

Exhibit C

1 know, from my perspective, is over
2 concentrated. That's just my take on it. But
3 I can move on in my questioning.

4 The -- we set this case down a
5 while ago, June 26, 2010. Why the delay in
6 the hearing?

7 MR. ROBINSON: Okay. We -- we
8 were working through a recapitalization of the
9 project. And so we brought in a new capital
10 partner. And that occurred in November. And
11 that's when we started back up and continued
12 in full force on the PUD modification.

13 VICE CHAIRMAN SCHLATER: The PUD
14 expires in June 2011, correct?

15 MS. BATTIES: Correct.

16 VICE CHAIRMAN SCHLATER: And if it
17 moves forward, is it going to be a single
18 phase construction or multiple phases?

19 MR. ROBINSON: It is intended for
20 -- most likely be in multiple phases.

21 VICE CHAIRMAN SCHLATER: Okay.
22 And what's the schedule -- the working

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1 schedule for construction right now?

2 MR. ROBINSON: That we would
3 construct the residential or residential hotel
4 component first.

5 VICE CHAIRMAN SCHLATER: Okay.

6 MR. ROBINSON: And that would
7 include the plaza, the monumental stair, and
8 some of the other public amenities with that.
9 And then the office, based on -- would be
10 constructed, based on market -- marketability
11 and pre-leasing of the space.

12 MS. BATTIES: And, if I may add,
13 since we're on this topic, it is our
14 intention, if the Commission is so inclined to
15 approve this application, we would file, in
16 fairly short order, an application to extend
17 the PUD to give the Applicant time to prepare
18 drawings for the residential option and then
19 file the building permits. So that would be
20 coming before you very soon.

21 VICE CHAIRMAN SCHLATER: Okay.
22 Thank you. And so the schedule for

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1 construction on the -- you're not going to
2 meet the building permit deadline in June
3 2011, I guess is the --

4 MR. ROBINSON: We -- we actually
5 have drawings -- permit drawings available for
6 the hotel and residential component piece. So
7 we could make that submission.

8 VICE CHAIRMAN SCHLATER: So you
9 could get it in? How does the order address
10 the phased construction of the project from a
11 schedule standpoint?

12 MR. SHER: Mr. Vice-Chairman,
13 since I handled the case back at that point in
14 time, we have worked with the Zoning
15 Administrator in the past when you have a
16 large site like that, we would -- we're going
17 to be staging on the site. And so you -- we
18 always envisioned that the -- the residential
19 hotel would go first, back at that point in
20 time. So you're a couple years in
21 construction. You pull everything off, and
22 then you would keep -- there would be

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1 continuous construction. But, because of the
2 size of the project, it would be going -- the
3 construction on the site would be going on, I
4 guess, about four years or so.

5 VICE CHAIRMAN SCHLATER: Once you
6 pull the permit and then start construction a
7 year later, does that fulfill your timing
8 requirements under the order?

9 MR. SHER: Yes. As long as we are
10 diligently pursuing the construction of the
11 project. And I think, as opposed to projects
12 where you're saying well, we are asking for a
13 specific phasing plan --

14 VICE CHAIRMAN SCHLATER: Yes.

15 MR. SHER: -- it -- you've got a
16 project that's 950,000 square feet --

17 VICE CHAIRMAN SCHLATER: Big
18 project.

19 MR. SHER: Big project. You're
20 not going to start on it all at one period of
21 time. We were looking at you would build the
22 first -- the -- the hotel residential piece

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1 or, if you all were so inclined, the
2 residential piece.

3 VICE CHAIRMAN SCHLATER: Yes.

4 MR. SHER: Then we would pull off
5 and then start building the -- we were hoping
6 that the office market, by that point in time,
7 would have gotten to a point where we've got
8 at least part of the site pre-leased and can
9 build part of it. And then either build the
10 whole piece of it or one of the two office
11 buildings.

12 VICE CHAIRMAN SCHLATER: Okay.
13 Thank you. Last question has to do with
14 ownership of the various parcels. I saw a
15 footnote in there that a portion of the site
16 had been conveyed to the District of Columbia
17 and WMATA. What impact does that have --
18 maybe this is a good question for -- well, the
19 attorneys. Is -- does that have on the zoning
20 analysis with the PUD? The fact that those
21 parcels are no longer under ownership.

22 MS. BATTIES: It doesn't. It does

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