music in 2009 and 2011.

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 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, 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.

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 currently includes operating and selling, general and administrative expenses related to the overall management of Gaylord which are not allocated to the other reportable segments, including costs for Gaylord's retirement plans, equity-based compensation plans, information technology, human resources, accounting, and other administrative expenses, and formerly included our ownership interests in certain investments described below under the section entitled Selected Financial Data Historical Consolidated Financial Data beginning on page 97. Following the consummation of the Marriott sale transaction, we anticipate that our corporate overhead expenses will be reduced.

Employees

As of December 31, 2011, we had approximately 6,680 full-time and 3,683 part-time and temporary employees. Of these, approximately 6,057 full-time and 3,143 part-time employees were employed in Hospitality; approximately 298 full-time and 538 part-time employees were employed in Opry and Attractions; and approximately 325 full-time and 2 part-time employees were employed in Corporate and Other. We believe our relations with our employees are good.

As of December 31, 2011, approximately 1,400 employees at Gaylord National were represented by labor unions and are working pursuant to the terms of the collective bargaining agreements which have been negotiated with the four unions representing these employees.

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Upon consummating the Marriott sale transaction, we will transfer to Marriott approximately 8,400 employees who currently work at our Gaylord Hotels properties. In addition, in connection with the REIT conversion, we anticipate that there will be a reorganization within, and a reduction in the number of members of, our current executive management team and the other employees currently within the Corporate and Other segment. In connection with the reorganization, we anticipate that our corporate overhead expenses within the Corporate and Other segment will be reduced. Although the specific actions to be taken in connection with this reorganization have not yet been finally determined, we anticipate that we will terminate the employment of approximately 310 employees within our Corporate and Other segment of whom approximately 40% will transition their employment to Marriott. The severance cost associated with these terminations is included within our \$19 million estimate of severance and retention costs related to the REIT conversion.

Competition

Hospitality

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

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

Opry and Attractions

The Grand Ole Opry and our other attractions businesses compete with all other forms of entertainment and recreational activities. The success of the Opry and Attractions group is dependent upon certain factors beyond our control, including economic conditions, the amount of available leisure time, transportation costs, 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. The group convention business at our Gaylord Hotels properties is subject to reduced levels of demand during the year-end holiday periods.

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Regulation and Legislation

Hospitality

Our hotel properties are subject to certain federal, state, and local governmental laws and regulations including, without limitation, labor regulations, health and safety laws and environmental regulations applicable to hotel and restaurant operations. The hotels are also subject to the requirements of the ADA 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. Following consummation of the Marriott sale transaction, we will no longer be in control of many of these activities at our Gaylord Hotels properties, and we will rely on Marriott to comply with all such federal, state and local governmental laws and regulations with respect to such properties. After we engage a third-party hotel manager to operate and manage the Radisson Hotel at Opryland, we will rely on such third-party hotel manager to comply with such laws and regulations with respect to the Radisson Hotel at Opryland.

Opry and Attractions

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

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

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 Gaylord Opryland complex, which contains approximately 84,000 square feet of space. We believe that these facilities and the facilities described below, which are utilized for each of our business segments, are adequately covered by the insurance we carry and are generally well maintained.

Hospitality

We own our Gaylord 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 Gaylord Opryland complex. We have leased a 65-acre tract in Osceola County, Florida, on which Gaylord Palms is located, pursuant to a 75-year ground lease with a 24-year renewal option. We acquired

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approximately 85 acres in Grapevine, Texas, through ownership (approximately 75 acres) and ground lease (approximately 10 acres), on which Gaylord Texan is located. We also own an additional 25 acres of property adjacent to Gaylord Texan. We own approximately 42 acres on the Potomac River in Prince George's County, Maryland, on which Gaylord National is located. All existing hotel properties secure our \$925 million senior secured credit facility, as described in the section entitled "Management's Discussion & Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" beginning on page 128. After the REIT conversion, each of our hotel properties will be leased back to our TRSs.

Opry and Attractions Group

We own the General Jackson Showboat's docking facility and the Opry House, both of which are located within the Gaylord 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 Gaylord Opryland complex. In downtown Nashville, we own the Ryman Auditorium and the Wildhorse Saloon dance hall and production facility. We own WSM-AM Radio's offices and studios, which are also located within the Gaylord Opryland complex.

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, referred to as 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.

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INVESTMENT POLICIES AND POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

The following is a discussion of our anticipated policies with respect to investments and certain other activities, including financial matters and conflicts of interest. Upon completion of the merger and the REIT conversion, these policies will be determined and periodically thereafter amended by our board of directors without notice to, or a vote of, our stockholders, except that changes in certain policies with respect to conflicts of interest must be consistent with legal and contractual requirements. Any change to any of these policies by our board of directors, however, would be made only after thorough review and analysis of the change in light of then-existing business and other circumstances, and then only if, in the exercise of the board of directors' business judgment, our board of directors believes that it is advisable to do so and in our stockholders' best interests. We cannot assure you that our investment objectives will be attained.

Investments in Real Estate or Interests in Real Estate

Following the completion of the REIT conversion, we will invest principally in hotels. Our senior executive officers will identify and negotiate acquisition opportunities, subject to approval by our board of directors. We will conduct substantially all of our investment activities through our Operating Partnership and its subsidiaries. Our primary investment objectives are to enhance stockholder value over time by generating strong returns on invested capital, consistently paying attractive distributions to our stockholders and achieving long-term appreciation in the value of our hotel properties.

There are no limitations on the amount or percentage of our total assets that may be invested in any one hotel property. Additionally, no limits have been set on the concentration of investments in any one location or property type.

Additional criteria with respect to investments in hotel properties is described in the section entitled "Our Business Strategy" beginning on page 69.

Investments in Mortgages, Structured Financings and other Lending Policies

We do not currently intend to invest in loans secured by properties or make loans to persons. However, we do not have a policy limiting our ability to invest in loans secured by other properties or to make loans to other persons. We may make loans to joint ventures in which we may participate in the future. However, we do not intend to engage in significant lending activities.

Investments in Securities of or Interests in Persons Primarily Engaged in Real Estate Activities and other Issuers

Generally speaking, we do not expect to engage in any significant investment activities with other entities, although we may consider joint venture investments with other investors. We may also invest in the securities of other issuers in connection with acquisitions of indirect interests in properties (normally general or limited partnership interests in special purpose partnerships owning properties). We may in the future acquire some, all or substantially all of the securities or assets of other REITs or similar entities where that investment would be consistent with our investment policies and the REIT qualification requirements. There are no limitations on the amount or percentage of our total assets that may be invested in any one issuer, other than those imposed by the gross income and asset tests that we must satisfy to qualify as a REIT. However, we do not anticipate investing in other issuers of securities for the purpose of exercising control or acquiring any investments primarily for sale in the ordinary course of business or holding any investments with a view to making short-term profits from their sale. In any event, we do not intend that our investments in securities will cause us or any of our subsidiaries to fall within the definition of an "investment company" under the Investment Company Act of 1940, as amended, and we intend to divest securities before any registration under that act would be required.

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We do not intend to engage in trading, underwriting, agency distribution or sales of securities of other issuers.

Disposition Policy

Although we have no current plans to dispose of any of our hotel properties, we may consider doing so, subject to REIT qualification and prohibited transaction rules under the Code, if our management determines that a sale of a property would be in our interests based on the price being offered for the hotel, the operating performance of the hotel, the tax consequences of the sale and other factors and circumstances surrounding the proposed sale. See the section entitled **Risk Factors Risks Related to Our Business and Properties** beginning on page 34.

Financing Policies

We expect our primary source of debt funding will be our \$925 million senior secured credit facility and debt capital markets. Our board of directors has not established a limitation on the debt that we may incur.

Prior to consummating the Marriott sale transaction, we must obtain waivers and consents of the required lenders pursuant to our \$925 million senior secured credit facility to amend the facility to accommodate the Marriott sale transaction, the merger, and the REIT conversion. We anticipate that such amendment, among other things, will (i) permit dividends to the extent permitted by the indenture for our 6.75% senior notes, and, if such indenture is terminated, to the extent necessary for us to maintain REIT status, (ii) allow our TRS lessees to lease our hotel properties, and (iii) update the facility generally to permit us to restructure and operate our business as described in the section entitled

Restructuring Transactions in Connection with the REIT Conversion beginning on page 61. Although we believe that we will be able to obtain such waivers and consents, we cannot assure you that the required lenders will agree to the amendment of our \$925 million senior secured credit facility in a timely manner, or at all.

The level of our indebtedness is restricted by the terms of our current credit facility and the indenture for our 6.75% senior notes.

Under the credit facility, we must maintain (i) a consolidated funded indebtedness to total asset value ratio as of the end of each calendar quarter of not more than 65%, (ii) a consolidated tangible net worth in an amount equal to at least \$850 million, plus 75% of net cash proceeds received in connection with any equity issuance, minus such amounts paid in connection with the repurchase of our common stock from TRT Holdings, (iii) a consolidated fixed charge coverage ratio of not less than 1.75 to 1.00, and (iv) 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.

Under the indenture for our 6.75% senior notes, we may incur indebtedness only if either (i) the fixed charge coverage ratio for our most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional indebtedness is incurred is at least 2.00 to 1.00, determined on a pro forma basis (including a pro forma application of the net proceeds of the debt) as if the additional indebtedness had been incurred at the beginning of such four-quarter period, or (ii) such indebtedness fits within any of the categories of **permitted debt** set forth in the indenture.

We anticipate that any amendments to our \$925 million senior secured credit facility and any future debt that we issue will limit our levels of indebtedness.

In addition, our level of indebtedness secured by our Gaylord Hotels properties or our ownership interest in entities that own such properties will be limited by the terms of the applicable hotel management agreement and pooling agreement with Marriott. For additional information regarding these debt limitations, see the section entitled **Our Business Our Relationship with Marriott Management Agreement and Pooling Agreement with Marriott** beginning on page 75.

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In the future, we will consider a number of factors when evaluating our level of indebtedness and making financial decisions, including, among others, the following:

the interest rate of the proposed financing;

the extent to which the financing impacts our ability to asset manage our properties;

prepayment penalties and restrictions on refinancing;

our long-term objectives with respect to the financing;

our target investment returns;

the ability of particular properties, and our company as a whole, to generate cash flow sufficient to cover expected debt service payments;

our overall level of indebtedness;

timing of debt maturities;

provisions that require recourse and cross-collateralization;

corporate credit ratios, including debt service coverage, debt to total market capitalization and debt to undepreciated assets; and

the overall ratio of fixed- and variable-rate debt.

Equity Capital Policies

Subject to applicable law and the requirements for listed companies on the NYSE, our board of directors will have the authority, without further approval of our stockholders, to issue additional authorized shares of common stock and preferred stock or otherwise raise capital, including through the issuance of senior securities, in any manner and on the terms and for the consideration it deems appropriate, including in exchange for property. Existing stockholders will have no preemptive right to additional shares issued in any offering, and any offering might cause a dilution to the interests of our existing stockholders. We may in the future issue common shares in connection with acquisitions. In connection with acquisitions of property, we also may issue limited partnership interests in our Operating Partnership, which we anticipate would be convertible on a one-for-one basis into shares of our common stock.

Our board of directors may authorize the issuance of shares of preferred stock with terms and conditions that could have the effect of delaying, deterring or preventing a transaction or a change in control that might involve a premium price for its holders of common stock or otherwise might be in their best interests. Additionally, shares of preferred stock could have distribution, voting, liquidation and other rights and preferences that are senior to those of our common stock.

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We may, under certain circumstances, purchase common or preferred shares in the open market or in private transactions with our stockholders if such purchases are approved by our board of directors.

In the future, we may institute a dividend reinvestment plan which would allow our stockholders to acquire additional common shares by automatically reinvesting their cash dividends. Shares would be acquired pursuant to the plan at a price equal to the then prevailing market price, without payment of brokerage commissions or service charges. Stockholders who do not participate in such a plan would continue to receive cash distributions as declared.

Reporting Policies

We are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended. Pursuant to these requirements, we are required to file periodic reports, proxy statements and other

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information, including annual audited financial statements, with the SEC, and will in the future furnish to our stockholders annual reports containing consolidated financial statements audited by our independent certified public accountants.

Other Activities

At all times, we intend to operate and to invest so as to comply with the Code requirements related to REIT qualification unless, due to changing circumstances or changes to the Code or in Treasury regulations, the board of directors determines that it is no longer in the best interests of us and our stockholders to qualify as a REIT.

Table of Contents**PRO FORMA FINANCIAL INFORMATION**

The following tables present selected financial data from our audited consolidated statement of operations for the year ended December 31, 2011 and our unaudited condensed consolidated statement of operations for the six months ended June 30, 2012, as well as our unaudited condensed consolidated balance sheet as of June 30, 2012. The following unaudited pro forma financial data gives effect to the (i) Marriott sale transaction, (ii) REIT conversion, and (iii) our repurchase of 5,000,000 shares of common stock from TRT Holdings. The unaudited pro forma balance sheet is presented as if these transactions had occurred on June 30, 2012. The unaudited pro forma statements of operations present the effects of these transactions as though each had occurred on January 1, 2011, but calculated as each is expected to occur based on actual data as of June 30, 2012. The unaudited pro forma consolidated financial data is based on the estimates and assumptions set forth in the notes to such statements, which are preliminary and have been made solely for the purposes of developing such pro forma information. We believe these pro forma adjustments are reasonable; however, actual results may materially and adversely differ from the pro forma information. The unaudited pro forma consolidated financial data is not necessarily indicative of the financial position or operating results that would have been achieved had the transactions been completed as of the dates indicated, nor are they necessarily indicative of future financial position or operating results. This information should be read in conjunction with the historical financial statements and related notes included in, or incorporated by reference into, this proxy statement/prospectus.

The unaudited pro forma condensed consolidated statement of operations and condensed consolidated balance sheet do not reflect the following:

one-time costs related to the REIT conversion and Marriott sale transaction currently estimated to be \$55 million, including approximately \$10 million in investment banking fees, \$6 million in legal fees, \$4 million in consulting fees, \$19 million in severance and retention costs, and \$16 million in conversion costs;

anticipated federal income taxes associated with the receipt of the purchase price in the Marriott sale transaction and other transactions related to the REIT conversion, net of remaining net operating losses, of approximately \$43 million to \$53 million; or

anticipated annualized costs synergies, net of management fees, of approximately \$33 million to \$40 million.

In addition, the pro forma adjustments do not reflect the estimated amount to be paid in the special E&P distribution, which is currently projected to be paid in the fourth quarter of 2012, combined with the corresponding adjustment to the conversion price of our 3.75% convertible senior notes, that is expected to eliminate our pre-REIT earnings and profits which is our earnings and profits or E&P attributable to our and our predecessors operations for taxable periods ending prior to January 1, 2013, the effective date of our REIT election. Based on an E&P study that we had performed in 2011 and 2012, this combined amount, after giving effect to our repurchase of 5,000,000 shares of common stock from TRT Holdings, is currently estimated to be \$432.5 million. The determination of our E&P is based on applicable tax principles and will not bear a correlation to book basis retained earnings, or the retained earnings shown in our June 30, 2012 balance sheet, because of differences that exist between tax and book income and expenses. Based on our estimates of E&P, and provided that we obtain a ruling from the IRS in the form anticipated, (i) we expect to distribute an estimated \$333.5 million in the special E&P distribution and (ii) approximately \$99 million will be deemed distributed to the holders of our convertible notes in connection with the adjustment to the conversion price of the convertible notes pursuant to the anti-dilution features of the notes.

The special E&P distribution will be comprised of cash or our common stock, at each stockholder's election, subject to a cap on the total amount of cash of 20% of the amount of the special E&P distribution. Assuming that the 20% cap applies, the special E&P distribution is expected to consist of \$66.7 million in cash and \$266.8 million in shares of our common stock. The actual number of shares of our common stock distributed as the stock portion of the E&P distribution will be determined by dividing the dollar value of the stock portion

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by the average closing price per share of our common stock on the NYSE during a three-day period following the deadline for stockholder elections. We expect to receive a private letter ruling from the IRS that both the cash and stock components of the special E&P distribution will be treated as a taxable distribution, provided that the cap on cash will be no less than 20% of the amount of the special E&P distribution, in accordance with IRS practice.

The pro forma financial results assume that 100% of taxable income has been distributed and that all relevant REIT qualifying tests, as dictated by the Code and IRS rules and interpretations, were met for the entire year.

For accounting purposes, the merger of Gaylord with and into Granite will be treated as a transfer of assets and exchange of shares between entities under common control. The accounting basis used to initially record the assets and liabilities in Granite will be the carryover basis of Gaylord. The stockholders' equity of Granite will be that carried over from Gaylord.

