

Great Wolf Resorts, Inc.  
Form POS AM  
May 05, 2005

**Table of Contents**

As filed with the Securities and Exchange Commission on May 5, 2005

Registration No. 333-122208

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**POST-EFFECTIVE  
AMENDMENT NO. 1  
TO  
FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**GREAT WOLF RESORTS, INC.**

(Exact name of issuer as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**7011**  
(Primary Standard Industrial  
Classification Code Number)

**51-0510250**  
(I.R.S. Employer  
Identification No.)

**122 West Washington Avenue  
Madison, Wisconsin 53703  
(608) 251-6400**  
(Address, Including Zip Code, and Telephone Number, Including Area Code of Registrant's Principal Executive Offices)

**J. Michael Schroeder  
General Counsel and Corporate Secretary  
Great Wolf Resorts, Inc.  
122 West Washington Avenue  
Madison, Wisconsin 53703  
(608) 251-6400**  
(Address, Including Zip Code, and Telephone Number, Including Area Code of Agent For Service)

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*With a Copy to:*  
**Alan J. Prince  
King & Spalding LLP  
191 Peachtree Street  
Atlanta, Georgia 30303  
(404) 572-4600**

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, 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.

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If this Form is a post-effective amendment filed pursuant to Rule 462(c) 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.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

### CALCULATION OF REGISTRATION FEE

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Title Of Each Class Of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, par value \$0.01 per share	14,032,896 Shares	\$21.34	\$299,462,001	\$35,247

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(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of the Securities Act, based upon the average of the high and low sales prices of the Registrant's common stock on the Nasdaq National Market on January 14, 2005.

(2) Previously Paid.

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**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 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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**Table of Contents**

**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED MAY 5, 2005**

**PROSPECTUS**

**14,032,896 Shares**

**Great Wolf Resorts, Inc.**

**Common Stock**

This prospectus relates to 14,032,896 shares of our common stock being sold by the selling stockholders named in this prospectus. We will not receive any proceeds from the issuance or sale of these shares.

The selling stockholders may offer their shares of common stock from time to time through public or private transactions, in the over-the-counter markets, on any exchanges on which our common stock is traded at the time of sale, at prevailing market prices or at privately negotiated prices. The shares may be sold directly or through agents or broker-dealers acting as principal or agent, or in block trades or through one or more underwriters on a firm commitment or best efforts basis. The selling stockholders may engage underwriters, brokers, dealers or agents, who may receive commissions or discounts from the selling stockholders. We will pay substantially all of the expenses incident to the registration of the shares, except for sales commissions and other seller's compensation applicable to sales of the shares.

The selling stockholders and any underwriters, agents or broker-dealers that participate with the selling stockholders in the distribution of the common stock may be deemed to be underwriters within the meaning of the Securities Act of 1933, as amended, and any commissions received by them and any profit on the resale of the common stock may be deemed to be underwriting commissions or discounts under the Securities Act.

Our common stock trades on the Nasdaq National Market under the symbol WOLF. On May 4, 2005, the last reported sales price of our common stock on the Nasdaq National Market was \$20.80.

**Investing in our common stock involves risks. See Risk Factors beginning on page 12.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is \_\_\_\_\_, 2005

**You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>Summary</u>	1
<u>Risk Factors</u>	12
<u>Forward-Looking Statements</u>	22
<u>Structure and Formation of Our Company</u>	23
<u>Use of Proceeds</u>	27

## Edgar Filing: Great Wolf Resorts, Inc. - Form POS AM

<u>Market Price Information</u>	27
<u>Dividend Policy</u>	27
<u>Selected Financial Data</u>	28
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	31
<u>Business</u>	48
<u>Management</u>	68
<u>Certain Relationships and Related Transactions</u>	79
<u>Principal Stockholders</u>	82
<u>Selling Stockholders</u>	84
<u>Plan of Distribution</u>	97
<u>Description of Securities</u>	98
<u>Legal Matters</u>	102
<u>Experts</u>	102
<u>Where You Can Find More Information About Us</u>	102
<u>Index to Financial Statements</u>	F-1
<u>EX-23.2 CONSENT OF DELOITTE &amp; TOUCHE LLP</u>	
<u>EX-23.3 CONSENT OF RUBIN, BROWN, GORSTEIN &amp; CO. LLP.</u>	

