



## November 15, 2010 – Monthly Update 3

To Current Investors:

This update marks the official closing of the first quarter for EWCP TS FUND. Within this month, we have seen the housing market remain stable and interest rates creep up slightly due to future inflation concerns in the bond market. Although rates have increased, they still remain within ten percent of their all-time lows. Although no one can be certain the aforementioned stability will continue, it has allowed us to continue to operate successfully and with efficiency. Foreclosure suspensions by GMAC, Bank of America and PNC due to "Robo-Signing" issues have slowed down the number of foreclosures going to auction. Total sales to 3<sup>rd</sup> parties such as the Fund were down 26.4 percent in the month of October. In spite of these declines, the Fund has been able to place its funds into investments in a very short timeframe. This is due in part to our small size and nimble nature as well as our thorough diligence in the research of properties going to sale.

Within the last 30 days, the Fund was able to close escrow and realize a profit on its first two properties (4020 Campbell and 5780 Mapleview, both in Riverside). Our approximate return on investment numbers for Campbell and Mapleview were 16.8% and 10.8%, respectively, with final turn times of 76 and 78 days. These two closings enabled us to meet our minimum investor return hurdle and provide a full 3% quarterly preferred dividend payment to those invested in the fund. Although we had not expected to meet this milestone before the end of the first quarter, our quick turn-around times and better than expected profit margins allowed us to pay the full dividend with just 2 properties closed to date.

On the acquisition front, EWCP purchased four properties within the last 30 days, an approximate average of one property per week. After seeing a decrease in supply in the Riverside market during the end of October, we decided to move up to Ventura County, where supply is tight, but competition at the auction is significantly less. This strategy turned out to be intuitive and we were able to quickly pick up the 3 properties in Ventura County. In addition, we purchased an additional property at the Riverside County auction. Details on the properties are as follows:

1. **Address:** 6538 Clear Springs Road, Simi Valley, CA  
**Purchase Price at Auction:** \$246,000 on 10/22/2010  
**Projected Sales Price:** \$310,000  
**Projected Repair Costs:** \$0  
**Property Notes:** Cash for keys is in the final 7 days and tenants should be out by 11/21/2010. Property listed at \$320,000 and an all cash offer has been accepted at \$310,000. Close of escrow expected before 12/1/2010.
2. **Address:** 3442 Highwood Court, #192, Simi Valley, CA  
**Purchase Price at Auction:** \$144,000 on 10/22/2010  
**Projected Sales Price:** \$180,000  
**Projected Repair Costs:** \$5,350  
**Property Notes:** Cash for keys successfully negotiated and occupant vacated within 8 days, carpet and paint has been completed. Property is currently active on the MLS at \$189,000.



3. **Address:** 15712 Coral Court, Lake Elsinore, CA  
**Purchase Price at Auction:** \$160,700 on 10/27/2010  
**Projected Sales Price:** \$206,000 with a \$5,000 seller credit to buyer  
**Projected Repair Costs:** \$6,181  
**Property Notes:** Property was purchased vacant. Has been repaired with new carpet, paint and landscaping. It is currently in escrow at \$206,000 and expected to close 12/31/2010.
4. **Address:** 25 Sparrowhawk Lane, Oak Park, CA  
**Purchase Price at Auction:** \$357,133 on 11/5/2010  
**Projected Sales Price:** \$430,000  
**Projected Repair Costs:** \$17,500  
**Property Notes:** Cash for keys under negotiation. Occupant is not being cooperative. The eviction process is likely to begin the week of 11-15-2010.

The Fund is continuing to pursue new properties at auction and hopes to maintain its recent pace of acquiring one property per week. In addition to Riverside and Ventura County auctions, the Fund has been underwriting Bank owned REO properties on a case by case basis. Currently, the Fund has a three unit building in Riverside under contract, which it expects to close on by the end of November 2010. This property is modeling out to be as profitable as an auction property with mitigated risk due to the fact that the Fund can perform extended due diligence on the property prior to closing escrow.

Preferred dividend checks were mailed out to investors on November 15<sup>th</sup>. As always the secure investor section of our website has the posted pro-forma P&L statements for properties that are currently being marketed and properties that have already closed escrow. In addition, the latest financial statements will be posted by week's end.

Our next expected capital raise is January 15, 2011. If you or anyone you know would like to place funds into our third capital raise, please let us know as soon as possible so that we can plan accordingly. In addition, the Fund is now accepting IRA, 401k, 403B & ROTH IRA funds as an acceptable source for investment. **If you or anyone you know would like to place retirement or non-retirement funds with us for investment, please contact us at: [info@equitywestcapital.com](mailto:info@equitywestcapital.com).**