Table of Contents**Gaylord Entertainment Company and Subsidiaries****Pro Forma Condensed Consolidated Statement of Operations****(Unaudited)****For the Year Ended December 31, 2011****(Amounts in thousands, except per share data)**

| | Actual | Sale of Gaylord Hotels Brand and Management Rights | REIT Conversion | Repurchase Agreement | Pro Forma |
|--|------------|--|--------------------|-------------------------|------------|
| Revenues | \$ 952,144 | | | | \$ 952,144 |
| Operating Expenses: | | | | | |
| Operating Costs | 566,390 | | | | 566,390 |
| Selling, general and administrative | 179,301 | | | | 179,301 |
| Management fees | | \$ 14,658(a)(b) | | | 14,658 |
| Casualty loss | 1,225 | | | | 1,225 |
| Preopening costs | 408 | | | | 408 |
| Depreciation and amortization | 125,289 | | | | 125,289 |
| Operating income | 79,531 | (14,658) | \$ | \$ | 64,873 |
| Interest expense, net of amounts capitalized | (74,673) | | | (4,623)(e) | (79,296) |
| Interest income | 12,460 | | | | 12,460 |
| Income from unconsolidated companies | 1,086 | | | | 1,086 |
| Other gains and (losses) | (916) | | | | (916) |
| Income before income taxes and discontinued operations | 17,488 | (14,658) | | (4,623) | (1,793) |
| (Provision) benefit for income taxes | (7,420) | | 9,732(c) | | 2,312 |
| Income from continuing operations | \$ 10,068 | \$ (14,658) | \$ 9,732 | \$ (4,623) | \$ 519 |
| Income per share from continuing operations: | | | | | |
| Basic | \$ 0.21 | | | | \$ 0.01 |
| Diluted | \$ 0.20 | | | | \$ 0.01 |
| Weighted average shares outstanding: | | | | | |
| Basic | 48,351 | | | (5,000)(e) | 43,351 |
| Diluted | 49,783 | | | (5,000)(e) | 44,783 |

See accompanying notes to unaudited condensed consolidated pro forma financial statements

Table of Contents**Gaylord Entertainment Company and Subsidiaries****Pro Forma Condensed Consolidated Statement of Operations****(Unaudited)****For the Six Months Ended June 30, 2012****(Amounts in thousands, except per share data)**

| | Actual | Sale of Gaylord Hotels Brand and Management Rights | REIT Conversion | Repurchase Agreement | Pro Forma |
|--|------------|--|--------------------|-------------------------|------------|
| Revenues | \$ 492,144 | | | | \$ 492,144 |
| Operating Expenses: | | | | | |
| Operating Costs | 274,199 | | | | 274,199 |
| Selling, general and administrative | 101,080 | | | | 101,080 |
| Management fees | | \$ 10,302(a)(b) | | | 10,302 |
| Casualty loss | 546 | | | | 546 |
| Preopening costs | 339 | | | | 339 |
| Depreciation and amortization | 62,688 | | | | 62,688 |
| Operating income | 53,292 | (10,302) | \$ | \$ | 42,990 |
| Interest expense, net of amounts capitalized | (28,813) | | | (2,312)(e) | (31,125) |
| Interest income | 6,175 | | | | 6,175 |
| Income from unconsolidated companies | 109 | | | | 109 |
| Income before income taxes and discontinued operations | 30,763 | (10,302) | | (2,312) | 18,149 |
| (Provision) benefit for income taxes | (15,783) | | 17,413(c) | | 1,630 |
| Income from continuing operations | \$ 14,980 | \$ (10,302) | \$ 17,413 | \$ (2,312) | \$ 19,779 |
| Income per share from continuing operations: | | | | | |
| Basic | \$ 0.31 | | | | \$ 0.45 |
| Diluted | \$ 0.29 | | | | \$ 0.43 |
| Weighted average shares outstanding: | | | | | |
| Basic | 48,844 | | | (5,000)(e) | 43,844 |
| Diluted | 51,402 | | | (5,000)(e) | 46,402 |

See accompanying notes to unaudited condensed consolidated pro forma financial statements

Table of Contents**Gaylord Entertainment Company and Subsidiaries****Pro Forma Condensed Consolidated Balance Sheet****(Unaudited)****As of June 30, 2012****(Amounts in thousands, except per share data)**

| | Actual | Sale of Gaylord Hotels Brand and Management Rights | REIT Conversion | Repurchase Agreement | Pro Forma |
|--|--------------|--|--------------------|-------------------------|--------------|
| ASSETS: | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents unrestricted | \$ 29,504 | \$ 210,000(a) | | | \$ 239,504 |
| Cash and cash equivalents restricted | 1,150 | | | | 1,150 |
| Trade receivables, less allowance of \$540 | 54,194 | | | | 54,194 |
| Deferred income taxes | 4,993 | | \$ (1,900)(d) | | 3,093 |
| Other current assets | 44,397 | | | | 44,397 |
| Total current assets | 134,238 | 210,000 | (1,900) | \$ | 342,338 |
| Property and equipment, net of accumulated depreciation | 2,200,616 | | | | 2,200,616 |
| Notes receivable, net of current portion | 145,271 | | | | 145,271 |
| Long-term deferred financing costs | 13,602 | | | | 13,602 |
| Other long-term assets | 52,285 | | | | 52,285 |
| Long-term assets of discontinued operations | 335 | | | | 335 |
| Total assets | \$ 2,546,347 | \$ 210,000 | \$ (1,900) | \$ | \$ 2,754,447 |
| LIABILITIES AND STOCKHOLDERS | | | | | |
| EQUITY: | | | | | |
| Current liabilities: | | | | | |
| Current portion of long-term debt and capital lease obligations | \$ 750 | | | | \$ 750 |
| Accounts payable and accrued liabilities | 151,735 | | | | 151,735 |
| Current liabilities of discontinued operations | 147 | | | | 147 |
| Total current liabilities | 152,632 | \$ | \$ | \$ | 152,632 |
| Long-term debt and capital lease obligations, net of current portion | 1,034,456 | | | 185,000(e) | 1,219,456 |
| Deferred income taxes | 119,817 | | (57,752)(d) | | 62,065 |
| Deferred management rights proceeds | | 190,000(a) | | | 190,000 |
| Other long-term liabilities | 170,779 | | | | 170,779 |
| Long-term liabilities of discontinued operations | 451 | | | | 451 |
| 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, 49,098 shares issued and outstanding | 491 | | | (50)(e) | 441 |
| Additional paid-in capital | 937,592 | | | | 937,592 |
| Treasury stock of 385 shares, at cost | (4,599) | | | | (4,599) |

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| | | | | | |
|---|--------------|------------|------------|--------------|--------------|
| Retained earnings | 170,759 | 20,000(a) | | (184,950)(e) | |
| | | | 55,852(d) | | 61,661 |
| Accumulated other comprehensive loss: | (36,031) | | | | (36,031) |
| Total stockholders equity | 1,068,212 | 20,000 | 55,852 | (185,000) | 959,064 |
| Total liabilities and stockholders equity | \$ 2,546,347 | \$ 210,000 | \$ (1,900) | \$ | \$ 2,754,447 |

See accompanying notes to unaudited condensed consolidated pro forma financial statements

Table of Contents**Notes to Unaudited Condensed Consolidated Pro Forma Financial Statements****(a) *Deferred Management Rights Proceeds and Gain on Sale of Intellectual Property***

We will receive \$210 million from Marriott upon the closing of the Marriott sale transaction in exchange for rights to manage our Gaylord Hotels properties, which we refer to as the Management Rights, and certain intellectual property, which we refer to as the IP Rights. Based on our initial estimates for purposes of this pro forma financial information, we have preliminarily allocated \$190 million of the purchase price to the Management Rights and \$20 million to the IP Rights, which allocation was based on our estimates of the fair values for the respective components. We estimated the fair value of each component by constructing two distinct discounted cash flow models.

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

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

The amount related to the Management Rights will be deferred and amortized on a straight line basis over the 65-year term of the four hotel management agreements, including extensions, as a reduction in management fee expense for financial accounting purposes. The amount related to the IP Rights will be recognized into income as other gains and losses as of the closing of the transaction and has not been reflected in our unaudited pro forma condensed consolidated statements of operations.

(b) *Management Agreement*

We will owe Marriott an annual management fee of 2% of revenue to operate and manage our Gaylord Hotels properties, as well as an incentive fee in accordance with the pooling agreement if certain income levels are met.

For the 2011 period, the base management fee was calculated as 2% of our Gaylord Hotels properties revenue (2% x \$879,062,000), or approximately \$17,581,000. No incentive fee would have been earned. The base management fee amount was reduced by the amortization of the deferred management rights proceeds discussed in footnote (a) above, or approximately \$2,923,000.

For the 2012 period, the base management fee was calculated as 2% of our Gaylord Hotels properties revenue (2% x \$453,935,000), or approximately \$9,079,000. Based on income levels during the 2012 period (as

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defined in the hotel management agreements), approximately \$2,685,000 would have been earned under the incentive fee. The base management fee amount was reduced by the amortization of the deferred management rights proceeds discussed in footnote (a) above, or approximately \$1,462,000.

(c) Income Taxes

As a result of the assumed REIT election (for pro forma purposes) effective as of January 1, 2011, income taxes would no longer be payable on certain of our activities due to the deduction for dividends paid for which REITs are eligible. The following table details the pretax income items considered to be part of the non-taxable REIT and hence were assumed not to give rise to tax liability or benefit as well as the pretax income items considered to be part of the TRS:

Gaylord Entertainment Company and Subsidiaries**Pro Forma Pre-Tax Book Income Reconciliation****(Unaudited)****For the Year Ended December 31, 2011 & For the Six Months Ended June 30, 2012****(Amounts in thousands)**

| | For the Year Ended December 31, 2011 | For the Six Months Ended June 30, 2012 |
|--|---|---|
| <u>REIT Pre-Tax Book Income Reconciliation</u> | | |
| Operating income from tenant leases | \$ 142,050 | \$ 89,739 |
| General and administrative costs | (34,040) | (17,956) |
| Interest costs | (70,782) | (26,997) |
| Allocated corporate administrative costs | (29,324) | (20,803) |
| REIT pre-tax book income | 7,904 | 23,983 |
| <u>TRS Pre-Tax Book Income Reconciliation</u> | | |
| Net operating income from TRS lessees | 8,436 | 4,144 |
| Operating income from non-REIT activities before general, administrative, and allocated corporate administrative costs | 20,418 | 11,513 |
| General, administrative, and allocated corporate administrative costs | (30,115) | (17,347) |
| Allocated interest costs | (8,436) | (4,144) |
| TRS pre-tax book income (loss) | (9,697) | (5,834) |
| Total pre-tax book Income (loss) | \$ (1,793) | \$ 18,149 |

We allocate corporate costs of services directly to the operating units based on the benefits to be received by those operating units.

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The following table is a reconciliation of the adjustment to income tax expense. For the income items considered to be part of the TRS, an average tax rate of 39.23% has been assumed.

Gaylord Entertainment Company and Subsidiaries**Pro Forma Provision for Income Taxes Adjustment****(Unaudited)****For the Year Ended December 31, 2011 & For the Six Months Ended June 30, 2012****(Amounts in thousands)**

| | For the Year Ended December 31, 2011 | For the Six Months Ended June 30, 2012 |
|---|---|---|
| TAX IMPACT OF ADJUSTMENT: | | |
| Change in pre-tax income at 35% | \$ (6,748) | \$ (4,415) |
| Non-taxable REIT income at 35% | (2,767) | (8,394) |
| Permanent items | (203) | (3,068) |
| Tax credits | 1,330 | 884 |
| Valuation allowance | 347 | |
| State taxes | (1,691) | (2,420) |
| Provision of income taxes adjustment | \$ (9,732) | \$ (17,413) |

State income taxes were calculated using an estimated state rate based on the apportionment and effective state rates for the states in which Gaylord currently operates.

Table of Contents**(d) *Deferred Income Taxes***

The REIT conversion would create a one-time reversal through our statement of operations of deferred tax assets and liabilities for assets and liabilities no longer subject to income taxes at the REIT level. The pro forma results include the reversal of current deferred tax assets of approximately \$1.9 million and noncurrent deferred tax liabilities of approximately \$57.8 million. The actual reversal upon REIT election may vary depending on the assets within the TRS at the time of the actual REIT conversion, however, we do not expect any change to be material. This reversal has not been reflected in our unaudited pro forma condensed consolidated statement of operations. The following table is a list of the deferred tax assets and liabilities being reversed as a result of the REIT election.

Gaylord Entertainment Company and Subsidiaries**Pro Forma Reversal of Deferred Tax Balances Summary****(Unaudited)****As of June 30, 2012****(Amounts in thousands)**

| DEFERRED TAX ASSETS & LIABILITIES: | Dr./ (Cr.) |
|---|-------------------|
| Accounting Reserves & Accruals | \$ (493) |
| Tax Credits & Other Carryforwards | (2,295) |
| Defined Benefit Plan | |
| Investments in Stock and Derivatives | (539) |
| Goodwill & Other Intangibles | 477 |
| Other Deferred Tax Liabilities | 11,239 |
| Net Operating Loss Carryforwards | (73,465) |
| Other Deferred Tax Assets | (246) |
| Property & Equipment | 138,721 |
| Investment in Partnerships | (3,321) |
| Rent Escalation | (26,692) |
| Valuation Allowance | 12,466 |
| Total | \$ 55,852 |

(e) *Repurchase Agreement*

Under the repurchase agreement, we repurchased 5,000,000 shares of Gaylord common stock from TRT Holdings at a price of \$37.00 per share. The cost of this repurchase was funded with additional borrowings under our \$925 million senior secured credit facility.

The interest expense associated with this additional borrowing of \$185.0 million was calculated using the interest rate in effect at the time of the transaction for our revolving credit facility, which was approximately 2.5%.

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SELECTED FINANCIAL DATA

Historical Consolidated Financial Data

The following tables present a summary of historical consolidated financial data as of the dates and for the periods indicated for Gaylord, which, upon completion of the merger, will be deemed to be the predecessor of Granite for accounting purposes.

The selected statement of operations data presented below for the six months ended June 30, 2012 and 2011 have been derived from Gaylord's unaudited consolidated financial statements and related notes thereto incorporated by reference into this proxy statement/prospectus. The selected financial income statement data presented below for the fiscal years ended December 31, 2011, 2010 and 2009 and the selected balance sheet data as of December 31, 2011 and 2010 have been derived from Gaylord's audited consolidated financial statements and related notes thereto incorporated by reference into this proxy statement/prospectus. The income statement data presented below for the fiscal years ended December 31, 2008 and 2007 and the selected balance sheet data as of December 31, 2009, 2008 and 2007 have been derived from Gaylord's audited consolidated financial statements and the notes thereto, which are not incorporated by reference into this proxy statement/prospectus. The information in the following table may not be comparable to the operation of Granite on a going-forward basis following completion of the merger and the REIT conversion and thus may not be indicative of Granite's future performance.

The following information does not provide all of the information contained in Gaylord's financial statements, including the related notes. It is important for you to read the following summary of selected financial data together with the section entitled "Management's Discussion & Analysis of Financial Condition and Results of Operations" beginning on page 100 and with Gaylord's consolidated financial statements and accompanying notes incorporated by reference into this proxy statement/prospectus.

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| (in thousands, except for per share amounts) | Years Ended December 31, | | | | | Unaudited Six Months Ended June 30, | |
|--|--------------------------|-------------|------------|------------|------------|---|------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2012 | 2011 |
| Income Statement Data: | | | | | | | |
| Revenues: | | | | | | | |
| Hospitality | \$ 886,634 | \$ 722,938 | \$ 814,154 | \$ 848,332 | \$ 669,743 | \$ 459,095 | \$ 427,515 |
| Opry and Attractions | 65,386 | 46,918 | 58,599 | 65,670 | 66,813 | 32,988 | 29,936 |
| Corporate and Other | 124 | 105 | 92 | 412 | 211 | 61 | 62 |
| Total revenues | 952,144 | 769,961 | 872,845 | 914,414 | 736,767 | 492,144 | 457,513 |
| Operating expenses: | | | | | | | |
| Operating costs | 566,390 | 474,609 | 527,074 | 555,225 | 440,975 | 274,199 | 266,624 |
| Selling, general and administrative | 179,301 | 158,169 | 172,361 | 174,325 | 157,845 | 101,080 | 86,126 |
| Casualty loss (1) | 1,225 | 42,321 | | | | 546 | 468 |
| Preopening costs (2) | 408 | 55,287 | | 19,190 | 17,518 | 339 | 41 |
| Impairment and other charges (3) | | | | 19,264 | | | |
| Depreciation and amortization: | | | | | | | |
| Hospitality | 109,521 | 91,117 | 101,444 | 97,229 | 65,369 | 54,882 | 50,566 |
| Opry and Attractions | 5,261 | 4,710 | 4,674 | 4,871 | 5,480 | 2,563 | 2,672 |
| Corporate and Other | 10,507 | 9,734 | 10,449 | 7,651 | 6,480 | 5,243 | 5,090 |
| Total depreciation and amortization | 125,289 | 105,561 | 116,567 | 109,751 | 77,329 | 62,688 | 58,328 |
| Total operating expenses | 872,613 | 835,947 | 816,002 | 877,755 | 693,667 | 438,852 | 411,587 |
| Operating income (loss): | | | | | | | |
| Hospitality | 130,939 | 91,705 | 112,171 | 124,828 | 110,126 | 86,459 | 71,167 |
| Opry and Attractions | 8,760 | 1,237 | 5,050 | 4,834 | 6,518 | 5,593 | 3,223 |
| Corporate and Other | (58,535) | (61,320) | (60,378) | (54,549) | (56,026) | (37,875) | (27,955) |
| Casualty loss (1) | (1,225) | (42,321) | | | | (546) | (468) |
| Preopening costs (2) | (408) | (55,287) | | (19,190) | (17,518) | (339) | (41) |
| Impairment and other charges (3) | | | | (19,264) | | | |
| Total operating income (loss) | 79,531 | (65,986) | 56,843 | 36,659 | 43,100 | 53,292 | 45,926 |
| Interest expense, net of amounts capitalized | (74,673) | (81,426) | (76,592) | (64,069) | (38,536) | (28,813) | (42,186) |
| Interest income | 12,460 | 13,124 | 15,087 | 12,689 | 3,234 | 6,175 | 6,489 |
| Unrealized gain on Viacom stock and CBS stock | | | | | 6,358 | | |
| Unrealized gain on derivatives, net | | | | | 3,121 | | |
| Income (loss) from unconsolidated companies | 1,086 | 608 | (5) | (746) | 964 | 109 | 325 |
| Net gain on extinguishment of debt (5) | | 1,299 | 18,677 | 19,862 | | | |
| Other gains and (losses) (6) | (916) | (535) | 2,847 | 453 | 146,332 | | (50) |
| Income (loss) from continuing operations before income taxes | 17,488 | (132,916) | 16,857 | 4,848 | 164,573 | 30,763 | 10,504 |
| (Provision) benefit for income taxes | (7,420) | 40,718 | (9,743) | (1,016) | (62,845) | (15,783) | (3,832) |
| Income (loss) from continuing operations | 10,068 | (92,198) | 7,114 | 3,832 | 101,728 | 14,980 | 6,672 |
| Income (loss) from discontinued operations, net of taxes (4) | 109 | 3,070 | (7,137) | 532 | 10,183 | 2 | 8 |
| Net income (loss) | \$ 10,177 | \$ (89,128) | \$ (23) | \$ 4,364 | \$ 111,911 | \$ 14,982 | \$ 6,680 |
| Income (Loss) Per Share: | | | | | | | |
| Income (loss) from continuing operations | \$ 0.21 | \$ (1.95) | \$ 0.17 | \$ 0.09 | \$ 2.48 | \$ 0.31 | \$ 0.14 |
| Income (loss) from discontinued operations, net of taxes | | 0.06 | (0.17) | 0.02 | 0.25 | | |
| Net income (loss) | \$ 0.21 | \$ (1.89) | \$ (0.00) | \$ 0.11 | \$ 2.73 | \$ 0.31 | \$ 0.14 |

