



There is a difference...

Hopkins Corporate Office Moves To Irvine With A Growing Portfolio, Larger Team & New Partner

After building more than 100 retail centers over the last 30+ years, Hopkins Real Estate Group ironically ran out of the commodity it so readily supplies to businesses all over Southern California: space.

A growth spurt, that began early this decade with a preferred partnership with Newhall Land in Valencia, California, squeezed the expanded home-office team out of its landmark Newport Beach office location to bigger and better digs at 17461 Derian Avenue in Irvine.



Concurrent with HREG's development boom, the company entered into a partnership with Rockwood Capital Corporation -- a real estate investment company with offices in San Francisco and Greenwich, Connecticut -- to develop, redevelop and acquire retail properties in California.

"There is a difference," said President and CEO Steve Hopkins, quoting his company's 2005 tagline in reference to HREG's exciting development projects and partnership with Rockwood. "In this new partnership with Rockwood, we became better positioned for growth in acquisitions and development. We can now seize opportunities with ready capital instead of losing valuable time seeking third-party financing."

Over the last two years, HREG's pipeline of projects has demanded more than financing -- the company has sought talented people for new positions to support the existing valued Hopkins crew.

"Taking on several challenging opportunities at once requires good people," Steve Hopkins said. And he has found them.

Today, HREG boasts an exceptionally talented and experienced staff, managing all phases of high profile shopping center projects such as renovations of the new Whittwood Town Center in Whittier, SouthBay Pavilion in Carson and The Village at Redlands, along with new Rockwood projects such

as Talega Village Center in San Clemente, Vernola Marketplace in Mira Loma and Menifee Valley Crossroads in Sun City.

As if such positive developments weren't reasons enough for relocation, Director of

Corporate Affairs Tracey Zimmerman -- who orchestrated the exodus down Jamboree Road -- found one more.

"Not only was it a positive leap for our growing company to move to this incredible, state-of-the-art work environment in Hopkins' own office building, we were 25 years overdue for spring housecleaning!" she said.

Office Move or Archaeological Strike? President Steve Hopkins marvels at artifacts unearthed during HREG's move to Irvine after 26 years in Newport Beach. "I've been missing these battery cables for 20 years," he said.



A Hopkins History

1972
Company founded, developing Newport Beach office site

1973
Steve Hopkins attends first ICSC conference "The ABC's Of Developing Retail" and builds first convenience center in Huntington Beach, developing relationships with supermarket chains

1979
Opened Corporate Plaza with home office in Newport Beach

1981
HREG works with HUD to acquire UDAG, and redevelops the Maywood project with Boys Market, Thrifty Drug and McDonald's

1985
Hopkins redevelops declining Lakewood site as thriving Lakewood Marketplace

1988
Hopkins converts La Mirada Mall to vibrant La Mirada Towne Center

1995
HREG "de-malls" in Long Beach, turning Los Altos Shopping Center into thriving new power center

2002
Hopkins named preferred developer by Newhall Land to develop 220,000 sq ft of retail in Valencia & celebrates 30-year anniversary

2004
HREG forms partnership with Rockwood Capital Corporation. With Rockwood, closes escrow on properties in Talega/San Clemente and Riverside County

2005
Corporate office moves from Newport Beach to Irvine, California



P r e s i d e n t ' s M e s s a g e

One of the biggest issues facing any principal of a development company is whether to go big or small – in other words, to have more of a boutique operation versus a larger organization that is capable of sourcing and developing more projects.

HREG has been both. I started small, grew to 60 people in the early '90s, downsized, and more recently operated as a “tweener”, somewhere between a boutique and larger organization.

In 2002-2003, I had another decision to make about the size of HREG – keep it simple and small, or add critical mass and key people to become a larger development company. Soul-searching, and talks with many friends, associates and my two sons who are with the company, resulted in the same feedback. Our specific niche in urban infills and public/private partnerships combined with the great opportunities before us mandated that we grow.

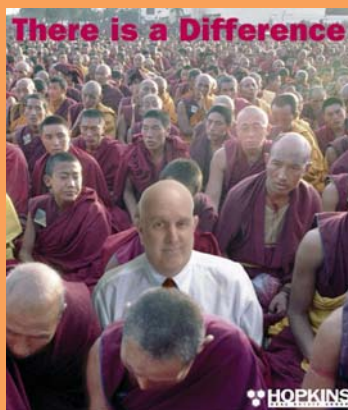
So in early 2004, we finalized a financial arrangement with Rockwood Capital and began to “morph” into a full-service development company built around a key group of core professionals.

