



December 15, 2010 – Monthly Update 4

To Current Investors:

We'll start this update off by wishing everyone happy holidays and a prosperous new year. Over the past month, we have witnessed a seasonal softening throughout the market, as expected with the holiday season rapidly approaching, and exacerbated by a continued increase in interest rates. Still historically very low, we're hoping for rate improvement in the beginning of 2011. In light of the situation we are still finding more than sufficient opportunities for the Fund's capital. On the supply side, as recent as last week we noticed Bank of America's Trustee was back into the picture selling properties at the steps after pulling out due to the "Robo-Signing" issues we had mentioned in last month's update. We expect with Bank of America easing back in the game that we'll see the level stabilize back to pre-October numbers by the end of January. Speculation aside we are also continuing to pursue lucrative REO opportunities in addition to our bread and butter auction acquisitions.

In the last 30 days the Fund realized our 3rd and 4th escrow closings, both of which exceeded business plan projections. One of them in particular was the property located at 6538 Clear Springs in Simi Valley which turned from auction purchase to close in 33 days with a return on investment of 14%. Due to the successful closings and based on discussions with the Fund's tax professional we will be making a distribution on December 31st, 2010 of 1.5% (in line with the 12% per annum preferred rate). Quarterly preferred distributions will be made quarterly based on the calendar year thereafter in order to sync our distributions with our fiscal year.

On the acquisition front, EWCP purchased 2 properties at auction within the last 30 days and has continued to pursue targets in Ventura County based on the reduced amount of competition when compared to the Inland Empire markets. In addition, we purchased a REO property that we put under contract in November that should beat baseline projections. Details on the properties are as follows:

1. **Address:** 1108 Tivoli Lane #138, Simi Valley, CA
Purchase Price at Auction: \$158,900 on 12/01/2010
Projected Sales Price: \$205,000
Projected Repair Costs: \$5,000
Property Notes: Cash for keys is in negotiation and tenants should be out by the end of the year.
2. **Address:** 2248 Penlan Avenue, Simi Valley, CA
Purchase Price at Auction: \$358,100 on 12/03/2010
Projected Sales Price: \$440,000
Projected Repair Costs: \$8,000
Property Notes: Property was purchased vacant, repairs are underway.
3. **Address:** 10945 Campbell Avenue, Riverside, CA
Purchase Price: \$155,000 on 12/15/2010
Projected Sales Price: \$220,000
Projected Repair Costs: \$20,000
Property Notes: REO purchase. Triplex in Riverside – extensive rehab commencing 12/16/2010.

Our next expected closing for equity investments into the Fund 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. The Fund is now accepting IRA, 401k, 403B & ROTH IRA funds as an acceptable source for investment. **For more information on the investment please refer those interested to contact us at: info@equitywestcapital.com.**