

GAYLORD ENTERTAINMENT CO /DE

Form S-4/A

July 30, 2012

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As filed with the Securities and Exchange Commission on July 27, 2012

Registration No. 333-182352

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Amendment No. 1**

to

**FORM S-4**

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**GRANITE HOTEL PROPERTIES, INC.**  
**GAYLORD ENTERTAINMENT COMPANY**

(Exact name of registrant as specified in its charter)

<b>Delaware</b>	<b>6798</b>	<b>73-0664379</b>
<b>Delaware</b>	<b>7011</b>	<b>73-0664379</b>
(State or other jurisdiction of	(Primary Standard Industrial	(I.R.S. Employer
incorporation or organization)	Classification Code Number)	Identification Number)
	<b>One Gaylord Drive</b>	
	<b>Nashville, Tennessee 37214</b>	
	<b>(615) 316-6000</b>	

(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

**Carter R. Todd, Esq.**  
**General Counsel and Secretary**  
**Granite Hotel Properties, Inc.**  
**One Gaylord Drive**  
**Nashville, Tennessee 37214**  
**(615) 316-6000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*With a copy to:*  
**F. Mitchell Walker, Jr., Esq.**  
**Bass, Berry & Sims PLC**  
**150 Third Avenue South**  
**Suite 2800**  
**Nashville, Tennessee 37201**  
**(615) 742-6200**

**Approximate date of commencement of proposed sale of securities to the public:** As soon as practicable after this Registration Statement is declared effective and all conditions to the merger have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer  Accelerated filer

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

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issue Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this proxy statement/prospectus is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. Granite Hotel Properties, Inc. may not sell or exchange these securities until the Registration Statement is effective. This proxy statement/prospectus is not an offer to sell or exchange these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.**

**Subject to Completion, dated July 27, 2012**

[            ], 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 19, 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, under the symbol [            ]. 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 [            ] 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 [            ] 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

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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 [                      ], 2012 and is being first mailed to stockholders on or about [                      ], 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 19, 2012**

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of Gaylord Entertainment Company, a Delaware corporation, will be held on September 19, 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 [ ] 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, [ ], toll-free at [ ].

By order of the board of directors,

Carter R. Todd  
*Executive Vice President, General Counsel and Secretary*

Nashville, Tennessee [ ], 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 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](http://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 Report on Form 10-Q for the quarter ended March 31, 2012, filed with the Commission on May 9, 2012;
3. the information in Gaylord's Definitive Proxy Statement on Schedule 14A, filed with the Commission on April 3, 2012, that 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, June 1, 2012, June 21, 2012, June 27, 2012, and July 19, 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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and a description of rights to acquire one one-hundredth of a share of Series A Junior Participating Preferred Stock of the Gaylord Entertainment Company pursuant to Gaylord's shareholder rights plan set forth in Gaylord's Registration Statement on Form 8-A and Current Report on Form 8-K, both filed on August 13, 2008, as amended by Gaylord's Registration Statement on Form 8-A/A and Current Report on Form 8-K, both filed on March 10, 2009.

**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**

**If you would like to request documents from us, please do so by [                      ], 2012.**

Granite has 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 Granite on Form S-4 and is a prospectus for 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 [ ] 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.

**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;

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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 & Convention Center, the Gaylord National Resort & Convention Center, the Gaylord Palms Resort & Convention Center, and the Gaylord Texan Hotel & 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 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 165 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;

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*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, and we believe Marriott will 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;

*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.

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 58, "Our Reasons for the REIT Conversion and the Merger" on page 61 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 146.

**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.**

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**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 68.

**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, if any, 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.

We have applied for a ruling from the Internal Revenue Service, or 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.



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**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 [ ] 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 share price of our common stock on the three trading days following the date election forms are due. See the section entitled "The Special E&P Distribution" on page 70 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. 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 Marriott Management Agreement and Pooling Agreement with Marriott Management Agreement Retained Management Rights Under the Management Agreement" on page 82.

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.

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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 at 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 19, 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 [ ] 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 [ ] 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.

**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 [ ] shares of our common stock outstanding. On such date, the shares were held by [ ] holders of record. On or about [ ], 2012, we will begin mailing this proxy statement/prospectus to all persons entitled to vote at the special meeting.

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### **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 [ ] 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 [ ] 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. 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.



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**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 61.

**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 159, 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 34.

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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 61.

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