



MERUELOMADDUX
PROPERTIES

**MerueloMaddux Properties, Inc.
Supplemental Information**

June 30, 2007

MerueloMaddux Properties, Inc.
Supplemental Operating And Financial Information
Second Quarter 2007

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Corporate Information

MerueloMaddux Properties, Inc.
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Company Background

MerueloMaddux Properties Inc. (MMPI) is a self-managed, full-service real estate company that develops, redevelops and owns commercial and residential properties located in downtown Los Angeles and other densely populated urban areas in California that are undergoing demographic or economic changes. We are an evolving and experienced real estate company in the Los Angeles market. We employ specialists in urban site identification, land planning, design development, architecture, construction oversight, financial underwriting, real estate law and property management. Our employees have close working relationships with local and national lending institutions, local government officials and community and labor leaders and are active in the real estate financial and brokerage community in Los Angeles. We have substantial experience in assembling numerous small land parcels, expediting land development approvals and in project design, construction and management.

We focus on properties that have alternate, more profitable uses achievable through major renovation, redevelopment or development. We are involved in a wide range of project types, including food industry, wholesale market, small tenant industrial and residential properties. These projects are predominantly located in a densely urban, multi-ethnic environment, involve numerous local entitlement, property assemblage and physical challenges and are opportunities frequently overlooked by mainstream institutional investors and developers. We believe we can earn higher risk-adjusted returns on the redevelopment of re-emerging urban markets than on initial development in emerging suburban markets.

We are committed to socially responsible investment. Real estate development activity in California historically has been centered around the periphery of established population areas, which has resulted in suburban sprawl and exacerbated economic, social and transportation problems and provoked resistance from businesses, residents and governments. "Smart Growth" and "Transit Oriented Development" are emerging categories of development that feature urban infill projects that meet the demands of urban communities. The advantages of Smart Growth projects include utilizing or upgrading existing infrastructure instead of creating new infrastructure, as well as reducing automobile reliance by locating businesses, customers and employees closer to each other and to existing public transit systems. We pursue Smart Growth projects, Transit Oriented Development and similar projects that have both economic and social benefits.

Most of our projects are located in or around the downtown area of Los Angeles, and all of our projects are in Southern California. Downtown Los Angeles is commonly defined as an area of approximately 350 city blocks, or approximately 2,500 acres, ringed by the U.S. Highway 101/ Santa Ana Freeway on the north, the Los Angeles River on the east, U.S. Interstate 10/Santa Monica Freeway to the south and the State Highway 110/Pasadena Freeway to the west. Downtown Los Angeles has attracted more than \$11.8 billion in new construction investment from 2000 through the second quarter of 2006, according to the Los Angeles Downtown Center Business Improvement District. With approximately 83 acres of land in downtown Los Angeles owned or controlled through executory purchase and sale agreements or options to purchase, we believe we are the largest non-government landowner in downtown Los Angeles. By comparison, a 27-block area in the financial district of downtown Los Angeles, often referred to as Bunker Hill, which contains the bulk of downtown's class A high-rise office buildings, major hotels and retail properties, is situated on approximately 143 acres.

We organized our company as a taxable corporation and believe that we have greater operating flexibility than that of our competitors that are organized as real estate investment trusts, or REITs. We, however, operate our business and own our assets through an operating partnership and therefore have the same ability that a REIT structured as an umbrella partnership REIT, or UPREIT, has to acquire properties by issuing common units of the operating partnership as consideration.

On January 30, 2007, we consummated our initial public offering (our "IPO") and sold 40,000,000 shares of our common stock to the public. Approximately 3,000,000 shares of the common stock were sold directly by us to our Chief Executive Officer and Chairman of our Board of Directors, Mr. Meruelo. Concurrently with our IPO, we effected a series of transactions, which we refer to as our "formation transactions," pursuant to which we acquired our initial projects. On February 14, 2007, we issued 275,207 shares to affiliates of Messrs. Meruelo and Maddux that we had a contingent obligation to issue (we have a remaining contingent obligation to issue up to 2,261,388 shares), and the underwriters of our IPO exercised their option to purchase an additional 5,550,000 shares of our common stock. Including the over-allotment option exercise, we raised approximately \$425.7 million in proceeds in our IPO, after the underwriting discount but before expenses related to the IPO.

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Quarterly Highlights

Our company is a self-managed, full-service real estate company that develops, redevelops and owns commercial and residential properties located in downtown Los Angeles and other densely populated urban areas in California that are undergoing demographic or economic changes.

As of June 30, 2007, the Company owns, leases with rights to purchase and has rights to acquire interests in 33 development and redevelopment projects and 22 projects that have been developed, collectively totaling 5.3 million existing square feet on 264 acres and consisting of 9 food industry projects, 9 wholesale projects, 21 small tenant projects and 16 residential projects. Most of the projects are located in or around the downtown area of Los Angeles, and all of the projects are in Southern California.

This Supplemental Operating and Financial Data package supplements the information provided in our quarterly and annual reports filed with the Securities and Exchange Commission (SEC). Additional information about us and our properties is also available at our website www.meruelomaddux.com.

Acquisitions and Dispositions:

As of June 30, 2007, the Company owned interests in, or had rights to acquire, 33 properties under development that are expected to total approximately 3.65 million square feet of commercial space and approximately 5,550 residential units, which the Company intends to own and operate upon completion of the developments.

In the second quarter, the Company completed five property acquisitions that included 2000 San Fernando Road, 410 Boyd Street, 12361 San Fernando Road, 620 Gladys and Meruelo Baldwin Park, for a total cost of \$44.7 million, of which \$7.6 million had been previously paid in the form of deposits. The remaining obligations were funded through three variable rate mortgages totaling \$34.5 million and \$2.6 million in cash. On a combined basis, these projects total approximately 9.75 acres with 260,100 square feet of existing building area.

Subsequent to the end of the second quarter, the Company completed two additional acquisitions including the Baldwin Park Buildings, a property contiguous to Meruelo Baldwin Park, for a purchase price of \$1.9 million paid in cash, and 1875 West Mission Boulevard, for a purchase price of \$20.0 million, which included the assumption of a fixed rate mortgage of \$8.8 million and the remaining \$11.2 million was paid in cash.

Subsequent to the end of the second quarter we completed two additional property acquisitions:

The first consists of three buildings located at 13853 Gravey Avenue, 13904 Corak Street and 3060 Feather Avenue, located in Baldwin Park, which we collectively refer to as the Baldwin Park buildings. The purchase price for the Baldwin Park properties was \$1.9 million and was paid for in cash. This property allows us to effectively expand our Meruelo Baldwin Park project. We also closed on 1875 West Mission Boulevard located in Pomona, California. The purchase price for the property was \$20.0 million. We assumed a fixed rate mortgage of \$8.8 million from the seller and funded the remaining \$11.2 million in cash. We intend to refinance this existing mortgage shortly.

Development Activities:

We continue to make solid progress on our Union Lofts project, which includes 92 residential rental units along with 11,000 square feet of restaurant/lounge space in a historic twelve story building in downtown Los Angeles. The renovation work is coming in as-scheduled and we anticipate completing all physical work by the end of this quarter and aggressively leasing the property in the 4th quarter of 2007.

We have completed the below-grade shoring and structural work for 717 West 9th Street and raised the concrete structure of the building above grade level. The site has been excavated and the building's foundation has been built-out. The most recent stage of construction on our planned 214 residential unit tower is the creation of the above-grade parking structure.

We have completed the construction of the first phase of the Barstow Produce Center and have recently received its Temporary Certificate of Occupancy, putting its completion ahead of schedule and under budget. This building is an approximately 85,000 square foot distribution facility at a key produce transfer point for this industry. The completion of the construction of the first phase of this project marks the successful completion of another of our key management milestones.

We are completing the rehabilitation of the 7th Street Produce Market. We continued working with the County Health Department as well as the City of Los Angeles Department of Building and Safety to address compliance with health and building codes. Considerable physical modifications have been made to the buildings to improve security, drainage, and pest proofing and other improvements are in process. Approximately one quarter of this facility has been temporarily taken off the market to allow for modernization and renovation of those units, enabling them to meet the

highest market standards for the produce industry. We have submitted building plans for a prototype unit to the City of Los Angeles Building Department. We anticipate approval of these plans shortly, which will enable our property management staff to complete the renovation and re-leasing of this space.

Leasing Activities:

We have completed the lease up process at our small tenant produce distribution facility at 788 Alameda Street. The property is located in the Produce district and has 32 self contained tenant units with coolers. Each space is approximately 1,000 square feet.

We signed a lease with Los Feliz, LLC. They will be converting what was once the main banking lobby of Union Bank's headquarters into a 6,000 s.f. restaurant space and the impressive vault and safety deposit area will be converted into a 5,000 s.f. lounge. Both of these leased areas will keep many of the original bank design elements, ornate ceiling and wall motifs. Typically in this market, the commercial space is the last portion to be leased but in this case, here we have a competent, experienced high end operator whose presence will help reinforce our marketing identity as a classic, elegant and exciting residential building.

General Highlights:

We have agreed in principle with a major lender for a \$125 million revolving credit facility. This new credit facility will significantly improve our financial flexibility and at the same time lower our overall borrowing costs. We expect to complete the agreement later this month.

In the industrial/commercial marketplace, Downtown Los Angeles remains among the strongest real estate markets in the country. With vacancy rates around 3%, we expect to continue to benefit from this very tight market. When we've completed the build-out and retrofitting of our industrial projects, the strength of our 5.3 million square foot industrial portfolio alone drives the Company to operating profitability.

The Los Angeles City Council approved significant changes in zoning rules that will allow larger and higher-density Downtown residential projects. We believe this will speed up our permit processing period as well as numerous other potentially significant advantages for us.

Last month marked the opening of the first grocery in Downtown Los Angeles in over 50 years. The 50,000 square foot Ralphs Fresh Fare market includes an on-premises dry cleaner, pharmacy and other amenities catering to local residential customers.

Whole Foods has agreed that it will anchor the approximately 250,000 square feet of retail space at the Related Company's Grand Avenue project, which will also be the location of a Mandarin Oriental Hotel

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Investor Information

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www.meruelomaddux.com

The information contained on our website is not incorporated herein by reference and does not constitute a part of this supplemental financial information.

Investor Relations

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Transfer Agent and Registrar

American Stock Transfer & Trust Company
Phone: 800-937-5449

Stock Market Listing

NASDAQ: MMPI

Board of Directors and Executive Officers

Richard Meruelo
John Charles Maddux
Lynn Beckemeyer
Fred Skaggs
Ted McGonagle
Todd Nielsen
Miguel Enrique Echemendia
John B. Hansen
Philip S. Payne
Richard Garcia Polanco
Anthony A. Williams

Chairman and Chief Executive Officer
President, Chief Operating Officer and Director
Executive Vice President – Development and Director
Chief Financial Officer
Chief Investment Officer
General Counsel and Corporate Secretary
Chief Administrative Officer
Director
Director
Director
Director

Supplemental Financial Information

MerueloMaddux Properties, Inc.
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Consolidated and Combined Balance Sheet
(unaudited)

	Meruelo Maddux Properties, Inc.	The Predecessor
	June 30, 2007	December 31, 2006
	(Unaudited)	
ASSETS		
Cash	\$ 50,290,248	\$ 2,380,945
Restricted cash	1,215,036	2,326,961
Accounts receivable	1,943,155	2,103,475
Rental properties, net	299,124,453	216,972,297
Real estate held for development	396,149,307	277,836,876
Other assets, net	4,006,889	6,435,997
Total assets	\$ 752,729,088	\$ 508,056,551
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 5,522,443	\$ 7,080,651
Accrued expenses and other liabilities	14,654,099	49,163,555
Due to affiliates, net	-	4,226,834
Notes payable secured by real estate	277,956,798	342,643,062
Note payable to CalPERS	-	150,000,000
Deferred taxes, net	39,560,371	-
Total liabilities	337,693,711	553,114,102
Commitments and contingencies	-	-
Common stock, \$.01 par value, 200,000,000 shares authorized, 85,845,000 share issued and outstanding as of June 30, 2007	858,450	4,000
Additional paid in capital	441,953,069	11,662,594
Affiliate notes receivable	(22,614,214)	(24,672,856)
Retained earnings (deficit)	(5,161,928)	(32,051,289)
Total stockholders' equity (deficit)	415,035,377	(45,057,551)
Total liabilities and stockholders' equity	s 752,729,088	\$ 508,056,551

MerueloMaddux Properties, Inc.
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Consolidated and Combined Statement of Operations
(unaudited)

	Meruelo Maddux Properties, Inc.	The Predecessor	Meruelo Maddux Properties, Inc.	The Predecessor		The Predecessor
	Three Months Ended June 30, 2007	Three Months Ended June 30, 2006	Period January 30, 2007 through June 30, 2007	Period January 1, 2007 through January 29, 2007	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
Revenue:						
Rental income	\$ 5,562,345	\$ 5,594,169	\$ 9,348,388	\$ 1,957,253	\$ 11,305,641	\$ 10,623,649
Management fees	73,004	109,500	119,637	12,083	131,720	210,200
Interest income	986,052	1,346,679	2,028,599	205,252	2,233,851	2,251,998
Other income	67,467	29,941	145,789	27,700	173,489	169,137
	<u>6,688,868</u>	<u>7,080,289</u>	<u>11,642,413</u>	<u>2,202,288</u>	<u>13,844,701</u>	<u>13,254,984</u>
Expenses:						
Rental expenses	3,377,024	1,875,963	5,750,256	999,546	6,749,802	3,898,442
Interest expense	2,508,662	8,163,723	4,001,168	2,130,375	6,131,543	13,303,894
Depreciation and amortization	1,931,859	1,263,945	2,913,934	449,000	3,362,934	2,361,323
General and administrative	2,489,453	1,323,419	4,138,982	627,700	4,766,682	2,503,680
	<u>10,306,998</u>	<u>12,627,050</u>	<u>16,804,340</u>	<u>4,206,621</u>	<u>21,010,961</u>	<u>22,067,339</u>
Operating loss	(3,618,130)	(5,546,761)	(5,161,927)	(2,004,333)	(7,166,260)	(8,812,355)
Discontinued operations:						
Gain (loss) on sale of real estate	-	1,328,755	-	-	-	1,328,755
Loss before income taxes	(3,618,130)	(4,218,006)	(5,161,927)	(2,004,333)	(7,166,260)	(7,483,600)
Provision (benefit) for income taxes	-	-	-	-	-	-
Net loss	<u>\$ (3,618,130)</u>	<u>\$ (4,218,006)</u>	<u>\$ (5,161,927)</u>	<u>\$ (2,004,333)</u>	<u>\$ (7,166,260)</u>	<u>\$ (7,483,600)</u>
Basis and diluted loss per share	<u>(0.04)</u>	<u>N/A</u>	<u>(0.06)</u>	<u>N/A</u>	<u>(0.08)</u>	<u>N/A</u>
Weighted average common shares outstanding - basis and diluted	<u>85,827,143</u>	<u>N/A</u>	<u>85,238,159</u>	<u>N/A</u>	<u>85,238,159</u>	<u>N/A</u>