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Income (Loss) Per Share Assuming Dilution:

| | | | | | | | |
|--|---------|-----------|-----------|---------|---------|---------|---------|
| Income (loss) from continuing operations | \$ 0.20 | \$ (1.95) | \$ 0.17 | \$ 0.09 | \$ 2.41 | \$ 0.29 | \$ 0.13 |
| Income (loss) from discontinued operations, net of taxes | | 0.06 | (0.17) | 0.02 | 0.24 | | |
| Net income (loss) | \$ 0.20 | \$ (1.89) | \$ (0.00) | \$ 0.11 | \$ 2.65 | \$ 0.29 | \$ 0.13 |

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| | 2011 | 2010 | As of December 31, | | | As of June 30, |
|----------------------------|--------------|--------------|--------------------|--------------|--------------|----------------|
| | | | 2009 | 2008 | 2007 | 2012 |
| Balance Sheet Data: | | | | | | |
| Total assets | \$ 2,563,400 | \$ 2,620,933 | \$ 2,661,023 | \$ 2,560,379 | \$ 2,348,504 | \$ 2,546,347 |
| Total debt (7) | 1,073,825 | 1,159,215 | 1,178,688 | 1,262,901 | 981,100 | 1,035,206 |
| Total stockholders equity | 1,045,535 | 1,029,752 | 1,078,684 | 903,219 | 941,492 | 1,068,212 |

- (1) Casualty loss for 2010 reflects \$92.3 million in expenses related to the Nashville Flood, partially offset by \$50.0 million in insurance proceeds, as described more fully in Nashville Flood and Operating Results Casualty Loss in the section entitled Management's Discussion & Analysis of Financial Condition and Results of Operations.
- (2) Preopening costs for 2010 are related to the Gaylord Opryland and Grand Ole Opry House, which were closed during portions of 2010 as a result of the Nashville Flood. Preopening costs for 2008 and 2007 are primarily related to the Gaylord National, which opened in April 2008.
- (3) 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) We have presented the operating results of the following businesses as discontinued operations for all periods presented: Corporate Magic; ResortQuest; Word Entertainment; and Acuff-Rose Music Publishing.
- (5) During 2010, we repurchased \$28.5 million in aggregate principal amount of our outstanding 6.75% senior notes for \$27.0 million. After adjusting for deferred financing costs and other costs, we recorded a pre-tax gain of \$1.3 million as a result of these repurchases. 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 \$62.5 million. After adjusting for 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 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 \$25.4 million. After adjusting for deferred financing costs, we recorded a pre-tax gain of \$19.9 million as a result of the repurchases.
- (6) 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.
- (7) Related primarily to the construction of Gaylord Palms, Gaylord Texan and Gaylord National.

Table of Contents**MANAGEMENT'S DISCUSSION & ANALYSIS****OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Granite has not conducted any activities other than those incident to its formation, the execution of the merger agreement and the preparation of this proxy statement/prospectus. Following the completion of the merger, Granite will succeed to and continue the then existing business of Gaylord. However, after completing the REIT conversion, the operations and management of our hotel properties will be conducted by third-party hotel managers pursuant to management agreements. The information set forth below describes the historical results of Gaylord. Because of the impact of taxes, distributions and the change in our business focus following the consummation of the Marriott sale transaction and the completion of the merger and the REIT conversion, including the impact of our no longer operating or managing our hotel properties, our historical results of operations may not be comparable to the results of our operations following the consummation of such transactions and the REIT conversion. Information concerning significant financial effects of the Marriott sale transaction, the REIT conversion, and the TRT repurchase is contained in the section entitled "Pro Forma Financial Information" beginning on page 88 of this proxy statement/prospectus. Such pro forma financial information reflects adjustments to our balance sheet as if these transactions had occurred on June 30, 2012 and to our statements of operations for the periods presented as if these transactions had occurred on January 1, 2011, but calculated as each is expected to occur based on actual data as of June 30, 2012. The adjustments are not necessarily indicative of the financial condition or operating results that would have been achieved had the REIT conversion been completed as of the date of the financial statements, but illustrates the estimated effect.

The discussion and analysis of our financial condition and results of operations that follow are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ significantly from these estimates under different assumptions or conditions. This discussion and analysis should be read in conjunction with our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 and the accompanying notes thereto, and the information set forth in the section entitled "Critical Accounting Policies and Estimates."

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. Recessionary conditions in the national economy have resulted in economic pressures on the hospitality industry generally, and on our operations and expansion plans. In portions of 2008 and the first half of 2009, we 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 delayed meetings and events and sought to minimize spending during these periods. However, in 2010, 2011, and thus far in 2012, the trend has reversed, and we have begun to see stabilization in our industry and specifically in our business. During these periods, we have seen increases in group travel as compared to recessionary levels, as well as growth in outside-the-room revenue, indicating that not only are our group customers traveling again, they are spending more on food and beverage and entertainment during their stay at our properties.

Group customers typically book rooms and meeting space with significant lead times, sometimes several years in advance of guest arrival. During an economic recovery, group pricing tends to lag transient pricing due to the significant lead times for group bookings. Group business booked in earlier periods at lower rates continues to roll off, and with improving group demand, is being replaced with bookings reflecting generally higher rates. As a result of the higher levels of group business, we have experienced an increase in occupancy in recent quarters as well as increases in rates and future bookings, although there can be no assurance that we can continue to achieve further improvements in occupancy and revenue levels. Our attrition and cancellation levels have also decreased compared to recessionary levels.

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Proposed REIT Conversion (including the Merger) and the Marriott Transaction

On May 30, 2012, our board of directors unanimously approved a plan to restructure our business operations to facilitate our qualification as a REIT for federal income tax purposes. We intend to complete the REIT conversion so that we may qualify as a REIT commencing with our 2013 tax year.

The REIT conversion will be implemented through a series of steps including, among other things, our merger with and into Granite, a Delaware corporation and wholly-owned subsidiary of Gaylord, which we formed in preparation for the REIT conversion. Upon the completion of the merger, our outstanding shares of common stock will be converted into the right to receive the same number of shares of Granite common stock, and Granite will succeed to and continue to operate, directly or indirectly, our then existing business. We anticipate that the shares of Granite common stock will trade on the New York Stock Exchange after completion of the merger. Consummation of the merger is subject to our stockholders adopting the merger agreement and approving the issuance of shares of common stock in connection with our distribution of our undistributed earnings and profits attributable to taxable periods ending prior to the REIT election.

Due to federal income tax laws that restrict REITs from operating and managing hotels, after completing the proposed REIT conversion, we will not operate or manage any of our hotel properties. We will lease or sublease our hotel properties to taxable REIT subsidiaries, or TRS, and such TRS will engage third-party hotel managers pursuant to hotel management agreements. Our third-party hotel managers will be responsible for the day-to-day management of our hotel properties, including, but not limited to, implementing significant operating decisions, setting rates for rooms and meeting space, controlling revenue and expenditures, collecting accounts receivable, and recruiting, employing and supervising employees at the hotel properties.

Our board of directors unanimously approved a purchase agreement by and among us, Gaylord Hotels, Inc., Marriott Hotel Services, Inc., and Marriott International, Inc. pursuant to which we have agreed to sell the Gaylord Hotels brand and rights to manage Gaylord Opryland, Gaylord Palms, Gaylord Texan and Gaylord National to Marriott for \$210 million in cash. The closing of the Marriott sale transaction is subject to the satisfaction of certain conditions, including our stockholders' adoption of the merger agreement and our obtaining waivers and consents of the required lenders pursuant to our \$925 million senior secured credit facility to amend the facility. We expect the consummation of the Marriott sale transaction to occur promptly after our stockholders adopt the merger agreement. For a more detailed description of the purchase agreement, see the section entitled "Our Business - Our Relationship with Marriott - Purchase Agreement with Marriott" beginning on page 74.

Impact of the Consummation of the Marriott Sale Transaction and the REIT Conversion

Upon the consummation of the Marriott sale transaction, we will become a party to four management agreements (one for each of our Gaylord Hotels properties) with Marriott. Under the management agreements, Marriott will be responsible for the day-to-day management of the Gaylord Hotels properties. We will not have the authority to require Marriott to operate our Gaylord Hotels properties in a particular manner, although we will have consent and approval rights for certain matters under the hotel management agreements, subject to the limitations described therein. Each management agreement will have a term of thirty-five years, with three automatic 10-year renewal terms (provided the applicable hotel has met certain performance thresholds), and Marriott will be entitled to a base management fee of two-percent of gross revenues from each Gaylord Hotel property for each fiscal year or portion thereof, which will be deducted by Marriott from gross revenues of each Gaylord Hotel property for each fiscal year. For a more detailed description of the management agreement, see the section entitled "Our Business - Our Relationship with Marriott - Management Agreement and Pooling Agreement with Marriott" beginning on page 75.

The Marriott purchase agreement also calls for the Gaylord Hotels properties to enter into a pooling agreement, which provides for (i) the calculation of incentive management fees for the Gaylord Hotels properties on an aggregated basis; and (ii) the application of the limitations on secured debt on an aggregated basis. The

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incentive management fee will be based on the profitability of our Gaylord Hotels properties calculated on a pooled basis, and the fee, if any, will be retained by Marriott from Operating Profit (as defined in the pooling agreement). For a more detailed description of the pooling agreement see the section entitled Our Business Our Relationship with Marriott Management Agreement and Pooling Agreement with Marriott Pooling Agreement beginning on page 79.

We anticipate that this management transition will be complete by January 1, 2013, when the REIT election is anticipated to be effective. In addition, prior to the completion of the REIT conversion, we will identify and engage a third-party hotel manager to operate and manage the Radisson Hotel at Opryland.

Following the completion of the REIT conversion, we will own our Opry and Attractions businesses in TRSs, which will conduct their business consistent with past practice, except that we expect to negotiate a management or service agreement with Marriott to manage Gaylord Springs Golf Links. Additionally, we may negotiate and enter into additional management or service agreements with Marriott with respect to certain of our other Opry and Attractions businesses, including the General Jackson and the Wildhorse Saloon.

We anticipate that there will be a reorganization within, and a reduction in the number of members of, our current executive management team and the other employees currently within the Corporate and Other segment. In connection with the reorganization, we anticipate that our corporate overhead expenses within the Corporate and Other segment will be reduced. Although the specific actions to be taken in connection with this reorganization have not yet been finally determined, we anticipate that we will terminate the employment of approximately 310 employees within our Corporate and Other segment of whom approximately 40% will transition their employment to Marriott. The severance cost associated with these terminations is included within our \$19 million estimate of severance and retention costs related to the REIT conversion.

A REIT is not permitted to retain earnings and profits accumulated during years when the company or its predecessor was taxed as a regular C corporation. To qualify for taxation as a REIT for the taxable year beginning January 1, 2013, we must distribute to our stockholders on or before December 31, 2013, our undistributed earnings and profits attributable to taxable periods ending prior to January 1, 2013, which we refer to as the special E&P distribution. In the event we receive a favorable ruling from the IRS, we expect to limit the total amount of cash payable in the special E&P distribution to a maximum of 20% of the total value of the special E&P distribution. The balance of the special E&P distribution will be in the form of shares of our common stock.

We currently estimate that we will incur \$55 million in one-time costs related to the REIT conversion. These costs would include approximately \$10 million in investment banking fees, \$6 million in legal fees, \$4 million in consulting fees, \$19 million in severance and retention costs, and \$16 million in conversion costs. We also anticipate that we will incur federal income taxes associated with the receipt of the purchase price in the Marriott sale transaction and other transactions related to the REIT conversion, net of remaining net operating losses, of approximately \$43 million to \$53 million. In addition, we anticipate annualized costs synergies, net of management fees, of approximately \$33 million to \$40 million.

If Granite qualifies as a REIT, it generally will not be subject to federal corporate income taxes on that portion of its capital gain or ordinary income from its REIT operations that is distributed to its stockholders. This treatment would substantially eliminate the federal double taxation on earnings from REIT operations, or taxation once at the corporate level and again at the stockholder level, that generally results from investment in a regular C corporation. Granite's non-REIT operations, which will consist of the activities of TRS that will act as lessees of our hotels, as well as the businesses within our Opry and Attractions segment, would continue to be subject, as applicable, to federal and state corporate income taxes. See Material Federal Income Tax Consequences Taxation of Granite Following the Effective Date of the REIT Election beginning on page 158.

After the consummation of the Marriott sale transaction and the completion of the REIT conversion, acquisitions of other hotels, either alone or through joint ventures or alliances with one or more third-parties, will

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be part of our long-term growth strategy. We intend to pursue attractive investment opportunities that meet our acquisition parameters, specifically, group-oriented large hotels and overflow hotels with existing or potential leisure appeal. We are interested in highly accessible upper-upscale assets with over 400 hotel rooms in urban and resort group destination markets. We will also consider assets that possess or are located near convention centers that present a repositioning opportunity and/or would significantly benefit from capital investment in additional rooms or meeting space. Through acquisitions we plan to expand the geographic diversity of our existing asset portfolio.

The merger will facilitate our compliance with REIT tax rules by ensuring the effective adoption by Granite of a certificate of incorporation that implements share ownership and transfer restrictions that are intended to enable compliance with certain REIT tax rules relating to the ownership of our common stock.

TRT Repurchase and Secondary Offering

On August 6, 2012, we entered into a repurchase agreement with our stockholder, TRT Holdings, pursuant to which we repurchased 5,000,000 shares of our common stock concurrently with the execution and delivery of the repurchase agreement. The aggregate purchase price in the privately negotiated transaction was \$185 million, or \$37.00 per share. We funded the repurchase with borrowings under our existing \$925 million senior secured credit facility. The repurchase agreement contains a covenant of TRT Holdings to vote all shares of Gaylord's common stock for which TRT Holdings had voting rights as of August 8, 2012, or 5,643,129 shares, in favor of the proposals to be presented at the special meeting. The repurchase agreement contained several post-closing obligations of the parties, which are described in the section entitled Material Discussions and Transactions with TRT Holdings beginning on page 66.

Pursuant to the terms of the repurchase agreement, we filed a registration statement under which TRT Holdings offered the remainder of its shares of our common stock, or 5,643,129 shares, in an underwritten secondary public offering. On August 13, 2012, we, TRT Holdings, and Deutsche Bank Securities Inc. entered into an underwriting agreement pursuant to which TRT Holdings sold the remainder of its shares of our common stock to Deutsche Bank Securities Inc. to be offered by the underwriter at a public offering price of \$40.00 per share. The closing of the secondary offering occurred on August 16, 2012, at which time TRT Holdings ceased to hold shares of Gaylord common stock. We reimbursed 50% of the underwriting discounts and commissions paid by TRT Holdings with respect to shares it sold in the secondary offering, or an aggregate of \$2,821,564.50, and also paid all costs of effecting the registration, other than the legal fees of TRT Holdings. Prior to the repurchase and secondary offering, TRT Holdings owned approximately 10,643,129 shares of our common stock, or approximately 21.7% of our common stock outstanding at such time.

Nashville Flood

As more fully described in Note 2 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2011, on May 3, 2010, Gaylord Opryland, the Grand Ole Opry, certain of our Nashville-based attractions, and certain of our corporate offices experienced significant flood damage as a result of the historic flooding of the Cumberland River, which collectively we refer to as the Nashville Flood. Gaylord Opryland, the Grand Ole Opry, and certain of our corporate offices were protected by levees accredited by the Federal Emergency Management Agency, or FEMA, which, according to FEMA, was based on information provided by us, and built to sustain a 100-year flood. However, the river rose to levels that over-topped the levees. We have segregated all costs and insurance proceeds related to the Nashville Flood from normal operations and reported those amounts as casualty loss or preopening costs in the accompanying consolidated statements of operations. During 2010, we recorded \$42.3 million in casualty losses related to the flood, which includes \$92.3 million in expenses, partially offset by \$50.0 million in insurance proceeds. These amounts do not include lost profits from the interruption of the various businesses. During 2010, we also recorded \$55.3 million in preopening costs related to reopening the properties damaged by the flood.

Gaylord Opryland reopened November 15, 2010. While the Grand Ole Opry continued its schedule at alternative venues, including our Ryman Auditorium, the Grand Ole Opry House reopened September 28, 2010.

