



Portfolio News®

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

Cambridge Capital
Management Corp.

Second Quarter 2022

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 an appraisal is required we have noted below 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, sale, income and/or cost.
- 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.

- The appraisal must be consistent with USPAP guidelines.

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 Jenny can answer any questions you have regarding appraisals.

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>2022</u>	<u>10-yr.</u>	<u>20-yr.</u>	<u>25-yr.</u>
April	—	4.60	4.68
May	4.93	5.06	5.12
June	—	5.13	5.19

Inside This Issue

Indiana Statewide CDC Business Highlights	2-5
ICBCC — USA Brands	6
Lynx — Kountry Kitchen The Jewel Center	7
CVLP — Big Time ISCDC — Wine Vault	8

Indiana Statewide Certified Development Corp.

Second Quarter 2022



Counselors and therapists at One Sensible Solution listen to their clients, and then suggest a path to recovery. The success of their approach is shown in the company's growth to three locations in Indianapolis.

One Sensible Solution was founded by two licensed mental health therapists and social workers, Julie Kavanaugh and Angel Maschino. The SBA 504 loan program was the solution for financing their third location at 6038 North Keystone in Indianapolis.

Mike Constable of STAR Financial Bank says, "One Sensible Solution is in a growth phase right now and the 504 product allows for more working capital to remain in the business while the company continues to expand."

Kavanaugh and Maschino have four full-time employees and contract with more than 20 other licensed therapists. "We find a growing need for personal and marriage counseling," says Kavanaugh. "Our therapists help a client identify limiting beliefs and outmoded coping mechanisms that may block achieving overall happiness. Many of our clients report rapid progress."

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

One Sensible Solution
Indianapolis, IN

In participation with
STAR Financial Bank
Indianapolis, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Wagner Auctioneering and Real Estate
Farmland, IN

In participation with
First Merchants Bank
Winchester, IN



ISCDC managed by:
Cambridge Capital Management Corp.

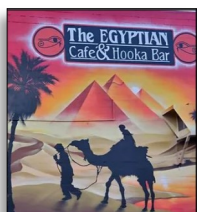
Andy Wagner's dad, Max, founded Wagner Auctioneering in 1965. Andy started working his way up the profession in 2002 upon graduating college. He's paid his dues, working as a clerk sheet runner, ringman and merchandise sorter to becoming a professional auctioneer.

As sole owner of the company now Andy oversees a staff of seven full-time and almost 20 part-timers, including Max. Wagner Auctioneering, based in Farmland, is a go-to implementer of estate and farm auctions in east-central Indiana. Andy added the "and Real Estate" to the company title in 2011 by buying Reed Real Estate. The satellite office is still open in Muncie, IN.

Wagner worked with Rick Tudor of First Merchants Bank and Indiana Statewide CDC on SBA 504 financing to buy 17 acres to build an 11,000 square-foot auction house. The bigger site allows the large farm equipment and machinery to turn around, plus handle the auction crowds.



Local artists created colorful murals outside and creative wall coverings inside the new location of Indy's Egyptian Café & Hookah Bar. Owner Sunny Singh opened the Egyptian in 2006 in the heart of Broad Ripple. The new Egyptian is a few yards away. Singh says, "Our SBA loan from Centier Bank and Indiana Statewide CDC let us acquire a neglected property and turn it into something beautiful."



Singh employs more than 30 people. He says, "During the day, the Egyptian is a laid-back space where writers write, musicians compose, business meetings are held, and people enjoy a friendly game of backgammon. At night it's a place to, dine, party and let loose."

Centier Bank's Jon Walker says, "The SBA 504 program allows our clients to keep more cash in their business, while addressing their needs for operating their business from their own real estate or expanding their space. It also provides borrowers with a fixed rate for the entire term of the CDC loan, eliminating interest rate risk for a large portion of their financing. Centier benefits from a low exposure on an owner-occupied property and an attractive alternative option to conventional financing we can offer clients."

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

The Egyptian Café & Hookah Bar
Indianapolis, IN

In participation with
Centier Bank
Indianapolis, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corp.

Second Quarter 2022



Business-to-business public relations agency BLASTMedia, bought and remodeled a 50-year-old, two-story building in the Broad Ripple area of Indianapolis. Their Fishers location was too small to handle their expanding work load and prospects list.

BLASTMedia Owners Kelly Hendricks and Mendy Werne used SBA 504 financing from First Internet Bank and Indiana Statewide CDC for the project.



The renovations included roof work, painting, carpeting, updates to the heating, air conditioning and parking lot.

First Internet Bank's Trina McWilliam says, "This is an excellent 504 project. It allows BLASTMedia to purchase and renovate the company's new headquarters, creating new space for BLASTMedia to continue on its fast-paced growth trajectory."