We own, or claim ownership rights to, a variety of trade names, service marks and trademarks for use in our business, including Biko the Bear, Blue Harbor Resort, Boathouse Suite, Breaker Bay, Crew Club, Cub Club, Great Wolf Lodge, Great Wolf Resorts, KidAquarium Suite, KidCabin and Wiley the Wolf in the United States and, where appropriate, in foreign countries. This prospectus also includes product names and other tradenames and service marks owned by us and other companies. The tradenames and service marks of other companies are the property of such other companies.

**Table of Contents**

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**Table of Contents**

**SUMMARY**

*This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus, including Risk Factors, the audited financial statements of our predecessor companies and our consolidated financial statements and related notes, carefully before making an investment decision. References in this prospectus to we, our, us and our company refer to Great Wolf Resorts, Inc., a Delaware corporation, together with our consolidated subsidiaries.*

**Our Business**

We are a family entertainment resort company that provides our guests with a high-quality vacation at an affordable price. We are the largest owner, operator and developer in the United States of drive-to family resorts featuring indoor waterparks and other family-oriented entertainment activities, based on the number of resorts in operation. We provide a full-service entertainment resort experience to our target customer base: families with children ranging in ages from 2 to 14 years old that live within a convenient driving distance from our resorts. Our resorts provide a consistent and comfortable environment throughout the year where our guests can enjoy our various amenities and activities. We are a fully integrated resort company with in-house expertise and resources in resort and indoor waterpark development, management, marketing and financing.

We own and operate five existing Great Wolf Lodge® resorts, our signature northwoods-themed resorts, and one Blue Harbor Resort, a nautical-themed property. In addition, we own one Great Wolf Lodge resort that is under construction and scheduled to open for business during 2005. We are also the licensor and manager of an additional Great Wolf Lodge resort in Niagara Falls, Ontario that is owned and under development by an affiliate of Ripley Entertainment Inc., or Ripley's. We are currently evaluating 12 to 14 additional markets for potential future development of Great Wolf Lodge resorts, six of which are in active site negotiation. We anticipate that most of our future resorts will be developed under our Great Wolf Lodge brand, but we may develop additional nautical-themed resorts in other appropriate markets.

We deliver value to our guests by providing an affordable and fun family vacation experience. Our resorts are located within a convenient driving distance of our target customer base, providing our guests with a less expensive, more convenient alternative to air travel. In addition, our resorts generally include the following features:

*Suites:* approximately 270 to 400 family suites that sleep from six to ten people and each include a wet bar, microwave oven, refrigerator and dining and sitting area.

*Waterpark:* an approximately 34,000 to 82,000 square-foot indoor waterpark highlighted by our signature 12-level treehouse water fort. Our water fort is an interactive water experience for the entire family and features over 60 water effects, including spray guns, fountains, valves and hoses, has cargo netting and suspension bridges, and is capped by an oversized bucket that dumps between 700 and 1,000 gallons of water every five minutes. Our waterparks also feature high-speed body slides and inner tube waterslides that wind in and out of the building into a splash-down pool, a lazy river, activity pools and large free-form hot tubs. Our room rates include use of the waterpark by four to six guests, depending on the type of room.

*Food and Beverage:* themed restaurants, such as our: Camp Critter Bar & Grille, which features a two-story realistic tree with a canopy of leaves and canvas-topped booths with hanging lanterns, giving guests the impression that they are dining in a northwoods forest camp; Bear Claw Café ice cream shop and confectionery; and waterpark snack shop.

*Amenities and Activities:* our Youkon Jack's and Northern Lights game arcades, full-service Aveda® concept spa, Buckhorn Exchange gift shop, Iron Horse fitness center, two-story animated clocktower, Cub Club children's activity program, meeting rooms and seasonal, holiday and other special activities.