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Certain of our Nashville-based attractions were closed for a period of time, but reopened in June and July, and the majority of the affected corporate offices reopened during November 2010. Gross total remediation and rebuilding costs came in at the low end of the projected \$215-\$225 million range, including approximately \$23-\$28 million in pre-flood planned enhancement projects at Gaylord Opryland. In addition, reopening costs came in under the projected \$57-\$62 million range. These costs included the initial eight-week carrying period for all labor at the hotel as well as the labor for security, engineering, horticulture, reservations, sales, accounting and management during the restoration, as well as the labor associated with re-launching the assets and the restocking of operating supplies prior to re-opening. In addition, we incurred a non-cash write-off of \$45.0 million associated with the impairment of certain assets as a result of flood damage, as further described in Note 2 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2011. We estimate that net of tax refunds of \$36.5 million, insurance proceeds of \$50.0 million, and the cost of projects slated for the property prior to the flood, the net cash impact of the flood was approximately \$150 million.

In addition, we have initiated an approximate \$12 million enhancement to our existing Nashville flood protection system in an effort to provide 500-year flood protection for Gaylord Opryland, as well as an approximate \$5 million enhancement in an effort to provide the same protection for the Grand Ole Opry House. We have worked with engineers to design the enhancements to be aesthetically pleasing and sensitive to adjacent property owners. The Gaylord Opryland project is substantially complete and we expect the Grand Ole Opry House project to be completed by the end of 2012.

Refinancing of Our Credit Facility and Amendment to Our Credit Facility

As further described below in *Liquidity and Capital Resources* Principal Debt Agreements, on August 1, 2011, we refinanced our \$1.0 billion credit facility by entering into a \$925 million senior secured credit facility, extending the maturity to 2015. In connection with the Marriott sale transaction and the REIT conversion, we will be required to obtain waivers and consents of the lenders to our \$925 million senior secured credit facility to amend the facility in order to accommodate the special E&P distribution and the REIT conversion.

To facilitate our repurchase of 5,000,000 shares of common stock held by TRT Holdings, on August 6, 2012, we entered into a First Amendment and Consent Agreement, which amends the credit agreement to our \$925 million senior secured credit facility. Under the amendment, the required lenders agreed that our repurchase of up to \$200,000,000 of our common stock from TRT Holdings and our entering into an underwriting agreement with TRT Holdings and Deutsche Bank Securities Inc. will not constitute a default under the credit agreement. The amendment also revised the consolidated tangible net worth financial covenant in the credit agreement by reducing the required covenant level by all amounts paid by us in connection with the repurchase of shares from TRT Holdings. As a result, we are required to maintain a consolidated tangible net worth in an amount equal to at least \$850 million, plus 75% of net cash proceeds received in connection with any equity issuance, minus such amounts paid in connection with the repurchase of our common stock from TRT Holdings.

Development Update

Upon completion of the REIT conversion, we will no longer view independent large scale development of resort and convention hotels as a means of our growth. As a result, we will not proceed with our previously announced Aurora, Colorado, Mesa, Arizona and other potential development projects in the form we previously anticipated. We will reexamine how the Aurora or Mesa projects could be completed with minimal financial commitment, although we may not identify any such opportunity.

In January 2012, we announced that we had entered into a memorandum of understanding for a 50/50 joint venture with the Dollywood Company to develop a family entertainment zone adjacent to the Gaylord Opryland on land that we currently own. The Dollywood Company will operate the park, and we will contribute both land and cash to represent our 50 percent share of the venture. Phase one of the project is a yet-to-be-named

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approximately \$50 million water and snow park, which we believe will be the first of its kind in the U.S. A 2013 groundbreaking is expected with the park opening slated for summer 2014. The project is contingent upon finalizing agreements with governmental authorities pertaining to the construction of the necessary infrastructure and other contingencies.

Our investments in 2010, 2011, and thus far in 2012 have consisted primarily of capital expenditures associated with the flood damage and reopening of Gaylord Opryland and the Grand Ole Opry House, a new resort pool at Gaylord Texan, the commencement of the renovation of the guestrooms and the completion of new resort pools at Gaylord Palms, as well as the commencement and completion of a new sports bar entertainment facility at Gaylord Palms, the completion of the enhancement to our flood protection system at Gaylord Opryland and ongoing maintenance capital expenditures for our existing properties. Our investments in the remainder of 2012 are expected to consist primarily of ongoing maintenance capital expenditures for our existing properties and the completion of the rooms renovation and resort pools at Gaylord Palms.

Our Current Operations

Our ongoing operations are organized into three principal business segments:

Hospitality, consisting of Gaylord Opryland, Gaylord Palms, Gaylord Texan, Gaylord National and the Radisson Hotel at Opryland. Pursuant to the proposed Marriott sale transaction, we will become a party to four hotel management agreements, under which Marriott will operate and manage our Gaylord Hotels properties. Additionally, in connection with the proposed REIT conversion, we will engage a third-party hotel manager to operate and manage the Radisson Hotel at Opryland.

Opry and Attractions, consisting of our Grand Ole Opry assets, WSM-AM and our Nashville-based attractions. In connection with the proposed REIT conversion, we will own our Opry and Attractions businesses in TRSs, which will conduct their business consistent with past practice, except that we expect to negotiate management or service agreements for Marriott to manage Gaylord Springs Golf Links. In addition, we may negotiate and enter into additional management or service agreements with Marriott with respect to certain of our other Opry and Attractions businesses, including the General Jackson and the Wildhorse Saloon.

Corporate and Other, consisting of our corporate expenses. Following the consummation of the proposed Marriott sale transaction, we anticipate that our corporate overhead expenses within the Corporate and Other segment will be reduced.

For the three months and six months ended June 30, 2012 and 2011, our total revenues were divided among these business segments as follows:

| Segment | Three Months Ended June 30, | | Six Months Ended June 30, | |
|----------------------|--------------------------------|-------|------------------------------|-------|
| | 2012 | 2011 | 2012 | 2011 |
| Hospitality | 92.0% | 92.2% | 93.3% | 93.5% |
| Opry and Attractions | 8.0% | 7.8% | 6.7% | 6.5% |
| Corporate and Other | 0.0% | 0.0% | 0.0% | 0.0% |

For the years ended December 31, 2011, 2010 and 2009, our total revenues were divided among these business segments as follows:

| Segment | Year Ended December 31, | | |
|----------------------|----------------------------|------|------|
| | 2011 | 2010 | 2009 |
| Hospitality | 93% | 94% | 93% |
| Opry and Attractions | 7% | 6% | 7% |
| Corporate and Other | 0% | 0% | 0% |

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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 concentrate on our All-in-One-Place self-contained service offerings by emphasizing customer rotation among our convention properties, while also offering additional entertainment opportunities to guests and target customers.

Following the anticipated consummation of the Marriott sale transaction, Marriott will be responsible for planning and conducting hotel operations and special events at our Gaylord Hotels properties. As a result, we will no longer be responsible for determining the content of or for actually conducting these activities, although we expect such types of activities to be continued as determined by Marriott. In 2011, we announced a multi-year strategic alliance with DreamWorks Animation SKG, Inc. to become the official hotel provider of DreamWorks vacation experiences. Through this strategic alliance DreamWorks has provided leisure experiences featuring the DreamWorks characters for guests at our Gaylord Hotels properties.

As discussed above, we have entered into a memorandum of understanding for a 50/50 joint venture to develop a family entertainment zone adjacent to Gaylord Opryland that will include what we believe to be the first combined water and snow park in the U.S.

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, and following the anticipated consummation of the Marriott sale transaction will impact the prices that Marriott charges at our Gaylord Hotels properties. Key performance indicators related to revenue are:

hotel occupancy, which is a volume indicator;

average daily rate, or ADR, which is a price indicator calculated by dividing room revenue by the number of rooms sold;

Revenue per Available Room, or RevPAR, which is a summary measure of hotel results calculated by dividing room revenue by room nights available to guests for the period;

Total Revenue per Available Room, or Total RevPAR, which is 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, which is 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 our occupied hotel rooms as earned on the close of business each day and from concessions and food and beverage sales at the time of 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

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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.

Following the anticipated consummation of the Marriott sale transaction, Marriott will manage the day-to-day operations of our Gaylord Hotels properties. We will engage a third-party hotel manager to operate and manage the Radisson Hotel at Opryland prior to the completion of the proposed REIT conversion.

Summary Financial Results for the Three Months and Six Months Ended June 30, 2012 and 2011

The following table summarizes our financial results for the three months and six months ended June 30, 2012 and 2011 (in thousands, except percentages and per share data):

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|------------------------------------|--------------------------------|------------|----------|------------------------------|------------|----------|
| | 2012 | 2011 | % Change | 2012 | 2011 | % Change |
| Total revenues | \$ 253,229 | \$ 236,775 | 6.9% | \$ 492,144 | \$ 457,513 | 7.6% |
| Total operating expenses | 221,621 | 205,575 | 7.8% | 438,852 | 411,587 | 6.6% |
| Operating income | 31,608 | 31,200 | 1.3% | 53,292 | 45,926 | 16.0% |
| Net income | 8,954 | 8,637 | 3.7% | 14,982 | 6,680 | 124.3% |
| Net income per share fully diluted | 0.17 | 0.17 | 0.0% | 0.29 | 0.13 | 123.1% |

Total Revenues

The increase in our total revenues for the three months and six months ended June 30, 2012, as compared to the same periods in 2011, is attributable to an increase in our Hospitality segment revenues of \$14.9 million and \$31.6 million for the 2012 periods, respectively, and an increase in our Opry and Attractions segment revenue of \$1.6 million and \$3.1 million for the 2012 periods, respectively, as discussed more fully below. Total Hospitality revenues in the three months and six months ended June 30, 2012 includes \$1.7 million and \$2.9 million, respectively, in attrition and cancellation fee collections, which is a reduction of \$1.2 million and \$1.6 million, respectively, when compared to the same 2011 periods.

Total Operating Expenses

The increase in our total operating expenses for the three months and six months ended June 30, 2012, as compared to the same periods in 2011, is primarily due to an increase of \$10.1 million and \$16.8 million, respectively, in our Hospitality segment operating expenses associated with higher occupancy and increased depreciation expense, and an increase of \$5.4 million and \$9.9 million, respectively, in our Corporate and Other segment, as discussed more fully below.

Net Income

Our net income of \$9.0 million for the three months ended June 30, 2012, as compared to net income of \$8.6 million for the same period in 2011, was due to the change in our operating income reflected above and the following factors, each as described more fully below:

A \$6.9 million decrease in interest expense, net of amounts capitalized, during the 2012 period, as compared to the 2011 period.

An increase in the provision for income taxes of \$6.5 million during the 2012 period, as compared to the 2011 period.

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Our net income of \$15.0 million for the six months ended June 30, 2012, as compared to net income of \$6.7 million for the same period in 2011, was due to the change in our operating income described above and the following factors, each as described more fully below:

A \$13.4 million decrease in interest expense, net of amounts capitalized, during the 2012 period, as compared to the 2011 period.

An increase in the provision for income taxes of \$12.0 million during the 2012 period, as compared to the 2011 period.

Factors and Trends Contributing to Operating Performance

The most important factors and trends contributing to our operating performance during the three months and six months ended June 30, 2012 described herein were:

Increased occupancy levels and ADR at Gaylord Palms (an increase of 12.0 percentage points of occupancy and 8.4 percentage points of occupancy, respectively, during the 2012 periods, as compared to the 2011 periods, and an increase of 2.1% and 5.4%, respectively, in ADR for the 2012 periods, as compared to the 2011 periods), primarily due to increased levels of group business. This increase in group business led to an increase in outside-the-room spending per room (an increase of 28.0% and 18.4%, respectively, during the 2012 periods, as compared to the 2011 periods), primarily due to increases in banquets and conference services. Note that the above statistics for Gaylord Palms for the 2012 periods exclude 6,808 room nights that were taken out of service as a result of a rooms renovation program.

Increased occupancy levels at Gaylord National (an increase of 10.6 percentage points of occupancy and 5.9 percentage points of occupancy, respectively, during the 2012 periods, as compared to the 2011 periods), primarily due to increased levels of group and association business. This increase led to an increase in outside-the-room spending per room (an increase of 10.6% and 5.4%, respectively, during the 2012 periods, as compared to the 2011 periods), primarily due to an increase in banquets.

Decreased attrition and cancellation levels for the 2012 periods, as compared to the 2011 periods, which increased our operating income, RevPAR and Total RevPAR. Attrition for the 2012 periods was 6.7% and 5.6% of bookings, respectively, compared to 10.3% and 8.3%, respectively, for the 2011 periods. Cancellations for the 2012 periods were down 11.3% and 36.5%, respectively, as compared to the 2011 periods.

Summary Financial Results for the Years Ended December 31, 2011, 2010, and 2009

The following table summarizes our financial results for the years ended December 31, 2011, 2010 and 2009 (in thousands, except percentages and per share data):

| | 2011 | | Year Ended December 31, 2010 | | 2009 | |
|---|------------|----------|------------------------------------|----------|------------|--|
| | | % Change | | % Change | | |
| Total revenues | \$ 952,144 | 23.7% | \$ 769,961 | -11.8% | \$ 872,845 | |
| Total operating expenses | 872,613 | 4.4% | 835,947 | 2.4% | 816,002 | |
| Operating income (loss) | 79,531 | 220.5% | (65,986) | -216.1% | 56,843 | |
| Net income (loss) | 10,177 | 111.4% | (89,128) | n/a | (23) | |
| Net income (loss) per share fully diluted | 0.20 | 110.6% | (1.89) | n/a | (0.00) | |

2011 Results As Compared to 2010 Results

The increase in our total revenues during 2011, as compared to 2010, is attributable to an increase in our Hospitality segment revenues of \$163.7 million and an increase in our Opry and Attractions segment revenues of

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\$18.5 million, as discussed more fully below. The increase in revenues in our Hospitality segment is attributable to a \$178.5 million increase in revenues at Gaylord Opryland as a result of being closed during a portion of 2010 due to the Nashville Flood, partially offset by a \$14.8 million decrease in revenues at our other hotel properties. Total Hospitality revenues in 2011 include \$9.2 million in attrition and cancellation fee collections, a \$0.1 million decrease from 2010. The increase in total operating expenses during 2011, as compared to 2010, was due primarily to increases of \$122.4 million and \$10.9 million at Gaylord Opryland and our Opry and Attractions segment, respectively, as a result of Gaylord Opryland and certain businesses in our Opry and Attractions segment being closed during a portion of 2010 due to the Nashville Flood, partially offset by decreases of \$54.9 million and \$41.1 million in preopening costs and net casualty loss, respectively, during 2011, as compared to 2010, as a result of the Nashville Flood, as more fully described below.

The above factors resulted in operating income of \$79.5 million for 2011, as compared to an operating loss of \$66.0 million in 2010.

Our net income was \$10.2 million in 2011, as compared to a net loss of \$89.1 million in 2010, due to the change in our operating income described above and the following factors, each as described more fully below:

A provision for income taxes of \$7.4 million during 2011, as compared to a benefit for income taxes of \$40.7 million during 2010, described more fully below.

A \$6.8 million decrease in our interest expense, net of amounts capitalized, for 2011, as compared to 2010, as described more fully below.

A \$3.0 million decrease in our income from discontinued operations for 2011, as compared to 2010, due primarily to 2010 including the gain on sale, and the related income tax benefit, of the sale of our Corporate Magic business, described more fully below.

2010 Results As Compared to 2009 Results

The decrease in our total revenues during 2010, as compared to 2009, was attributable to a decrease in our Hospitality segment revenues of \$91.2 million and a decrease in our Opry and Attractions segment revenue of \$11.7 million, as discussed more fully below. The decrease in revenues in our Hospitality segment was attributable to a \$133.7 million decrease in revenues at Gaylord Opryland as a result of being closed due to the Nashville Flood, partially offset by a \$42.5 million increase at our other hotel properties. Total Hospitality revenues in 2010 include \$9.4 million in attrition and cancellation fee collections, an \$18.4 million decrease from 2009. The increase in total operating expenses during 2010, as compared to 2009, was due primarily to \$55.3 million and \$42.3 million in preopening costs and net casualty loss, respectively, during 2010 as a result of the Nashville Flood, partially offset by decreased operating expenses at Gaylord Opryland, as well as decreased depreciation expenses, as more fully described below.

The above factors resulted in an operating loss of \$66.0 million for 2010, as compared to operating income of \$56.8 million in 2009.

Our net loss was \$89.1 million in 2010, as compared to a net loss of \$0.02 million in 2009, due to the change in our operating loss described above and the following factors, each as described more fully below:

A benefit for income taxes of \$40.7 million during 2010, as compared to a provision for income taxes of \$9.7 million during 2009, described more fully below.

A \$17.4 million decrease in the net gain on the extinguishment of debt for 2010, as compared to 2009, relating to the repurchase of a portion of our 6.75% senior notes, described more fully below.

A \$10.2 million increase in our income from discontinued operations for 2010, as compared to 2009, due primarily to 2009 including the impairment of goodwill associated with our Corporate Magic

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business, as well as 2010 including the gain on sale, and the related income tax benefit, of our Corporate Magic business, described more fully below.

A \$4.8 million increase in our interest expense, net of amounts capitalized, for 2010, as compared to 2009, due primarily to interest incurred on our convertible senior notes, partially offset by decreased interest incurred on our 8% senior notes and 6.75% senior notes as a result of the repurchase of portions of those notes, as described more fully below.

A \$3.4 million decrease in other gains and losses for 2010, as compared to 2009, due primarily to the receipt of \$3.6 million during 2009 under a tax increment financing arrangement related to the Ryman Auditorium, described below.