BLASTMedia's 16 employees design and produce public relations campaigns for Midwest manufacturers and distributors of software products over the Internet (SaaS; Software as a Service).

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Blast Media
Indianapolis, IN

In participation with
First Internet Bank
Fishers, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Goddard School of Zionsville
Zionsville, IN

In participation with
Huntington Bank
Indianapolis, IN



ISCDC managed by:
Cambridge Capital Management Corp.



THE
GODDARD SCHOOL
FOR EARLY CHILDHOOD DEVELOPMENT

been leasing for several years.

Beau Parsons of Huntington Bank says, "Dea wanted to leverage a smaller down payment to retain cash in the company. This borrower is a strong company with solid historical performance, great outlook, and incredible management. And, they provide top notch child care."

Walls says, "The 504 loan's long-term, fixed repayment rate and much lower down payment will save my company almost \$50,000 a year in lease payments."

Walls has over 30 years of experience working with children in Missouri and Indiana. She says, "Owning this preschool is my dream come true."

The Goddard School of Zionsville employs more than 20 teachers, full-time and part-time, to help guide students in their formative preschool years.

JC's Wildlife is an Evansville company that manufactures and sells, "All things birds," says Christopher Briggs, the company's founder. The company offers online sales of bird houses, bird feeders, food, the patented Squirrel Stopper pole system, and Stryx Optics binoculars.

The SBA 504 loan from First Financial Bank and Indiana Statewide CDC helped Briggs buy property next to the original warehouse and build one that is twice the size. Briggs says his 18 employees are able to increase manufacturing and shipping to worldwide markets from the new warehouse, The SBA 504 loan's low fixed interest rate and long repayment schedule "make our growth affordable."

Darren Spainhoward of First Financial Bank says, "Mr. Briggs is a modern day success story that is tailor-made for programs such as the SBA 504. Chris is achieving success as the direct result of his hard work, commitment to excellence, and treating customers and suppliers with integrity and respect. The SBA 504 program allows Chris the opportunity to mitigate a substantial amount of future interest rate risk as well as retain capital."



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

JC's Wildlife
Evansville, IN

In participation with
First Financial Bank
Terre Haute, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corp.

Second Quarter 2022



The owners of Bayberry Spa in Greenwood, Jennifer Hagner and Alison Giebler, promise their clients a luxurious, high-end massage and spa experience.

Hagner and Giebler are lifelong friends. They started Bayberry Spa in 2018 by leasing space in an event center in Greenwood. In three years, they needed to expand to build on the success of their spa's facials, massage therapies and products such as soaps and lotions. Opportunity met need in 2021. A classic, large residence built in 1891 came up for sale. Hagner and Giebler worked with Lake City Bank and Indiana Statewide CDC on a SBA 504 loan to buy the property and home at the corner of Madison and Broadway.

Brian Burrell of Lake City Bank says, "Jennifer and Alison are as local as you can get. They have deep connections to Greenwood and it was important for them to stay close to home. Downtown Greenwood has and is undergoing a major transformation. Bayberry is a perfect fit for the neighborhood."



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Bayberry Spa
Greenwood, IN

In participation with
Lake City Bank
Greenwood, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

WPJJ
Indianapolis, IN

In participation with
Busey Bank
Carmel, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Williams & Piatt LLC and Johnson Jensen LLP are two downtown Indianapolis law firms that specialize in personal injury claims, business litigation and wrongful death disputes among others.

The four principals of the two firms joined to form a real estate holding company — WPJJ, LLC — to buy a 6,400 square-foot building and lease it back to their two law firms. They used an SBA 504 loan from Indiana Statewide CDC and Busey Bank to finance the purchase and renovation of their companies' new, shared home.

Their principals are Joseph Williams and James Piatt of Williams & Piatt, and Robert Johnson and Travis Jensen of Johnson Jensen. The two firms and their staffs remain separate. They were previously located at two different addresses several blocks away.

They now share a beautiful property on Delaware Street near the historic St. Joseph neighborhood in downtown Indianapolis, that was built as a residence in the 1880's.



Experts agree that early treatment is the best chance of progress for children with autism. Applied Behavior Analysis (ABA) is a well-recognized treatment program, consisting of speech, occupational, feeding and physical therapy administered by degree-holding therapists.

The owners of Bierman ABA, Aditya and Courtney Agarwal, offer diagnosis and treatment at five centers in Indiana. The Agarwals are using SBA 504 financing with First Internet Bank and Indiana Statewide CDC to re-finance five properties in Indiana including their property on Coldwater Road in Fort Wayne. The idea is to plow more money into the centers' programs.