## Table of Contents

We were formed in May 2004 to succeed to the family entertainment resort business of our predecessor companies, The Great Lakes Companies, Inc, which we sometimes refer to in this prospectus as the management company, and a number of its related entities. We refer to these entities collectively as Great Lakes. Great Lakes developed and operated hotels between 1995 and 2004. In 1999, Great Lakes began its resort operations by purchasing the Great Wolf Lodge in Wisconsin Dells, Wisconsin and developing the Great Wolf Lodge in Sandusky, Ohio, which opened in 2001. In 2003, Great Lakes opened two additional Great Wolf Lodge resorts, one in Traverse City, Michigan and the other in Kansas City, Kansas. In June 2004, Great Lakes opened the Blue Harbor Resort in Sheboygan, Wisconsin. Immediately prior to the closing of our initial public offering of common stock, which we refer to in this prospectus as the IPO or the initial public offering, Great Lakes had two additional Great Wolf Lodge resorts under construction, one in Williamsburg, Virginia and the other in the Pocono Mountains region of Pennsylvania. In March 2005, we opened the Great Wolf Lodge of Williamsburg in Virginia. Our Poconos resort is scheduled to open in October 2005.

On December 20, 2004, in connection with the closing of the initial public offering, we acquired each of these resorts and the resorts currently under construction, as well as certain resort development and management operations, in exchange for an aggregate of 14,032,896 shares of our common stock and \$97.6 million in a series of transactions we refer to in this prospectus as the formation transactions. We also realized net proceeds of \$248.7 million from the sale of 16,100,000 shares of our common stock in the initial public offering.

Our management team possesses substantial expertise in all aspects of family entertainment resort and indoor waterpark development, management, marketing and financing. We have safely and successfully managed the operational complexity of our current resorts and intend to operate our future resorts similarly. We operate our business from our headquarters in Madison, Wisconsin. We believe that the experience of our senior management team, particularly their development and operational experience, as well as our centralized reservations center, provide an infrastructure that will allow us to continue to increase the number of resorts that we develop and operate without proportionately higher overhead costs. As of December 31, 2004, we had approximately 120 corporate employees, including our central reservations center employees, and approximately 1,600 full and part-time resort-level employees.

Our principal executive offices are located at 122 West Washington Avenue, Madison, Wisconsin 53703, and our telephone number is (608) 251-6400. Our website can be found on the internet at [www.greatwolfresorts.com](http://www.greatwolfresorts.com). Information contained on our website is not part of this prospectus.

### **Our Competitive Strengths**

Our competitive strengths include:

**Unforgettable Family Resort Experience.** Our indoor waterpark resorts provide activities that the entire family can enjoy, including themed restaurants, an Aveda concept spa, a game arcade, ice cream shop and confectionery, gift shop, animated clocktower and fireside bedtime stories.

**Value, Comfort and Convenience.** On average, a two-night stay for a family of four in one of our conveniently located resorts costs approximately \$600.

**Favorable Market Trends.** We believe recent vacation trends favor our Great Wolf Lodge concept as the number of families choosing to take shorter, more frequent vacations that they can drive to has increased over the past several years.

**Market Presence and Barriers to Entry.** We believe that we benefit from the significant barriers to entry, including operational complexity, substantial capital requirements, availability of suitable sites in desirable markets and a difficult, multi-year permitting process.



**Table of Contents**

**Focus on Safety.** We invest heavily in safety measures in the design and operation of our resorts, including our state-of-the-art air quality and water treatment systems.

**Experienced Management Team.** Our senior management team has an average of approximately 14 years of experience in the hospitality, family resort and real estate development industries and has significant expertise in operating complex, themed resorts featuring indoor waterparks.

**Business and Growth Strategies**

Our primary internal growth strategies are to:

**Increase Total Resort Revenue.** We intend to increase total resort revenue by increasing our average room rate, average occupancy and other revenue.

**Leverage Our Economies of Scale.** We intend to take advantage of our economies of scale by capitalizing on our increased purchasing power and centralizing certain of our services.

**Build Upon Brand Awareness and Loyalty.** Our Great Wolf Lodge brand is symbolized by our distinctive and easily identifiable theming and recognizable logos and merchandise, which have fostered strong customer and brand loyalty, as evidenced by our high levels of repeat and referral guests.