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Capital Structure

	Principal Balance June 30, 2007
Fixed Rate Mortgage Notes	\$ 142,541,879
Variable Rate Mortgage Notes	135,414,919
Total Consolidated Debt	277,956,798

Equity

	Shares & Units Outstanding	Market Value (1)
Common Stock	84,845,000	\$ 692,335,200
Operating Partnership Units	327,825	2,675,052
Total Common Equity	85,172,825	695,010,252
Total Market Capitalization		\$ 972,967,050

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Debt Tables

<u>PROJECT NAME</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance 6/30/2007</u>
Fixed rate mortgage notes:			
Seventh Street Produce Market/Alameda Square	6.75%	November 30, 2008	\$ 51,033,506
Meruelo Wall Street	6.25%	July 5, 2008	20,922,706
2000 San Fernando Road	7.63%	April 1, 2012	13,531,110
Crown Commerce Center	7.48%	September 5, 2011	10,391,601
Seventh Street Produce Market/Alameda Square	8.00%	August 31, 2007 ⁽¹⁾	10,000,000
Washington Cold Storage	6.93%	April 13, 2016	9,782,956
1800 E. Washington Blvd.	12.00%	October 27, 2007	8,250,000
2131 Humboldt Street	6.50%	January 1, 2011	7,000,000
420 Boyd Street	7.49%	June 15, 2012	5,950,000
1500 Griffith Avenue	7.00%	January 24, 2013	3,000,000
905 E. 8th Street	6.95%	September 15, 2007	1,950,000
500 Mateo Street	7.00%	March 1, 2016	730,000
Total Fixed Rate Mortgage Notes			\$ 142,541,879
Variable rate mortgage notes:			
Southpark Towers	LIBOR plus 2.75%	August 1, 2007	\$ 25,000,000
The Union Lofts Construction Loan	LIBOR plus 2.0%	March 1, 2008	20,667,131
Sky Arc	Prime plus .75%	October 1, 2007	19,000,000
Ullman Tower One	Prime	November 1, 2007	11,031,726
Southern California Institute of Architecture	Prime plus .25%	August 1, 2011	10,236,361
Barstow Produce Center Construction Loan	Prime plus .50%	December 14, 2007	8,648,243
Center Village	Prime plus 1.0%	October 1, 2008	7,000,000
Ullman Tower Two	Prime plus .25%	August 1, 2007 ⁽²⁾	6,396,500
1919 Vineburn Avenue	Prime plus 1.0%	July 1, 2008	5,500,000
Olive Street Towers	Prime	September 1, 2007 ⁽³⁾	5,340,000
620 Gladys Avenue	Prime	April 1, 2008	4,946,180
801 E. 7th Street	Prime	March 1, 2008	4,400,000
Barstow Produce Center Construction Loan	Prime plus 1.0%	December 14, 2007	3,700,233
3rd & Omar Street	Prime plus .25%	August 15, 2010	2,608,761
2415 Washington Blvd.	Prime	January 15, 2008	939,784
Total Variable Rate Notes			\$ 135,414,919
GRAND TOTAL			\$ 277,956,798

(1) Lender extended the maturity date from April 30, 2007 to August 30, 2007 upon our request.

(2) Lender extended the maturity date from May 1, 2007 to May 1, 2008 upon our request.

(3) Lender extended the maturity date from March 1, 2007 to September 1, 2007 upon our request.

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Reconciliation of Net Loss to Earnings Before Interest, Taxes and Depreciation and Amortization ⁽¹⁾
(unaudited)

	Three Months Ended June 30, 2007	Three Months Ended June 30, 2006	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006
Reconciliation of net (loss) income to earnings before interest, taxes and depreciation and amortization (EBITDA):				
Net (Loss) Income	\$ (3,618,130)	\$ (4,218,006)	\$ (7,166,260)	\$ (7,483,600)
Add: Interest Expense	2,508,662	8,163,723	6,131,543	13,303,894
Depreciation and Amortization	1,931,859	1,263,945	3,362,934	2,361,323
EBITDA	<u>\$ 822,391</u>	<u>\$ 5,209,662</u>	<u>\$ 2,328,217</u>	<u>\$ 8,181,617</u>
EBITDA	\$ 822,391	\$ 5,209,662	\$ 2,328,217	\$ 8,181,617
Less: gain on sale of real estate	—	(1,328,755)	—	(1,328,755)
EBITDA before gain on sale of real estate	<u>\$ 822,391</u>	<u>\$ 3,880,907</u>	<u>\$ 2,328,217</u>	<u>\$ 6,852,862</u>

(1) For the definition and discussion of EBITDA, see pages 33 to 34.

Portfolio Data

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Food Industry Properties (Current Use Table)

Property Name	Address	MMPI Interest	Number of Acres ¹	Current Property Use	Leased as of 6/30/2007	Existing Debt ² as of 6/30/2007	Comparable Property and Notes
788 S Alameda	788 S. Alameda Street, Los Angeles, CA.	100.0%	2.25	32,208 s.f. of small tenant produce industry space with coolers	93.7%	None	Prime location for produce industry across Alameda Street from the two major produce wholesale terminal markets in the region.
Washington Cold Storage	3185 E. Washington Blvd., Los Angeles, CA.	100.0%	2.50	59,000 s.f. of single tenant cold storage facility	100.0%	\$9,782,956	Fully leased cold storage building superior to Building sale #20. Located near 3000 Washington Blvd. property.
500 Mateo Street	500 Mateo Street, Los Angeles, CA.	100.0%	0.75	12,960 s.f. of single tenant produce industry space with coolers	100.0%	\$730,000	Located at corner location in Arts District, adjacent to Sci-Arc property and near Center Village property. Superior in location and with more tenant fixtures than Building sale #21.
Washington Produce Market	2640 E. Washington Blvd., Los Angeles, CA.	100.0%	2.75	33,860 s.f. of small tenant produce industry space with coolers	12.1%	None	Recently purchased from turn-key contractor. Similar to 788 S. Alameda building but less desirable location.
Seventh Street Produce Market	1215, 1312 E. 7th Street, Los Angeles, CA.	100.0%	11.75	122,280 s.f. of wholesale produce terminal distribution space and a 250 car garage	73.3%	None	Terminal produce market that is a key component of produce distribution in region. Vacant portion is under renovation to meet new produce market standards.
American Fish ³	555 Central Ave., Los Angeles, CA.	100.0%	0.75	29,213 s.f. of seafood processing plant.	Not acquired, 0.0% leased.	None	Not yet acquired food processing and cold storage facility. Located in the Seafood District and inferior building but much superior location to Building sale #20
3000 E Washington Blvd. ⁴	3000 E. Washington Blvd., Los Angeles, CA.	100.0%	11.50	293,693 s.f. of multi-tenant industrial/distribution space	Not acquired yet, but 160,410 s.f. is pre-leased	None	Cold storage and food processing facility will be acquired at completion by turn-key contractor. Superior and with much better location to Building sale #20
Ceres Street Produce Center	758-774 Ceres Ave., Los Angeles, CA.	100.0%	0.25	Cleared land	0.0%	None	Cleared land near produce distribution markets. Inferior to Land sale #12.
Barstow Produce Center	2951 Lenwood Road, Barstow, CA.	100.0%	75.00	176,750 s.f. of cross-dock trucking terminal	0.0%	\$12,348,476	85,000 square foot cross-dock distribution building was very close to completion by quarter's end. Joint leasing effort underway by MMPI and CBRE.
TOTAL			107.50			\$22,861,432	

(1) Rounded to the nearest quarter acre.

(2) Total property debt, including all (if any) first or second trust deed mortgages or construction debt.

(3) We currently lease this project but intend to acquire it under an option to purchase for approximately \$4.7 million. The option to purchase this project expires on June 1, 2009.

(4) This project is currently owned and under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project upon completion for approximately \$67.2 million, net of deposits. We are obligated to repurchase this project five days after the seller has obtained a certificate of occupancy for the completed project. The final purchase price is based on construction costs and may be adjusted accordingly.

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Food Industry Properties (Future Use Table)

Property Name	Greater Metro Area and/or Downtown Los Angeles District	Redeveloped Square Feet ¹	Redevelopment Plan	Estimated Redevelopment Schedule	Estimated Stabilization Date ²	Estimated Redevelopment Cost per S.F. ³	Comments
788 S Alameda	Wholesale Produce District	32,208	Small tenant produce industry space with coolers	Complete	N/A	N/A	Prime location for produce industry across Alameda Street from the two major produce wholesale terminal markets in the region.
Washington Cold Storage	Wholesale Produce District	59,000	Single tenant cold storage facility	Complete	N/A	N/A	Fully leased cold storage building located near 3000 Washington Blvd. property.
500 Mateo Street	Arts District	12,948	Single tenant produce industry space with coolers	Complete	N/A	N/A	Highest and best use (probable retail use) will be realized as surrounding properties continue to convert to residential use.
Washington Produce Market	Wholesale Produce District	33,860	Small tenant produce industry space with coolers	Complete	4Q, 2007	N/A	Secondary, but expanding location for produce and food distribution industry.
Seventh Street Produce Market	Wholesale Produce District	122,673	Renovate and re-lease wholesale produce distribution space and 250 car garage	Commenced 6 month renovation period in 2007	1Q, 2008	\$4 - \$6 ⁶	Terminal produce market that is a central component of produce distribution industry in region.
American Fish ⁴	Wholesale Produce District	29,213	Modernize and re-lease food distribution space	Not yet acquired, anticipated modernization in 1Q, 2008	2Q, 2008	N/A	Food processing and cold storage facility located in the Seafood District.
3000 E Washington Blvd. ⁵	Wholesale Produce District	293,693	Construct and lease multi-tenant cold storage and food processing space	Commenced 14 month construction period in 2006	3Q, 2008	\$220 - \$230	Currently 47.5% pre-leased with first occupancy estimated in 1Q, 2008
Ceres Street Produce Center	Wholesale Produce District	14,400	Construct and lease small tenant produce distribution center.	Commence 8-month construction period in 2007	4Q, 2008	\$135 - \$155	Located near terminal produce distribution markets.
Barstow Produce Center	Barstow	581,500	Construct and lease 404,750 s.f. distribution center, renovate 176,750 s.f. existing facility	Phase 1 construction complete, later phase starts to be determined	To be determined by absorption of prior phases	\$115 - \$135	Located at critical highway junction for produce and other distributors transferring truck loads for Los Angeles and Las Vegas markets.

(1) The total number of rentable square feet upon the completion of the redevelopment plan.

(2) The calendar quarter in which the project redevelopment schedule is finished and the property has been leased to an industry standard occupancy level.

(3) Estimated redevelopment cost per square foot. All estimated redevelopment costs include an additional amount to possible overrun contingencies.

(4) We currently lease this project but intend to acquire it under an option to purchase for approximately \$4.7 million. The option to purchase this project expires on June 1, 2009.

(5) This project is currently owned and under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project upon completion for approximately \$67.2 million, net of deposits. We are obligated to repurchase this project five days after the seller has obtained a certificate of occupancy for the completed project. The final purchase price is based on construction costs and may be adjusted accordingly.

(6) This amount represents the total new dollars invested for renovation per square foot, not the total cost to construct per square foot.

MerueloMaddux Properties, Inc.
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Wholesale Properties (Current Use Table)

Property Name	Address	MMPI Interest	Number of Acres ¹	Current Property Use	Leased as of 6/30/2007	Existing Debt ² as of 6/30/2007	Comparable Property and Notes
Meruelo Wall Street	419 E. 9th & 833 Wall Street, Los Angeles, CA.	100.0%	2.00	85,836 s.f. of wholesale space & 9,250 sf of office space	97.7%	\$20,922,706	Located at prime location in Garment district with high-value on-site parking lot. Superior to building sale #1 & #2.
Alameda Square	761 Terminal Street, 1367, 1390 E. 7th Street, Los Angeles, CA.	100.0%	22.75	1,297,215 s.f. of industrial and commercial space	61.3%	\$61,033,506	American Apparel occupies 750,273 s.f. Approximately 500,000 s.f. listed as development property with 10 acres of underutilized land similar to land sale #12.
1919 Vineburn Avenue	1919 Vineburn Ave., Los Angeles, CA.	100.0%	5.75	122,348 s.f. of multi-tenant industrial/distribution space	100.0%	\$5,500,000	Single tenant fully occupying space at a significantly below-market rent. Lease term can be terminated in 2Q, 2008.
620 Gladys Ave	620, 643, 644 Gladys Ave., 830-838 E. 6th St., 647-649 Ceres, Los Angeles, CA.	100.0%	3.00	91,893 s.f. of multiple wholesale distribution buildings	47.7%	\$4,946,183	Prime location in Garment district. Similar to building sales #1, #2, #4 & #5. When developed, will be similar to Building sale #3. Completion of long term land assemblage.
1500 Griffith Avenue	1500, 1510 Griffith Ave., 833 E. 15th St., Los Angeles, CA.	100.0%	2.50	50,606 s.f. of distribution space	100.0%	\$3,000,000	Fully leased buildings adjacent to rapidly expanding, high rent Garment District. Small garment tenants will occupy space at expiration of leases.
Wall Street Market ³	600,612 Wall St., 919 Ceres Ave., 1000,1014 Olympic Blvd., Los Angeles	100.0%	1.50	23,400 s.f. of multi-tenant industrial /distribution space and 0.75 acres of cleared land	0.0%	None	Prime location in Garment district. Similar to building sales #1, #2, #4 & #5. When developed, will be similar to Building sale #3. Completion of long term land assemblage.
1000 E Cesar Chavez	1000, 1016, 1028, 1030 E. Cesar Chavez Blvd. Los Angeles, CA.	100.0%	1.75	78,400 s.f. of multi-tenant industrial/distribution space	9.7%	None	An assemblage of land and buildings just north of downtown. The buildings are similar to Building sale #16 and the land is similar to Land sale #18
2131 Humboldt Street	2131 Humboldt St., 306-330 N. Avenue 21, Los Angeles, CA.	100.0%	7.25	98,504 s.f. of industrial/ distribution space and 5 acres of cleared land	67.9%	\$7,000,000	An assemblage of land and buildings just north of downtown. The buildings are similar to building sale #16 and the land is similar to land sale #18
4th Street Center	926 E 4th St., 910 E. 4th St., 405 S. Hewitt St., 411 Hewitt St., Los Angeles, CA.	100.0%	1.25	26,136 s.f. of multi-tenant industrial/distribution space	100.0%	None	An assemblage of buildings in Arts District. The buildings are similar to building sale #22 but has a superior location and more land than #22
TOTAL			23.00			\$20,446,183	

(1) Rounded to the nearest quarter acre.