Chuck Fippen of First Internet Bank says Aditya and Courtney Agarwal are long-time clients. "The SBA 504 refinance program offers them low, fixed-rate financing, access to cash from the re-finance of First Internet's conventional bank loans, and greater access to equity beyond the amounts offered by the conventional loans. Being able to maintain liquidity offers them opportunities for growth at much better margins."

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Bierman
Fort Wayne, IN

In participation with
First Internet Bank
Fishers, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corp.

Second Quarter 2022



Jefferson Electric Founder Joel Walsman says greater customer demand for electric vehicle charging stations and solar panels helped his company grow.

Walsman started Jefferson Electric with his wife,

Kristy, in 2011. Jefferson's 50 employees install and service all traditional electrical work, plus new technologies for electric cars and solar power.

By 2020, "We were exploding at the seams," says Walsman. So, he used a SBA 504 loan from First Merchants Bank and ISCDC to buy a 4,200 square-foot building near the University of Indianapolis that has "four to five times" the workspace.

Walsman says, "The 504 loan helped me acquire the building. The terms of the 504 loan made it possible for us to pay for the renovation ourselves."

First Merchants' Jeff Pangburn says, "This is the type of project the SBA 504 program is made for. A small company can meet big needs on credit terms it can afford."

Walsman apprenticed with his father-in-law before starting Jefferson Electric. Walsman's father, sister and a brother-in-law are Jefferson employees. Several other families have more than one member on Jefferson's team, as well.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Jefferson Electric
Indianapolis, IN

In participation with
First Merchants Bank
Indianapolis, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Restoration Counseling
Fortville, IN

In participation with
GBC Bank
Greenfield, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Restoration Counseling believes emotional healing takes time. It takes hard work and diligence. It isn't easy and it may be painful.

Kelly Shores, a licensed Marriage and Family Therapist and licensed Addiction Counselor, founded Restoration Counseling in Fortville. They work with individuals, couples and families struggling with issues such as marriage relationships, divorce, separation, self-worth and finding a right path in life.

Shores recently expanded her practice, using SBA 504 financing from GBC Bank and Indiana Statewide CDC. Restoration Counseling is now serving clients from a remodeled building it bought in Fortville, on Elm Street.

GBC Bank's Laura Nance says, "This is a great SBA 504 project! It allows the borrower to gain the space to continue growing their business while giving new life to an existing building. The SBA 504 product gives GBC Bank the ability to offer different pricing/product options to help our small business borrowers."



Mike Alsop owns successful Chevrolet and Buick dealerships in Kentland, Attica and Rockville. Recently, he opened Alsop Pre-owned Cars in his biggest market; Greater Lafayette, employing over 30 people at 4 locations. Alsop bought and remodeled two existing buildings in Southeast Lafayette for Alsop Pre-owned. He worked with Centier Bank and Indiana Statewide CDC for SBA 504 financing.

Kevin Broadstreet of Centier Bank says, "the SBA 504 loan is a "great solution" for the borrower and the bank. Partnering with Indiana Statewide CDC for this SBA 504 transaction allows Centier Bank to help the borrower purchase the facility they wanted while requiring only a 10 percent equity injection. Additionally, the long-term fixed rate offered through Indiana Statewide CDC provides the borrower with stability and a lower cost to finance for the portion of the loan that was funded in conjunction with the SBA." Broadstreet adds, "The SBA 504 program is one of the most valuable tools I use to serve the needs of my clients and prospective clients and, frankly, ISCDC is the best in the business."



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Mike Alsop Pre-Owned
Lafayette, IN

In participation with
Centier Bank
Lafayette, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Check out our website at www.cambridgecapitalmgmt.com

Indiana Community Business Credit Corp.

Second Quarter 2022

Annual Meeting

The Indiana Community Business Credit Corp. held its annual meeting in May. At that meeting the following four directors were re-elected to an additional 3 year term:

- Tony Albrect, State Bank
- David Becker, First Internet Bank
- Chris Bower, First Financial Bank
- Mark Kugar BMO Harris

In addition officers were elected as follows:

- President, Mark Kugar
- VP/Treasurer, Steve McGlothlin
- Secretary, Jean Wojtowicz

The Credit Corp. was established in 1986 and provides gap/mezzanine financing to Indiana companies. There are more than 30 Indiana banks that fund the Credit Corp. by buying stock and/or providing lines of credit.

The Credit Corp. has provided more than \$74 million to 110 Indiana companies over the years. The funding was the gap financing necessary to allow more than \$352 million in projects to move forward.

Call Charles Kennedy@ (317)843-9704 ext. 124 if you would like to discuss a project.