Our primary external growth strategies are to:

**Capitalize on First-Mover Advantage.** We intend to be the first to develop and operate family entertainment resorts featuring indoor waterparks in our selected target markets.

**Focus on Development and Strategic Growth Opportunities.** Family entertainment resorts featuring indoor waterparks are a relatively new concept and a growing segment of the resort and entertainment industries. We intend to focus on this growth opportunity by building in target markets, licensing our resort concept internationally, forming strategic partnerships and expanding and enhancing existing resorts.

**Continue to Innovate.** We intend to leverage our in-house expertise, in conjunction with the knowledge and experience of our third-party suppliers and designers, to develop and implement the latest innovations in family entertainment activities and amenities, including waterpark attractions.

**Summary Risk Factors**

Our ability to capitalize on our competitive strengths and implement the business and growth strategies described above may be affected by matters discussed under Risk Factors beginning on page 12, which you should carefully consider prior to deciding whether to invest in our common stock, including:

our ability to develop new resorts or further develop existing resorts on a timely or cost efficient basis;

our ability to compete with other family vacation travel destinations and resorts;

our ability to manage our expected growth;

potential accidents or injuries in our resorts and competing resorts;

our ability to achieve or sustain profitability;

changes in family vacation patterns and consumer spending habits, downturns in our industry segment and extreme weather conditions;

our ability to attract a significant number of guests from our target markets;



**Table of Contents**

increases in operating costs and other expense items and costs;

uninsured losses or losses in excess of our insurance coverage; and

our ability to protect our intellectual property and the value of our brands.

**Properties**

We have six family entertainment resorts that are currently operating and one additional resort that is under construction, and we will manage one resort that is under construction and is owned by a third-party licensee. We also have identified additional target markets for future resort development and are in negotiations with respect to sites in six of these markets. The following table presents an overview of our existing portfolio of resorts:

Location	Opened/Target Opening	Rooms	Indoor Entertainment Area(2)	Year Ended December 31, 2004(1)				
				Occupancy	Average Daily Rate	Revenue per Available Room(3)	Other Revenue per Occupied Room	Total Revenue per Occupied Room(4)
				(%)	(\$)	(\$)	(\$)	(\$)
<b>Existing Resorts:</b>								
Wisconsin Dells, WI	May 1997(5)	309(6)	64,000	62.2	188.76	117.47	78.44	267.20
Sandusky, OH(7)	March 2001	271	41,000	68.0	231.45	157.50	94.33	325.78
Traverse City, MI	March 2003	281	51,000	69.4	223.43	155.04	97.25	320.68
Kansas City, KS	May 2003	281	49,000	64.4	196.18	126.31	89.67	285.85
Sheboygan, WI(8)	June 2004	183(9)	54,000	58.3	190.35	110.93	161.26	351.61
Williamsburg, VA	March 2005	301	66,000					
<b>Resorts Under Construction:</b>								
Pocono Mountains, PA	Fall 2005	400	91,000					
Niagara Falls, ONT(10)	Spring 2006	404	94,000					

- (1) Information for our Sheboygan resort reflects operating results from the resort's opening in June 2004 through December 31, 2004.
- (2) Our indoor entertainment areas generally include our indoor waterpark, game arcade, children's activity room and fitness room, as well as our Aveda concept spa, 3D virtual reality theater, Wiley's Woods and party room in the resorts that have such amenities.
- (3) Revenue per available room represents the total room revenue per total available rooms for the year ended December 31, 2004, calculated by multiplying the occupancy by the average daily rate.
- (4) Total revenue per occupied room is calculated by adding the average daily rate and other revenue per occupied room.
- (5) Great Lakes purchased this property in November 1999.
- (6) Our Wisconsin Dells property also features 77 condominium units currently under construction.
- (7) Prior to May 2004, we operated this resort as a Great Bear Lodge.
- (8) Our Sheboygan property is branded as a Blue Harbor Resort. This resort is subject to a 98-year and 11-month ground lease with the Redevelopment Authority of the City of Sheboygan.