(2) Total property debt, including all (if any) first or second trust deed mortgages or construction debt.

(3) We lease two parcels of this project that have two buildings containing approximately 23,400 square feet. One lease has a 20-year term expiring on July 15, 2035. (including all renewal periods). The second lease has a 30-year term and will expire on February 28, 2037 (including all renewal periods). Each lease includes a right of first refusal exercisable by us to purchase the applicable leased parcel. The remaining three parcels are vacant land currently owned and under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project upon completion for approximately \$10.2 million, net of deposits. We are obligated to repurchase this project five days after the seller has obtained a certificate of occupancy for the completed project. The final purchase price is based on construction costs and may be adjusted accordingly.

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Wholesale Properties (Future Use Table)

Property Name	Greater Metro Area and/or Downtown Los Angeles District	Redeveloped Square Feet ¹	Redevelopment Plan	Estimated Redevelopment Schedule	Estimated Stabilization Date ²	Estimated Redevelopment Cost per S.F. ³	Comments
Meruelo Wall Street	Fashion District	95,086	Wholesale space and upper floor office space on 2 acres of land	Complete	N/A	N/A	Located at prime location in Garment district with high-value on-site parking lot.
Alameda Square	Wholesale Produce District	1,297,215	Renovate and lease industrial and commercial space on 22.75 acres of land	Commence 9-month renovation period in 2007	3Q, 2008	\$20 - \$30 ⁵	Iconic buildings in downtown located at major commercial intersection. Longterm potential for additional development expansion.
1919 Vineburn Avenue	North Downtown Industrial District	122,348	Convert single tenant building to multi-tenant industrial/distribution space on 5.75 acres of land	Commence 4-month renovation period in 2008	4Q, 2008	\$15 - \$35 ⁵	
620 Gladys Ave	Wholesale Seafood District	91,893	Renovate and lease multiple wholesale distribution buildings on 3 acres of land	Commence 12-month construction period in 2007	1Q, 2009	\$150 - \$200	Small tenant wholesale building located at prime location in Garment district.
1500 Griffith Avenue	Fashion District	50,606	Convert single tenant buildings to multi-tenant industrial/distribution space on 2.5 acres of land	Commence 4-month renovation period in 2008	1Q, 2009	\$25 - \$45 ⁵	Buildings adjacent to rapidly expanding, high rent Garment District.
Wall Street Market ⁴	Fashion District	23,400	Construct and lease small tenant wholesale space on 1.5 acres of land	Commence 10-month construction period in 2008	2Q, 2009	\$150 - \$200	Small tenant retail and distribution building located at prime location in Garment district.
1000 E Cesar Chavez	North Downtown Industrial District	78,400	Renovate multi-tenant industrial/distribution space on 1.75 acres of land	Commence 8-month renovation period in 2008	3Q, 2009	\$25 - \$45 ⁵	Part of an ongoing assemblage, property may expand in size in the future. Prime relocation area of downtown industrial tenants.
2131 Humboldt Street	North Downtown Industrial District	112,031	Construct multi-tenant wholesale space	Commence 10-month construction period in 2008	4Q, 2009	\$150 - \$200	
4th Street Center	Arts District	26,136	Construct multi-tenant industrial/distribution space on 1.25 acres of land	Commence 12-month construction period in 2008	4Q, 2009	\$150 - \$200	

(1) The total number of rentable square feet upon the completion of the redevelopment plan.

(2) The calendar quarter in which the project redevelopment schedule is finished and the property has been leased to an industry standard occupancy level.

(3) Estimated redevelopment cost per square foot. All estimated redevelopment costs include an additional amount to possible overrun contingencies.

(4) We lease two parcels of this project that have two buildings containing approximately 23,400 square feet. One lease has a 20-year term expiring on July 15, 2035. (including all renewal periods). The second lease has a 30-year term and will expire on February 28, 2037 (including all renewal periods). Each lease includes a right of first refusal exercisable by us to purchase the applicable leased parcel. The remaining three parcels are vacant land currently owned and under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project upon completion for approximately \$10.2 million, net of deposits. We are obligated to repurchase this project five days after the seller has obtained a certificate of occupancy for the completed project. The final purchase price is based on construction costs and may be adjusted accordingly.

(5) This amount represents the total new dollars invested for renovation per square foot, not the total cost to construct per square foot.

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Small Tenant Properties (Current Use Table)

Property Name	Address	MMPI Interest	Number of Acres ¹	Current Property Use	Leased as of 6/30/2007	Existing Debt ² as of 6/30/2007	Comparable Property and Notes
905 E. 8th Street	906 E. 8th Street, Los Angeles, CA.	100.0%	1.25	31,758 s.f. of multi-tenant industrial space	57.4%	\$1,950,000	Multi-unit small tenant distribution near Garment district. Superior to Building sales #6, 7 and #22
Washington at Central Retail	1225 E. Washington Blvd., Los Angeles, CA.	100.0%	0.25	5,497 s.f. of small tenant retail space	76.8%	None	Adjacent to 1211 E. Washington Blvd. property at key corner location.
Southern California Institute of Architecture	960 E. 3rd Street, Los Angeles, CA.	100.0%	2.50	82,363 s.f. of architectural graduate school	100.0%	\$10,236,631	Fully leased to long term tenant. Site expands buildable rights for adjacent Sky Arc residential project.
2000 San Fernando Road	2000 San Fernando Road, Los Angeles, CA.	100.0%	8.00	119,381 s.f. of single tenant (Fed Ex) distribution space	100.0%	\$13,531,110	Strong residential location upon lease expiration of tenant.
Santa Fe Plaza ³	2529 Santa Fe Avenue, Vernon, CA.	100.0%	1.25	15,000 s.f. multi-tenant retail space under construction.	0.0%	None	Construction was not yet complete at time of quarter's end. Property has not yet been acquired from turn-key contractor.
Musica Latina Building	1309 S. Orchard Street, Los Angeles, CA.	100.0%	0.50	Cleared land	0.0%	None	
3rd & Omar Street	308-310 Omar St., 452,464,470 E. 3rd St., Los Angeles, CA.	100.0%	0.50	24,180 s.f. of multi-tenant industrial/distribution space	23.2%	\$2,608,761	Located on major street in Little Tokyo. Superior to Building sale #21
Crown Commerce Center	2425, 2445, 2460, 2535 E. 12th St., 1910-1922 Santa Fe Ave., Los Angeles, CA.	100.0%	7.50	282,991 s.f. of multi-tenant industrial space	73.0%	\$11,331,385	Modern distribution center with older, outlying buildings added to property. Similar to Building sales #13, 14 and superior to #15
801 E 7th Street	801 E. 7th Street, Los Angeles, CA.	100.0%	1.50	126,550 s.f. of older, single tenant distribution space	20.0%	\$4,400,000	Five story industrial building with potential ground floor retail space. Superior to Building sales #6, #7 and #22.
420 Boyd Street	400-420 Boyd Street, Los Angeles, CA.	100.0%	0.75	47,806 s.f. of office, retail and restaurant space	71.0%	\$5,950,000	Located on major street in Little Tokyo. Superior to Building sale #21
Desmond Building	425 W. 11th Street, Los Angeles, CA.	100.0%	0.50	78,500 s.f. of multi-tenant multi-story wholesale distribution space	19.1%	None	Currently renovated for retail and creative space. Long term highest and best use is for high rise residential. Superior to Building sales #17, #18 & #19
Camfield Retail Center ⁴	2040 Camfield Street, 5500 Flotilla Street, Commerce, CA.	100.0%	4.00	Cleared land	0.0%	None	Highway proximate property similar to land sales #15 and superior to #16
1828 Oak Street ⁵	1828 Oak Street, 829 Washington Blvd., Los Angeles, CA.	100.0%	0.75	56,889 s.f. of retail & education building plus antenna and billboard income	Not acquired yet, but rent roll shows approx. 15% leased	None	Antenna and billboards provide majority of current income. Similar to Building sales #11 & #12.
1800 E Washington Blvd.	1800 E. Washington, 1950 Stauton, 1933 S. Alameda, 1951 McGarry, Los Angeles, CA.	100.0%	3.50	124,423 s.f. of older industrial space	100.0%	\$8,250,000	Majority tenant occupying space at a significantly below-market rent with remaining tenants on short-term leases. Lease terminates in 2Q, 2008.

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Small Tenant Properties (Current Use Table) (continued)

Property Name	Address	MMPI Interest	Number of Acres ¹	Current Property Use	Leased as of 6/30/2007	Existing Debt ² as of 6/30/2007	Comparable Property and Notes
Overland Terminal ⁶	1807 W. Olympic Blvd., Los Angeles, CA.	100.0%	3.50	370,800 s.f. of multi-tenant industrial/distribution and produce space	Not acquired yet, but rent roll shows approx. 80%	None	Current rents shown on owner's rent roll are estimated at below market levels
Gold's Gym & Public Storage ⁷	2035 Camfield Street, Commerce, CA.	100.0%	2.00	Cleared land	Not acquired yet, but 30,000 s.f. Gold's Gym is pre-leased	None	Highway proximate property similar to land sales #15 and superior to #16
230 N Ave 26 th	230 N. Avenue 26th, Los Angeles, CA.	100.0%	1.75	67,800 s.f. of industrial/distribution space	11.4%	None	Prime northern relocation area of downtown industrial tenants. Located close to major light rail transit station. Similar building but superior location to Building sale #16
Meruelo Baldwin Park	13822 & 13916 Garvey Ave., Baldwin Park, CA.	100.0%	5.00	Cleared land	0.0%	None	Highway adjacent property similar to land sales #15 and superior to #16
Pomona Retail	2001 W. Mission Blvd., Pomona, CA.	100.0%	10.00	Located on 1/4 of Pomona Village site, with a total of 645,514 s.f. of industrial and office/flex space.	0.0%	None	Highway offramp being expanded significantly improves access to property. Superior to land sale #21
5707 S Alameda	1862 E. 55th St., 5707-5715 S. Alameda & 5555 Bandera St., Los Angeles, CA.	100.0%	2.00	55,729 s.f. of older, single tenant industrial space	64.2%	None	Prime relocation area of downtown industrial tenants. Similar to Building sale #15
1211 E Washington Blvd	1211 E. Washington Blvd., 1120, 1126 E. 18th St., Los Angeles, CA.	100.0%	2.00	107,982 s.f. of older, manufacturing space	91.8%	None	Prime relocation area of downtown industrial tenants. Location is close to major light rail transit station. Similar to Building sales #11 & #12
TOTAL			59.00			\$58,257,887	

(1) Rounded to the nearest quarter acre.

(2) Total property debt, including all (if any) first or second trust deed mortgages or construction debt.

(3) This project is currently owned and under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project upon completion for approximately \$6 million, net of deposits. We are obligated to repurchase this project five days after the seller has obtained a certificate of occupancy for the completed project. The final purchase price is based on construction costs and may be adjusted accordingly.

(4) This project is currently owned and is under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project for approximately \$10.6 million net of deposits made. The final purchase price is based on construction costs and may be adjusted accordingly.

(5) We currently lease this project but intend to acquire it under an option to purchase for approximately \$4.2 million. The lease has a term of 10 years (including all renewal periods).

(6) An entity owned by the parents of Richard Meruelo, our Chief Executive Officer and Chairman of our Board of Directors, has a contract to buy the project. Its right to buy the project was challenged by the seller, but following a trial the court ruled in favor of the entity owned by the parents of Mr. Meruelo. This contract has been assigned to the company.

(7) This project is currently owned and is under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project for approximately \$15.3 million net of deposits made. The final purchase price is based on construction costs and may be adjusted accordingly.