Factors and Trends Contributing to Operating Performance in 2011 Compared to 2010

The most important factors and trends contributing to our operating performance in 2011 as compared to 2010 were:

The Nashville Flood during 2010, specifically, \$55.3 million in preopening costs and \$42.3 million in net casualty loss incurred in 2010, as well as the negative impact of the affected properties being closed and the cash flow impact of remediation and rebuilding costs.

Increased occupancy levels and ADR at Gaylord Opryland (an increase of 7.4 percentage points of occupancy and an increase of 6.3% in ADR for 2011, as compared to the period that the hotel was open during 2010) resulting from increased levels of group business during 2011 and increased outside-the-room spending at Gaylord Opryland (an increase of 18.6% for 2011, as compared to the period that the hotel was open during 2010) due primarily to increased banquet spending by group business. These factors resulted in increased RevPAR and increased Total RevPAR at Gaylord Opryland for 2011, as compared to the period that the hotel was open during 2010.

Increased occupancy levels and ADR at Gaylord Texan (an increase of 3.3 percentage points of occupancy and an increase of 8.2% in ADR for 2011, as compared 2010). Gaylord Texan benefitted from the impact of the Super Bowl in February 2011, solid group performance throughout the year, the opening of the new resort pool complex in May 2011 and the impact of our new DreamWorks offerings. These factors resulted in increased RevPAR and increased Total RevPAR at Gaylord Texan for 2011, as compared to 2010.

Decreased occupancy levels at Gaylord National (a decrease of 4.9 percentage points of occupancy for 2011 as compared to 2010), primarily due to a decrease in associations and governmental groups. The decrease in governmental groups is partially driven by the uncertainty surrounding the U.S. government budget, as well as reductions in the federal per diem rate. The decrease in associations and governmental groups also led to decreased outside-the-room spending at Gaylord National (a decrease of 9.6% for 2011 as compared to 2010).

Factors and Trends Contributing to Operating Performance in 2010 Compared to 2009

The most important factors and trends contributing to our operating performance in 2010 as compared to 2009 were:

The Nashville Flood during 2010, specifically, \$55.3 million in preopening costs and \$42.3 million in net casualty loss incurred in 2010, as well as the negative impact of the affected properties being closed and the cash flow impact of remediation and rebuilding costs.

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Increased occupancy levels at our hotels other than Gaylord Opryland (an increase of 6.7 percentage points of occupancy for 2010, as compared to 2009) resulting from increased levels of group business during 2010, partially offset by lower ADR at our hotels other than Gaylord Opryland during 2010 (a decrease of 5.8% for 2010, as compared to 2009), due primarily to continued pressure on room rates.

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These factors, when combined with increased outside-the-room spending, resulted in increased RevPAR and increased Total RevPAR at our hotels other than Gaylord Opryland for 2010, as compared to 2009.

Decreased attrition and cancellation levels for 2010, as compared to 2009, which increased our revenue, operating income, RevPAR and Total RevPAR at our hotels other than Gaylord Opryland. Attrition at our hotels other than Gaylord Opryland for 2010 was 11.9% of bookings, compared to 16.9% for 2009. Cancellations at our hotels other than Gaylord Opryland for 2010 decreased 32.8%, as compared to 2009. Attrition at Gaylord Opryland for 2010, for the period that the hotel was open, was 11.4% of bookings, compared to 10.5% for the 2009 period. During 2010, Gaylord Opryland experienced approximately 283,000 cancellations due to the closure of the property, which is net of room nights moved to our other properties.

Operating Results Detailed Segment Financial Information**Hospitality Segment***Total Segment Results*

The following presents the financial results of our Hospitality segment for the three months and six months ended June 30, 2012 and 2011 (in thousands, except percentages and performance metrics):

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--------------------------------------|-----------------------------|------------|----------|---------------------------|------------|----------|
| | 2012 | 2011 | % Change | 2012 | 2011 | % Change |
| Hospitality revenue (1) | \$ 233,047 | \$ 218,173 | 6.8% | \$ 459,095 | \$ 427,515 | 7.4% |
| Hospitality operating expenses: | | | | | | |
| Operating costs | 125,902 | 120,350 | 4.6% | 250,605 | 244,115 | 2.7% |
| Selling, general and administrative | 34,376 | 30,818 | 11.5% | 67,149 | 61,666 | 8.9% |
| Depreciation and amortization | 26,346 | 25,292 | 4.2% | 54,882 | 50,567 | 8.5% |
| Total Hospitality operating expenses | 186,624 | 176,460 | 5.8% | 372,636 | 356,348 | 4.6% |
| Hospitality operating income (2) | \$ 46,423 | \$ 41,713 | 11.3% | \$ 86,459 | \$ 71,167 | 21.5% |
| Hospitality performance metrics: | | | | | | |
| Occupancy (5) | 79.2% | 73.3% | 8.0% | 74.6% | 71.5% | 4.3% |
| ADR | \$ 172.60 | \$ 173.60 | -0.6% | \$ 171.33 | \$ 169.18 | 1.3% |
| RevPAR (3)(5) | \$ 136.75 | \$ 127.20 | 7.5% | \$ 127.75 | \$ 120.89 | 5.7% |
| Total RevPAR (4)(5) | \$ 318.72 | \$ 298.84 | 6.7% | \$ 312.76 | \$ 295.76 | 5.7% |
| Net Definite Room Nights Booked | 487,000 | 271,000 | 79.3% | 793,000 | 546,000 | 45.1% |

- (1) Hospitality results and performance metrics include the results of our Gaylord Hotels and the Radisson Hotel at Opryland for all periods presented.
- (2) Hospitality operating income does not include the effect of casualty loss and preopening costs. See the discussion of casualty loss and preopening costs set forth below.
- (3) We calculate Hospitality RevPAR by dividing room revenue by room nights available to guests for the period. Hospitality RevPAR is not comparable to similarly titled measures such as revenues.
- (4) We calculate Hospitality Total RevPAR by dividing the sum of room revenue, 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) Excludes 6,808 room nights for the three months and six months ended June 30, 2012 that were taken out of service as a result of a rooms renovation program at Gaylord Palms.

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The increase in total Hospitality segment revenue in the three months ended June 30, 2012, as compared to the same period in 2011, is primarily due to increases of \$6.6 million and \$7.1 million at Gaylord Palms and Gaylord National, respectively, primarily as a result of increased occupancy and increased outside-the-room spending during the 2012 period. Total Hospitality revenues were also impacted by a \$1.2 million decrease in attrition and cancellation fee collections during the 2012 period as compared to the 2011 period.

The increase in total Hospitality segment revenue in the six months ended June 30, 2012, as compared to the same period in 2011, is primarily due to increases of \$12.6 million, \$11.5 million and \$8.2 million at Gaylord Palms, Gaylord Opryland and Gaylord National, respectively, primarily as a result of increased occupancy, ADR and outside-the-room spending during the 2012 period. These increases were partially offset by a decrease of \$3.3 million at Gaylord Texan during the 2012 period, due primarily to the 2011 period benefitting from the impact of the Super Bowl in February 2011. Total Hospitality revenues were also impacted by a \$1.6 million decrease in attrition and cancellation fee collections during the 2012 period as compared to the 2011 period.

The percentage of group versus transient business based on rooms sold for our hospitality segment for the periods presented was approximately as follows:

| Segment | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------|--------------------------------|-------|------------------------------|-------|
| | 2012 | 2011 | 2012 | 2011 |
| Group | 80.7% | 79.8% | 82.2% | 82.4% |
| Transient | 19.3% | 20.2% | 17.8% | 17.6% |

Total Hospitality segment operating expenses consist of direct operating costs, selling, general and administrative expenses, and depreciation and amortization expense. The increase in Hospitality operating expenses in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, is primarily attributable to increases at Gaylord Opryland and Gaylord Palms, as described below.

Total Hospitality segment operating costs, which consist of direct costs associated with the daily operations of our hotels (primarily room, food and beverage and convention costs), increased in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily as a result of increases at Gaylord Palms and Gaylord Opryland, as described below.

Total Hospitality segment selling, general and administrative expenses, consisting of administrative and overhead costs, increased in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily as a result of an increase at Gaylord Opryland, as described below.

Total Hospitality segment depreciation and amortization expense increased in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily as a result of the disposal of certain fixed assets associated with a guest rooms renovation and new resort pools at Gaylord Palms and a corridor renovation at Gaylord Opryland, partially offset by a decrease at Gaylord Texan due to the initial furniture, fixtures and equipment placed in service at the hotel's opening in 2004 becoming fully depreciated during 2012.

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The following presents the financial results of our Hospitality segment for the years ended December 31, 2011, 2010 and 2009 (in thousands, except percentages and performance metrics):

| | | | Year Ended December 31, | | |
|--------------------------------------|------------|----------|----------------------------|----------|------------|
| | 2011 | % Change | 2010 | % Change | 2009 |
| Hospitality revenue (1) | \$ 886,634 | 22.6% | \$ 722,938 | -11.2% | \$ 814,154 |
| Hospitality operating expenses: | | | | | |
| Operating costs | 518,072 | 19.3% | 434,110 | -10.0% | 482,420 |
| Selling, general and administrative | 128,103 | 20.8% | 106,006 | -10.3% | 118,118 |
| Depreciation and amortization | 109,520 | 20.2% | 91,117 | -10.2% | 101,445 |
| Total Hospitality operating expenses | 755,695 | 19.7% | 631,233 | -10.1% | 701,983 |
| Hospitality operating income (2) | \$ 130,939 | 42.8% | \$ 91,705 | -18.2% | \$ 112,171 |
| Hospitality performance metrics: | | | | | |
| Occupancy (6) | 72.2% | 2.1% | 70.7% | 7.4% | 65.8% |
| ADR | \$ 167.27 | 1.4% | \$ 164.91 | -2.6% | \$ 169.23 |
| RevPAR (3) (6) | \$ 120.77 | 3.6% | \$ 116.61 | 4.8% | \$ 111.30 |
| Total RevPAR (4) (6) | \$ 304.58 | 0.6% | \$ 302.80 | 9.9% | \$ 275.55 |
| Net Definite Room Nights Booked (5) | 1,452,000 | 9.0% | 1,332,000 | 28.2% | 1,039,000 |

- (1) Hospitality results and performance metrics include the results of our Gaylord Hotels and Radisson Hotel at Opryland for all periods presented. Results and performance metrics do not include any amounts related to Gaylord Opryland from May 3, 2010 through November 14, 2010 due to the Nashville Flood.
- (2) Hospitality operating income does not include the effect of casualty loss and preopening costs. See the discussion of casualty loss and preopening costs set forth below.
- (3) We calculate Hospitality RevPAR by dividing room sales by room nights available to guests for the period. Hospitality RevPAR is not comparable to similarly titled measures such as revenues.
- (4) We calculate Hospitality Total RevPAR by dividing the sum of room sales, food and beverage, and other ancillary services (which equals Hospitality segment revenue) by room nights available to guests for the period. Hospitality Total RevPAR is not comparable to similarly titled measures such as revenues.
- (5) Net Definite Room Nights booked for 2010 is net of approximately 283,000 cancellations due to the closure of Gaylord Opryland.
- (6) Excludes 23,960 room nights that were taken out of service during 2011 as a result of a rooms renovation program at Gaylord Palms. The increase in total Hospitality segment revenue for 2011, as compared to 2010, was due primarily to a \$178.5 million increase at Gaylord Opryland primarily as a result of being closed during a portion of 2010 due to the Nashville Flood, partially offset by a \$14.8 million decrease at our other hotel properties primarily as a result of decreased occupancy rates and decreased outside-the-room spending during 2011 at Gaylord National, as well as decreases in total revenue at Gaylord Palms, partially attributable to the rooms renovation program.

The decrease in total Hospitality segment revenue for 2010, as compared to 2009, was due primarily to a \$133.7 million decrease at Gaylord Opryland as a result of being closed due to the Nashville Flood, partially offset by a \$42.5 million increase at our other hotel properties as a result of increased occupancy levels and increased outside-the-room spending resulting from higher levels of group business during 2010. Total Hospitality revenues were negatively impacted by a decline of \$18.4 million in attrition and cancellation fee collections during 2010, as compared to 2009.

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

| | Year Ended December 31, | | |
|-----------|----------------------------|-------|-------|
| | 2011 | 2010 | 2009 |
| Group | 78.4% | 78.4% | 77.8% |
| Transient | 21.6% | 21.6% | 22.2% |

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

| | Year Ended December 31, | | |
|------------------|----------------------------|-------|-------|
| | 2011 | 2010 | 2009 |
| Corporate Groups | 49.7% | 51.8% | 43.6% |
| Associations | 34.8% | 33.4% | 38.5% |
| Other Groups | 15.5% | 14.8% | 17.9% |

The slight decrease in corporate groups during 2011, as compared to 2010, was primarily the result of the normal shifts that we experience from year to year. The increase in group business, as well as the significant increase in corporate groups, during 2010, as compared to 2009, was primarily the result of the macroeconomic factors discussed above in Overall Outlook, specifically, increases in group travel and decreases in groups cancelling or experiencing attrition during 2010 as compared to 2009.

Hospitality segment operating expenses consist of direct operating costs, selling, general and administrative expenses, and depreciation and amortization expense. The increase in Hospitality operating expenses for 2011, as compared to 2010, is primarily attributable to a \$122.4 million increase in operating expenses for Gaylord Opryland as a result of being closed during a portion of 2010 due to the Nashville Flood, as well as increases at Gaylord Texan and Gaylord Palms, partially offset by a decrease in operating expenses at Gaylord National, as described below. The decrease in Hospitality segment operating expenses for 2010, as compared to 2009, is primarily attributable to a \$94.6 million decrease in operating expenses for Gaylord Opryland as a result of being closed due to the Nashville Flood, partially offset by increased operating expenses at Gaylord Texan and Gaylord National, as described below. Total Hospitality segment operating expenses were also impacted by \$3.4 million of severance costs recognized during 2009, as described below.

Hospitality segment operating costs, which consist of direct costs associated with the daily operations of our hotels (primarily room, food and beverage and convention costs), increased during 2011, as compared to 2010, primarily due to a \$93.1 million increase at Gaylord Opryland as a result of being closed during a portion of 2010 due to the Nashville Flood, partially offset by a decrease in operating costs at Gaylord National, as described below. Hospitality segment operating costs decreased during 2010, as compared to 2009, primarily due to a \$74.7 million decrease at Gaylord Opryland as a result of being closed due to the Nashville Flood, partially offset by an increase in operating costs at Gaylord National, Gaylord Texan and Gaylord Palms, as described below.

Hospitality segment selling, general and administrative expenses, consisting of administrative and overhead costs, increased in 2011, as compared to 2010, primarily as a result of an increase of \$20.6 million at Gaylord Opryland as a result of being closed during a portion of 2010 due to the Nashville Flood, as described below. Hospitality segment selling, general and administrative expenses decreased in 2010, as compared to 2009, primarily as a result of a decrease of \$18.2 million at Gaylord Opryland as a result of being closed due to the Nashville Flood, partially offset by slight increases at Gaylord Texan, Gaylord Palms and Gaylord National, as described below.

Hospitality depreciation and amortization expense increased during 2011, as compared to 2010, primarily as a result of an increase at Gaylord Opryland due to the new fixed assets placed in service as part of the rebuilding

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after the Nashville Flood, as well as \$8.2 million in depreciation expense related to the disposal of certain fixed assets associated with the construction of the new resort pool and the rooms renovation program at Gaylord Palms. Hospitality segment depreciation and amortization expense decreased during 2010, as compared to 2009, primarily as a result of a decrease at Gaylord Palms due to the initial furniture, fixtures and equipment placed in service at the hotel's opening in 2002 becoming fully depreciated during 2010, as well as a decrease at Gaylord Opryland as a result of the Nashville Flood.

Property-Level Results

The following presents the property-level financial results of our Hospitality segment for the three months and six months ended June 30, 2012 and 2011.

Gaylord Opryland Results. The results of Gaylord Opryland for the three months and six months ended June 30, 2012 and 2011 are as follows (in thousands, except percentages and performance metrics):

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|-------------------------------------|--------------------------------|-----------|----------|------------------------------|------------|----------|
| | 2012 | 2011 | % Change | 2012 | 2011 | % Change |
| Total revenues | \$ 74,179 | \$ 73,064 | 1.5% | \$ 144,848 | \$ 133,374 | 8.6% |
| Operating expense data: | | | | | | |
| Operating costs | \$ 40,090 | \$ 38,135 | 5.1% | \$ 78,491 | \$ 76,408 | 2.7% |
| Selling, general and administrative | \$ 10,620 | \$ 8,699 | 22.1% | \$ 20,232 | \$ 16,955 | 19.3% |
| Hospitality performance metrics: | | | | | | |
| Occupancy | 81.6% | 75.8% | 7.7% | 74.8% | 72.2% | 3.6% |
| ADR | \$ 157.31 | \$ 159.83 | -1.6% | \$ 155.66 | \$ 149.17 | 4.4% |
| RevPAR | \$ 128.41 | \$ 121.08 | 6.1% | \$ 116.48 | \$ 107.71 | 8.1% |
| Total RevPAR | \$ 282.84 | \$ 278.88 | 1.4% | \$ 276.15 | \$ 255.95 | 7.9% |

Total revenue, RevPAR and Total RevPAR increased at Gaylord Opryland in the three months ended June 30, 2012, as compared to the same period in 2011, primarily as a result of increased occupancy, partially offset by declines in ADR and outside-the-room spending that resulted from an increase in lower-rated groups.

Total revenue, RevPAR and Total RevPAR increased at Gaylord Opryland in the six months ended June 30, 2012, as compared to the same period in 2011, primarily as a result of increased occupancy, primarily due to increased group business from associations, and increased ADR, primarily due to an increase in higher-rated association groups primarily in February and March 2012. The increase in occupancy led to an increase in outside-the-room spending at the hotel, which drove the hotel's increased Total RevPAR during the 2012 period. The increase in Total RevPAR for the six month 2012 period was also impacted by higher collection of attrition and cancellation fees.