**Table of Contents**

- (9) Our Blue Harbor Resort also features 64 individually owned two and four bedroom condominium units.
- (10) An affiliate of Ripley Entertainment, Inc., our licensee, which we refer to as Ripley's, owns this resort. We are assisting Ripley's with construction management and other pre-opening matters related to the Great Wolf Lodge in Niagara Falls. We have granted Ripley's a license to use the Great Wolf Lodge name and other intellectual property for this resort for ten years after opening. We have agreed to enter into a management agreement, pursuant to which we expect to operate the resort on behalf of Ripley's for five years, and a central reservation services agreement. In conjunction with this project, we expect to receive a one-time construction fee and ongoing license, central reservation services and management fees.

**Structure and Formation of Our Company**

**Formation Transactions**

Each of the six existing resorts and the one resort under construction that are owned and operated by us were, prior to the consummation of the initial public offering and the formation transactions, owned by a separate limited liability company. We refer to these limited liability companies as resort-owning entities. One member in each of these resort-owning entities was a separate limited liability company of which the management company was the managing member or manager. We refer to these entities as sponsor entities. In addition, investors had an ownership interest in the resort-owning entity of our Sandusky resort through a limited liability company that we refer to as Sandusky Investor LLC.

Pursuant to the formation transactions, among other things:

The management company contributed its hotel management and multifamily housing management and development assets, which were unrelated to the resort business, to two subsidiaries of the management company and then distributed the interests in such subsidiaries to the former shareholders of the management company.

We sold an aggregate of 16,100,000 shares of our common stock in the initial public offering, and we used the net proceeds from the initial public offering to accomplish the steps listed below and also to (1) pay an aggregate of \$97.6 million of the cash consideration in connection with the formation transactions; (2) repay certain indebtedness existing prior to the closing of the initial public offering and the formation transactions in the aggregate amount of approximately \$76.0 million; and (3) fund \$75.4 million of our future resort development costs.

We effected, through GWR Operating Partnership, L.L.L.P., our wholly owned operating partnership, the acquisition of each resort-owning entity, sponsor entity, Sandusky Investor LLC and the management company.

Pursuant to these acquisitions, members of the resort-owning entities, sponsor entities and Sandusky Investor LLC received cash, unregistered shares of our common stock or a combination of cash and unregistered shares of our common stock. Also, shareholders of the management company received unregistered shares of our common stock pursuant to the merger of the management company with and into Great Lakes Services, LLC, a wholly owned subsidiary of the operating partnership, which we refer to as Great Lakes Services.

We issued an aggregate of 130,949 shares of unregistered common stock to holders of tenant in common interests in our Poconos and Williamsburg resorts that were, immediately prior to the consummation of the formation transactions, convertible into our common stock.

**Table of Contents**

Concurrently with the consummation of the initial public offering and the formation transactions, we:

repaid an aggregate of approximately \$76.0 million of Great Lakes mortgage indebtedness on two of our resorts from the net proceeds of the initial public offering;

refinanced existing mortgage indebtedness on two of our resorts with a total outstanding principal balance at the date of the IPO of \$72.4 million; and

entered into a \$75.0 million revolving credit facility that is secured by two of our resorts. Based upon the financial and debt service ratios that are contained in the revolving credit facility, as of the date of this prospectus, approximately \$55.0 million of the revolving credit facility is available. As of the date of this prospectus, we have not drawn any amounts under this facility. We expect to use the revolving credit facility to fund our future growth and resort development, to provide for working capital and for other corporate purposes.

The former employees of the management company became employees of Great Lakes Services.