USA Brands buys Vermont Flannel

All American Clothing Co. and The Vermont Flannel Company announced a new partnership to support domestic apparel production in the United States. The strategic partnership, called USA Brands, will:



- Combine two of the country's best-known USA-made brands of blue jeans and flannel clothing
- Provide quality-made domestic clothing to consumers on a national scale at reasonable prices
- Strengthen All American Clothing and Vermont Flannel's commitment to American jobs and American craftsmanship



Vermont, and continue to ship to customers across the country via their online stores.

USA Brands is managed by Colin King and Joe Van Deman, who approached Josh McKenney of First Merchants Bank for financing the partnership. The Credit Corp. and First Merchants are providing funding to help USA Brands continue growing through building a portfolio of USA-made brands and with ongoing funding through a line of permanent working capital.

USA Brands is based in Indianapolis, but will continue to operate out of its locations in Ohio and across

Indiana Community Business Credit Corp.

Provided Growth Capital for

USA Brands
Indianapolis, IN

In participation with
First Merchants Bank
Indianapolis, IN



ICBCC managed by:
Cambridge Capital Management Corp.



The Jewel Event Center Lynx Capital Corporation Annual Reception



Larry, Cynthia and Lauren Bates hosted the Lynx annual meeting in May. Lynx board members and several business owners/Lynx borrowers gathered at the Bates' business, The Jewel Event Center, in Indianapolis. Lynx helped the Bates family buy and renovate a vacant 70-year-old building just north of Indianapolis' downtown. The Jewel Center now hosts meetings, conventions, weddings, concerts, a "super" Super Bowl party, boxing matches and Sunday Morning church services!



Kountry Kitchen Soul Food Place A "New Beginning" Ground Breaking Ceremony



LYNX Capital Corp, IR CDE Three, Community Investment Fund of Indiana and Old National Bank teamed up to help give Kountry Kitchen a "New Beginning".

Kountry Kitchen Soul Food Place, owned by Cynthia and Isaac Wilson, was destroyed by a fire in 2020. The Wilson's kept going with take out and catering in a space offered by the Ruckus Building.

The Wilson's broke ground on a new building, June 7th with a star studded event right on the original site of the old location at 19th Street and College Avenue. The motto of the day was New Beginnings. It was a community effort with help from several other community leaders.



Mayor, Joe Hogsett said during his remarks. "Even then, I suspected that fire would ultimately be no match for Isaac and Cynthia and their collective determination to keep this neighborhood well fed."



City leaders including Mayor Joe Hogsett, City-County Council President Vop Osili and comedian Mike Epps joined Kountry Kitchen Soul Food Place owners Cynthia and Isaac Wilson for a groundbreaking ceremony June 7, 2022, for the restaurant's new building. (Photo/Abriana Herron)

Photo courtesy of Indianapolis Recorder



CVLP has a successful exit from Big Time Software

Big Time Software practice management tools help clients track, manage and invoice their time. It's thousands of customers cover the U.S.

Big Time's growth and promise attracted an investment from Cambridge Ventures L.P. in 2011. Cambridge Ventures is a small-business investment company that provides growth capital to companies within 200 miles of Indianapolis. It invests in a wide variety of industries, targeting companies with strong management team, a sound business plan, a proprietary advantage and with great growth potential.

That accurately describes Big Times Software. Big Times' Founder and CEO Brian Saunders possesses exceptional domain

knowledge, Proven technology product vision, along with the ability to build a great team. These advantages have propelled Big Time into a leadership position. It serves one of the fastest growing segments of the software industry, cloud computing and the SaaS (Software as Service) model for financial services.

Cambridge Ventures was attracted to this company because of the exceptional team who had specific prior successful startup experience and a cadre of other high-profile investors. This team negotiated a sale of the business this year providing an attractive return to their investors.



Cambridge Capital Management Corp.

4181 E. 96th St., Ste. 200, Indianapolis, IN 46240

317-843-9704

www.cambridgecapitalmgmt.com

Portfolio News

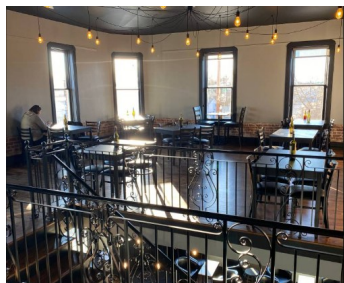
Published quarterly by

Cambridge Capital Management Corp.

Editor: Rachel Lockert

PRSRT STD
US Postage
PAID
Indianapolis, IN
Permit No.
9313

ADDRESS SERVICE REQUESTED



The Indiana Statewide CDC board met in June at the Wine Vault in Westfield.

Owners Andy and Addie Durnell opened the Wine Vault in 2020, utilizing a SBA 504 loan from Community First Bank and Indiana Statewide CDC. The Wine Vault is in an 1880's bank building in downtown Westfield.

The maps on the wall behind Andy and Addie show the world's major wine-producing regions. Products from each are available at the Wine Vault.

