



Portfolio News®

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

Cambridge Capital
Management Corp.

Third Quarter 2022

504 financing for new fixed assets projects or to refi existing debt

We are grateful that so many bank lenders trust us to help them build strong, mutually-beneficial relationships with their business-owner/borrowers. We have worked with you to provide the great SBA 504 loan benefits to many types of businesses in every part of the state.

Did you know there is more to the SBA 504 loan program? Not only can you use the 504 loan structure to help finance the purchase of additional fixed assets (land, building and equipment) but also to **refinance existing debt** that was used for those purposes.

The SBA 504 structure can be used to refinance existing debt as long as 85% of the proceeds were originally used for fixed assets. If the loan includes refinancing any government guaranteed debt, we must show that there will be “substantial benefit” to the borrower. Generally, this can be demonstrated if there is a 10 percent savings in the payment. The borrower will benefit from a long-term, fixed rate which has historically been below prime.

A refinance project always begins with the appraised value. In many cases, the borrower can take some cash out — up to 20-percent of the appraised value — to support eligible business expenses. There

are other technical changes that we will be happy to talk about with you. **But the bottom line is that the SBA makes it easier to provide our borrowers with constructive financing that will help their company succeed in tough times.** All the reasons to propose SBA 504 loans are still valid. *And* there is **built-in protection** for the bank lender since they are generally at only 50 percent loan to value.

Josh McKenney from First Merchants Bank says, “I recently used the 504 refinance provision for three clients. Two of them had loans with our bank, but I was able to extend the term and lower the payments. Another borrower moved to our bank from a different institution because I was offering a fixed rate to refinance their existing debt. A 504 refi is a real win for these customers.”

The 504 refi provision is especially attractive when the existing loans are on a floating rate. In this increasing rate environment, now is a great time to lock in a fixed rate and lower the monthly payments with a very long amortization period.

Indiana Statewide CDC and dozens of banks in Indiana have been providing

loans through the 504 program for over 39 years, assisting nearly 1,700 companies with more than \$787 million in financing. Stories in this newsletter describe several expansion projects. There is also a story about Earthwise Plastics, in Gas City, and how Community First Bank is helping them with a 504 refi loan.

You’ve been a part of our story. And you are important to your clients. Which companies in your loan portfolio could profit from a lower fixed interest rate for a long time? Please discuss the 504 refi possibilities with your borrowers. And then call us. We look forward to customizing a plan that will help you and your client!



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

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>
July	4.974	5.051	5.110
August	—	4.892	4.981
September	5.332	5.343	5.440

Inside This Issue

Indiana Statewide CDC	2-5
ICBCC	6
Lynx — Success Story	7
CIFI	8

Indiana Statewide Certified Development Corp.

3rd Quarter 2022



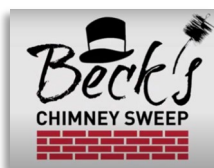
If home is where the heart is, Beck's Chimney Sweep regards chimneys as the heart of the home. Founded in 1977 as the first chimney sweep company in Noblesville, Beck's Chimney provides expert chimney inspections, sweeps, repairs and dryer vent cleaning for historic and new homes in Hamilton and surrounding counties.

Dave Clift and his wife Carmen joined Beck's in 2006. Dave's experience as a master claims adjuster and fire investigator fit perfectly, and he quickly became an expert chimney sweep. The Clifts bought Beck's Chimney sweep in 2008 when Gene Beck retired.

This year, the Clifts used SBA 504 financing from Forum Credit Union and Indiana Statewide CDC to purchase and renovate a fifty-year-old commercial building in downtown Noblesville. The move allows Beck's Chimney Sweep to hire additional employees, buy additional service vans, and expand capacity to serve more customers.

Forum Credit Union's Alexandria Corbin says, "The borrower weighed both conventional and 504 options, and we ultimately decided to go with a 504 loan as it allows the borrower to access additional capital to make property improvements. The Clifts are walking away with a great property and attractive terms."

Beck's Chimney Sweep service trucks are easy spot. This slogan on their sides: "Keep the home fire burning, not the home."