Eric S. Lund, Bruce D. Neviaser, Craig A. Stark, Marc B. Vaccaro and Kimberly K. Schaefer, each of whom was a shareholder of the management company, entered into indemnity agreements with us pursuant to which they made certain representations and warranties to us relating to the formation transactions and the status of the properties operated by the resort-owning entities. Pursuant to these indemnity agreements, these shareholders have agreed to indemnify us for a period of one year following the closing of the formation transactions if those representations and warranties are not accurate. With respect to each shareholder, the maximum indemnification obligation under these agreements will not exceed 35% of the value of the number of shares of our common stock received by that shareholder in the formation transactions based on the initial public offering price of \$17.00 per share. The maximum amount of the indemnification obligations under these agreements equals approximately \$45.2 million in the aggregate. These shareholders may fulfill the indemnity obligations under the agreements solely through delivery of shares of our common stock that they own, valued at the time of delivery, or with an equivalent amount of cash. However, if any of these shareholders chooses to fulfill the indemnity obligation under the agreement through the delivery of shares, the maximum number of shares such shareholder will be obligated to deliver is 35% of the number of shares such shareholder received in the formation transactions.

Immediately following the completion of the initial public offering, Messrs. Lund and Neviaser received personal loans from an affiliate of Citigroup Global Markets Inc. (which served as lead underwriter in connection with the initial public offering). These loans are full-recourse and are secured by a pledge of all the shares of our common stock received by each in the formation transactions. While some of these shares may be released from the pledge over time, they may not be available as an alternative means to satisfy an indemnification obligation under the agreements.

***Consequences of the Initial Public Offering and the Formation Transactions***

At the completion of the initial public offering and the formation transactions:

We directly or indirectly own a fee simple interest in all of our resorts, except for a leasehold interest in our Sheboygan resort. We also are the licensor and manager of a Great Wolf Lodge resort in Niagara Falls, Ontario owned by Ripley's that is currently under construction.

Purchasers of our common stock in the initial public offering own approximately 53.2% of our outstanding common stock.

We had, as of December 31, 2004, an aggregate of \$142.7 million of total indebtedness outstanding.

**Table of Contents**

***Benefits to Related Parties***

In connection with the formation transactions, the shareholders of the management company received material benefits, including:

an aggregate of 8,087,151 unregistered shares of our common stock as consideration in the formation mergers; and

the release of personal guarantees to repay approximately \$167.1 million of indebtedness relating to the resort- owning entities.

Approximately \$76.0 million of this indebtedness was repaid with the proceeds of the initial public offering, approximately

\$72.4 million was refinanced and the remaining portion was assumed by us in connection with the formation transactions.

As of the date of this prospectus, the founding shareholders of Great Lakes beneficially own approximately 25.1% of the outstanding shares of our common stock.

**Recent Developments**

***First Quarter 2005 Results***

On May 5, 2005, we announced unaudited results for the three months ended March 31, 2005. For the three months ended March 31, 2005, we reported total revenues of approximately \$30 million, operating loss of approximately \$3.1 million, net loss of approximately \$2.3 million and net loss per share of \$0.08. At March 31, 2005, we had total cash and cash equivalents of approximately \$67 million and approximately \$157 million of indebtedness at a weighted average cost of 7.3%.

***Kings Island Development***

On May 4, 2005, we entered into a joint venture with Paramount Parks to develop a Great Wolf Lodge resort at Paramount's Kings Island, in Mason, Ohio (just north of Cincinnati). This resort will occupy a 39-acre site and the development cost is estimated to exceed \$100 million. We will operate the resort under our Great Wolf Lodge brand and will maintain the majority equity position in the development. Paramount's Kings Island, a unit of Viacom Inc., will have a minority equity interest in the development by contributing the land needed for the resort. Amenities at this four-story, 404-suite resort will include a 75,000 square-foot indoor waterpark, a 40,000 square-foot conference center, family restaurants, an arcade, a gift shop, a confectionery, an Aveda™ Spa, a fitness center and an outdoor recreation area. Construction on the 450,000 square-foot building is scheduled to begin in Summer 2005 with opening scheduled for late 2006.

**The Offering**

All of the shares offered hereby are being offered by the selling stockholders. We will not receive any proceeds from the offering. See Use of Proceeds, Selling Stockholders and Plan of Distribution herein.

**Table of Contents**

**Summary Financial Data**

The following table sets forth summary consolidated financial and operating data on a historical basis for Great Wolf Resorts, on a combined historical basis for our predecessor entity, termed Great Lakes Predecessor or the Predecessor, and on an unaudited pro forma basis for Great Wolf Resorts, Inc. The Predecessor was the predecessor accounting entity to Great Wolf Resorts. We have not presented historical information for Great Wolf Resorts prior to December 20, 2004, the date on which we closed the initial public offering, because we did not have any material corporate operating activity during the period from our formation until the closing of the initial public offering.

