



# Portfolio News

A quarterly update from Cambridge Capital Management Corp.™  
professional manager of non-traditional financing sources

Cambridge Capital  
Management Corp.

First Quarter 2021

## Tips for Appraisals on 504 Projects

Many SBA 504 loans are made to support real estate projects and as you know real estate projects generally need an appraisal.

An appraisal is required if the project property is more than \$500,000. If the project property is less than \$500,000 then an appraisal may not be required but the CDC must obtain an evaluation of the project property being acquired with loan proceeds that is consistent with sound banking practices.

If the property is more than \$500,000 an appraisal is required. Noted below are some tips that can make the process easier.

- When ordering the appraisal request that Indiana Statewide CDC and the US SBA are both noted as intended users.
- It is important that the address on the appraisal matches the address on the purchase agreement.
- The value of the property must be at least 95% of the total project cost. For example a project of

\$1,000,000 must be supported by an appraisal value of at least \$950,000.

- The appraisal must reference the most recent purchase price even if it is a refinance project and they have owned the property for years.
- If there are tenants in the building it is important for the appraisal to identify how much square footage is occupied by each entity. We need to be sure our borrower occupies 51% if it is an existing building and 60% if it is new construction.
- 504 Loans for real estate are often 20 or 25 years. The appraisal must state the remaining useful life and it needs to be at least as long as the term of the loan.
- The appraiser must be appraising the fee simple value and provide at least two approaches to valuation.

- The appraisal needs to be “as is” if there are no planned improvements or “as completed” if there is construction or renovations. SBA will not accept an “as stabilized” value.

And finally it is very helpful to have an appraisal that covers these items above at the time of loan application. Appraisal approvals are much faster if they are submitted to the SBA along with the credit request.

Please call our office at 317-844-9810 ext. 129 and Josh can answer any questions you have regarding appraisals.



## Indiana Statewide Certified Development Corporation

The "effective" interest rates on SBA 504 loans include the monthly amortization of the notes and the monthly payment of servicing fees.

### Effective Interest Rate

<u>2021</u>	<u>10-yr.</u>	<u>20-yr.</u>	<u>25-yr.</u>
January	2.45	2.66	2.70
February	—	2.72	2.76
March	2.70	3.00	3.05

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# Indiana Statewide Certified Development Corporation

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Longtime, respected Decatur County business owners Jimmy and Rebekah Gardner stepped into a new field when they purchased the local Westport meat locker.

A SBA 504 loan from Napoleon State Bank and Indiana Statewide CDC helped the Gardners buy the building and processing and refrigeration equipment.

Sugar Rock Farms' eight full-time employees process, store and sell locally raised beef and pork for customers in Decatur and surrounding counties.

Jimmy Gardner says, **"The SBA 504 loan is a huge asset to us. It was a pleasure working with experienced people at Napoleon State Bank and Indiana Statewide CDC who worked really hard for their clients."**

Matt Miller of Napoleon State Bank says, "Jimmy and Rebekah are local residents and business owners who have a good reputation and are dedicated to the Westport community. **The SBA 504 is perfect for this pro-**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage and equipment financing for

### Sugar Rock Farms Meat Processing

Westport, IN

In participation with

### The Napoleon State Bank

Greensburg, IN



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## Indiana Statewide Certified Development Corporation

Permanent fixed-rate equipment financing for

### Social Cantina & Smokeworks

Bloomington, IN

In participation with

### German American Bank

Bloomington, IN



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**Cambridge Capital**

Family recipes, fresh baked bread, premium cigars and several local brews are among the attractions at Bloomington's Social Cantina & Smokeworks. The Mexican-themed eatery and bar is on the Bloomington Square, just across from the Monroe County Courthouse and a few blocks west of Indiana University.

Owner Nathan Finney received SBA 504 financing from German American Bank and Indiana Statewide CDC to furnish the Social Cantina & Smokeworks.

Finney says, **"This was a big project for us, and the SBA 504 Loan helped push us over the finish line. I probably would not have been able to open the Social Cantina with a regular commercial business loan."**

Steve Bishop of German American Bank says, **"Nathan is well organized and his restaurant is**



Professional athletes and amateurs whose heroics range from driveway hoops to leaf raking can recover from injuries at Indy Spine and Rehab PC., a chiropractic rehabilitation clinic.

Founder Ryan Van Matre, D.C., M.S. L.Ac, leads Indy Spine. Earlier this year, he received SBA 504 financing from Security Federal Savings Bank and Indiana Statewide CDC for the largest expansion in Indy Spine's 18-year history.

