

To: jeevacation@gmail.com[jeevacation@gmail.com]
From: [REDACTED]
Sent: Tue 9/28/2010 3:42:50 PM
Subject: Swanson-1220 SOB

Swanson. Swanson's mortgages on 1220 S. Ocean are held by Mercantile Bank, a division of Carolina First (of South Carolina). There is a \$17.279M land loan and a \$6.3M leasehold loan. (There is an odd ownership structure with a 99 yr lease.) The balance on the two loans in May, 2010 was 17,034,000 and 5,699,000 = \$22,733,000. The loans were extended on May 12, 2010 until **September 28, 2010**. I am told Mercantile wants him to pay the loan down \$2 million and set up an interest reserve to extend it. Swanson has been going around offering a piece of the deal to "investors": put up the money, get a preferred return, and a share of the "profits", all first out. Swanson paid \$20.8M for the land. The house is 27,000 sf overall, 18,000 sf a/c. The conventional wisdom is that he has spent close to \$30M on the project. It appears that e is vulnerable now but still the sole decider above the bank loan. If e takes in "investors" he will likely have to agree to some parameters.

It might be a good time.