**Great Lakes Predecessor Financial Information**

The Predecessor's combined historical financial information included the following:

The Great Lakes Companies, Inc. and its consolidated subsidiaries, including development of, ownership interests in, and management contracts with respect to, resorts and certain non-resort hotels and multifamily housing development and management assets;

the entities that owned our Traverse City, Kansas City and Sheboygan operating resorts; and

the entities that owned our Williamsburg and Pocono Mountains resorts that, as of December 31, 2004, were under construction.

The Traverse City, Kansas City and Sheboygan resorts opened in March 2003, May 2003 and June 2004, respectively. Therefore, the Predecessor's historical results of operations only reflected operating results for the Traverse City, Kansas City and Sheboygan resorts for those periods after the resort opening dates, and only through the closing of the initial public offering (that is, through December 20, 2004).

The Predecessor's financial statements did not include the entities that owned the Wisconsin Dells and Sandusky operating resorts as those entities were controlled by affiliates of AIG SunAmerica.

**Great Wolf Resorts Financial Information**

Great Wolf Resorts' consolidated historical financial information includes:

our corporate entity that provides resort development and management services;

our Wisconsin Dells, Sandusky, Traverse City, Kansas City and Sheboygan operating resorts; and

our Williamsburg and Pocono Mountains resorts that, as of December 31, 2004, were under construction.

The summary financial information for the Predecessor as of December 31, 2003 and for the years ended December 31, 2003 and 2002 and for the period from January 1, 2004 through December 20, 2004, and for Great Wolf Resorts as of December 31, 2004 and for the period from December 21, 2004 through December 31, 2004 are derived from, and are qualified in their entirety by, the Great Lakes Predecessor and Great Wolf Resorts financial statements audited by Deloitte & Touche LLP, an independent registered public accounting firm, whose report with respect thereto is included elsewhere in this prospectus. Historical results are not necessarily indicative of the results to be expected in the future. You should read the following summary financial data together with Business, Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and the Great Lake Predecessor, Great Wolf Resorts and Dells/Sandusky financial statements and related notes appearing elsewhere in this prospectus.

**Pro Forma Financial Information**

The unaudited summary consolidated pro forma financial data for the year ended December 31, 2004 has been prepared to give pro forma effect to the initial public offering and the formation transactions as if they had occurred on January 1, 2004. The unaudited summary consolidated pro forma financial data is for informational

**Table of Contents**

purposes only and should not be considered indicative of actual results that would have been achieved had the initial public offering and the formation transactions actually been consummated on January 1, 2004 and do not purport to indicate results of operations as of any future date or for any future period. You should read the summary consolidated pro forma data in conjunction with Great Wolf Resorts, Inc. and Subsidiaries Pro Forma Financial Information Unaudited Pro Forma Condensed Consolidated Financial Statements, Management's Discussion and Analysis of Financial Condition and Results of Operations and the historical Great Wolf Resorts, Great Lakes Predecessor and Dells/Sandusky financial statements and related notes appearing elsewhere in this prospectus.

The following data should be read in conjunction with our financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus.

Year Ended December 31, 2004 Consolidated Pro Forma	December 21, 2004- December 31, 2004 Great Wolf Resorts	January 1, 2004- December 20, 2004 Predecessor	Year Ended December 31,			
			2003 Predecessor	2002 Predecessor	2001 Predecessor	2000 Predecessor

(Dollars in thousands, except per share amounts)

**Statement of Operations:**

Revenues:							
Rooms	\$ 62,188	\$ 3,261	\$ 31,438	\$ 18,801	\$	\$	\$
Food, beverage and other	28,769	1,289	16,110	9,439		312	
Management and other fees	79	79	3,157	3,109	3,329	3,022	4,070
Other revenue from managed properties(1)			14,553	14,904	14,889	13,286	9,456
Total revenues	91,036	4,629					