Dr. Van Matre says, **"With the SBA 504 loan we were able to purchase a commercial condominium in Carmel that will be our long-term facility. The SBA 504 loan allowed me to purchase the property without having to deplete cash-reserves."**

Eric Ross of Security Federal says, **"Dr. Van Matre purchased the property with less down payment, obtained very low interest rates, and received longer term financing — all of which are better terms than the bank can offer without the 504 program."**

Since moving in, Dr. Van Matre has added to his staff that now totals three doctors, a therapist, two receptionists and an office manager.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Indy Spine and Rehab, Carmel

Carmel IN

In participation with

### Security Federal Savings Bank

Delphi, IN



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# Indiana Statewide Certified Development Corporation

First Quarter 2021



Jon Chapman's successful bath fixtures store needed more space and visibility. Using SBA 504 financing from State Bank and Indiana Statewide CDC, Chapman Custom Baths bought land and a building near its original store.

Kevin Hall of State Bank says, "The SBA 504 portion provides a longer term and a fixed rate protecting against interest rate fluctuations."

Jon Chapman says, "The SBA 504 loan really made the deal for us. We need the longer repayment time and smaller down payment."

Jon founded Chapman Custom Baths in 2010. It specializes in high-quality, stone laminate and solid surface customized showers, tub replacements, vanities, and accessories.

Chapman says he expects to add three employees to his current five-member team.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Chapman Custom Baths Brownsburg, IN

In participation with  
**State Bank**  
Brownsburg, IN

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Management Corp.**



## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### K9 Country Club Greendale, IN

In participation with  
**Napoleon State Bank**  
Osgood, IN



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Rhonda Taylor and her daughter Amber Rollins grew their business K9 Country Club by grooming dogs in their homes. SBA 504 financing from Napoleon State Bank and Indiana Statewide CDC helped them realize their dream of building a modern facility providing 24/7 grooming and boarding. Taylor's son also helps manage the business that includes another full-time employee, five part-timers and two groomers.

K9 Country Club is in Greendale, in Dearborn County.

Taylor says, "The 504 loan allows us accomplish much more than we could have with regular bank financing."

Sharon Miller of Napoleon State Bank says, "Partnering with the SBA and Indiana Statewide CDC enables our bank to offer our clients business loans that would not be possible with traditional financing."



Most people in the Bloomington area know this company as "juansells.com" or the self-proclaimed nickname, "the man with the hat."

The man is Juan Carlos Carrasquel and his company website claims the most home sales in the Bloomington area every year since 2014.

Carrasquel built a new office building for [juansells.com](http://juansells.com) with SBA 504 financing from German American Bank's Mike Hayes and Indiana Statewide CDC.

Via his website, Carrasquel says, "My goal is to ensure buyers and sellers are matched with the perfect home at the perfect price in the perfect location."



THE *JuanSells* .COM  
REALTY CO.  
the man with the hat

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Bloom Realty Bloomington, IN

In participation with  
**German American Bank**  
Bloomington, IN

ISCDC managed by:  
**Cambridge Capital  
Management Corp.**



# Indiana Statewide Certified Development Corporation



First Quarter 2021

York Automotive Group built its reputation with decades of sales and service to customers in west-central Indiana. When Westgate Chrysler Plymouth listed its property in Plainfield for sale, York decided to enter Indianapolis' market.

Brothers Nick and Robert York co-own the auto group founded by their father. They purchased Westgate's land and buildings with SBA 504 financing from BMO Harris Bank and Indiana Statewide CDC.

By adding York Chrysler, Dodge Ram and Jeep of Plainfield to its lineup, York staffs more than 60 employees in its five dealerships.

Todd Smith of BMO Harris Bank says, **"The SBA 504 loan works for them because its low down payment requirement and fixed, low long-term repayment rate allow York tighter control over its budget."**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### York Automotive Group

Plainfield, IN

In participation with

### BMO Harris Bank

Zionsville, IN



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**Cambridge Capital Management Corp.**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Sunoco Cantwell Service Center

Vincennes, IN

In participation with

### German American Bank

Vincennes, IN



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**Cambridge Capital Management Corp.**

A Sunoco gas station anchors the new Cantwell Service Center in Vincennes, replacing a Marathon that Charles and Cheryl Cantwell operated at the same site since 1982. Fifteen people are employed at the new store.

The Cantwells financed the construction with a SBA 504 loan through German American Bank and Indiana Statewide CDC. This is the second time the Cantwells have financed a convenience store with SBA 504 financing.