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Small Tenant Properties (Future Use Table)

Property Name	Greater Metro Area and/or Downtown Los Angeles District	Redeveloped Square Feet ¹	Redevelopment Plan	Estimated Redevelopment Schedule	Estimated Stabilization Date ²	Estimated Redevelopment Cost per S.F. ³	Comments
905 E. 8th Street	Electronics District	31,758	Complete	Complete	N/A	N/A	1,000 square foot units designed for small electronics and garment distributors.
Washington at Central Retail	Southeast Industrial Distric	5,497	Complete	Complete	N/A	N/A	
Southern California Institute of Architecture	Arts District	82,363	Complete	Complete	N/A	N/A	Fully leased to long term tenant. Site expands buildable rights for adjacent Sky Arc residential project.
2000 San Fernando Road	North Downtown Industria District	118,320	Complete	Complete	N/A	N/A	Fully leased to Fed Ex, strong residential location upon lease expiration
Santa Fe Plaza ⁴	Vernon	15,000	Construct and lease multi-tenant retail space	Complete	1Q, 2008	N/A	Newly constructed building was not yet acquired from turn-key contractor by end of quarter
Musica Latina Building	Center City West	26,744	Property has been listed for sale	N/A	timated sale in 4 2007	N/A	Property is no longer consistent with current business plans and will be sold.
3rd & Omar Street	Little Tokyo	24,180	Modernize multi-tenant creative office and retail space	Complete	1Q, 2008	N/A	Located at prime location in Little Tokyo. Possible residential location in future.
Crown Commerce Center	Southeast Industrial Distric	287,441	Modernize multi-tenant industrial space	Commence 6 month renovation period in 2007	2Q, 2008	\$5 - \$15 ⁹	
801 E 7th Street	Downtown Industrial District	126,550	Modernize and re-lease multi-tenant industrial space	Commence 6 month renovation period in 2007	3Q, 2008	\$5 - \$6 ⁹	
420 Boyd Street	Little Tokyo	47,806	Renovate, and re-lease multi-tenant office and retail space	Commence 7 month renovation period in 2007	4Q, 2008	\$5 - \$15 ⁹	Located at prime location in Little Tokyo. Possible residential location in future.
Desmond Building	Southpark	78,500	Multi-tenant multi-story retail and creative office space	Commence 10 month construction period in 2007	4Q, 2008	\$27 - \$30 ⁹	Located in Southpark on corner location adjacent to recent residential development. Long-term highest use is probably high rise residential.
Camfield Retail Center ⁵	Commerce	85,997	Construct and lease multi-tenant commercial space	Commence 10 month construction period in 2007	4Q, 2008	\$215 - \$250	Highway adjacent property
1828 Oak Street ⁶	South Downtown Industria District	56,889	Renovate, sub-divide and re-lease multi-tenant commercial space	Commence 6 month renovation period in 2008	1Q, 2009	\$15 - \$25 ⁹	Not acquired yet. Building was previously a well-known retail, office and community services center.

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Small Tenant Properties (Future Use Table) (continued)

Property Name	Greater Metro Area and/or Downtown Los Angeles District	Redeveloped Square Feet ¹	Redevelopment Plan	Estimated Redevelopment Schedule	Estimated Stabilization Date ²	Estimated Redevelopment Cost per S.F. ³	Comments
1800 E Washington Blvd.	South Downtown Industrial District	124,423	Modernize, sub-divide and re-lease as multi-tenant industrial space	Commence 6 month renovation period in 2008	1Q, 2009	\$5 - \$15 ⁹	Located just south of downtown. Prime relocation area of downtown industrial tenants.
Overland Terminal ⁷	Wholesale Produce District	370,800	Modernize and fully tenant multi-tenant industrial space	Commence 6 month renovation period in 2008	1Q, 2009	\$5 - \$15 ⁹	Property not yet acquired. Located at the intersection of two major local roads near produce distribution and garment markets.
Gold's Gym & Public Storage ⁸	Commerce	74,000	Construct a pre-leased 30,000 s.f. Gold's Gym and a 44,000 s.f. mini-storage facility	Commence 10 month construction period in 2007	1Q, 2009	N/A	Property will be acquired from turn-key contractor at completion of construction
230 N Ave 26 th	North Downtown Industrial District	67,800	Renovate, sub-divide and re-lease multi-tenant industrial space	Commence 8 month renovation period in 2008	2Q, 2009	\$15 - \$25 ⁹	
Meruelo Baldwin Park	Baldwin Park	100,000	Construct and lease multi-tenant retail space	Commence 10 month construction period in 2008	3Q, 2009	\$215 - \$250	Recent highway expansion plans have increased site's desirability to retailers.
Pomona Retail	Pomona	150,000	Construct and lease multi-tenant retail space	Commence 15 month construction period in 2008	4Q, 2009	\$215 - \$250 ⁹	Highway offramp being expanded significantly improves access and retailer interest in property.
5707 S Alameda	South Downtown Industrial District	55,729	Modernize multi-tenant industrial space	Commence 6 month renovation period in 2009	1Q, 2010	\$5 - \$15 ⁹	Will be leased as-is until later renovation. Prime relocation area of downtown industrial tenants.
1211 E Washington Blvd	South Downtown Industrial District	109,000	Modernize multi-tenant industrial space	Commence 6 month renovation period in 2009	1Q, 2010	\$5 - \$15	Will be leased as-is until later renovation. Prime relocation area of downtown industrial tenants.

(1) The total number of rentable square feet upon the completion of the redevelopment plan.

(2) The calendar quarter in which the project redevelopment schedule is finished and the property has been leased to an industry standard occupancy level.

(3) Estimated redevelopment cost per square foot. All estimated redevelopment costs include an additional amount to possible overrun contingencies.

(4) This project is currently owned and under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project upon completion for approximately \$6 million, net of deposits. We are obligated to repurchase this project five days after the seller has obtained a certificate of occupancy for the completed project. The final purchase price is based on construction costs and may be adjusted accordingly.

(5) This project is currently owned and is under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project for approximately \$10.6 million net of deposits made. The final purchase price is based on construction costs and may be adjusted accordingly.

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Small Tenant Properties (Future Use Table) (continued)

- (6) We currently lease this project but intend to acquire it under an option to purchase for approximately \$4.2 million. The lease has a term of 10 years (including all renewal periods).
- (7) An entity owned by the parents of Richard Meruelo, our Chief Executive Officer and Chairman of our Board of Directors, has a contract to buy the project. Its right to buy the project was challenged by the seller, but following a trial the court ruled in favor of the entity owned by the parents of Mr. Meruelo. This contract has been assigned to the company.
- (8) This project is currently owned and is under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project for approximately \$15.3 million net of deposits made. The final purchase price is based on construction costs and may be adjusted accordingly.
- (9) This amount represents the total new dollars invested for renovation per square foot, not the total cost to construct per square foot.

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Residential Properties (Current Use Table)

Property Name	Address	MMPI Interest	Number of Acres ¹	Current Property Use	Leased as of 6/30/2007	Existing Debt ² as of 6/30/2007	Comparable Property and Notes
American Apartments	303 S. Hewitt Street, Los Angeles, CA.	100.0%	0.25	39 unit apartment building with 5,000 s.f. of retail	100.0%	None	Small rental property with ground floor retail space. Located in Artists district.
The Union Lofts	760 S. Hill Street, Los Angeles, CA.	100.0%	0.25	Construction Site	Residential unit marketing has not begun, but all non-residential space is leased	\$20,667,131	Location similar to land sales #5, #6, #7 & #8. Residential conversion will be complete by 3Q, 2007
Citrus Gardens	1009 N. Citrus Ave., Covina, CA.	100.0%	2.50	7,200 s.f. of multi-tenant commercial space	18.1%	None	Community is located east of downtown. Similar to land sale #19 and very superior to #20.
Covina Gardens	146 Front Street, Covina, CA.	100.0%	1.00	4,000 s.f. of automobile service space	100.0%	None	Property is part of a larger proposed master development area. Slightly inferior to land sale #19 and superior to #20.
717 W. 9th Street	717 W. 9th Street, Los Angeles, CA.	100.0%	0.75	Construction Site	0.0%	None	Prime Southpark location similar to land sales #1, #2, #3 & #4. Proximate to supermarket, L.A. Live and Financial District.
San Fernando Court	12385 San Fernando Road, Sylmar, CA.	100.0%	5.50	Cleared land	0.0%	None	Community is located northwest of downtown in the San Fernando Valley. Located close to light rail station. Large, rectangular parcel superior to land sale #17
TransAmerica Lofts	1100-1124 S. Olive St., 218 W. 11th St., Los Angeles, CA.	100.0%	1.00	Commercial parking lot	100.0%	None	Prime Southpark location similar to land sales #1, #2, #3 & #4. Located near SBC Tower and South Group's condominium towers
Olive Street Towers	1230 S. Olive St., 1217, 1229, 1235 S. Hill St., Los Angeles, CA.	100.0%	2.00	Commercial parking lot and garage	100.0%	\$5,340,000	Prime Southpark corner location similar to land sales #1, #2, #3 & #4. Proximate to L.A. Live and Staples Arena
Ullman Tower One	915-949 Hill Street, Los Angeles, CA.	100.0%	1.50	Commercial parking lot	100.0%	\$11,031,726	Southpark corner location similar to land sales #1, #2, #3 & #4. Proximate to L.A. Live, Staples Arena and Financial District.
Ullman Tower Two	817-825 S. Hill St. & 820-826 S. Olive St., Los Angeles, CA.	100.0%	1.00	Commercial parking lot	100.0%	\$6,396,500	Southpark location similar to land sales #3, #5, #6, #7 & #8. Mid-block location
South Park Towers ³	1150 S. Grand Ave. & 1117-1119 S. Olive, 336 W. 11th, Los Angeles, CA.	100.0%	3.00	Commercial parking lot and 11,829 s.f. restaurant	100.0%	\$25,000,000	Prime Southpark location similar to sales #1, #2, #3 & #4. Located between SBC Tower and South Group's condominium towers

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Residential Properties (Current Use Table) (continued)

Property Name	Address	MMPI Interest	Number of Acres ¹	Current Property Use	Leased as of 6/30/2007	Existing Debt ² as of 6/30/2007	Comparable Property and Notes
Vignes Village ⁴	1060 N. Vignes St., Los Angeles, CA.	100.0%	4.00	Cleared land	0.0%	None	Chinatown location similar to land sales #10 & #11, superior to sale #9. Located two blocks from major subway stop and near California Endowment campus.
Center Village	210-234 Center, 815 Temple, 740 Jackson Street, Los Angeles, CA.	100.0%	5.25	71,635 s.f. of cold storage /freezer space and 67,000 s.f. of industrial space.	62.6%	\$7,000,000	Arts District location similar to land sales #10 & #11, superior to sale #9. Existing cold storage buildings inferior to Building sale #20
Meruelo Chinatown Towers	129 West College Street, Los Angeles, CA.	100.0%	5.50	Cleared land	Vacant but intermittent filming revenue	None	Chinatown location similar to land sales #10 & #11, superior to sale #9. Located across the street from major subway stop and transit lines.
Sky Arc	930-950 E. 3rd Street, Los Angeles, CA.	100.0%	8.00	Cleared land	Student and faculty parking and intermittent filming revenue	\$19,000,000	Prime Arts District location similar to land sales #10 & #11, superior to sale #9. Adjacent to Southern California School of Architecture and near transit stations.
Pomona Park Village	1875, 2001-2021 W. Mission Blvd., Pomona, CA.	100.0%	33.00	645,514 s.f. of industrial and office/flex space. Remaining 1/4 of total property is Pomona Retail site	5.2%	None	Recently occupied 242,042 s.f. office/flex building is similar to building sale #23. Remaining property probably valued as land (22.4 acres), superior to land sale #21.
TOTAL			74.50			\$94,435,357	

(1) Rounded to the nearest quarter acre.

(2) Total property debt, including all (if any) first or second trust deed mortgages or construction debt.

(3) This project is currently owned and under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project upon completion for approximately \$6 million, net of deposits. We are obligated to repurchase this project five days after the seller has obtained a certificate of occupancy for the completed project. The final purchase price is based on construction costs and may be adjusted accordingly.

(4) This project is currently owned and is under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project for approximately \$10.6 million net of deposits made. The final purchase price is based on construction costs and may be adjusted accordingly.

(5) We currently lease this project but intend to acquire it under an option to purchase for approximately \$4.2 million. The lease has a term of 10 years (including all renewal periods).

(6) An entity owned by the parents of Richard Meruelo, our Chief Executive Officer and Chairman of our Board of Directors, has a contract to buy the project. Its right to buy the project was challenged by the seller, but following a trial the court ruled in favor of the entity owned by the parents of Mr. Meruelo. This contract has been assigned to the company.

(7) This project is currently owned and is under redevelopment by a third party in accordance with a build-to-suit contract with us. We intend to acquire the project for approximately \$15.3 million net of deposits made. The final purchase price is based on construction costs and may be adjusted accordingly.