Operating costs increased at Gaylord Opryland in the three months and six months ended June 30, 2012 as compared to the same periods in 2011, primarily due to higher variable costs associated with the increase in occupancy. Selling, general and administrative expenses increased during the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily due to increased sales and marketing expenses and increased employee benefit costs.

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Gaylord Palms Results. The results of Gaylord Palms for the three months and six months ended June 30, 2012 and 2011 are as follows (in thousands, except percentages and performance metrics):

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|-------------------------------------|--------------------------------|-----------|----------|------------------------------|-----------|----------|
| | 2012 | 2011 | % Change | 2012 | 2011 | % Change |
| Total revenues | \$ 44,353 | \$ 37,747 | 17.5% | \$ 95,885 | \$ 83,239 | 15.2% |
| Operating expense data: | | | | | | |
| Operating costs | 23,386 | 21,117 | 10.7% | 47,932 | 44,849 | 6.9% |
| Selling, general and administrative | 8,544 | 7,832 | 9.1% | 16,891 | 15,881 | 6.4% |
| Hospitality performance metrics: | | | | | | |
| Occupancy (1) | 85.8% | 73.8% | 16.3% | 84.4% | 76.0% | 11.1% |
| ADR | \$ 168.73 | \$ 165.32 | 2.1% | \$ 174.65 | \$ 165.70 | 5.4% |
| RevPAR (1) | \$ 144.78 | \$ 122.02 | 18.7% | \$ 147.38 | \$ 125.95 | 17.0% |
| Total RevPAR (1) | \$ 366.14 | \$ 295.02 | 24.1% | \$ 385.48 | \$ 327.09 | 17.9% |

(1) Excludes 6,808 room nights for the three months and six months ended June 30, 2012 that were taken out of service as a result of a rooms renovation program at Gaylord Palms.

Gaylord Palms revenue, RevPAR and Total RevPAR increased in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, as a result of an increase in occupancy driven by an increase in corporate groups and an increase in ADR due to a shift to corporate groups from associations and other lower-rated groups. In addition, that shift resulted in an increase in outside-the-room spending, with contribution from the new sports bar, which opened on February 2, 2012, increasing revenue and Total RevPAR for the periods.

Operating costs increased at Gaylord Palms in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily as a result of higher variable costs associated with the increase in occupancy and outside-the-room spending. Selling, general and administrative expenses increased during the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily as a result of an increase in sales and marketing expenses.

Gaylord Texan Results. The results of Gaylord Texan for the three months and six months ended June 30, 2012 and 2011 are as follows (in thousands, except percentages and performance metrics):

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|-------------------------------------|--------------------------------|-----------|----------|------------------------------|-----------|----------|
| | 2012 | 2011 | % Change | 2012 | 2011 | % Change |
| Total revenues | \$ 44,478 | \$ 45,690 | -2.7% | \$ 92,752 | \$ 96,050 | -3.4% |
| Operating expense data: | | | | | | |
| Operating costs | 25,183 | 25,103 | 0.3% | 50,793 | 51,349 | -1.1% |
| Selling, general and administrative | 6,711 | 6,097 | 10.1% | 12,913 | 12,337 | 4.7% |
| Hospitality performance metrics: | | | | | | |
| Occupancy | 71.3% | 76.2% | -6.4% | 70.7% | 74.3% | -4.8% |
| ADR | \$ 172.53 | \$ 172.15 | 0.2% | \$ 174.30 | \$ 180.88 | -3.6% |
| RevPAR | \$ 122.96 | \$ 131.24 | -6.3% | \$ 123.16 | \$ 134.38 | -8.3% |
| Total RevPAR | \$ 321.11 | \$ 332.29 | -3.4% | \$ 335.93 | \$ 351.20 | -4.3% |

The decrease in Gaylord Texan revenue, RevPAR and Total RevPAR in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, was primarily due to lower occupancy during the periods and lower ADR during the six month period, driven by a decrease in association business. The six month period was also impacted by the 2011 period including higher-rated business due to the impact of the 2011 Super Bowl being held in metropolitan Dallas in February 2011.

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Operating costs at Gaylord Texan remained stable in the three months and decreased during the six months ended June 30, 2012, as compared to the same periods in 2011. The decrease during the six month period is primarily due to decreased variable operating costs associated with the lower occupancy at the hotel. Selling, general and administrative expenses increased during the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily due to an increase in sales and marketing expenses and training costs.

Gaylord National Results. The results of Gaylord National for the three months and six months ended June 30, 2012 and 2011 are as follows (in thousands, except percentages and performance metrics):

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|-------------------------------------|--------------------------------|-----------|----------|------------------------------|------------|----------|
| | 2012 | 2011 | % Change | 2012 | 2011 | % Change |
| Total revenues | \$ 67,038 | \$ 59,914 | 11.9% | \$ 120,451 | \$ 112,268 | 7.3% |
| Operating expense data: | | | | | | |
| Operating costs | 35,783 | 35,040 | 2.1% | 70,615 | 69,846 | 1.1% |
| Selling, general and administrative | 7,920 | 7,687 | 3.0% | 16,101 | 15,623 | 3.1% |
| Hospitality performance metrics: | | | | | | |
| Occupancy | 78.5% | 67.9% | 15.6% | 72.0% | 66.1% | 8.9% |
| ADR | \$ 207.62 | \$ 211.25 | -1.7% | \$ 198.96 | \$ 199.97 | -0.5% |
| RevPAR | \$ 162.94 | \$ 143.39 | 13.6% | \$ 143.22 | \$ 132.11 | 8.4% |
| Total RevPAR | \$ 369.08 | \$ 329.85 | 11.9% | \$ 331.57 | \$ 310.75 | 6.7% |

Gaylord National revenue, RevPAR and Total RevPAR increased in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily as a result of higher occupancy and increased outside-the-room spending during the 2012 periods, driven by an increase in group room nights and stronger government group attendance. Revenue and Total RevPAR were partially offset by lower collection of attrition and cancellation fees during the 2012 periods.

Operating costs at Gaylord National increased in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, due to increased variable costs associated with the increase in occupancy and outside-the-room spending at the hotel, partially offset by margin management initiatives at the property level, including favorable food costs. Selling, general and administrative expenses increased during the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily due to an increase in sales and marketing expenses.

The following presents the property-level financial results for the years ended December 31, 2011, 2010 and 2009:

Gaylord Opryland Results. The results of Gaylord Opryland for the years ended December 31, 2011, 2010 and 2009 are as follows (in thousands, except percentages and performance metrics):

| | 2011 | | Year Ended December 31, 2010 | | 2009 | |
|-------------------------------------|------------|----------|------------------------------------|----------|------------|--|
| | | % Change | | % Change | | |
| Total revenues (1) | \$ 291,781 | 157.5% | \$ 113,308 | -54.1% | \$ 247,053 | |
| Operating expense data: | | | | | | |
| Operating costs | 169,777 | 121.6% | 76,629 | -49.4% | 151,367 | |
| Selling, general and administrative | 36,078 | 132.9% | 15,493 | -54.1% | 33,723 | |
| Hospitality performance metrics: | | | | | | |
| Occupancy (1) | 72.8% | 11.3% | 65.4% | -1.7% | 66.5% | |
| ADR | \$ 153.54 | 6.3% | \$ 144.38 | -3.8% | \$ 150.07 | |
| RevPAR (1) | \$ 111.76 | 18.4% | \$ 94.41 | -5.3% | \$ 99.74 | |
| Total RevPAR (1) | \$ 277.61 | 18.5% | \$ 234.27 | -0.4% | \$ 235.10 | |

(1) Gaylord Opryland results and performance do not include the effect of casualty loss and preopening costs and are for the periods of time that the hotel was open. See the discussion of casualty loss and preopening costs set forth below.

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Total revenue increased at Gaylord Opryland during 2011, as compared to 2010, as a result of the hotel closing on May 3, 2010 as a result of the Nashville Flood. Gaylord Opryland reopened on November 15, 2010. Gaylord Opryland RevPAR and Total RevPAR increased as compared to the 2010 period in which the hotel was open as a result of increased occupancy, primarily corporate groups, and increased ADR. The increase in corporate groups also led to increases in outside-the-room spending at the hotel, which drove the hotel's increased Total RevPAR during 2011.

Total revenue decreased at Gaylord Opryland during 2010, as compared to 2009, as a result of the hotel closing during a portion of 2010 as a result of the Nashville Flood. For the period that the hotel was open, while occupancy was relatively stable for 2010, as compared to 2009, a decrease in ADR during 2010, primarily as a result of continued pressure on room rates, resulted in a decreased RevPAR during 2010. Total RevPAR remained fairly stable due to an increase in outside-the-room spending. Revenue and Total RevPAR were also negatively impacted by a decrease in collections of attrition and cancellation fees during 2010.

Operating costs and selling, general and administrative expense at Gaylord Opryland increased during 2011, as compared to 2010, and decreased in 2010, as compared to 2009, due to the hotel closing as a result of the Nashville Flood.

Gaylord Palms Results. The results of Gaylord Palms for the years ended December 31, 2011, 2010 and 2009 are as follows (in thousands, except percentages and performance metrics):

| | 2011 | % Change | Year Ended December 31, 2010 | % Change | 2009 |
|-------------------------------------|------------|----------|------------------------------------|----------|------------|
| Total revenues | \$ 149,859 | -4.8% | \$ 156,395 | -0.5% | \$ 157,209 |
| Operating expense data: | | | | | |
| Operating costs | 88,864 | -2.8% | 91,428 | 1.2% | 90,365 |
| Selling, general and administrative | 31,314 | 2.0% | 30,690 | 8.3% | 28,342 |
| Hospitality performance metrics: | | | | | |
| Occupancy (1) | 73.9% | -0.1% | 74.0% | 10.4% | 67.0% |
| ADR | \$ 155.09 | -1.0% | \$ 156.73 | -11.0% | \$ 176.13 |
| RevPAR (1) | \$ 114.58 | -1.2% | \$ 116.00 | -1.7% | \$ 118.01 |
| Total RevPAR (1) | \$ 306.31 | 0.5% | \$ 304.75 | -0.5% | \$ 306.34 |

(1) Excludes 23,960 room nights that were taken out of service during 2011 as a result of a rooms renovation program at Gaylord Palms. Gaylord Palms results in 2011 were impacted by lower-rated group business that was booked during the worst of the recent economic recession, as well as the impact of the planned renovation of the property's room product and the construction of a sports bar, resort pool complex and events lawn. While the property worked to minimize disruption, the renovation and construction activity did impact the property's flexibility in accommodating in-the-year, for-the-year group and transient business. These projects have been substantially completed. Gaylord Palms revenue and RevPAR decreased in 2011, as compared to 2010, as a result of a decrease in occupancy driven by a decrease in corporate groups and a decrease in ADR due to a shift from corporate groups to association and other lower-rated groups. However, during the fourth quarter of 2011, Gaylord Palms experienced an increase in outside-the-room spending, which partially offset the decrease in revenue and was responsible for the increase in Total RevPAR for 2011.

Total revenue of Gaylord Palms remained stable in 2010, as compared to 2009. The hotel experienced an increase in occupancy during 2010, primarily as a result of increased group business. However, ADR decreased, primarily due to a recent increase in room supply in the Orlando, Florida market that has seen slow absorption due to the challenging economic environment, resulting in a decreased RevPAR. Total RevPAR decreased

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slightly during 2010, due to the above factors, as well as a decrease in collections of attrition and cancellation fees, partially offset by an increase in outside-the-room spending at the hotel.

Operating costs at Gaylord Palms decreased during 2011 as compared to 2010, primarily as a result of lower employment costs and lower cost of sales associated with the decline in revenues. Operating costs at Gaylord Palms remained relatively stable during 2010, as compared to 2009.

Selling, general and administrative expenses remained relatively stable during 2011, as compared to 2010. Selling, general and administrative expenses increased during 2010, as compared to 2009, primarily due to an increase in selling expense and incentive compensation expense.

Gaylord Texan Results. The results of Gaylord Texan for the years ended December 31, 2011, 2010 and 2009 are as follows (in thousands, except percentages and performance metrics):

| | 2011 | % Change | Year Ended December 31, 2010 | % Change | 2009 |
|-------------------------------------|------------|----------|------------------------------------|----------|------------|
| Total revenues | \$ 202,310 | 5.3% | \$ 192,183 | 12.2% | \$ 171,357 |
| Operating expense data: | | | | | |
| Operating costs | 109,634 | 4.4% | 105,023 | 6.9% | 98,224 |
| Selling, general and administrative | 25,667 | 4.7% | 24,525 | 10.4% | 22,223 |
| Hospitality performance metrics: | | | | | |
| Occupancy | 75.7% | 4.6% | 72.4% | 9.2% | 66.3% |
| ADR | \$ 178.32 | 8.2% | \$ 164.82 | -0.2% | \$ 165.13 |
| RevPAR | \$ 135.03 | 13.2% | \$ 119.27 | 8.9% | \$ 109.49 |
| Total RevPAR | \$ 366.89 | 5.3% | \$ 348.46 | 12.1% | \$ 310.74 |

The increase in Gaylord Texan revenue, RevPAR and Total RevPAR during 2011, as compared to 2010, was primarily due to increased occupancy and increased ADR, driven by solid group performance throughout the year, and an increase in higher-rated transient business due to the impact of the 2011 Super Bowl being held in metropolitan Dallas in February 2011 and the impact of the new resort pool that opened during May 2011. This increase offset a shift in business mix from higher-rated corporate groups to lower-rated association groups.

The increase in Gaylord Texan revenue, RevPAR and Total RevPAR during 2010, as compared to 2009, was primarily due to increased occupancy due to an increase in group business. This increase in group business also led to increases in banquet, catering and other outside-the-room spending at the hotel, which increased the hotel's Total RevPAR for the period. These increases were partially offset by decreased collection of attrition and cancellation fees during 2010.

Operating costs at Gaylord Texan increased during 2011, as compared to 2010, primarily due to increased variable operating costs associated with the higher levels of occupancy and outside-the-room spending at the hotel. Operating costs at Gaylord Texan increased during 2010, as compared to 2009, primarily due to increased variable operating costs associated with the higher levels of occupancy and outside-the-room spending at the hotel, partially offset by lower utility costs and lower property taxes during 2010.

Selling, general and administrative expenses increased during 2011, as compared to 2010, primarily due to increased credit card fees and increased advertising and promotional costs. Selling, general and administrative expenses increased during 2010, as compared to 2009, primarily due to increased incentive compensation expense.

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Gaylord National Results. The results of Gaylord National for the years ended December 31, 2011, 2010 and 2009 are as follows (in thousands, except percentages and performance metrics):

| | 2011 | % Change | Year Ended December 31, 2010 | % Change | 2009 |
|-------------------------------------|------------|----------|------------------------------------|----------|------------|
| Total revenues | \$ 235,113 | -7.5% | \$ 254,116 | 9.8% | \$ 231,341 |
| Operating expense data: | | | | | |
| Operating costs | 145,970 | -7.8% | 158,256 | 13.6% | 139,368 |
| Selling, general and administrative | 32,999 | -2.2% | 33,739 | 5.5% | 31,982 |
| Hospitality performance metrics: | | | | | |
| Occupancy | 68.8% | -6.6% | 73.7% | 14.4% | 64.4% |
| ADR | \$ 195.66 | 2.4% | \$ 191.00 | -7.7% | \$ 206.86 |
| RevPAR | \$ 134.52 | -4.4% | \$ 140.69 | 5.7% | \$ 133.16 |
| Total RevPAR | \$ 322.72 | -7.5% | \$ 348.80 | 9.8% | \$ 317.54 |

Gaylord National revenue, RevPAR and Total RevPAR decreased in 2011, as compared to 2010, primarily as a result of lower occupancy and decreased outside-the-room spending during 2011, primarily due to a decrease in associations and governmental groups that are typically booked in-the-year, for-the-year. The decrease in governmental groups was partially driven by the uncertainty surrounding the U.S. government budget, as well as reductions in the federal per diem rate. Despite the decrease in occupancy, ADR increased in 2011, as compared to 2010, aided by growth in ADR among association groups and transient guests. In addition, 2010 was benefitted by the transfer of rooms from Gaylord Opryland as a result of the Nashville Flood.

Gaylord National revenue, RevPAR and Total RevPAR increased in 2010, as compared to 2009, primarily as a result of higher occupancy and higher outside-the-room spending, primarily due to an increase in associations and corporate groups. Gaylord National ADR decreased during 2010, primarily due to continued pressure on room rates. The 2010 decrease in ADR was also impacted by comparison to a higher ADR during 2009 due to the presidential inauguration. Revenue and Total RevPAR were negatively impacted by a decrease in collections of attrition and cancellation fees during 2010.

Operating costs at Gaylord National decreased during 2011, as compared to 2010, primarily due to decreased variable operating costs associated with the decrease in occupancy and outside-the-room revenues, as well as a decrease in property taxes. Operating costs at Gaylord National in 2010, as compared to 2009, increased primarily due to increased variable operating costs associated with the increase in occupancy and outside-the-room spending, as well as higher employment costs as a result of new collective bargaining agreements.

Selling, general and administrative expenses decreased during 2011, as compared to 2010, primarily due to a decrease in incentive compensation costs. Selling, general and administrative expenses increased during 2010, as compared to 2009, primarily due to an increase in incentive compensation expense.