Cheryl Cantwell says, **"The SBA 504 offered a lower interest rate for a longer time period than we were able to find otherwise, and that's a great help for our everyday budgeting."**

Greg Cardinal of German American Bank says, **"I began using the 504 loan program about 10 years ago. It remains a great option for my clients to finance long-term assets"**



White's Ace purchased and remodeled the former Do-It-Best store that had occupied the site for 30 years. This is their third location. White says about 67 people are employed at the three stores, full-time or part-time.

A SBA 504 loan from Horizon Bank and Indiana Statewide CDC helped White buy and remodel his Fishers store.

White says, **"Our business plan requires us to own our properties. This would not be possible without the SBA 504 program. We opened our first store in 1978 with the help of the SBA."**



Stacey Roberts, of Horizon Bank, says, **"This is a good SBA 504 loan as it enables jobs to be retained and new ones to be created. The SBA 504 works in cases like this to allow the borrower to retain equity that can be used in the business and further lock in long-term attractive rates on the SBA loan."**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### White's Ace Hardware

Fishers, IN

In participation with

### Horizon Bank

Indianapolis, IN



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# Indiana Statewide Certified Development Corporation



First Quarter 2021

The first Goddard School in Fort Wayne recently opened and is nearing its capacity of 140 students. There are more than 500 Goddard Schools in 37 states. Sobia and Shakeel Ahmed, MD own the Goddard Fort Wayne school. They obtained a SBA 504 loan from State Bank and Indiana Statewide CDC to buy real estate and build their school.

Ryan Murphy of State Bank says, **“The SBA 504 loan’s terms are perfect for Dr. Ahmed and Sobia because they are able to build a strong financial foundation for their business.”**

Dr. Ahmed says, “A child’s early years are the foundation for his or her future development, providing a strong base for lifelong learning, including cognitive and social development. The Goddard School uses the most current, academically endorsed methods to ensure that children have fun while learning the skills they need for long-term success in school and in life.”

The school employs 20 teachers who are certified in early childhood education. Students range in age from a few months to 12 years. Students may attend all day or after their regular school dismisses for the day.

The couple is moving to Fort Wayne. Dr. Ahmed teaches at the Wright State University Medical School in Dayton, Ohio. Sobia Ahmed is a medical coder with long experience in elementary education as a volunteer parent.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Goddard School

Fort Wayne, IN

In participation with

### State Bank

Zionsville, IN



ISCDC managed by:  
**Cambridge Capital Management Corp**



## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Monroe Custom Utility Bodies

Greenfield, IN

In participation with

### First Merchants Bank

Indianapolis, IN



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**Cambridge Capital Management Corp**

Every time you see an electric utility worker repairing lines, an EMT crew saving a life at an accident site, or a new water or gas line installed, chances are a custom-designed truck carried the personnel and equipment to the scene.

Monroe Custom Utility Bodies in Greenfield designs and builds truck bodies for dozens of companies and municipalities covering the Midwest. Customers can select from Monroe’s catalog of standard bodies and accessories or work with Monroe’s designers to create exactly what they need.

As Monroe approached its 50th year, Owner Dennis Cowan obtained SBA 504 financing from First Merchants Bank to buy property and build a new workshop and showroom near Greenfield.

Ryan Mooney of First Merchants says, **“The partnership of Indiana Statewide and First Merchants helped Monroe Custom Utility Bodies execute a complicated SBA 504 transaction that included the company’s displacement due to a road widening project. The new building allows Monroe to operate under one roof and accommodate their growth needs. The SBA 504 program and partnership between First Merchants and Indiana Statewide is a perfect example**





## New Funding: RKU Standard

It's a smooth ownership transition for a national manufacturer headquartered in Indianapolis, boosted in part by funding from Indiana Community Business Credit Corporation.

Back in 1955, James McNutt, Sr. founded Standard Change-Makers and it grew into a large manufacturer of currency change machines and car wash entry systems. The McNutt family has guided Standard Change-Makers ever since. Recently, Jim McNutt, Jr., who took over as president/CEO in 1992, retired and sold the company to its Chief Operating Officer, VP and CFO, Rob Unterborn and his wife, Kathleen. The company's new name is RKU Standard.

On the company's website, McNutt Jr. says it was important to the company not be sold to corporate interests but run by an ownership group with a family focus who believed in the products and has a vision for building on the company's foundation.

Unterborn says that the deal would not have moved forward without participation of the McNutt family and the company's current leaders and employees. "I like the fact that this has always been a family operated business that makes a durable, reliable product," he says.

Unterborn says, "**The Credit Corp is helping me re-invigorate the business.**" He says RKU Standard is increasing its advertising in trade publications and websites, "To let people know we manufacture a beautiful product right here in the USA."

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## Success Story: Assurance Health

Assurance Health Services provides short-term, inpatient psychiatric treatment for elderly persons. It works with long-term care, assisted and independent living facilities, hospitals, psychiatrists, internists and others in local areas around Assurance Health's hospitals in six cities.