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Residential Properties (Future Use Table)

Property Name	Greater Metro Area and/or Downtown Los Angeles District	Redeveloped Units & Retail ¹	Redevelopment Plan ²	Estimated Redevelopment Schedule	Estimated Stabilization Date ³	Estimated Redevelopment Cost per Unit ⁴	Comments
American Apartments	Arts District	39 units with 5,000 s.f. of retail	Complete	N/A	N/A	N/A	
The Union Lofts	Southpark	92 units with 11,000 s.f. of restaurant	Convert historic building into condo-mapped rental property with restaurant/lounge space	Commenced 14- month construction period in 2006	2Q, 2008	\$297,000 - \$328,000	Restaurant/lounge space is fully leased, residential marketing commences 4Q, 2007
Citrus Gardens	Covina	52 units	Construct attached townhomes	Commence 15- month construction in 2007	1Q, 2009	\$265,000 - \$295,000	
Covina Gardens	Covina	30 units with 2,400 s.f. of retail	Construct attached townhomes and local retail space.	Commence 12- month construction in 2008	3Q, 2009	\$255,000 - \$285,000	Property is part of larger proposed master development plan to redevelop area.
717 W. 9th Street	Financial District	214 units with 6,800 s.f. of retail	Condo-mapped high-rise residential rental tower with ground level retail space	Commenced 26- month construction period in 2006	3Q, 2009	\$520,000 - \$610,000	Across street from newly opened Ralph's Supermarket
San Fernando Court	Sylmar area of City of Los Angeles	245 units with 9,000 s.f. of retail and 9,000 s.f. of office	Construct urban village of stacked condominium units with streetfront retail and office space	Commence 21- month construction in 2008	4Q, 2009	\$325,000 - \$360,000	
TransAmerica Lofts	Southpark	232 units with 11,600 s.f. of retail	Condo-mapped high-rise residential rental tower with ground level retail space	Commence 26- month construction period in 2008	1Q, 2011	\$455,000 - \$535,000	Exploring feasibility of expanding project scope to take advantage of recent City density ordinances
Olive Street Towers	Southpark	395 units with 19,766 s.f. of retail	Condo-mapped high-rise residential rental tower with ground level retail space	Commence 26- month construction period in 2008	2Q, 2011	\$460,000 - \$540,000	Exploring feasibility of expanding project scope to take advantage of recent City density ordinances
Ullman Tower One	Southpark	320 units with 16,000 s.f. of retail	Condo-mapped high-rise residential rental tower with ground level retail space	Commence 25- month construction period in 2009	2Q, 2012	\$465,000 - \$545,000	Exploring feasibility of expanding project scope to take advantage of recent City density ordinances
Ullman Tower Two	Southpark	195 units with 9,376 s.f. of retail	Condo-mapped high-rise residential rental tower with ground level retail space	Commence 25- month construction period in 2009	1Q, 2012	\$460,000 - \$540,000	Exploring feasibility of expanding project scope to take advantage of recent City density ordinances

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Residential Properties (Future Use Table) (continued)

Property Name	Greater Metro Area and/or Downtown Los Angeles District	Redeveloped Units & Retail ¹	Redevelopment Plan ²	Estimated Redevelopment Schedule	Estimated Stabilization Date ³	Estimated Redevelopment Cost per Unit ⁴	Comments
South Park Towers ⁵	Southpark	455 units with 22,750 s.f. of retail	Two condo-mapped high-rise residential rental towers in phases with ground level retail space	Commence 26- month construction period in 2007	To be determined by earlier phase absorption	\$445,000 - \$520,000	Exploring feasibility of expanding Phase 2 bldg. to take advantage of recent City density ordinances
Vignes Village ⁶	Chinatown	320 units with 16,000 s.f. of retail	Urban village of mid-rise live-work rental units in phases with retail and service space	Commence 18- month phased construction period in 2008	To be determined by earlier phase absorption	\$240,000 - \$270,000	Exploring feasibility of expanding project scope to take advantage of recent City density ordinances
Center Village	Arts District	320 units with 30,000 s.f. of retail	Urban village of mid-rise rental units in phases with pedestrian retail and service space	Commence 24- month phased construction period in 2008	To be determined by earlier phase absorption	\$235,000 - \$260,000	Exploring feasibility of expanding project scope to take advantage of recent City density ordinances
Meruelo Chinatown Towers	Chinatown	500 units with 25,000 s.f. of retail	Urban village of mid-rise live-work rental units in phases with retail and service space	Commence 24- month phased construction period in 2008	To be determined by earlier phase absorption	\$300,000 - \$330,000	Exploring feasibility of expanding project scope to take advantage of recent City density ordinances
Sky Arc	Arts District	635 units with 25,000 s.f. of retail	Urban village of mid-rise rental units in phases with pedestrian retail and service space	Commence 26- month phased construction period in 2008	To be determined by earlier phase absorption	\$180,000 - \$200,000	Exploring feasibility of expanding project scope to take advantage of recent City density ordinances
Pomona Park Village	Pomona	1,500 units	Construct an urban village in multiple phases with a range of residential units	Commence 21- month construction in 2009, later phases to be determined	To be determined by earlier phase absorption	\$235,000 - \$265,000	Highway offramp being expanded improves access and marketability of property.

(1) The total number of rentable square feet upon the completion of the redevelopment plan.

(2) We have flexible redevelopment plans for these projects. Based on market conditions, the projects will be completed as for-sale or for-rent residential units.

(3) The calendar quarter in which the project redevelopment schedule is finished and the property has been leased to an industry standard occupancy level.

(4) Estimated redevelopment cost per unit. Per-unit redevelopment costs exclude costs for the retail or office space portion of the proposed redevelopment. Estimated costs for such portion of the proposed redevelopment range from approximately \$190,000 to \$210,000 per square foot. All estimated redevelopment costs include an additional amount to possible overrun contingencies.

(5) In connection with our purchase of a portion of this project, we have agreed to construct a parking structure that will contain at least 132 parking spaces for the benefit of an adjacent project not owned by us. Monetary damages (\$1,000 per day for the first year, \$2,000 per day for the second year etc.) apply for each day after July 1, 2008 that construction is not complete. In addition, seller has a right to repurchase the property at the price for which it was sold to us if construction is not commenced by October 1, 2008. Our redevelopment of this project, which we plan to commence in 2007, includes plans for a parking structure that satisfies the above requirement. Additionally, the Los Angeles Community Redevelopment Agency may have the option to purchase at fair market value up to 20% of the units for resale to low and moderate income households.

(6) This project is currently subject to an administrative proceeding as a result of demolition activity that occurred on the property without a permit. As a consequence, the Los Angeles Department of Building and Safety imposed an 18-month ban on future development.

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Comparable Building Sales in 2005 – 2007
 (Source: CoStar Comps, August, 2007)

ID #	Property Address	Sale Date	Building s.f.	Price	Price/sf	Year Built	Buyer	Seller	Comps Number	Comments
1	219-239 E. 12th Street, Los Angeles, CA	4/7/2006	31,961	\$10,200,000	\$319.14	1989	Metro Santee Seven LLC	Mayer Separzadeh	1110666	Four story garment wholesale building in Garment District
2	1026-1032 Wall Street, Los Angeles, CA.	3/22/2996	23,300	\$ 6,252,500	\$268.35	1963	Amarpreet Malik	1026 Wall St. LLC	1101931	Two story garment wholesale building in Garment District
3	1142 S. Wall Street, Los Angeles, CA.	2/17/2006	25,968	\$17,500,000	\$673.91	1929	Behzad Pourebrahim	Joannster Corporation	1092852	Single story building with small tenant spaces within
4	810 E. 14th Street, Los Angeles, CA.	3/14/2007	10,896	\$ 2,850,000	\$261.56	1925	Parham Mihoo	Major Enterprises	1274718	Distribution building located on edge of Garment district
5	1145 Towne Ave., Los Angeles, CA.	5/6/2005	14,442	\$ 5,200,000	\$360.06	1922	Saeed Farkhondehpour	Chul Hyo Park	1027036	Class C warehouse building located on edge of Garment
6	620 Los Angeles St., Los Angeles CA	2/22/2007	32,000	\$ 4,500,000	\$140.63	1910	Sierra Real Estate Holdings	Bart Kerr Family Trust	1254100	5 story industrial and light manufacturing building
7	217 E. 8th Street, Los Angeles, CA.	4/26/2007	81,484	\$10,800,000	\$132.54	1926	Laeroc Partners, Inc.	Jade Enterprises	1317823	12 story industrial and light manufacturing building
8	2100 S. Figueroa St., Los Angeles, CA.	In Escrow	132,000	\$26,000,000	\$196.97	1926	Not Named	Not Named	250907	Three story warehouse/mixed use building on limited land
9	2114 E. 7th Place, Los Angeles, CA.	In Escrow	67,966	\$12,900,000	\$189.80	1925	Not Named	Not Named	275309	Three story warehouse & mixed-use in Warehouse district
10	1020 E. Olympic Blvd., Los Angeles, CA.	5/31/2006	10,395	\$ 2,125,000	\$204.43	1976	Civan & Tillan Kocar	Stock Family Trust	1122346	Class C warehouse building located between Garment
11	122 E. Washington Blv., Los Angeles CA	2/8/2006	20,212	\$ 4,000,000	\$197.90	1933	11920 Chandler Blvd. LLC	Sheldon Goldman Trust	1091628	One story garment building on Washington Blvd.
12	924 W. Washington Bl., Los Angeles, CA.	2/1/2005	30,000	\$ 6,200,000	\$206.67	1900	Anastasi Development Co.	Norik Minasian Trust	994286	Old warehouse in located just south of downtown
13	2430-2438 E. 11th St., Los Angeles, CA.	12/5/2005	23,836	\$ 3,450,000	\$144.74	1988	Steve Eun Yi	Boyle 48 LLC	1224321	Part of Crown Commerce Center that was sold by the
14	2025 Long Beach Ave., Los Angeles, CA.	9/19/2006	46,446	\$ 7,100,000	\$152.87	2003	Jae Ho Kim	2025 S. Long Beach LLC	11563682	Modern distribution building south of downtown
15	6621 Wilson Ave., Los Angeles, CA.	5/11/2007	52,644	\$ 7,200,000	\$136.77	1987	Kyung Pak	Alliance Apparel Inc.	1320184	Manufacturing and distribution building south of downtown
16	1447 N. Naud St., Los Angeles, CA.	10/10/2006	21,948	\$ 3,200,000	\$145.80	2006	Guang Quan Wu	Storm Properties	1161080	Class B warehouse building located north of downtown
17	1315 S. Flower Street, Los Angeles, CA.	9/1/2005	25,138	\$ 6,100,000	\$242.66	1911	Pico/Flower LLC	Get Spunky LP	1046844	Four story mixed use building in Southpark district
18	1240 Hope Street, Los Angeles, CA.	3/7/2006	18,000	\$ 4,987,727	\$277.10	1962	Pico Venture Ltd.	Pine Tree Company LP	1107199	Class C manufacturing building in Southpark district
19	1313 W. 8th Street, Los Angeles, CA.	1/24/2007	39,543	\$ 7,800,000	\$197.25	1963	ACLU Foundation of So. Cal.	Puro Descansando Ptners	1242874	Class C office building west of downtown northwest of
20	2050 E 55th Street, Los Angeles, CA.	9/6/2005	103,050	\$24,875,576	\$241.39	2001	BLT Enterprises of Oxnard	Freezerstore Vernon LLC	1043732	Cold Storage building located south of downtown in Vernon
21	420 S. San Pedro St., Los Angeles, CA	7/28/2005	178,975	\$42,797,000	\$239.12	1922	Hammer IRP LTL Assoc.	Little Tokyo Lofts	1036767	Mixed use building in Little Tokyo district
22	833 E. 3rd St., Los Angeles, CA.	8/16/2006	26,980	\$ 3,900,000	\$144.55	1930	Third & Garey Associates	Sylvia Steinberg Trust	1147451	Class C manufacturing building located on edge of Artists
23	761 Corporate Center Dr., Pomona, CA.	9/8/2006	64,800	\$12,450,000	\$192.13	1984	Cal-Pomona LLC	Corporate Center Associates	1153968	Class B flex building in Pomona

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Comparable Land Sales in 2005 – 2007
(Source: CoStar Comps, August, 2007)

ID #	Property Address	Sale Date	Land Area s.f.	Price	Price/sf	Price/Acre	Buyer	Seller	Comps Number	Comments
1	Cnr of Flower St. & 12th St, Los Angeles	8/15/2006	196,020	\$80,000,000	\$408.12	\$17,777,778	The Moinian Group	LA Arena Land Company	1143709	Parking lot adjacent to LA Live, entitled for 700 units with 20% affordable housing requirement
2	808 S. Olive Street, Los Angeles	3/30/2006	47,480	\$26,500,000	\$558.13	\$24,312,131	The Moinian Group	Maguire Properties	1102885	Older parking structure assumed purchased for land value
3	1020-1024 S. Grand Ave., Los Angeles	10/27/2006	58,370	\$30,000,000	\$513.96	\$22,388,213	Titan Organization	James Myron Trust	1163261	Parking lot in Southpark area of downtown
4	953 S. Georgia Street, Los Angeles	6/1/2007	15,290	\$ 8,600,000	\$562.46	\$24,500,719	California Primary Physicians	Braverman Living Trust	1335749	Retail store north of LA Live in Southpark area of downtown
5	1111 Wilshire Blvd., Los Angeles	2/2/2006	48,787	\$18,360,000	\$376.33	\$16,392,924	1111 Wilshire LLC	1111 Wilshire Associates	1091774	Parking lot located several blocks west of US 110, just
6	1000 S. Olive Street, Los Angeles	6/16/2006	7,667	\$ 2,300,000	\$299.99	\$13,067,432	Peykar Family Trust	Olympic-Olive Properties	1131333	Small parcel located in Southpark area of downtown
7	746-750 S. Spring St., Los Angeles	In Escrow	11,456	\$ 3,200,000	\$279.33	\$12,167,598	Not Named	Not Named	5663450	Mid-block parcel northeast of Southpark area of downtown
8	911 S. Hill Street, Los Angeles	3/20/2007	7,449	\$ 2,500,000	\$335.62	\$14,619,412	Nicole Management	J & B Rubin Trust	12866588	90 year old small building assumed purchased for land value
9	715 Yale Street, Los Angeles	For Sale	20,473	\$ 2,800,000	\$136.77	\$ 5,957,505	Not Named	Not Named	5871559	Steeply sloping land parcel in Chinatown area
10	219 S. San Pedro St., Los Angeles	12/15/2005	25,644	\$ 3,950,000	\$154.03	\$ 6,709,640	Related Co. of California	Kanai Family Trust	1091617	Located near Little Tokyo area of downtown
11	212 N. Los Angeles St., Los Angeles	6/21/2007	136,600	\$19,000,000	\$139.09	\$ 6,058,858	Avalon Bay Communities	K Hovnanian Co. of California	1336695	Located near Little Tokyo area of downtown
12	540 S. Alameda Street, Los Angeles	2/14/2006	26,310	\$ 2,767,000	\$105.17	\$ 4,581,168	540 Alameda LLC	Schubert Charitable Trust	1100922	Mid block location in warehouse area of downtown
13	1141 S. Ditman Ave., Los Angeles	12/15/2006	45,433	\$ 3,000,000	\$ 66.03	\$ 2,876,323	Villa Gardenias Snr Hsng	Walter Grodahl	1199406	Irregular parcel located east of downtown
14	808 W. Garvey Ave., Monterey Park	12/1/2006	47,633	\$ 4,100,000	\$ 86.07	\$ 3,749,417	Charles Company	Prosperity Company	1225071	Located east of downtown
15	13905 Francisquito Ave., Baldwin Park	7/18/2006	23,051	\$ 1,350,000	\$ 58.57	\$ 2,551,126	Demesne Development Co.	Quan Living Trust	1138158	Located close to US I-10 in Baldwin Park, east of downtown
16	11812 Deana Street, El Monte	4/27/2006	30,940	\$ 1,320,000	\$ 42.66	\$ 1,858,410	Deana Garden Co.	Uniriver Inc.	1115957	Located east of downtown
17	12129 El Dorado Ave., Sylmar	1/9/2006	35,902	\$ 4,307,206	\$119.97	\$ 5,225,945	Meta Housing Corp.	12129 El Dorado Ventures	1084210	Located north of downtown, zoned for 60 unit apartment project
18	1154 Bellevue Ave., Los Angeles	3/27/2006	18,295	\$ 2,000,000	\$109.32	\$ 4,761,957	Bellevue Development LLC	R Laurence Keen	1109032	Located just north of downtown
19	1838 E. Workman Ave, West Covina	5/30/2007	48,765	\$ 3,600,000	\$ 73.82	\$ 3,215,749	JV Home LLC	William McIntyre	1321792	Located east of downtown, zoned for 22 residential units
20	890 E. Gladstone Street, Azusa	8/31/2005	19,998	\$ 795,000	\$ 39.75	\$ 1,731,683	National Development Inc.	Ocean View LP	1084989	Located east of downtown, commercial zoning in single family area
21	92 Rio Rancho Road, Pomona	11/17/2006	187,308	\$ 5,100,000	\$ 27.23	\$ 1,186,047	CSKAB LLC	Paul Wang	1187918	Located east of downtown, raw land on irregular lot