We are fortunate now to have some very exciting projects in the works with contracts out on three more that are so unique and unusual, they could really help us go to the next level. The important thing is that this is happening naturally.

While our core group is larger and very productive, we stick to our expertise as developers, outsourcing what we are not: architects, property managers and contractors.

Being headed in the right direction is something I don't have to think about anymore. With the transition into the right place as an organization with the right people, the future at HREG looks very, very bright.

Steve Hopkins



D I G G I N G I N

Following a Flurry of Spring and Summer Closings, HREG Rolls Out Blueprints for Three New Centers

A new shopping center can renew the heart and spirit of a community, bringing long awaited goods and services to growing neighborhoods, and fresh starts to passé places in need of the latest and greatest in retail, entertainment and pleasant village environments.

Ever ambitious, and committed to enhancing the good life in California communities, HREG has moved from escrow to the exciting process of development this spring and summer on several new projects including:



Vernola Marketplace

Vernola Marketplace – located in Mira Loma, California, will be home to a 360,000-square-foot community shopping center following HREG's acquisition of 40 prime Riverside County acres last spring.

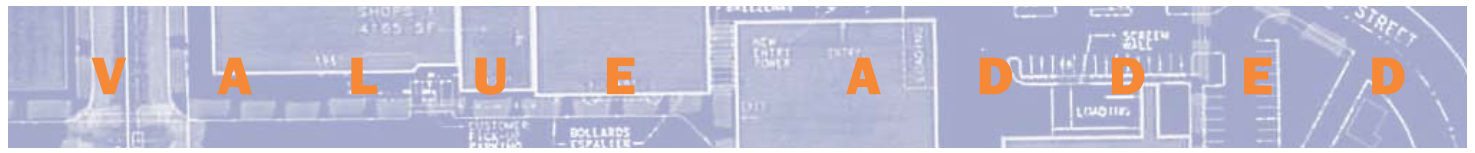
A joint venture with Rockwood Capital (who with HREG purchased the 30 acres from Communities Southwest and the additional 10 acres from Vernola Family Trust), the center will serve residents of the new Eastvale Community, Mira Loma, Ontario, Norco and parts of Corona.

Its location at the southeast corner of Limonite Avenue and Interstate 15 will make the center a convenient destination for eager consumers.

Imperial Promenade – located on high-traffic Imperial Highway at Idaho Street in La Habra, California -- is HREG's fourth joint-venture project with Arnel Capital Partners, LLC based in Costa Mesa.

This significant 17.08-acre infill retail hub (site of the former Big Kmart building) will emerge from development as a new 220,000-square-foot shopping center with highly visible retail pads and anchor spaces of 25,000 to 172,000 square feet.

Neighboring tenants currently include Kohl's, Wal-Mart, Lowe's, TJ Maxx, Sam's Club, Sportmart, Ross, Borders Books, Bed, Bath & Beyond and Regal Theatres.



Former Westminster Economic Development Director Steve Soto Joins Hopkins Real Estate Group As Director Of Government Affairs

Working in in-fill areas goes to the core of HREG’s business plan.

And sustaining a leadership position, in such a difficult development niche, requires a staff with rare understanding of project complications where working relationships between public and private sectors are complex.

Here to meet the Hopkins’ challenge of insuring that municipalities are in sync with development objectives, is Director of Government Affairs Steve Soto, new to the company this spring with an impressive history of California municipal government positions.



Steve Soto Joins Hopkins As Director Of Government Affairs

Selected to expedite developments through the municipal process, and to introduce and reintroduce HREG to cities that may have underutilized or undeveloped sites, Steve is also playing a key role in maintaining HREG’s valued relationship with the California Redevelopment Association.

Before joining HREG, Steve was economic development director for the city of Westminster, where he was responsible for all redevelopment and economic development. He negotiated and prepared all disposition and economic agreements, managed business retention in the city and attracted new businesses, worked with developers to process entitlements for new construction, made presentations to City Council/ Agency Board at public meetings, and designed and implemented guidelines for commercial rehabilitation programs, among other duties.

