

NEWS RELEASE

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FOR IMMEDIATE RELEASE

SECURITY NATIONAL PROPERTIES BEGINS NEXT STEPS TOWARD DEVELOPMENT OF MARINA CENTER MIXED-USE PROPERTY

*Eureka City Council Today Provided Approval of Security National's Petition
to Amend the Land Use and Zoning Designation of the Balloon Track Area*

EUREKA, Calif., February 9, 2006 - Security National Properties today announced that it has received a green light from the Eureka City Council with a vote to move forward with submitting General Plan and Local Coastal Plan Amendment applications for its proposed Marina Center mixed-use property. This allows Security National to submit a land-use and zone change for the Balloon Track brownfield from Public to various new designations, and begin the next steps toward development. The Eureka City Council today voted 4 to 1 in favor of a General Plan Petition in a public meeting held at 7:00 pm in Eureka City Hall.

The next steps for Marina Center development include:

- General Plan/Local Coastal Plan Amendment, Zoning Reclassification, and Coastal Development Permit applications
- Comprehensive environmental, economic and traffic studies required by the California Environmental Quality Act (CEQA)
- Planning Commission review of the General Plan/LCP Amendment and Zoning Reclassification request
- City Council public hearing
- LCP Amendment Certification by Coastal Commission
- Plan check and construction permits
- Construction

"Security National Properties is very pleased that the Eureka City Council has embraced a viable plan for the Balloon Track brownfield," said Cherie Arkley, principal of Security National Properties. "Marina Center will rejuvenate a long-abandoned and blighted tract of land near the waterfront, and will help secure Eureka's position as the economic, recreational and tourism hub of Humboldt County."

Security National Properties is committed to the public process surrounding development of the Balloon Track brownfield, and invites the public to an open house on Thursday, February 16th from 4:00 p.m. to 7:00 p.m. at the Wharfinger Building. Subject-matter

experts will be available on a wide range of issues concerning the Balloon Track site and the Marina Center project.

About Marina Center

Marina Center is a mixed-use urban-infill retail, residential and light industrial development that will be located in Eureka, California on a former Union Pacific Railroad property called the Balloon Track. The 38-acre property is located near Eureka's historic downtown commercial core, and parallels the shoreline of Eureka Harbor. It affords spectacular views of the Harbor, and connects with Eureka's historic shopping district.

Marina Center will include carefully selected local and national retail to meet important community needs, as well as offices, light industrial space, and non-profit organizations. The project will also include recreational amenities such as a Discovery Museum as well as biking and walking paths connecting Marina Center to Eureka's historic downtown.

Marina Center provides an elegant solution to a range of issues including urban blight, environmental contamination, job creation, tax revenue, shoreline use, and maintenance of Eureka's status as the commercial, retail, recreational, and tourism hub of Humboldt County. It transforms an abandoned railyard into a productive and attractive mixed-use property that will reflect the character and serve the needs of Eureka well into the future.

About the Balloon Track

The Balloon Track was historically used as a railroad switching, maintenance and freight yard from the late 1800s until the closure of the rail lines in the mid 1980s. The site has since remained vacant and under the ownership of Union Pacific Railroad, which is under no compulsion to sell it but has expressed interest in transferring it to a private developer willing to do a mixed-use commercial/industrial development. After years of pursuing a sale, Union Pacific Railroad did not find an appropriate buyer until Security National Properties expressed interest.

About Security National Properties

Security National Properties is a division of Security National Holding Company, LLC, a privately held company specializing in loan acquisitions and real estate development. Since its inception in 1987, the company has acquired more than \$3 billion in assets and currently owns more than \$350 million in commercial real estate.

Headquartered in Eureka, California, the company employs more than 450 employees in numerous offices throughout the United States and one in Europe. While the company has grown to a multi-billion dollar enterprise, it remains headquartered in Eureka as a "family" business proud of the quality of its people, their professionalism, integrity and commitment to service.

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