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Management Estimation of Current (As-Is) Range of Property Values

Accounting Entities as Listed in 10-Q	Valuation Range and Estimation Methodology	Sq. Ft./ Units	6/30/07 as-is-value w/o capital expense	Cumulative capital expense at quarter's end (4)	6/30/07 Estimated As-Is-Value at quarter's end
1. Meruelo Farms, LLC (Center Village)	(1) \$ 95 - \$ 105 per land foot	228,690	\$21,725,550 - \$ 24,012,450	\$ 0	\$ 21,725,550 - \$ 24,012,450
2. Meruelo Maddux — 845 S. Flower Street, LLC (717 W. 9th Street)	\$95,000 - \$105,000 per dwelling unit	214	\$20,330,000 - \$ 22,470,000	\$ 19,129,542	\$ 39,459,542 - \$ 41,599,542
	\$ 225 - \$ 250 retail space	6,800	\$ 1,530,000 - \$ 1,700,000	\$ 0	\$ 1,530,000 - \$ 1,700,000
3. Merco Group — 1500 Griffith Avenue, LLC (1500 Griffith Avenue)	(1) \$ 245 - \$ 255 per land foot	87,120	\$21,344,400 - \$ 22,215,600	\$ 0	\$ 21,344,400 - \$ 22,215,600
4. Meruelo Maddux Properties — 2951 Lenwood Road, LLC (Barstow Produce Center)	\$ 4 - \$ 6 per land foot	3,267,000	\$13,068,000 - \$ 19,602,000	\$ 11,183,577	\$ 24,251,577 - \$ 30,785,577
5. Merco Group — 2001-2021 West Mission Boulevard, LLC (Pomona Village and	\$ 35 - \$ 45 per land foot	648,609	\$22,701,315 - \$ 29,187,405	\$ 0	\$ 22,701,315 - \$ 29,187,405
	\$ 35 - \$ 45 per land foot	1,204,870	\$ 0 - \$ 0	\$ 5,384,095	\$ 5,384,095 - \$ 5,384,095
6. Meruelo Maddux Properties — 760 S. Hill Street, LLC (The Union Lofts)	\$ 290 - \$ 310 net rentable s.f.	92,409	\$26,798,610 - \$ 28,646,790	\$ 19,702,900	\$ 46,501,510 - \$ 48,349,690
7. Merco Group — 3185 E. Washington Boulevard, LLC (Washington Cold Storage)	(1) \$ 315 - \$ 345 gross bldg. s.f.	59,000	\$18,585,000 - \$ 20,355,000	\$ 0	\$ 18,585,000 - \$ 20,355,000
8. Wall Street Market, LLC (Wall Street Market)	(2) \$ 275 - \$ 300 per land foot	65,340	\$ 0 - \$ 0	\$ 3,001,805	\$ 3,001,805 - \$ 3,001,805
9. 2640 Washington Boulevard, LLC (Washington Produce Market)	(1) \$ 300 - \$ 350 gross bldg. s.f.	33,860	\$10,158,000 - \$ 11,851,000	\$ 0	\$ 10,158,000 - \$ 11,851,000
10. Merco Group — Camfield Avenue, LLC (Camfield Retail Center)	(2) \$ 55 - \$ 65 per land foot	174,240	\$ 0 - \$ 0	\$ 1,255,964	\$ 1,255,964 - \$ 1,255,964
11. Merco Group — Camfield Avenue, LLC (Gold's Gym & Storage)	(2) \$ 55 - \$ 65 per land foot	87,120	\$ 0 - \$ 0	\$ 627,982	\$ 627,982 - \$ 627,982
12. Meruelo Maddux Properties — 1009 North Citrus Avenue, Covina, LLC (Citrus Gardens)	\$75,000 - \$ 85,000 per dwelling unit	52	\$ 3,900,000 - \$ 4,420,000	\$ 1,725,963	\$ 5,625,963 - \$ 6,145,963
13. Merco Group — 146 E. Front Street, LLC (Covina Gardens)	\$ 45 - \$ 55 per land foot	43,560	\$ 1,960,200 - \$ 2,395,800	\$ 692,818	\$ 2,653,018 - \$ 3,088,618
14. Meruelo Maddux Properties — 12385 San Fernando Road, LLC (San Fernando Court)	\$75,000 - \$ 85,000 per dwelling unit	247	\$18,525,000 - \$ 20,995,000	\$ 2,479,420	\$ 21,004,420 - \$ 23,474,420
	\$ 35 - \$ 40 per com bld FAR foot	17,400	\$ 609,000 - \$ 696,000	\$ 0	\$ 609,000 - \$ 696,000
15. Merco Group, LLC (Sky Arc—Development Project)	\$ 175 - \$ 200 per land foot	348,480	\$60,984,000 - \$ 69,696,000	\$ 12,153,703	\$ 73,137,703 - \$ 81,849,703
16. Merco Group, LLC (SCI ARC—Operating Project)	(1) \$ 270 - \$ 295 gross bldg. s.f.	82,363	\$22,238,010 - \$ 24,297,085	\$ 0	\$ 22,238,010 - \$ 24,297,085
17. Meruelo Baldwin Park, LLC (Meruelo Baldwin Park)	\$ 55 - \$ 65 per land foot	217,800	\$11,979,000 - \$ 14,157,000	\$ 1,918,239	\$ 13,897,239 - \$ 16,075,239
18. Meruelo Wall Street, LLC (Meruelo Wall Street)	(1) \$ 350 - \$ 375 gross bldg. s.f.	95,086	\$33,280,100 - \$ 35,657,250	\$ 0	\$ 33,280,100 - \$ 35,657,250
19. Merco Group — 5707 S. Alameda, LLC (5707 S. Alameda)	(1) \$ 140 - \$ 150 gross bldg. s.f.	55,729	\$ 7,802,060 - \$ 8,359,350	\$ 0	\$ 7,802,060 - \$ 8,359,350
20. Meruelo Maddux Properties — 1060 N. Vignes, LLC (Vignes Village)	\$ 125 - \$ 140 per land foot	172,240	\$21,530,000 - \$ 24,113,600	\$ 1,491,271	\$ 23,021,271 - \$ 25,604,871
21. Merco Group — 1211 E. Washington Boulevard, LLC (1211 E. Washington Blvd. & Washington at Central Retail)	(1) \$ 200 - \$ 210 gross bldg. s.f.	113,479	\$22,695,800 - \$ 23,830,590	\$ 0	\$ 22,695,800 - \$ 23,830,590
22. Merco Group — 4th Street Center, LLC (4th Street Center)	\$ 145 - \$ 155 per land foot	54,450	\$ 7,895,250 - \$ 8,439,750	\$ 940,801	\$ 8,836,051 - \$ 9,380,551
23. Merco Group — 425 West 11th Street, LLC (Desmond Building)	\$ 250 - \$ 300 gross bldg. s.f.	78,500	\$19,625,000 - \$ 23,550,000	\$ 3,756,723	\$ 23,381,723 - \$ 27,306,723
24. Merco Group — 620 Gladys Avenue, LLC (620 Gladys Avenue)	\$ 95 - \$ 105 gross bldg. s.f.	91,893	\$ 8,729,835 - \$ 9,648,765	\$ 0	\$ 8,729,835 - \$ 9,648,765
25. Merco Group — 801 E. 7th Street, LLC (801 E. 7th Street)	\$ 95 - \$ 105 gross bldg. s.f.	126,550	\$12,022,250 - \$ 13,287,750	\$ 2,628,479	\$ 14,650,729 - \$ 15,916,229
26. Merco Group — Ceres Street Produce, LLC (Ceres Street Produce Market)	\$ 95 - \$ 105 per land foot	10,890	\$ 1,034,550 - \$ 1,143,450	\$ 887,708	\$ 1,922,258 - \$ 2,031,158
27. Merco Group — Overland Terminal, LLC (Overland Terminal)	(2) \$ 95 - \$ 105 gross bldg. s.f.	370,800	\$ 0 - \$ 0	\$ 3,977,061	\$ 3,977,061 - \$ 3,977,061
28. Meruelo Maddux — 1000 E. Cesar Chavez, LLC (1000 E. Cesar Chavez)	(1) \$ 75 - \$ 85 per land foot	76,230	\$ 5,717,250 - \$ 6,479,550	\$ 0	\$ 5,717,250 - \$ 6,479,550
29. Meruelo Maddux — 230 W. Avenue 26, LLC (230 W. Ave. 26th)	(1) \$ 140 - \$ 150 gross bldg. s.f.	67,800	\$ 9,492,000 - \$ 10,170,000	\$ 0	\$ 9,492,000 - \$ 10,170,000
30. Meruelo Maddux Properties — 1919 Vineburn Street, LLC (1919 \ Vineburn Avenue)	(1) \$ 75 - \$ 85 per land foot	250,470	\$18,785,250 - \$ 21,289,950	\$ 0	\$ 18,785,250 - \$ 21,289,950

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Management Estimation of Current (As-Is) Range of Property Values (continued)