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Beck's Chimney Sweep LLC
Noblesville, IN

In participation with
Forum Credit Union
Indianapolis, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Cash N' Dash
Vincennes, IN

In participation with
Limestone Bank
Owensboro, KY



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Naveen "Nick" Hooda is building on success. He bought the existing Cash N' Dash gas station and convenience store in Vincennes. The store has a history of strong performance, as does Hooda. He has operated the Quality Convenience store in Owensboro, Kentucky for ten years. Even though the Owensboro store has no gas pumps, Hooda has generated significant revenue by offering quality food service and targeted inventory.

Hooda's SBA 504 loan is from Limestone Bank and its loan officer, Robert Whitaker. The loan is considered an expansion of Hooda's Owensboro and Vincennes businesses.

All eleven employees were retained when Hooda began operating his Vincennes Cash N' Dash store. Cash N' Dash sells Shell Oil products through a fuel supply contract with Valor LLC.



CASH N DASH
Convenience Store

ContainMed is a contract medical device manufacturer. Owner Tyler Deal bought and moved into a large industrial building on Indianapolis' near Eastside.

Deal says, "We are a family-owned company. We started in 2005 in the 1,600 square-foot basement of my father's law office in Speedway and (after several moves) have ended up in 130,000 square feet. The preservation of cash flow that the 504 program grants us will allow us to manage the transition that comes with a major move without sacrificing growth as we look to expand our customer base and volume. The loan process was very straight forward. Working with an experienced lender, as well as Statewide, helped make the process from my perspective pretty easy."

Brian Burrell of Lake City Bank says, "Tyler and his team have taken an old building that was vacant and remodeled it, greatly improving the surrounding area and supporting the neighborhood's revitalization efforts. Given the size of the project and the financing needs, the 504 helped the bank's comfort level while allowing ContainMed to preserve cash to help support their growth."



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

ContainMed, Inc
Indianapolis, IN

In participation with
Lake City Bank
Greenwood, IN



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Indiana Statewide Certified Development Corp.

3rd Quarter 2022



An Indianapolis advertising agency, The Flatland, purchased and re-modeled a building on the East side of downtown.



The Flatland founder, Benjamin Seal, worked with Kristen Brand of PNC Bank and Indiana Statewide CDC on a SBA 504 loan to help finance the project.

The Flatland's new location, at 525 E. Walnut Street, was rezoned to allow a commercial enterprise to occupy the former private home. The Flatland currently has 4 employees. Three-to-four new employees may be added as the agency's work load — and working space — increase.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

The Flatland
Indianapolis, IN

In participation with
PNC Bank
Indianapolis, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Four Corners Framing
Zionsville, IN

In participation with
Horizon Bank
Carmel, IN



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For 15 years, Mark and Heather Wingeroth made their company a picture of success. Their company, Four Corners Framing, creates and builds high-end, modern and archival custom picture framing. They built their client base through top-quality work, an online presence, social media following and the Wingeroth's community involvement.

Mark and Heather obtained SBA 504 financing from Horizon Bank and Indiana Statewide CDC to buy and renovate a commercial office building in Zionsville and move their business from its original site just across the street. Four Corners occupies 51 percent of the space and other tenants lease the remaining 49 percent.

As a result of doubling their working space, Four Corners Framing is able to take on larger commercial and private projects and, perhaps add employees to join the two already on staff.

Tom Dooley of Horizon Bank says, "The SBA 504 loan's low, fixed interest rate and minimum down payment were key to a successful project. The Indiana Statewide CDC helped streamline the process by preparing the SBA application, and by keeping both the client and the bank informed of the status."



Four Corners Framing



It's a new home for Nest Real Estate in Greenwood.

Co-owners John Stone and Cassie Alderson-Philbrick bought a building just west of downtown to house Nest's new office. The National Bank of Indianapolis' Judy Davidson and Indiana Statewide CDC provided SBA 504 financing.

