

02:03 1 This is what we do to develop projects that
02:03 2 the market will prefer.

02:03 3 BY MR. ARAMBURU:

02:03 4 Q. Well, for example, Phase 1 of the
02:03 5 project --

02:03 6 A. Yes.

02:03 7 Q. -- on page 2-101, if you would like
02:03 8 to refer to it.

02:04 9 A. Okay.

02:04 10 Q. Phase 1 and Phase 2, right?

02:04 11 A. Yes.

02:04 12 Q. Why don't we just build Phase 1 of
02:04 13 the project? What are the economies of scale
02:04 14 that prevent you from just building that
02:04 15 project?

02:04 16 A. Scout has been investing
02:04 17 considerable time and capital in building the
02:04 18 largest project we can bring to market because
02:04 19 that's what makes us successful.

02:04 20 **So the commercial case for this site**
02:04 21 **is to build absolutely as much as we can to**
02:04 22 **satisfy the market need. So any whittling away**
02:04 23 **that we do of anything that generates as a part**
02:04 24 **of this mix is hurting our prospects.**

02:05 25 Q. Well, I understand that there are
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