Accounting Entities as Listed in 10-Q	Valuation Range and Estimation Methodology	Sq. Ft./ Units	6/30/07 as-is-value w/o capital expense	Cumulative capital expense at quarter's end (4)	6/30/07 Estimated As-Is-Value at quarter's end
31. Meruelo Maddux Properties — 306-330 N. Avenue 21, LLC (2131 Humboldt Street)	(1) \$ 105 - \$ 110 per land foot	49,700	\$ 5,218,500 - \$ 5,467,000	\$ 0	\$ 5,218,500 - \$ 5,467,000
32. Meruelo Maddux — 336 W. 11th Street, LLC (Southpark Towers)	\$ 510 - \$ 525 per land foot	21,846	\$11,141,460 - \$ 11,469,150	\$ 1,110,643	\$ 12,252,103 - \$ 12,579,793
33. Meruelo Maddux — 500 Mateo Street, LLC (500 Mateo Street)	(1) \$ 145 - \$ 155 per land foot	32,670	\$ 4,737,150 - \$ 5,063,850	\$ 0	\$ 4,737,150 - \$ 5,063,850
34. Meruelo Maddux — 3rd & Omar Street, LLC (3rd & Omar Street)	(1) \$ 300 - \$ 320 gross bldg. s.f.	24,180	\$ 7,254,000 - \$ 7,737,600	\$ 0	\$ 7,254,000 - \$ 7,737,600
35. Meruelo Maddux Properties — 2131 Humboldt Street, LLC (2131 Humboldt Street)	\$ 100 - \$ 110 per land foot	262,915	\$26,291,500 - \$ 28,920,650	\$ 359,025	\$ 26,650,525 - \$ 29,279,675
36. Meruelo Maddux — 2415 E. Washington Blvd., LLC (Crown Commerce Center)	(1) \$ 80 - \$ 90 per land foot	23,857	\$ 1,908,560 - \$ 2,147,130	\$ 0	\$ 1,908,560 - \$ 2,147,130
37. Meruelo Maddux — 915-949 S. Hill Street, LLC (Ullman Tower One)	\$ 445 - \$ 455 per land foot	65,340	\$29,076,300 - \$ 29,729,700	\$ 4,963,360	\$ 34,039,660 - \$ 34,693,060
38. Merco Group — Southpark, LLC (Southpark Towers, TransAmerica Lofts & Olive Street Towers)	\$ 510 - \$ 525 per land foot	202,950	\$103,504,500 - \$ 106,548,750	\$ 12,031,992	\$ 115,536,492 - \$ 118,580,742
39. Merco Group — Little J, LLC (TransAmerica Lofts – Operating Project and Southpark Towers – Development Project)	(1) \$ 510 - \$ 525 per land foot	30,818	\$15,717,180 - \$ 16,179,450	\$ 0	\$ 15,717,180 - \$ 16,179,450
40. Meruelo Maddux — 817-825 S. Hill Street, LLC (Ullman Tower Two)	\$ 400 - \$ 425 per land foot	43,560	\$17,424,000 - \$ 18,513,000	\$ 2,636,479	\$ 20,060,479 - \$ 21,149,479
41. Meruelo Maddux — 3000 E. Washington Blvd., LLC (3000 E. Washington Blvd.)	(2) \$ 45 - \$ 55 per land foot	500,940	\$ 0 - \$ 0	\$ 10,937,930	\$ 10,937,930 - \$ 10,937,930
42. Meruelo Maddux Properties — 1800 E. Washington Boulevard, LLC (1800 E. Washington Blvd.)	(1) \$ 145 - \$ 155 gross bldg. s.f.	124,423	\$18,041,335 - \$ 19,285,565	\$ 0	\$ 18,041,335 - \$ 19,285,565
43. 788 South Alameda, LLC (788 S. Alameda)	(1) \$ 520 - \$ 525 gross bldg. s.f.	32,208	\$16,748,160 - \$ 18,519,600	\$ 0	\$ 16,748,160 - \$ 18,519,600
44. Meruelo Chinatown, LLC (Meruelo Chinatown Village)	\$ 145 - \$ 155 per land foot	239,580	\$34,739,100 - \$ 37,134,900	\$ 1,481,282	\$ 36,220,382 - \$ 38,616,182
45. Alameda Produce Market, Inc. (Alameda Square)	(1) \$ 80 - \$ 90 gross bldg. s.f.	1,297,215	\$103,777,200 - \$ 116,749,350	\$ 212,998	\$ 103,990,198 - \$ 116,962,348
46. Alameda Produce Market, Inc. (Seventh Street Produce Market)	(1) \$ 145 - \$ 155 per land foot	511,830	\$74,215,350 - \$ 79,333,650	\$ 0	\$ 74,215,350 - \$ 79,333,650
47. Santa Fe Commerce Center, Inc. (Crown Commerce Center)	(1) \$ 150 - \$ 175 gross bldg. s.f.	282,991	\$42,448,650 - \$ 49,523,425	\$ 0	\$ 42,448,650 - \$ 49,523,425
48. Santa Fe & Washington Market, Inc. (1910-1922 Santa Fe Avenue)	(1) \$ 95 - \$ 105 per land foot	29,100	\$ 2,764,500 - \$ 3,055,500	\$ 0	\$ 2,764,500 - \$ 3,055,500
49. Santa Fe & Washington Market, Inc. (2425 E. 12th Street)	(1) \$ 95 - \$ 105 per land foot	14,800	\$ 1,406,000 - \$ 1,554,000	\$ 0	\$ 1,406,000 - \$ 1,554,000
50. Santa Fe & Washington Market, Inc. (American Apartments)	(1) \$ 150 - \$ 175 gross bldg. s.f.	21,938	\$ 3,290,700 - \$ 3,839,150	\$ 0	\$ 3,290,700 - \$ 3,839,150
51. 905 8th Street, LLC (905 E. 8th Street)	\$ 95 - \$ 105 per land foot	54,450	\$ 5,172,750 - \$ 5,717,250	\$ 0	\$ 5,172,750 - \$ 5,717,250
52. Merco Group — 1308 S. Orchard, LLC (Musica Latina Building)	\$ 100 - \$ 110 per land foot	21,780	\$ 2,178,000 - \$ 2,395,800	\$ 559,596	\$ 2,737,596 - \$ 2,955,396
53. Meruelo Maddux — 555 Central Avenue, LLC (American Fish)	(3) \$ 145 - \$ 155 gross bldg. s.f.	29,213	\$ 0 - \$ 0	\$ 776,661	\$ 776,661 - \$ 776,661
54. 1828 Oak Street, LLC (1828 Oak Street)	(3) \$ 95 - \$ 105 gross bldg. s.f.	78,500	\$ 0 - \$ 0	\$ 805,284	\$ 805,284 - \$ 805,284
55. Merco Group — 2529 Santa Fe Avenue, LLC (Santa Fe Plaza)	(2) \$ 375 - \$ 400 gross bldg. s.f.	15,000	\$ 0 - \$ 0	\$ 440,825	\$ 440,825 - \$ 440,825
56. Meruelo Maddux - 2000 San Fernando Road (FedEx)	(1) \$ 200 - \$ 220 gross bldg. s.f.	119,381	\$23,876,200 - \$ 26,263,820	\$ 0	\$ 23,876,200 - \$ 26,263,820
57. Meruelo Maddux - 420 Boyd Street, LLC	(1) \$ 300 - \$ 320 gross bldg. s.f.	27,835	\$ 8,350,500 - \$ 8,907,200	\$ 0	\$ 8,350,500 - \$ 8,907,200
TOTAL			\$32,226,700 - \$1,106,722,625	\$ 129,254,126	\$ 1,133,581,151 - \$ 1,235,976,751
			Less: TOTAL NET DEBT*	\$226,451,514	\$226,451,514
			NET ASSET VALUE	\$907,129,637	\$1,009,525,237
			SHARES OUTSTANDING	85,845,000	85,845,000

* Total net debt is the total consolidated debt less cash and cash equivalents and restricted cash. Per land foot: The estimated value per land foot of gross site area. Per dwelling unit: The estimated land value per allowed dwelling unit. Gross bldg. s.f.: The estimated value per gross building square foot.

- (1) Operating Company
- (2) In Escrow
- (3) Option to Buy
- (4) Capitalized expenses include, but are not necessarily limited to, capitalized expenses related to the development of the subject property such as hard construction costs, interest, property taxes, legal fees, loan fees, architectural and other professional fees. Such amounts also include deposits made and option payments.
- (5) A portion of this property was owned as of 6/30/07 (648,609 s.f. of land) and a portion (1,204,870 s.f. of land) was acquired after 6/30/07.

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Reconciliation of Net Asset Values (NAV)⁽¹⁾ to GAAP

	<u>GAAP</u>	<u>NAV - High Range</u>	<u>NAV - Low Range</u>
Rental properties	\$ 299,124,453	(2)	(2)
Real estate held for development	396,149,307	(2)	(2)
	<u>695,273,760</u>	<u>1,235,976,751</u>	<u>1,133,581,151</u>
Cash and cash equivalents	50,290,248	50,290,248	50,290,248
Restricted cash	1,215,036	1,215,036	1,215,036
	<u>746,779,044</u>	<u>1,287,482,035</u>	<u>1,185,086,435</u>
Less notes payable secured by real estate	277,956,798	277,956,798	277,956,798
	<u>\$ 468,822,246</u>	<u>\$ 1,009,525,237</u>	<u>\$ 907,129,637</u>
Shares outstanding at June 30, 2007	<u>85,845,000</u>	<u>85,845,000</u>	<u>85,845,000</u>

(1) For the definition and discussion NAV, see pages 33 to 34.

(2) In the NAV computation, we do not make distinctions between rental properties and real estate held for development since their status changes over time.

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Management Statements on Forward Looking Statements, Estimates and Non-GAAP Supplemental Measures

Forward-Looking Statements:

This supplemental information package contains various “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend for such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we include this statement for purposes of complying with these safe harbor provisions.

Forward-looking statements relate to estimates, expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us.

The supplemental information package contains various statements regarding our senior management’s current estimates of the value of certain properties. These estimates have been determined based on a variety of considerations and because they are estimates are subject to ongoing market and other factors, some of which may not yet have been fully manifest in our market place and/or in our business. For example, over the past few weeks there has been significant disruption in the debt capital markets. While we have not as of yet experienced any material impact arising out of such disruption, we expect that there will be a yet-to-be-determined impact on our business and on the market place within which we conduct our business.

The majority of our projects are in various stages of development and redevelopment. With respect to such projects, the information under the heading “Redevelopment Plan” represents our current redevelopment plan for the project. Similarly, the periods and amounts under the headings “Estimated Redevelopment Schedule,” “Estimated Stabilization Date” and “Estimated Redevelopment Costs per S.F.” represent our current estimate of when we will commence and complete construction of the proposed redevelopment, the period and per-square-foot or per-unit amounts needed to complete the structural shell, core and tenant or owner improvements, as applicable, and lease the project to an industry standard occupancy level.

Our beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, the status and performance of our projects may vary materially from those expressed in our forward-looking statements. For example, the actual redevelopment plan, the actual commencement, completion and costs of construction and the actual stabilization may vary. We can provide no assurance that any proposed development or redevelopment will occur as described below or on a timeframe or at costs consistent with our estimates.

You should carefully consider the risks and uncertainties before you make an investment decision with respect to our common stock, along with the following factors that could cause actual results to vary from our forward-looking statements:

- the factors referenced in our Annual Report on Form 10-K for the year ended December 31, 2006 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007 and June 30, 2007, including those set forth under the sections captioned “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations;”
- general volatility of the capital markets;
- changes in our business and investment strategy;
- availability, terms and deployment of capital;
- availability of qualified personnel;

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Management Statements on Forward Looking Statements, Estimates and Non-GAAP Supplemental Measures

- perception of the commercial and residential subsegments of the real estate industry;
- changes in supply and demand dynamics within the commercial and residential subsegments of the real estate industry;
- availability of purchasers or tenants for our projects;
- change in costs associated with development or redevelopment and repositioning of projects;
- changes in interest rates;
- applicable laws and regulations (including land use entitlement processes) and changes in such laws and regulations;
- changes in political climates that may affect our proposed development and redevelopment projects;
- state of the general economy and the greater Los Angeles economy in which our projects are located; and
- the degree and nature of our competition.

You should not place undue reliance on our forward-looking statements, which apply only as of the date of this supplemental information package. We do not intend and disclaim any duty or obligation to update or revise any industry information or forward-looking statements set forth in this supplemental information package to reflect new information, future events or otherwise.

Use of Estimates:

Our determination of the net asset value of our properties is subjective. Management estimated the net asset value of our properties in part by using, among other market knowledge, sales data from 2005, 2006 and 2007 of buildings and land in Southern California that management deemed to be comparable to buildings and land in the company's portfolio. The methodologies utilized by our management in estimating the net asset value of our properties were based on a number of assumptions and estimates that may not be accurate or complete. No attempt was made to value our company as an enterprise. The estimated net asset values of our properties were not reduced by potential selling commissions or other costs of sale and did not take into account the values of transactions in process of which we are aware but that we have not yet disclosed publicly or certain of our other non-property assets and liabilities as of June 30, 2007. We expect that certain of these matters would reduce proceeds in the case of a liquidation of the company and certain others would increase such proceeds. Management's estimate of the net asset values of our properties may not be indicative of the amount, if any, our stockholders would receive if our company were liquidated. The enclosed net asset value calculations do not assess value to the company's management team, the enterprise value of the company or an increase in value of a development property once it is placed into service as an operating property as is expected by the company.

Non-GAAP Supplemental Measures:

We believe that earnings before interest, income taxes, depreciation and amortization, or EBITDA, is a useful supplemental performance measure. Management uses EBITDA as an indicator of our ability to incur and service debt. We believe EBITDA is an appropriate supplemental measure for such purposes, because the amounts spent on interest are, by definition, available to pay interest, income tax expense is inversely correlated to interest expense because tax expense goes down as deductible

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Management Statements on Forward Looking Statements, Estimates and Non-GAAP Supplemental Measures

interest expense goes up, and depreciation and amortization are non-cash charges. In addition, we believe EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of real estate companies. However, because EBITDA is calculated before recurring cash charges including interest expense and income taxes, and is not adjusted for capital expenditures or other recurring cash requirements of our business, its utility as a measure of our liquidity is limited. Accordingly, EBITDA should not be considered an alternative to cash flows from operating activities (computed in accordance with GAAP) as a measure of our liquidity. EBITDA should not be considered as an alternative to net income as an indicator of our operating performance. Other companies may calculate EBITDA differently than we do; accordingly, our EBITDA may not be comparable to such other companies' EBITDA. EBITDA is not a replacement for, and should be read in connection with, our financial statements filed in our Quarterly Report on Form 10-Q.

We believe that net asset value (NAV) of our individual properties is an informative supplemental measure of the value of our portfolio that takes into consideration our available cash and debts secured by real property. The range of NAV shown below is an aggregate of our estimates of NAV for individual properties and does not reflect the enterprise value of the company as a whole. The NAV range also does not take into account other non-real property assets and liabilities. NAV is not a replacement for, and should be read in connection with, our financial statements filed in our Quarterly Report on Form 10-Q.

**2007 Key Milestones
For Senior Management**

MerueloMaddux Properties, Inc.
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2007 Milestones for Senior Management

Meruelo Maddux Properties, Inc. is a self-managed, full-service real estate company that develops, redevelops and owns commercial and residential properties located in downtown Los Angeles and other areas in Southern California that are undergoing demographic or economic changes. We focus on properties that have alternate, more profitable uses achievable through major renovation, redevelopment or development. Our projects are predominantly located in a densely urban, multi-ethnic environment, involve numerous local entitlement, property assemblage and physical challenges. We own and have rights to acquire interests in 33 development and redevelopment projects and 22 projects that have already been developed. This portfolio currently totals over 5.4 million existing square feet on over 307 acres of land and consists of nine food industry projects, nine wholesale projects, twenty one projects focused on groupings of small tenants and sixteen residential projects.

With a large and diverse development portfolio, we find that it is helpful to shareholders that senior management identify certain notable business milestones for the current year. While in the normal course of our business, individual projects and properties may have a large number of goals each year, included below are the milestone goals for which senior management will focus particular attention. We believe that these milestones both help us track overall portfolio progress as well as represent significant and immediate increases in operating revenue. The identified milestones are as follows:

- A. Complete the construction of our 92-unit Union Lofts project and significantly lease the property.
- B. Complete the below-grade shoring and structural work for 717 West 9th Street and raise the concrete structure of the building above grade level.
- C. Commence excavation and shoring of the 1150 Grand Avenue building of the South Park Towers project.
- D. Close the acquisition of the Overland Terminal building.
- E. Commence physical construction of the first phase of the Barstow Produce Center.
- F. Commence physical construction of Citrus Gardens.
- G. Complete the Seventh Street Produce Market rehabilitation process.
- H. Fully lease Washington Produce Market.

**MerueloMaddux Properties, Inc.
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2007 Milestones for Senior Management (continued)

2nd Quarter 2007 status report on Milestone A:

Complete the construction of our 92-unit Union Lofts project and significantly lease the property.



We are currently redeveloping the former headquarters of Union Bank, an historic building originally built in 1912, into 92 loft-style residential units and approximately 11,000 square feet of restaurant and lounge space. The property is located at the corner of Hill and Eighth Streets in downtown Los Angeles. While each of the units will be a separate legal condominium unit and are being renovated to a for-sale standard of quality, our business plan calls for them to be initially leased as rental apartment units.