Table of Contents**Opry and Attractions Segment***Total Segment Results.*

The following presents the financial results of our Opry and Attractions segment for the three months and six months ended June 30, 2012 and 2011 (in thousands, except percentages):

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|-------------------------------------|--------------------------------|-----------|----------|------------------------------|-----------|----------|
| | 2012 | 2011 | % Change | 2012 | 2011 | % Change |
| Total revenues | \$ 20,153 | \$ 18,569 | 8.5% | \$ 32,988 | \$ 29,936 | 10.2% |
| Operating expense data: | | | | | | |
| Operating costs | 10,279 | 9,560 | 7.5% | 17,530 | 16,829 | 4.2% |
| Selling, general and administrative | 3,796 | 3,803 | -0.2% | 7,302 | 7,212 | 1.2% |
| Depreciation and amortization | 1,278 | 1,340 | -4.6% | 2,563 | 2,672 | -4.1% |
| Operating income | \$ 4,800 | \$ 3,866 | 24.2% | \$ 5,593 | \$ 3,223 | 73.5% |

The increase in revenues in the Opry and Attractions segment for the three months and six months ended June 30, 2012, as compared to the same periods in 2011, was primarily due to increases at the Grand Ole Opry and the Ryman Auditorium.

Opry and Attractions operating costs increased during the three months and six months ended June 30, 2012, as compared to the same periods in 2011, primarily as a result of the increased variable costs associated with the increase in revenues. Selling, general and administrative costs remained fairly stable in the three months and six months ended June 30, 2012, as compared to the same periods in 2011.

Opry and Attractions depreciation expense decreased slightly in the three months and six months ended June 30, 2012, as compared to the same periods in 2011.

The following presents the financial results of our Opry and Attractions segment for the years ended December 31, 2011, 2010 and 2009 (in thousands, except percentages):

| | 2011 | | Year Ended December 31, | | 2009 |
|-------------------------------------|-----------|----------|----------------------------|----------|-----------|
| | | % Change | 2010 | % Change | |
| Total revenues | \$ 65,386 | 39.4% | \$ 46,918 | -19.9% | \$ 58,599 |
| Operating expense data: | | | | | |
| Operating costs | 36,626 | 23.3% | 29,700 | -16.2% | 35,422 |
| Selling, general and administrative | 14,738 | 30.8% | 11,271 | -16.2% | 13,454 |
| Depreciation and amortization | 5,262 | 11.7% | 4,710 | 0.8% | 4,673 |
| Operating income (1) | \$ 8,760 | 608.2% | \$ 1,237 | -75.5% | \$ 5,050 |

(1) Opry and Attractions segment results do not include the effect of casualty loss and preopening costs. See the discussion of casualty loss and preopening costs set forth below.

The increase in revenues in the Opry and Attractions segment during 2011, as compared to 2010, and the decrease in revenues during 2010, as compared to 2009, is primarily due to increases and decreases in each of the businesses that were closed during a portion of 2010 as a result of the Nashville Flood.

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The increase in Opry and Attractions operating costs and selling, general and administrative expenses during 2011, as compared to 2010, and the decrease in operating costs and selling, general and administrative expenses during 2010, as compared to 2009, was due primarily to increases and decreases in each of the businesses that were closed during a portion of 2010 as a result of the Nashville Flood.

Table of Contents**Corporate and Other Segment***Total Segment Results.*

The following presents the financial results of our Corporate and Other segment for the three months and six months ended June 30, 2012 and 2011 (in thousands, except percentages):

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|-------------------------------------|--------------------------------|-------------|----------|------------------------------|-------------|----------|
| | 2012 | 2011 | % Change | 2012 | 2011 | % Change |
| Total revenues | \$ 29 | \$ 33 | -12.1% | \$ 61 | \$ 62 | -1.6% |
| Operating expense data: | | | | | | |
| Operating costs | 3,035 | 2,836 | 7.0% | 6,065 | 5,680 | 6.8% |
| Selling, general and administrative | 13,599 | 8,426 | 61.4% | 26,628 | 17,247 | 54.4% |
| Depreciation and amortization | 2,630 | 2,640 | -0.4% | 5,243 | 5,090 | 3.0% |
| Operating loss | \$ (19,235) | \$ (13,869) | -38.7% | \$ (37,875) | \$ (27,955) | -35.5% |

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

Corporate and Other operating costs, which consist primarily of costs associated with information technology, increased in the three months and six months ended June 30, 2012, as compared to the same periods in 2011, due primarily to higher maintenance costs.

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 in the three months and six months ended June 30, 2012, as compared to same periods in 2011, due primarily to legal and consulting costs associated with the planned restructuring of our business operations to facilitate our qualification as a REIT for federal income tax purposes.

Corporate and Other depreciation and amortization expense increased slightly in the six months ended June 30, 2012 as compared with the same period in 2011, primarily due to an increase in software placed into service.

The following presents the financial results of our Corporate and Other segment for the year ended December 31, 2011, 2010 and 2009 (in thousands, except percentages):

| | 2011 | % Change | 2010 | % Change | 2009 |
|-------------------------------------|-------------|----------|-------------|----------|-------------|
| Total revenues | \$ 124 | 18.1% | \$ 105 | 14.1% | \$ 92 |
| Operating expense data: | | | | | |
| Operating costs | 11,692 | 8.3% | 10,798 | 17.0% | 9,233 |
| Selling, general and administrative | 36,460 | -10.8% | 40,893 | 0.3% | 40,788 |
| Depreciation and amortization | 10,507 | 7.9% | 9,734 | -6.8% | 10,449 |
| Operating loss (1) | \$ (58,535) | 4.5% | \$ (61,320) | -1.6% | \$ (60,378) |

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

Corporate and Other operating costs increased during 2011, as compared to 2010, due primarily to higher employment costs. Corporate and Other selling, general and administrative expenses decreased during 2011, as compared to 2010, due primarily to decreases in consulting costs and incentive compensation, as well as 2010 including a \$2.8 million non-cash charge related to amendments to certain executives' restricted stock unit agreements. Corporate and Other depreciation and amortization expense increased during 2011, as compared to 2010, primarily due to

an increase in software placed into service.

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Corporate and Other operating costs increased during 2010, as compared to 2009, due primarily to higher employment costs. Corporate and Other selling, general and administrative expenses remained stable during 2010, as compared to 2009, due to increases in consulting costs and incentive compensation expense, including \$2.8 million in non-cash expense related to amendments to certain executives' restricted stock unit agreements, which were offset by expenses in 2009 including \$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 associated with the resolution of a potential proxy contest. Corporate and Other depreciation and amortization expense decreased during 2010, as compared to 2009, due to the impairment of equipment resulting from the Nashville Flood.

Operating Results - Casualty Loss

As a result of the Nashville Flood discussed above, we recognized approximately \$0.4 million and \$0.5 million, respectively, of casualty loss expense during the three months and six months ended June 30, 2012, which primarily represents non-capitalized repairs of equipment within our Opry and Attractions segment.

As a result of the Nashville Flood discussed above, during the years ended December 31, 2011 and 2010, casualty loss was comprised of the following (in thousands):

| | Year Ended December 31, 2011 | | | |
|--|---------------------------------|-------------------------|------------------------|-----------------|
| | Hospitality | Opry and Attractions | Corporate and Other | Total |
| Site remediation | \$ (179) | \$ 286 | \$ (81) | \$ 26 |
| Impairment of property and equipment | | | 332 | 332 |
| Non-capitalized repairs of buildings and equipment | | 67 | 14 | 81 |
| Other | 6 | 146 | 634 | 786 |
| Net casualty loss | \$ (173) | \$ 499 | \$ 899 | \$ 1,225 |

| | Year Ended December 31, 2010 | | | | |
|--|---------------------------------|-------------------------|------------------------|-----------------------|------------------|
| | Hospitality | Opry and Attractions | Corporate and Other | Insurance Proceeds | Total |
| Site remediation | \$ 15,586 | \$ 2,895 | \$ 913 | \$ | \$ 19,394 |
| Impairment of property and equipment | 30,470 | 7,366 | 7,134 | | 44,970 |
| Other asset write-offs | 1,811 | 1,098 | | | 2,909 |
| Non-capitalized repairs of buildings and equipment | 1,649 | 2,932 | 239 | | 4,820 |
| Continuing costs during shut-down period | 15,644 | 3,023 | 779 | | 19,446 |
| Other | 169 | 93 | 520 | | 782 |
| Insurance proceeds | | | | (50,000) | (50,000) |
| Net casualty loss | \$ 65,329 | \$ 17,407 | \$ 9,585 | \$ (50,000) | \$ 42,321 |

Lost profits from the interruption of the various businesses are not reflected in the above table.

See Note 2 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2011 for a further discussion of the components of these costs.

At May 3, 2010, we had in effect a policy of insurance with a per occurrence flood limit of \$50.0 million at the affected properties. During 2010, we received \$50.0 million in insurance proceeds and have recorded these insurance proceeds as an offset to the net casualty loss in the accompanying consolidated statement of operations. At December 31, 2011, our per occurrence flood insurance is \$150.0 million.

Table of Contents**Operating Results Preopening costs**

We expense the costs associated with start-up activities and organization costs as incurred. Our preopening costs for the three months and six months ended June 30, 2012 primarily relate to our new sports bar entertainment facility at Gaylord Palms.

In 2010, as a result of the extensive damage to Gaylord Opryland and the Grand Ole Opry House and the extended period in which these properties were closed, we incurred costs associated with the reopening of these facilities through the date of reopening. We have included all costs directly related to redeveloping and reopening the affected properties, as well as all continuing operating costs not directly related to remediating the flooded properties, other than depreciation and amortization, incurred from June 10, 2010 (the date at which we determined that the remediation was substantially complete), through the date of reopening, as preopening costs. During 2010, we incurred \$55.3 million in preopening costs. See Note 2 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2011 for a further discussion of the components of these costs.

Non-Operating Results Affecting Net Income (Loss)*General*

The following table summarizes the other factors which affected our net income for the three months and six months ended June 30, 2012 and 2011 (in thousands, except percentages):

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|--------------------------------|-------------|----------|------------------------------|-------------|----------|
| | 2012 | 2011 | % Change | 2012 | 2011 | % Change |
| Interest expense, net of amounts capitalized | \$ (14,451) | \$ (21,377) | 32.4% | \$ (28,813) | \$ (42,186) | 31.7% |
| Interest income | 3,021 | 3,316 | -8.9% | 6,175 | 6,489 | -4.8% |
| Income from unconsolidated companies | 109 | 152 | -28.3% | 109 | 325 | -66.5% |
| Other gains and (losses), net | | 141 | -100.0% | | (50) | 100.0% |
| (Provision) benefit for income taxes | (11,314) | (4,799) | -135.8% | (15,783) | (3,832) | -311.9% |
| Income from discontinued operations, net of taxes | (19) | 4 | -575.0% | 2 | 8 | -75.0% |

The following table summarizes the other factors which affected our net income (loss) for the years ended December 31, 2011, 2010 and 2009 (in thousands, except percentages):

| | Year Ended December 31, | | Year Ended December 31, | | 2009 |
|--|----------------------------|----------|----------------------------|----------|-------------|
| | 2011 | % Change | 2010 | % Change | |
| Interest expense, net of amounts capitalized | \$ (74,673) | 8.3% | \$ (81,426) | -6.3% | \$ (76,592) |
| Interest income | 12,460 | -5.1% | 13,124 | -13.0% | 15,087 |
| Income (loss) from unconsolidated companies | 1,086 | 78.6% | 608 | 12260.0% | (5) |
| Net gain on extinguishment of debt | | -100.0% | 1,299 | -93.0% | 18,677 |
| Other gains and (losses) | (916) | -71.2% | (535) | -118.8% | 2,847 |
| (Provision) benefit for income taxes | (7,420) | -118.2% | 40,718 | -517.9% | (9,743) |
| Income (loss) from discontinued operations, net of taxes | 109 | -96.4% | 3,070 | 143.0% | (7,137) |

Interest Expense, Net of Amounts Capitalized

Interest expense, net of amounts capitalized, decreased \$6.9 million to \$14.5 million (net of capitalized interest of \$0.2 million) during the three months ended June 30, 2012, as compared to the same period in 2011,

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and decreased \$13.4 million to \$28.8 million (net of capitalized interest of \$0.5 million) during the six months ended June 30, 2012, as compared to the same period in 2011, due primarily to a decrease in interest expense associated with our refinanced credit facility due to lower interest rates.

Cash interest expense decreased \$7.0 million to \$10.0 million in the three months ended June 30, 2012, and decreased \$13.4 million to \$20.1 million in the six months ended June 30, 2012, as compared to the same periods in 2011. Noncash interest expense, which includes amortization of deferred financing costs and debt discounts, as well as capitalized interest, remained stable at \$4.5 million in the three months ended June 30, 2012, and increased \$0.1 million to \$8.8 million in the six months ended June 30, 2012, as compared to the same periods in 2011.

Our weighted average interest rate on our borrowings was 5.4% and 7.0% for the three months and 5.4% and 6.9% for the six months ended June 30, 2012 and 2011, respectively.

Interest expense, net of amounts capitalized, decreased \$6.8 million to \$74.7 million (net of capitalized interest of \$0.6 million in 2011) in 2011 as compared to 2010, due primarily to a 2011 decrease in interest expense associated with our refinanced credit facility, partially offset by the write-off of \$1.7 million in deferred financing costs associated with our previous \$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 6.3% in 2011 as compared to 6.8% in 2010. Cash interest expense decreased \$9.8 million to \$55.8 million in 2011 as compared to 2010, and noncash interest expense, which includes amortization of deferred financing costs and debt discounts and capitalized interest, increased \$3.1 million to \$18.9 million in 2011 as compared to 2010.

Interest expense, net of amounts capitalized, increased \$4.8 million to \$81.4 million (net of capitalized interest of \$1.2 million) in 2010 as compared to 2009, due primarily to a \$20.1 million increase in interest expense related to our 3.75% convertible senior notes issued in September 2009, partially offset by decreases in interest expense on our 8% senior notes and 6.75% senior notes of \$15.7 million and \$2.0 million, respectively, as a result of our redemption and repurchase of all of the 8% senior notes in 2009 and a portion of the 6.75% senior notes in 2009 and 2010. Our weighted average interest rate on our borrowings, excluding the write-off of deferred financing costs during the period, was 6.8% in 2010 as compared to 6.2% in 2009. Cash interest expense decreased \$4.2 million to \$65.6 million in 2010 as compared to 2009, and noncash interest expense, which includes amortization of deferred financing costs and debt discounts and capitalized interest, increased \$9.0 million to \$15.8 million in 2010 as compared to 2009.

Interest Income

Interest income for the three months and six months ended June 30, 2012 and 2011 primarily includes amounts earned on the notes that were received in connection with the development of Gaylord National.

Interest income for 2011, 2010 and 2009 primarily includes amounts earned on the notes that were received in connection with the development of Gaylord National. The decrease in interest income during 2010, as compared to 2009, was primarily due to the discount on a portion of the notes that were received in connection with the development of Gaylord National becoming fully amortized into interest income during 2009.

Income (Loss) From Unconsolidated Companies

We account for our previous minority investments under the equity method of accounting. Income from unconsolidated companies for the three months and six months ended June 30, 2012 and 2011 consisted of income from these investments.

Net Gain on Extinguishment of Debt

During 2010, we repurchased \$28.5 million in aggregate principal amount of our outstanding 6.75% senior notes for \$27.0 million. After adjusting for deferred financing costs and other costs, we recorded a pre-tax gain of \$1.3 million as a result of the repurchases.

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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 \$62.5 million. After adjusting for 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, of all remaining outstanding 8% senior notes. As a result of these transactions, after adjusting for 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.

Other Gains and (Losses)

Other gains and (losses), net for the three months and six months ended June 30, 2011 primarily consisted of miscellaneous income and expense related to retirements of fixed assets.

Our other gains and (losses) during 2011 and 2010 primarily consisted of miscellaneous income and expenses related to retirements of fixed assets.

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.

(Provision) Benefit for Income Taxes

The effective tax rate as applied to pretax income from continuing operations differed from the statutory federal rate due to the following for the three months and six months ended June 30, 2012 and 2011 (in percentage points):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|------------|
| | 2012 | 2011 | 2012 | 2011 |
| U.S. Federal statutory rate | 35% | 35% | 35% | 35% |
| State taxes (net of federal tax benefit and change in valuation allowance) | 11 | 4 | 9 | 4 |
| Permanent items | 13 | (1) | 10 | (1) |
| Federal tax credits | (4) | (4) | (3) | (4) |
| Federal valuation allowance | 1 | 1 | | 1 |
| Unrecognized tax benefits | | 1 | | 1 |
| Effective tax rate | 56% | 36% | 51% | 36% |

The increase in our effective tax rate during the three months and six months ended June 30, 2012, as compared to the same periods in 2011, was due primarily to increases in permanent tax adjustments related to compensation and state tax expense.

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The effective tax rate as applied to pre-tax income (loss) from continuing operations differed from the statutory federal rate due to the following for the years ended December 31, 2011, 2010 and 2009 (in percentage points):

| | Year Ended December 31, | | |
|--|----------------------------|------|------|
| | 2011 | 2010 | 2009 |
| U.S. federal statutory rate | 35% | 35% | 35% |
| State taxes (net of federal tax benefit and change in valuation allowance) | 15% | 1% | 22% |
| Permanent items | 0% | -1% | 0% |
| Federal tax credits | -8% | 1% | -7% |
| Federal valuation allowance | -2% | -4% | 0% |
| Effect of tax law change | 0% | -1% | 0% |
| Unrecognized tax benefits | 2% | 0% | 8% |
| Effective tax rate | 42% | 31% | 58% |

The increase in our effective tax rate for 2011, as compared to 2010, resulted primarily from increases in state valuation allowances, increases in unrecognized tax benefits, and state taxes payable in relation to pre-tax income, partially offset by the impact of federal tax credits.