Assurance Health hospitals are located in its hometown, Anderson, and Indianapolis in Indiana, and four cities in Ohio. The Indiana Community Business Credit Corp provided working capital at key times during Assurance Health's initial growth period, and now the company has repaid the Credit Corp's investment. There are about 50 employees, including highly trained psychiatric counselors, in each of its hospitals.

Kyle Small is one of the owners and president of Assurance Health. He says, "There is a large need for psychiatric care in the geriatric population. Hospitals treat medical conditions, they don't do psychiatry. We bring folks in, find out what's going on, get them therapy and return them to where they came from; a nursing home, hospital or home."

Small continues, "**We greatly appreciate the help we obtained early on from the Credit Corp, Indiana Statewide CDC, CIFI, and Cambridge Ventures.**"

"Each of our hospitals is unique and focused on its local market. **The Credit Corp, the other Cambridge Capital partners, and the banks we work with, are acutely aware of our goals and the**



## **CVLP invests in hc.1 medical data company**

In 2011, hc1 was born from Founder Brad Bostic's belief that every patient is unique and should be treated as such. He was frustrated by one-size-fits-all, trial-and-error patient care.

The company hc.1, of Indianapolis, promotes the idea that sustainable high-value care could only come through improving patient outcomes. Achieving that goal requires finding and applying information based on laboratory findings and prescription results.

Cambridge Ventures L.P. is investing in hc.1 to assist it in further developing its products and establishing new medical platforms.

hc.1 taps into the heartbeat of healthcare—laboratory data. The hc1 High-Value Care platform analyzes billions of live data points across 20,000 provider locations to personalize care, improve outcomes, and eliminate waste for tens of millions of patients each year. Doctors reviewing hc.1's targeted information may prescribe exactly what a patient needs. hc.1 is a leader in critical insights, analytics, and solutions for precision health.

Bostic was recently recognized as the 2020 Dynamic Leader of the Year by the Indiana Chamber of Commerce.

## **CivicScience receives fresh investment from Cambridge Ven-**

Sales drive any company. How consumers feel about their relationship with a company will likely influence future buying decisions. Even leaders of big companies such as Apple or T-Mobile worry about what and why consumer attitudes will influence future sales.

CivicScience tells them. Quickly.

Founder John Dick had this idea in 2007: replace outmoded traditional polling and data-gathering techniques with a revolutionary way to connect real-time opinions of consumers, as reflected in social media, to the decision makers who need that information every day. And to do so with depth, breadth, and reliability.

With that vision, a small financial grant and incubator space, CivicScience built its first survey website in early 2008. Through experimentation, database engineering, and software development, it created the fastest, most sophisticated, and most democratic survey solution ever invented. Today, CivicScience provides software and services to the world's leading brands, media companies, and investors, while giving a trusted and powerful voice to all people.

Now CEOs can get a tap on the shoulder and a reliable voice that says, "Hey, here's what we found out."

Cambridge Ventures L.P. was an early and repeat investor. CVLP's newest input of working capital will assist

CivicScience's current work and ability to take advantage of significant new opportunities.

CivicScience continues to gain traction. It had record years in 2017 and 2018 and a strong 2019, followed by a slight drop-off in 2020. Client renewal is above 90 percent from heavyweights such as Google and

# LYNX Capital Corporation

First Quarter 2021

## Touchdown RV, Zionsville

Keith Dix wants his customers to go away.

Wait a minute. There's an explanation for that: Dix wants his customers to rent or buy a recreational vehicle, camper or truck from his company, Touchdown RV, and "go away" on vacation. And then he hopes they come back.

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Touchdown RV turned seven years old earlier this year. It started as a sideline for Dix while he was employed in the IT industry, Dix bought one RV and allowed others to rent it. Four years ago, he took the risk of turning that part-time job into his full-time occupation, and he's got more than 20 rental RV's now. Added to his inventory are late-model used units to sell and related RV accessories.

Dix obtained working capital financing from Lynx Capital Corporation and Indiana Community Business Credit Corporation. Horizon Bank, through Central Indiana Market President David Bedwell (a member of the Lynx Board), also assisted.

Dix says, **"The financing helped me with working capital and to buy more RV's. One of the side benefits was that Lynx and the Credit Corp helped me establish a bank relationship with Horizon Bank."**

The financing helped Touchdown RV navigate a rough period of business during the Covid-19 pandemic. Dix says more than 40 people cancelled reservations early on, but the company recovered nicely and posted one of its best years in 2020. The company has five employees and is located near Zionsville.