The renovation work is continuing on-budget and we anticipate completing all physical work by the end of the 3rd quarter of 2007. A marketing suite with a sample unit is being prepared and property identification and marketing plans are ongoing. We have signed a lease with Los Feliz LLC, whose managing principal is the acclaimed restaurateur John Valencia, to occupy all of the building's commercial space. Approximately 6,000 s.f. of restaurant space will occupy the ground floor, which was formerly the main banking lobby for the Bank's headquarters with an additional 5,000 s.f. of lounge space occupying the impressive vault and safety deposit area. The restaurant and lounge space will retain many of the original bank interior design elements and ornate ceiling and wall motifs.



Shown below are images of recent ongoing renovation activity:



2007 Milestones for Senior Management (continued)

2nd Quarter 2007 status report on Milestone B:

Complete the below-grade shoring and structural work for 717 West 9th Street and raise the concrete structure of the building above grade level.

717 West 9th Street is a 214 unit residential high rise tower with 6,800 square feet of retail space located at the corner of Flower and Ninth Streets in the Southpark district in downtown Los Angeles. It is within easy walking distance to both the LA Live project area, Staples Arena and the downtown financial district. When complete, the building will be thirty four stories high, with a twenty eight story residential tower built on a six story, above ground parking garage. The top floor of the parking deck will serve as a resident-oriented plaza, with resident amenities such as common rooms, concierge services and health club facilities. While each of the units will be a separate legal condominium unit and are being constructed to a high for-sale standard of quality, our business plan calls for them to be initially leased as rental apartment units.

Construction on the property commenced in October 2006 and completion is anticipated for the first quarter of 2009. After an extensive internal review process, Kajima Construction was selected as the construction manager of the project. Kajima's is considered one of the world's leaders in high rise residential construction. The project is currently on time and on-budget. We have negotiated a term sheet with Bank of America for a first position construction loan. Shown below is a short photographic narrative outlining recent construction progress. As the later pictures show, we have now accomplished our goal (ahead of schedule) and continue to make excellent progress.



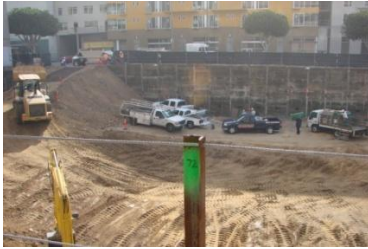
The construction site was originally used as a commercial parking lot whose users were primarily tenants in nearby financial office towers as well as people attending events at Staples Arena.

After design and engineering were completed and necessary government approvals were obtained, physical construction commenced in October, 2006. The initial stages of construction involved removing the parking lot and preparing the shoring to allow for excavation.



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2007 Milestones for Senior Management (continued)



A preliminary stage in the construction process was to excavate the site and create shoring walls. This large, open area allows for the creation of the building foundation as well as the subterranean mechanical rooms for the building and garage.



An enormous amount of forming work and rebar was required to form and reinforce the building foundation and matting. (see right) On the day of the concrete pouring, the line of concrete trucks spanned the full length four city blocks. (see three pictures below)



Shown at right is the foundation once the concrete pour was complete and the concrete had sufficiently cured. The majority of this subterranean level of the building will be the location of most of the building's heavy mechanical equipment. We have since completed the majority of our below-ground construction activity. The most recent stage of construction is the creation of the above-grade parking deck. (see photos below) This parking garage will be six stories high and the top level will serve as the base of the resident amenities level and the residential units located above. We are very pleased with our progress and are currently ahead of our original construction schedule.

The final picture below shows the entrance of the newly opened and long-awaited Ralph's Supermarket, as well as the completed appearance of the Market Lofts project, both of which are located directly across the street from this property.



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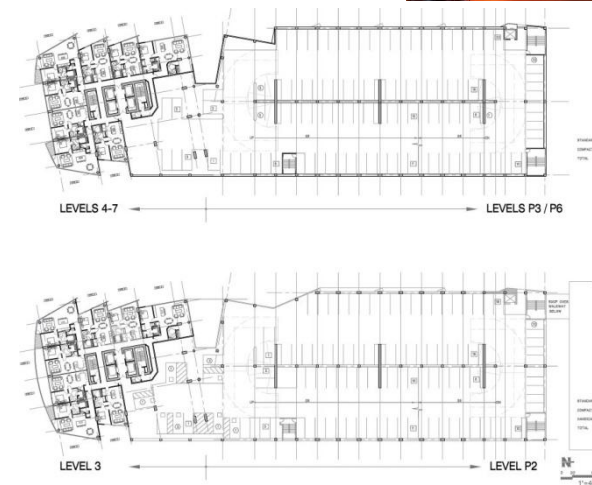
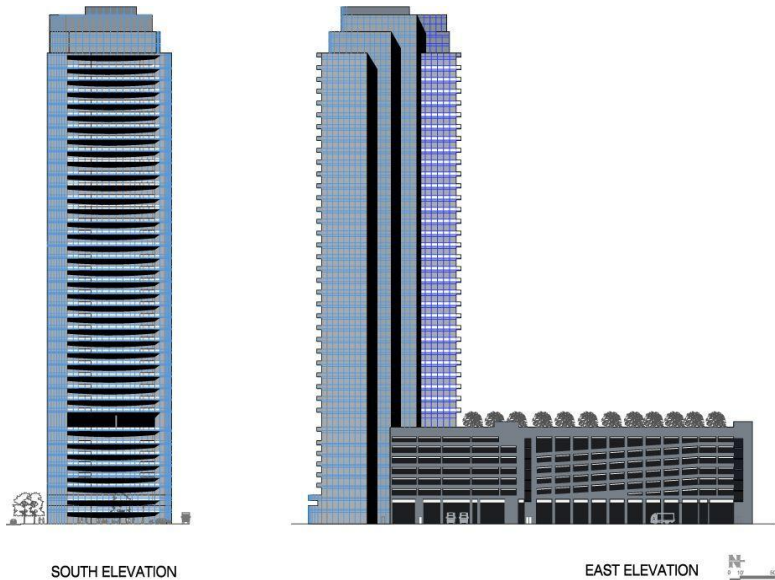
2007 Milestones for Senior Management (continued)

2nd Quarter 2007 status report on Milestone C:

Commence excavation and shoring of the 1150 Grand Avenue building of the Southpark Towers project.

Southpark Towers will be a two building complex located on most of a city block between Olive Street and Grand Avenue and 11th and 12th Streets in the Southpark section of downtown Los Angeles. The first building of the complex, with the address of 1150 Grand Avenue, will be the larger of the two buildings and will contain three hundred and seventy four high rise residential units in a forty three story high rise tower. A seven story parking garage will be constructed adjacent to the building, with the top floor of the garage dedicated to resident amenities such as a swimming pool, a resident health club, common meeting rooms, concierge service and a common media center. The ground floor of this building will contain approximately 30,000 square feet of retail space. While each of the units will be a separate condominium unit and are being constructed to a high for-sale standard of quality, our business plan calls for them to be initially leased as rental apartment units.

1150 Grand Avenue is in the schematic design stages in advance of receiving a building permit. The second building of the complex, with the address of 336 W. 11th Street is in the conceptual design phase. We anticipate receiving our excavation permit in the third quarter of 2007 and commencing excavation work in the fourth quarter of 2007. Kajima Construction has been selected as the general contractor for this project.



Sample lower level floorplate with adjacent parking level

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2007 Milestones for Senior Management (continued)

2nd Quarter 2007 status report on Milestone D:

Close the acquisition of the Overland Terminal building.



Overland Terminal is a multi-story light industrial, distribution and cold storage building located at the prime commercial intersection of Alameda Street and Olympic Boulevard in downtown Los Angeles. The building has 293,693 square feet of space that is currently occupied by a wide range of light manufacturing, distribution and food industry tenants. The building sits on approximately 3.5 acres of land and has on-site parking.

In 2003, we reached a contractual agreement to purchase this property for \$16.95 million and put up a \$500,000 deposit with the group of investors who owned the property. Based on the agreed purchase price, the property produces a significant amount of net revenue, resulting in an above-market investment yield. Subsequent to agreeing to the sale, the majority of the investors concluded that the sale price was significantly below market and attempted to cancel the sale contract. We bought out one of the investors and received a 12 ½% building ownership for approximately \$2.1 million. In November of 2006, we received a legal judgment for specific performance of the sales contract against the remaining ownership group. We have recently taken actions to enforce this judgment. Our current discussions with the sellers have indicated their willingness to proceed with the sale, per the conditions of the judgment, and they have been providing us with updated building and tenant information.



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2007 Milestones for Senior Management (continued)

2nd Quarter 2007 status report on Milestone E:

Commence physical construction of the first phase of the Barstow Produce Center.

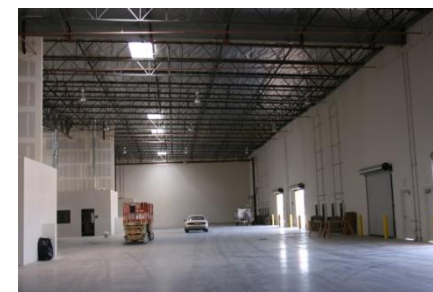
Barstow Produce Center is a multi-phase project being developed to accommodate the needs of the produce distribution industry as well as local distributors from other industries. The property is located at the Lenwood Road exit of US I-15 near a critical highway junction and is considered to be an excellent trucking transfer location between California's central valleys and the Los Angeles and Las Vegas metropolitan markets. This property was formerly the regional distribution hub for Yellow Freight Lines and is approximately 75 acres. There is an existing 176,750 square foot cross dock building and trucking facility, which will be renovated and be made available for general leasing.

We are developing an additional 404,750 square feet of dock high, cross-dock trucking distribution space in a total of three building phases. The construction for phases two and three will commence when the prior building phase is substantially leased. The first building phase is approximately 85,000 square feet (the eventual size will be determined partially by tenants' requests for mezzanine office space), the second phase will be approximately 125,000 square feet and the final phase will be approximately 185,000 square feet. The first phase building construction has been completed ahead of schedule and slightly below the original cost estimates and we have received a temporary certificate of occupancy (TCO). We have begun leasing discussions with potential tenants of this facility and have reached a joint marketing agreement with the Inland Empire office of CB Richard Ellis.

As can be seen from the pictures below, we have accomplished this goal ahead of schedule and are now actively marketing the property.



This is the property as it looked on the last day of the second quarter, 2007



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2007 Milestones for Senior Management (continued)

2nd Quarter 2007 status report on Milestone F:

Commence physical construction of Citrus Gardens.

Citrus Gardens is a fifty two unit attached townhome project on three acres of land in the City of Covina, an upper-middle class bedroom community located approximately 18 miles west of downtown Los Angeles.

We have received approvals from the City of Covina to proceed with our development plans. An agreement has been reached with the last tenant of the property to vacate the property by September 30, 2007. We have hired a development project manager with responsibility for this project. We will be serving as the general contractor and the construction manager from our Union Lofts project, following completion of major construction at Union Lofts, will be handling the construction at this site. KTG Architects has been selected for the project and they are proceeding with the schematic design phase. We anticipate receiving a building permit and commencing construction in the 4th quarter.



MerueloMaddux Properties, Inc.
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2007 Milestones for Senior Management (continued)

2nd Quarter 2007 status report on Milestone G:

Complete the Seventh Street Produce Market rehabilitation process.

The Seventh Street Produce Market is a produce distribution terminal market that provides distribution space for approximately sixty smaller produce distributors and wholesalers. The facility was originally constructed in 1917 and has a leasable area of 122,948 square feet. In February, 2007, the Los Angeles County Health Department began aggressively enforcing the County health code in connection with the activities of a number of tenants operating in the Seventh Street Produce Market. We have been working with the County Health Department as well as the City of Los Angeles Building Department to address compliance with health and building codes. In the produce distribution industry, tenants are typically directly responsible for pest control, trash handling, security and other issues relating to their operations. In order to ensure compliance, we have begun proactively taking over a number of these activities and billing back these costs to tenants on a pro-rata basis. Approximately one quarter of the facility has been temporarily taken off the market to allow for the modernization and renovation of those units, enabling them to meet new market standards for the produce industry. In the past several months, we have accomplished the following:

- We have hired the former chief of Environmental Health Safety for the County of Los Angeles to implement and oversee the ongoing compliance activities at the Market;
- We are implementing a state of the art trash reduction, recycling and disposal program. Specialized equipment that compacts and bales cardboard boxes, compacts non-produce trash, and also efficiently stores and treats produce waste prior to its removal and recycling will be placed at key locations within the Market. Examples of this type of equipment, which have already been installed at our property at 788 S. Alameda Street, can be seen in the photos below.
- Considerable physical modifications have been made to the buildings to improve security, drainage, bathroom availability and rodent and pest proofing. General maintenance activities have been increased and a full-time maintenance person dedicated to the Market has been hired.
- We have submitted building plans for a prototype unit City of Los Angeles Building Department. We anticipate approval of these plans by the end of the third quarter. Plan approval will enable our property management staff to begin renovating and re-leasing this space, significantly reducing our current vacancy rate.



**MerueloMaddux Properties, Inc.
Supplemental Operating And Financial Information
Second Quarter 2007**

2007 Milestones for Senior Management (continued)

2nd Quarter 2007 status report on Milestone H:

Fully lease Washington Produce Market

Washington Produce Center is a small tenant produce distribution facility with a 34 produce units, each of which feature an independent loading door, a forward storage and maneuvering area and a self contained cooler unit for the storage of produce. In the produce distribution industry, tenants will often lease more than one unit at a time. The property has a total of 33,860 square feet of leasable space and is on 2.75 acres of land immediately south of downtown Los Angeles. This property is functionally identical to our property at 788 S. Alameda Street, which was constructed in the summer of 2006 and is now leased to a range of smaller produce distributors.

The property was constructed, per our specifications, by Dynamic Builders on a cost-plus basis and following substantiation of costs we exercised our purchase agreement and closed on the property on March 7, 2007. Our leasing staff has begun leasing the property and the property is approximately 30% leased with additional potential tenancies in ongoing negotiations.

