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Great Wolf Resorts Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Our first question comes from Bill Crow with Raymond James.

William Crow - Raymond James

Randy, a couple of questions for you. Have you guys discussed the potential of finding a joint-venture partner or some other investor for the Mason property, specifically CNL, whether they have any interest?

Randall L. Churchey

Bill, as Jim said in his comments, we continue to reach out to a variety of different, or call it, market participants for joint ventures. Before the most recent credit climate turmoil, we were gaining reasonable amount of traction with a variety of parties on different resorts. Given the current state of the credit markets and really the state of any transactions market, there is really not a whole lot of appetite for any sort of deal today, and I am not speaking specifically of Mason, I am just speaking generically to all joint ventures. So, if CNL is a partner of ours in two resorts, we continue to have dialogue with them about expanding that partnership, and in this day and time, no one's making any real commitments. So, I don't think anything is imminent.

William Crow - Raymond James

And then could you just take us inside the CEO search a little bit, how big an effort did you make to look outside, did you guys hire a search firm just to remind us, you may have covered that in prior quarters, I just don't recall.

Randall L. Churchey

Our board, I think, is a very good board when you look at the backgrounds of the people. We have folks both in finance, in real estate, so forth. So, the board itself had a great deal of experience and knowledge of candidates out there. We did not do a formal external search. Obviously whenever a position is open, you receive lots of resumes, lots of phone calls, etc., but it became pre-apparent to our board and to myself very quickly that Kim was the right person. So we did not do an extensive search where we did not hire a search firm at all. We did obviously look at resumes, few phone calls, and so forth, but it was a pretty easy decision on our part that Kim was the right person for the company going forward.

William Crow - Raymond James

Your downside scenario for next year of minus 5% revPAR, does that imply for the industry a 7% decline or you are confident you can beat it by a couple of hundred basis points, is that what I heard?

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