Prior to that, he was the city of Orange’s redevelopment manager, the city of Norco’s economic development coordinator, and assistant to the city manager/redevelopment at the city of La Mirada, as well as planning commissioner and public safety commissioner there.

Dennis Reyling Promoted To Chief Operating Officer

Credited with tremendous impact on HREG’s successes over the past two years, Vice President/Director of Development Dennis Reyling has been promoted to chief operating officer.



Dennis Reyling Promoted to Chief Operating Officer

Dennis, who has worked with President Stephen C. Hopkins to direct HREG’s development process and strategy since December 2003, has overseen key development activity during a company growth spurt, with many significant projects in all phases of planning and construction.

His leadership acknowledged as a significant asset at HREG, Dennis will have an increased role in the oversight of corporate organization, policy, partner relations, acquisitions, and marketing plans as COO.

Prior to joining HREG, Dennis was president of his own firm, specializing in development and construction consultation. He headed operations at construction management firm R.D.Olson for more than 12 years, the last four as president, and is widely credited with playing a key role in establishing it as an industry leader. He holds an architecture degree from University of California, Berkley.

Brian Hopkins Promoted To Vice President, Director of Development

Ten-year HREG leasing and development team member Brian Hopkins has been promoted from development manager to vice president, director of development.

Having added a great deal of value to HREG by handling many leasing and development challenges with a commendable degree of proficiency, Brian will be responsible for development and leasing of HREG’s most prominent centers, while overseeing implementation of plans and construction for all projects



Brian G. Hopkins Promoted to Vice President, Director of Development

His recent contributions include the acquisition of Imperial Promenade in La Habra, where he plans a 220,000-square-foot retail hub on the former Big K-Mart property. In addition, he was responsible for procuring two of HREG’s most recent land acquisitions: Vernola Marketplace in Mira Loma and Mennifee Valley Crossroads in Sun City.

In his new role, Brian will represent the company before planning commissions, council members and supervisors during the entitlement phase of the projects.

In addition, Brian will play a key role in HREG site selection while sourcing development opportunities and determining best project uses in California trade areas.

Steve Hopkins' Top 10 List for Fall

1. **Set goals.** Write them down and map out a business plan to achieve them.
2. **Return phone calls.** Never think that you are so important as to not return a call.
3. **Don't worry about the things that you can't control.** Don't worry about the things that you missed or the mistakes that you made. Don't look back. Don't live in the past.
4. **Create long-term loyal relationships** -- with retailers, equity partners, lenders, brokers, architects, contractors, etc. Don't just focus on one deal at hand. Create "master relationships" for multiple deals.
5. **Be willing to take chances.** Have faith in yourself.
6. **Have a sense of humor.** Don't take yourself or this business too seriously. A great baseball player once said when he was asked about how he felt about his last strike-out that ended the game, "Hey, it ain't my wife and it ain't my life!"
7. **Be a leader.** Let your staff come up with its own ideas and make decisions. Only secure leaders give power to others.
8. **Identify potential problems early and come up with solutions.** Get people around you whom you trust to give you input.
9. **Always be prepared.** Preparation is what makes a person a good negotiator. But, also be able to think fast on your feet.
10. **Never make the same mistake twice.** Don't ever develop a flat spot in your learning curve!

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Menifee Valley Crossroads -- located at the northeast corner of McCall Boulevard and Interstate 215 in Sun City, California, will be HREG's third project with partner Rockwood Capital. The property was purchased from Valley Commercial Properties out of Canyon Lake, California.

The 27-acre site is destined to serve the existing Sun City/Menifee/Perris markets, and the Heritage Lakes master planned community (as well as thousands of homes under construction in all directions) as a 270,000-square-foot community shopping center.

Residents can look forward to a supermarket, home improvement retailer, fitness club, and other sub-majors, as well as restaurants and service shops sometime in Fall 2006.

By building these exciting new shopping places, HREG shares a harmonious vision with consumers, cities and partners to alter the future of communities for the very best.



*The Making Of A Monk
Meditating on mingling
with hundreds of Tibetan
monks, (albeit via photo-
shop in HREG's 2005
industry ad) Steve Hopkins
said, "I haven't discovered
enlightenment yet, but I
have found some great
sites!"*



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