The SBA 504 loan — and its low down payment requirement and lower-than-market fixed, long-term rate helped Stone and Alderson-Philbrick buy the building.

Stone has been in what he calls "the real estate game" since 2008. Alderson-Philbrick is the third-generation real estate broker in her family. They formed Nest Real Estate in 2015 and are the only two employees. Now they are emulating their clients in buying a new "nest" to help facilitate their company's growth by one or two new associates.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Blubird Real Estate/Nest Realty
Carmel, IN

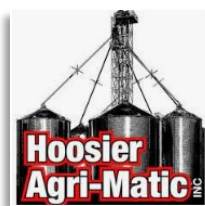
In participation with
The National Bank of Indianapolis
Indianapolis, IN



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3rd Quarter 2022



Hoosier Agri-Matic sells and installs grain bins and grain handling equipment to farmers throughout Central Indiana. The company has been in business since 1983 and for several years has occupied leased space on State Road west of Lebanon.

This year, Owner Keith Hodgen bought the acreage and buildings using SBA 504 financing from The Farmers Bank and Indiana Statewide CDC.

Drew Cripe of The Farmers Bank says, **“The loan’s structure allows Hodgen to maintain working capital and gain long-term, fixed rate financing on 40 percent of his purchase price.”**

Hoosier Agri-Matic handles GSI grain dryers, TopDry, augers, air systems, grain bins and a variety of related equipment. The company’s service starts at the beginning of its relationship with customers. It includes design, construction, installation, maintenance and preseason inspection.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Hoosier Agri-Matic, Inc.
Lebanon, IN

In participation with
The Farmers Bank
Frankfort, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Misiniec Farms
Edwardsport, IN

In participation with
German American Bank
Vincennes, IN



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Jason Misiniec has been the farm manager for Villwock Farms for the past 18 years. Don and Joyce Villwock retired from farming in 2021 and Misiniec is buying their grain system through a new entity, Misiniec Land LLC, he formed with his wife, Heather.

German American Bank and Indiana Statewide CDC provided SBA 504 financing to the Misiniecs to buy the land and buildings, located near Edwardsport in Knox County.

Greg Cardinal of German American Bank says, “Jason has been a good farm manager for the Villwocks’ and now he and his wife, Heather, are stepping up the size of their operation. **The low down payment and fixed rate of this SBA 504 loan was something that really benefitted Jason and Heather to allow them to purchase this grain facility that was much needed for their bigger operation.**”

The property includes grain bins, grain legs, a dump, dryer, scales, a scale house and two post buildings. The grain operations has a capacity of 390,000 bushels and sits on six acres.



Sam Yadav was born in a small village along the Ganges River in southern India. A village without electricity, running water or roads. His family moved to St. Louis when Sam was six. After graduating from the University of St. Louis and earning a MBA at Butler University, he was a manufacturing rep. When

he got to Indianapolis, he bought a company and started Quest Safety. Quest has become a leading manufacturer and distributor of safety equipment and protective devices. Quest financed construction of a new, headquarters near Indianapolis International Airport with a SBA 504 loan from BMO Harris Bank and Indiana Statewide CDC.

Kelly Arnold Mosser of BMO says, **“The SBA’s 504 loan is a great fit for Quest Safety Products, due to the low equity requirement and long-term fixed rate financing. Additionally, Sam’s investment in a qualified HUB Zone area helps fuel growth in a historically underutilized business zone. BMO Harris Bank values our relationship with Quest Safety Products and our lending partnership with the Indiana Statewide CDC.”**

Yadav received earlier financing from Lynx Capital, a minority lender partner with Indiana Statewide CDC. “When I started with Lynx,” he says, “our company had eight employees and about 8,000 square feet. Now, we have 45 employees — including MBA’s and employees we train on site — and total more than 58,000 square feet.”

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Quest Safety Products, Inc.
Indianapolis, IN

In participation with
BMO Harris Bank
Indianapolis, IN



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Indiana Statewide Certified Development Corp.

