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The Swig Company Acquires 501 Second Street in San Francisco Firm's Second Major Northern California Property Acquisition This Year

San Francisco, CA (October 31, 2005) -- The Swig Company has acquired 501 Second Street, a seven-story office building located in the fast-developing Second Street Corridor connecting San Francisco's financial district with Mission Bay south of the city.

While no financial terms were disclosed, the seller of the building was a partnership, which included GEM Realty Capital and SKS Investments. Secured Capital represented the sellers.

The 207,809 square foot building is currently 95% leased and includes long-term leases with solid credit tenants, including the privately-held International Data Group (IDG), a leading technology media and publication company. IDG and Time-Warner together lease more than half of the multi-tenant building.

Originally a four-story Del Monte warehouse constructed in 1925, 501 Second Street was renovated, seismically upgraded and expanded to its current height in 1985 with the addition of three floors and a terrace level. The building has one level of underground parking, which together with supplemental off-street parking and valet services can accommodate 141 vehicles.

"We think this building has good intrinsic value, is a "best-of class" building which benefits from strong tenant loyalty, is located in the

path of the City's growth and offers solid leasing prospects, and fits well within our growing portfolio," said Jeanne Myerson, CEO of The Swig Company.

The Swig Company has purchased, sold or refinanced several properties in the past year, many in partnership with institutional investors. The company's most recent purchase, in partnership with GMAC Institutional Advisors, was the Kaiser Center, the one million square foot Oakland trophy property currently enjoying the market boom now underway in Oakland's Mid-town area adjacent to Lake Merritt. The Swig Company, a venerable San Francisco-based owner-investor-manager, sold its interest in the Chicago Fairmont Hotel this past summer.

According to Myerson, the Swig Company will manage 501 Second Street, as it does its other San Francisco/Bay Area and Southern California assets such as the historic Mills Building on Montgomery Street.

Myerson said The Swig Company knows how to maximize the value of older and renovated buildings, "especially a building like 501 Second Street, one with character that is hard to re-create and in an excellent location." She added that San Francisco's Second Street Corridor also presents future growth opportunities similar to that which the company is experiencing in Oakland with its recent Kaiser Center investment. "This building, 501 Second Street, is right in the middle of the positive transformation currently underway in San Francisco – the Mission Bay development, MUNI's Extension into Chinatown, the

redevelopment of the Trans Bay terminal and Rincon Hill. We are pleased to be in the epicenter of this activity with one of the best properties in the submarket,” said Myerson.

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About The Swig Company

The Swig Company (www.swigco.com) is a private investment company with a 70-year history of development, ownership and management activity in commercial real estate properties in major markets throughout the United States. During the past year, the Company completed more than \$1.2 billion in combined transactions, including sales, purchases, refinances and other real estate investment activities. The Swig Company's diversified national portfolio includes over eight million square feet of office buildings in markets such as New York, San Francisco and Southern California. The Company also owns and controls over 1,600 full-service luxury hotel rooms, approximately 650,000 square feet of industrial space, and an assortment of other credit-leased properties and land parcels. The Swig Company's primary investment mission is to add value as an owner and operating partner to its investment portfolio through proactive asset management, acquisitions, dispositions, selective development and redevelopment, and professional property management. It's target markets include urban Coastal Northern and Southern California, New York City and Washington DC.