Increases in our valuation allowances and the impact of permanent items in relation to pre-tax income (loss), resulted in a decreased effective tax rate for 2010 as compared to 2009.

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, 2011, 2010 and 2009. 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.

During the second quarter of 2010, in a continued effort to focus on our core Gaylord Hotels and Opry and Attractions businesses, we committed to a plan of disposal of our Corporate Magic business. On June 1, 2010, we completed the sale of Corporate Magic through the transfer of all of our equity interests in Corporate Magic, Inc. to the president of Corporate Magic who, prior to the transaction, was employed by us. In exchange for our equity interests in Corporate Magic, we received, prior to giving effect to a purchase price adjustment based on the working capital of Corporate Magic as of the closing, a note receivable, which terms provide for a quarterly payment from the purchaser, beginning in the second quarter of 2011 through the first quarter of 2017. We recorded this note receivable at its fair value of \$0.4 million, based on the expected cash receipts under the note, discounted at a discount rate that reflects management's assessment of a market participant's view of risks associated with the projected cash flows of Corporate Magic. We recognized a pretax gain of \$0.6 million related to the sale of Corporate Magic during 2010.

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The following table reflects the results of operations of businesses accounted for as discontinued operations for the years ended December 31, 2011, 2010 and 2009 (in thousands):

| | 2011 | Year Ended December 31, 2010 | 2009 |
|---|---------------|------------------------------------|-------------------|
| Revenues: | | | |
| Corporate Magic | \$ | \$ 2,389 | \$ 6,276 |
| Operating income (loss): | | | |
| Corporate Magic | \$ 56 | \$ (716) | \$ (7,708) |
| Other | 22 | 204 | (87) |
| Total operating income (loss) | 78 | (512) | (7,795) |
| Interest expense, net of amounts capitalized | | | |
| Interest income | 60 | 32 | (1) |
| Other gains and (losses): | | | |
| Corporate Magic | | 618 | |
| Other | 38 | 45 | 119 |
| Total other gains and (losses) | 38 | 663 | 119 |
| Income (loss) before income taxes | | | |
| (Provision) benefit for income taxes | 176 | 183 | (7,677) |
| | (67) | 2,887 | 540 |
| Income (loss) from discontinued operations | \$ 109 | \$ 3,070 | \$ (7,137) |

The benefit for income taxes for 2010 primarily relates to a permanent tax benefit recognized on the sale of the stock of Corporate Magic.

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 the six months ended June 30, 2012, our net cash flows provided by operating activities continuing operations were \$79.1 million, reflecting primarily cash provided by our income from continuing operations before non-cash depreciation expense, amortization expense, income tax provision, stock-based compensation expense and income from unconsolidated companies of approximately \$107.4 million, partially offset by unfavorable changes in working capital of approximately \$28.3 million. The unfavorable changes in working capital primarily resulted from an increase in trade receivables due to a seasonal change in the timing of payments received from corporate group customers at Gaylord National, Gaylord Opryland and Gaylord Palms, and a decrease in accrued expenses primarily related to the payment of accrued property taxes, accrued compensation, and accrued expenses associated with our hotel holiday programs, partially offset by an increase in deferred revenues due to increased receipts of deposits on advanced bookings of hotel rooms at Gaylord National and Gaylord Texan and an increase in accounts payable due to timing differences.

During the six months ended June 30, 2011, our net cash flows provided by operating activities continuing operations were \$39.7 million, reflecting primarily cash provided by our income from continuing operations before non-cash depreciation expense, amortization expense, income tax provision, stock-based compensation expense, income from unconsolidated companies, and losses on the disposals of certain fixed assets of approximately \$81.5 million, partially offset by unfavorable changes in working capital of approximately \$41.8 million. The unfavorable changes in working capital primarily resulted from a decrease in accrued expenses, primarily related to the payment of accrued compensation, accrued property taxes, and accrued expenses associated with our hotel holiday programs, and an increase in trade receivables due to a seasonal

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change in the timing of payments received from corporate group customers at Gaylord Opryland, Gaylord National and Gaylord Palms, partially offset by an increase in deferred revenues due to increased receipts of deposits on advanced bookings of hotel rooms at Gaylord National and Gaylord Opryland.

During the year ended December 31, 2011, our net cash flows provided by our operating activities – continuing operations were \$153.9 million, reflecting primarily our income from continuing operations before non-cash depreciation expense, amortization expense, income tax provision, stock-based compensation expense, income from unconsolidated companies, the write-off of deferred financing costs related to the refinancing of our credit facility, losses on assets damaged in the Nashville Flood, and losses on the sales of certain fixed assets of approximately \$170.6 million, partially offset by unfavorable changes in working capital of approximately \$16.7 million. The unfavorable changes in working capital primarily resulted from an increase in accounts receivable at Gaylord Opryland, Gaylord Palms and Gaylord Texan due primarily to an increase in group business at the end of 2011, as compared to the end of 2010, which business typically has longer payment terms, a decrease in interest payable due to the repayment of \$100.0 million under our credit facility, as well as lower interest rates and the expiration of the interest rate swaps associated with our credit facility, and a decrease in accounts payable due to timing of payments. These unfavorable changes were partially offset by the collection of federal tax refunds related to 2010 and an increase in deferred revenue due to increased receipts of deposits on advance bookings of hotel rooms at Gaylord National and Gaylord Palms.

During the year ended December 31, 2010, our net cash flows provided by our operating activities – continuing operations were \$138.9 million, reflecting primarily our loss from continuing operations before non-cash depreciation expense, amortization expense, income tax benefit, stock-based compensation expense, income from unconsolidated companies, net gain on extinguishment of debt, losses on assets damaged in the Nashville Flood, and losses on the sales of certain fixed assets of approximately \$82.2 million, as well as favorable changes in working capital of approximately \$56.7 million. The favorable changes in working capital primarily resulted from a decrease in income taxes receivable, primarily due to the receipt of federal tax refunds related to 2008 and 2009, an increase in accrued compensation, an increase in accounts payable due to the timing of payments, and a decrease in accounts receivable at Gaylord National due to a change in the timing of group lodging versus payment received and at Gaylord Opryland due to the hotel reopening on November 15, 2010. These favorable changes in working capital were partially offset by a decrease in deferred revenues due to decreased receipts of deposits on advance bookings of hotel rooms at Gaylord National.

During the year ended December 31, 2009, our net cash flows provided by our operating activities – continuing operations were \$125.0 million, reflecting primarily our income from continuing operations before non-cash depreciation expense, amortization expense, 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 \$160.7 million, partially offset by unfavorable changes in working capital of approximately \$35.7 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.

Cash Flows From Investing Activities. During the six months ended June 30, 2012, our primary uses of funds for investing activities were purchases of property and equipment, which totaled \$58.8 million, partially offset by the receipt of a \$2.9 million principal payment on the bonds that were received in connection with the development of Gaylord National. Our capital expenditures during the six months ended June 30, 2012 consisted primarily of the continuance of the renovation of the guestrooms and the completion of a new sports bar entertainment facility and new resort pools at Gaylord Palms, the completion of the enhancement to our flood protection system at Gaylord Opryland, and ongoing maintenance capital expenditures for our existing properties.

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During the six months ended June 30, 2011, our primary uses of funds for investing activities were purchases of property and equipment, which totaled \$61.4 million, partially offset by the receipt of a \$2.5 million principal payment on the bonds that were received in April 2008 in connection with the development of Gaylord National and \$2.2 million in proceeds from the sale of certain fixed assets. Our capital expenditures during the six months ended June 30, 2011 primarily included remaining flood-related projects at Gaylord Opryland, the building of our new resort pool at Gaylord Texan and various information technology projects, as well as ongoing maintenance capital expenditures for our existing properties.

During the year ended December 31, 2011, our primary uses of funds and investing activities were the purchase of property and equipment totaling \$132.6 million, partially offset by the receipt of a \$2.5 million principal payment on the bonds that were received in April 2008 in connection with the development of Gaylord National and \$1.9 million in proceeds from the sale of certain fixed assets. Our capital expenditures during 2011 primarily included remaining flood-related projects at Gaylord Opryland, the commencement of renovation of the guestrooms, the addition of a sports bar entertainment facility and new resort pools at Gaylord Palms, the building of our new resort pool at Gaylord Texan, and various information technology projects, as well as ongoing maintenance capital expenditures for our existing properties.

During the year ended December 31, 2010, our primary uses of funds and investing activities were the purchase of property and equipment totaling \$194.6 million, partially offset by the receipt of a \$3.8 million payment on the bonds that were received in April 2008 in connection with the development of Gaylord National. Our capital expenditures during 2010 included construction at Gaylord Opryland, the Grand Ole Opry and our corporate offices of \$136.8 million, \$16.7 million and \$11.3 million, respectively, primarily related to rebuilding costs associated with the Nashville Flood, as well as ongoing maintenance capital expenditures at our other properties.

During the year ended December 31, 2009, our primary uses of funds and investing activities were the purchase of property and equipment totaling \$53.1 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.

Cash Flows From Financing Activities. Our cash flows from financing activities reflect primarily the incurrence of debt and the repayment of long-term debt. During the six months ended June 30, 2012, our net cash flows used in financing activities were approximately \$38.5 million, primarily reflecting \$45.0 million in repayments under our credit facility, partially offset by \$6.8 million in proceeds from the exercise of stock option and purchase plans.

During the six months ended June 30, 2011, our net cash flows provided by financing activities were approximately \$4.1 million, primarily reflecting \$4.2 million in proceeds from the exercise of stock option and purchase plans.

During the year ended December 31, 2011, our net cash flows used in financing activities continuing operations were \$105.7 million, primarily reflecting \$100.0 million in repayments under our credit facility and the payment of \$10.1 million in deferred financing costs associated with the refinancing of our credit facility, partially offset by \$4.8 million in proceeds from the exercise of stock option and purchase plans.

During the year ended December 31, 2010, our net cash flows used in financing activities continuing operations were \$3.3 million, primarily reflecting the payment of \$27.0 million to repurchase portions of our senior notes, partially offset by \$26.1 million in proceeds from the exercise of stock option and purchase plans.

During the year ended December 31, 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 3.75% 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

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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 3.75% 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 3.75% convertible notes and the payment of \$4.6 million to purchase shares of our common stock to fund a supplemental employee retirement plan.

Working Capital

As of June 30, 2012 we had total current assets of \$134.2 million and total current liabilities of \$152.6 million, which resulted in a working capital deficit of \$18.4 million. A significant portion of our current liabilities consist of deferred revenues (\$50.2 million at June 30, 2012), which primarily represent deposits received on advance bookings of hotel rooms. While satisfaction of these deferred revenue liabilities will require the use of hotel resources and services, it does not require future cash payments by us. As a result, we believe our current assets, cash flows from operating activities and availability under our credit facility will be sufficient to repay our current liabilities as they become due.

Liquidity

As of June 30, 2012, we had \$29.5 million in unrestricted cash and \$362.0 million available for borrowing under our \$925 million senior secured credit facility, which we refinanced in July 2011 and matures in 2015. During the six months ended June 30, 2012, we prepaid \$45.0 million of the principal outstanding under our \$925 million senior secured credit facility. This prepayment, partially offset by the cash flows from operating activities discussed above, was the primary factor in the decrease in our cash balance from December 31, 2011 to June 30, 2012.

In connection with our repurchase of 5,000,000 shares of common stock from TRT Holdings on August 6, 2012, we borrowed \$185 million under the revolver to our \$925 million senior secured credit facility to fund the purchase price. In connection with the secondary offering of our common stock by TRT Holdings that closed on August 16, 2012, the estimated fees and expenses paid or to be paid by us, including our reimbursement of 50% of the underwriting discounts and commissions paid by TRT Holdings, are approximately \$3.4 million.

As described above, we anticipate investing in our operations during the remainder of 2012 through ongoing maintenance capital expenditures for our existing properties. This would include approximately \$2 million to \$3 million to complete the room renovation at Gaylord Palms and between \$10 million to \$12 million in ongoing maintenance capital at the hotels. We also expect to spend approximately \$4 million to complete the final portion of the flood levee for the Grand Ole Opry House. In 2013, we anticipate between \$25 million to \$30 million in ongoing maintenance capital along with \$3 million to \$4 million to renovate the suites at the Gaylord Palms and \$11 million to \$13 million to renovate half of the rooms at the Gaylord Texan (the remaining to be completed in 2014). Other projects being discussed, but have not been approved, include the potential expansion of the resort pool complex at Gaylord Texan and investment into the joint venture investment with the Dollywood Company.

We believe that our cash on hand and cash from operations will be adequate to fund these short-term commitments, as well as: (i) normal operating expenses, (ii) interest expense on long-term debt obligations, and (iii) capital lease and operating lease obligations. If our existing cash and cash from operations were inadequate to fund such commitments, we could draw on our \$925 million senior secured credit facility, subject to the satisfaction of debt incurrence tests. We believe that drawing on this credit facility will not be necessary for general working capital purposes or these 2012 commitments described herein. We may, however, draw on our credit facility for operational and capital needs in the future.

As described above, we will receive cash of \$210 million upon the consummation of the Marriott sale transaction. In connection with the Marriott sale transaction, the completion of the merger and the REIT

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conversion, we anticipate that (i) we will incur federal income taxes associated with the receipt of the purchase price and other transactions related to the REIT conversion, net of remaining net operating losses, of approximately \$43 million to \$53 million, (ii) we will incur one-time costs related to the REIT conversion and Marriott sale transaction currently estimated to be \$55 million, including approximately \$10 million in investment banking fees, \$6 million in legal fees, \$4 million in consulting fees, \$19 million in severance and retention costs, and \$16 million in conversion costs, and (iii) we will be required to pay the anticipated cash portion of the special E&P distribution as further described in the section entitled *The Special E&P Distribution* on page 65. In addition, if we do not apply the net proceeds of the Marriott sale transaction in a manner compliant with the asset sale provisions of the indenture for our 6.75% senior notes described in the section entitled *Principal Debt Agreements 6.75% Senior Notes* on page 135, we may be required to tender for some or all of our outstanding 6.75% senior notes within 360 days of the consummation of the Marriott sale transaction. We anticipate that we may not use the net proceeds of the Marriott sale transaction in such a manner, and therefore, we may be required to tender for the purchase of our outstanding 6.75% senior notes in an amount equal to the net proceeds of the Marriott sale transaction within 360 days of its consummation. As of June 30, 2012, \$152.2 million in aggregate principal amount of the senior 6.75% senior notes was outstanding. If we are unable to refinance the 6.75% senior notes in the debt capital markets, we would likely wait until on or after November 15, 2012, at which time the 6.75% senior notes will be redeemable at par, and redeem the 6.75% senior notes using operational cash flow or borrowings under our revolving credit line. Given the Company's operating performance and ample availability under our revolving credit line, we do not believe tendering for some or all of the 6.75% senior notes would negatively impact our long-term liquidity.

Our outstanding principal debt agreements, none of which mature prior to 2014, are described below. Based on current projections for compliance under our financial covenants contained in these agreements, other than those described in the preceding paragraph, we do not foresee a maturity issue prior to 2014.

Principal Debt Agreements

Our outstanding principal debt agreements are described below.

\$925 Million Senior Secured Credit Facility. On August 1, 2011, we refinanced our previous \$1.0 billion credit facility by entering into a \$925 million senior secured 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. Our \$925 million senior secured credit facility consists of the following components: (a) a \$525.0 million senior secured revolving credit facility, of which \$200.0 million was drawn at closing, and includes a \$75.0 million letter of credit sublimit and a \$50.0 million sublimit for swingline loans, and (b) a \$400.0 million senior secured term loan facility, which was fully funded at closing. Our \$925 million senior secured credit facility also includes an accordion feature that will allow us to increase the facility by a total of up to \$475.0 million, subject to securing additional commitments from existing lenders or new lending institutions. Our \$925 million senior secured credit facility matures on August 1, 2015 and bears interest at an annual rate of LIBOR plus 2.25% or the bank's base rate plus 1.25%, subject to adjustment based on our implied debt service coverage ratio, as defined in the agreement. Interest on our borrowings is payable quarterly, in arrears, for base rate loans and at the end of each interest rate period for LIBOR-based loans. Principal is payable in full at maturity. We are required to pay a fee of 0.3% to 0.4% per year of the average unused portion of our \$925 million senior secured credit facility. The purpose of our \$925 million senior secured credit facility is for working capital, capital expenditures, and other corporate purposes.

To facilitate our repurchase of 5,000,000 shares of common stock held by TRT Holdings, on August 6, 2012, we entered into a First Amendment and Consent Agreement, which amends the credit agreement to our \$925 million senior secured credit facility. Under the amendment, the required lenders agreed that our repurchase of up to \$200,000,000 of our common stock from TRT Holdings and our entering into an underwriting agreement with TRT Holdings and Deutsche Bank Securities Inc. will not constitute a default under the credit agreement. The amendment also revised the consolidated tangible net worth financial covenant in the credit agreement by

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reducing the required covenant level by all amounts paid by us in connection with the repurchase of shares from TRT Holdings. As a result, we are required to maintain a consolidated tangible net worth in an amount equal to at least \$850 million, plus 75% of net cash proceeds received in connection with any equity issuance, minus such amounts paid in connection with the repurchase of our common stock from TRT Holdings.

Our \$925 senior secured credit facility is (i) secured by a first mortgage and lien on the real property and related personal and intellectual property of our Gaylord Opryland hotel, Gaylord Texan hotel, Gaylord Palms hotel and Gaylord National hotel, 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, our \$925 million senior secured 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 our \$925 million senior secured 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 in an amount equal to at least \$850 million, plus 75% of net cash proceeds received in connection with any equity issuance, minus such amounts paid in connection with the repurchase of our common stock from TRT Holdings.