

# EXHIBIT D-3

5 December 2008

Mr. Curt Sullan  
Sullan<sup>2</sup> Sandgrund Smith & Perczak PC  
1875 Lawrence Street, Suite 850  
Denver, CO 80202

Re: Riverwalk – Amber Building, Diamond Building and Emerald Building  
Edwards, Colorado

Dear Mr. Sullan,

Pursuant to your request Eastcliffe Consulting LLC has prepared a cost to cure estimate for the work recommended by Professional Investigative Engineers at the Riverwalk - Amber Building, Diamond Building and Emerald Building in Edwards, Colorado. Copies of the cost-to-cure estimates for each of the three buildings are attached.

The following documents were reviewed during the course of this work:

- Construction and Engineering Compliance Report for Riverwalk – Amber Building by Professional Investigative Engineers (PIE) dated 31 October 2008 addressed to Sullan<sup>2</sup> Sandgrund Smith & Perczak PC.
- Construction and Engineering Compliance Report for Riverwalk – Diamond Building by Professional Investigative Engineers (PIE) dated 31 October 2008 addressed to Sullan<sup>2</sup> Sandgrund Smith & Perczak PC.
- Construction and Engineering Compliance Report for Riverwalk – Emerald Building by Professional Investigative Engineers (PIE) dated 31 October 2008 addressed to Sullan<sup>2</sup> Sandgrund Smith & Perczak PC.
- Real Estate Appraisal of The Amber Building dated 27 October 2008 addressed to Curt Sullan Sullan<sup>2</sup> Sandgrund Smith & Perczak PC.
- Real Estate Appraisal of The Diamond Building dated 27 October 2008 addressed to Curt Sullan Sullan<sup>2</sup> Sandgrund Smith & Perczak PC.
- Real Estate Appraisal of The Emerald Building dated 27 October 2008 addressed to Curt Sullan Sullan<sup>2</sup> Sandgrund Smith & Perczak PC.
- Balcony Water Testing at The Riverwalk Diamond Building Report dated 8 August 2006, addressed to Riverwalk Emerald Building Association.
- Balcony Water Testing at The Riverwalk Emerald Building Report dated 8 August 2006, addressed to Riverwalk Diamond Building Association.
- An E-mail communications from Liberty Lewis of PIE to John Hope.



- Reduced copies of a portion of the original construction drawings dated with various dates.
- Several written bids for work based upon the recommendations of Professional Investigative Engineers.

Additional documents not listed above may have been reviewed and would be contained in the complete file, which is available for review, with reasonable notice, at the office of Eastcliffe Consulting LLC.

Work in this matter included the review of documents; multiple phone conversations by John Hope with Ms. Liberty Lewis of PIE; Several E-mail communications by John Hope with Ms. Liberty Lewis; several phone conversations by John Hope with Curt Sullan of Sullan<sup>2</sup> Sandgrund Smith & Perczak PC; a site visit by John Hope and Steven Barber where portions of the buildings were measured, various photographs of the exteriors of the buildings were taken, and relevant existing conditions were observed and noted; a phone call with Mr. Rob Taylor of Reconstruction Experts to discuss unit prices for the repair work several phone calls with Mr. Drew Anderson of Reconstruction Experts to discuss unit prices for the repair work; several phone calls with Eric Royston of Advanced Stucco Design to discuss EIFS quantities and pricing; several phone calls between John Hope and Howard Thurston of Wilson Brothers Roofing; phone conversations by John Hope and Steve Barber with material suppliers in the Denver metro area and Edwards; preparation of detailed quantity take-offs of relevant building components by John Hope and Steve Barber; preparation of a detailed repair cost estimate by John Hope with the assistance of Steve Barber; and preparation of an estimate summary for the updated estimate. Communication records are contained in the complete file, which is available for review, with reasonable notice, at the office of Eastcliffe Consulting LLC.

The primary goal of our work is to prepare a cost estimate that reflects what contractors in this market will charge the homeowners association, on average, to perform this work. Contractor is defined to be a reputable construction company that performs this type of work on a regular basis in this market, and that has the resources and experience necessary to perform a job of this magnitude. The total current estimated cost of the work recommended by Professional Investigative Engineers is \$7,831,295.00.

Although I have not yet been provided with either the original certificate of occupancy dates or the date that the builder turned over the homeowners association to the homeowners, upon receipt of those dates I will provide a cost of repair number corresponding to those dates. I will be using an inflation rate of 2.5% per year for the cost of the remedial construction, from the dates provided through the date of the current estimate.

During the remedial construction there will be significant disruption to all of the residences and commercial spaces. All of the walkways providing access to the front door of many of the units will be re-surfaced, making access to those units difficult and possibly dangerous. As a result, many of the units will not be accessible during normal working hours. The estimate does not include any temporary housing allowance for tenants, and the estimate does not include any lost commercial revenues that may result from the construction.

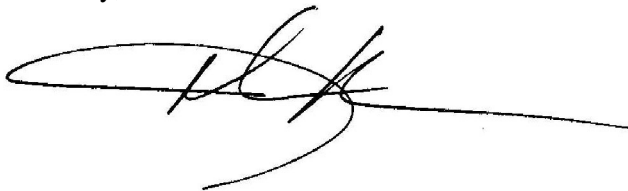


The estimate is organized according to engineering recommendations. The prices contained in the estimate assume that the entire scope of work will be performed concurrent. Deviations from that assumption will affect some individual unit prices. The estimate contains numerous notes that qualify the extent of the work included in the estimate, and those notes should be reviewed.

The estimate is based upon limited visual inspection of the property, our experience performing similar work, current pricing in the industry, and upon our best understanding of the design experts' written recommendations. The estimate was prepared using typical construction estimating methods that can be duplicated by any person having a reasonable knowledge of remedial construction and construction estimating methods. It should be noted that the documents provided by the design professionals and relied upon by Eastcliffe Consulting LLC are general in scope and are not final construction specifications or designs. We reserve the right to amend the estimate after a period of 30 days or upon receipt of any new information that we conclude would affect the cost of the work.

If you have any question regarding the work we have performed in this matter please contact me at this office. I appreciate the opportunity to be of service.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Hope', with a long horizontal flourish extending to the right.

Eastcliffe Consulting LLC  
John Hope, Managing Member

Attachments: Estimate Summary  
(3) Cost-To-Cure Estimates