3rd Quarter 2022



The Sapling School is in the Broad Ripple neighborhood on Indianapolis' North side. It aims to provide enriched learning experiences for pre-school children ages two to six. It was founded and is co-owned by Kelsey Livingston, a graduate of Butler University in early childhood education.

Livingston obtained a U.S. SBA 504 loan from Centier Bank and Indiana Statewide CDC to buy and extensively remodel a building for her Sapling School.

Livingston's Broad Ripple Sapling School employs six teachers and assistants to guide about 30 young students.

Brad Duncan of Centier Bank says, "The owners of the Sapling School are dedicated to helping children grow and provide much needed childcare for families in our community. "Centier appreciates the partnerships with our clients and the Indiana Statewide CDC. We focus on making the process as transparent and timely as possible. Statewide CDC was organized and quick to respond making the Sapling School loan process smooth and allowing us to get to a quick, satisfactory end result."



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

The Sapling School
Indianapolis, IN

In participation with
Centier Bank
Indianapolis, IN



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Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Brown's Garden & Floral Shoppe
Rensselaer, IN

In participation with
Kentland Bank
Rensselaer, IN



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Since 1978, Brown's Garden & Floral has met flower and gift needs for communities around Rensselaer, in Jasper County. This year, Noah Ahler and Parker Balvich expanded the reach and revenue stream of their nearby lawn care firm, BA Lawncare, by buying Brown's Garden & Floral.

SBA 504 financing from Kentland Bank and Indiana Statewide CDC helped Ahler and Balvich buy the garden & floral shop. Kentland Bank's Craig Hooker worked with Indiana Statewide CDC in accessing the SBA 504 program for Brown's new owners.

Brown's Garden & Floral and its employees continue to operate as a family owned business under Ahler and Balvich's new ownership.



Brown's Garden and Floral Shoppe

We throw away plastic stuff and Earthwise Plastics uses it as the main ingredient in their manufactured products. The company makes synthetic lumber (for outdoor furniture and many other consumer applications), doors and semi-trailer walls. And Earthwise Plastics — with more than 50 employees — is the major corporate citizen in Gas City, a community in Grant County.



Earthwise Plastics used SBA 504 loans two times in recent years: once to buy and remodel its manufacturing plant, and again to purchase and install equipment for its continuous panel lamination line.

Recently, Indiana Statewide CDC worked with Community First Bank's Jonathan Malin and Earthwise Plastics' CFO Andy Miller to provide the company with SBA 504 refinancing. Now, Earthwise Plastics has a new refi loan that lengthens repayment time on its already attractive financing that brings the company a below-market, fixed interest rate.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Earthwise Plastics, Inc.
Gas City, IN

In participation with
Community First Bank
Kokomo, IN



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Indiana Community Business Credit Corp.

3rd Quarter 2022



New Funding



Companies are expert in their specialties, but not necessarily skilled at attracting and retaining the talent they need to be successful.

Midwest Technology Partnership (MTP) was founded in 2002 to match talented individuals with companies that need them. MTP's influence reaches technology companies in most areas of Indiana's economy.

Indiana Community Business Credit Corp. recently partnered with First Merchants Bank to provide working capital funding to help MTP build upon its success and extend its marketing efforts.

Indiana Community Business Credit Corp.

Provided Growth Capital for

MTP
Indianapolis, IN

In participation with
First Merchants Bank
Indianapolis, IN



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Success Story



Lloyd Sprowl, his sister Lori Sprowl Hobbs and her husband Gary Hobbs, started their new business, Sprowl Funeral & Cremation Care, in 2019. They built their success with dedication, experience and providing service and jobs to their community on the near west side of Indianapolis.

Indiana Community Business Credit Corporation, Indiana Statewide CDC and Old National Bank were pleased to assist with mezzanine funding and a SBA 504 loan.

This year, Sprowl Funeral repaid the mezzanine loan from the Credit Corp. and Old National.

The loan provided the bridge between Sprowl Funeral Care's opening and generating income.

Lori Sprowl Hobbs says, "The Credit Corp. and Indiana Statewide CDC helped us stretch our dollars to meet immediate needs, and also to satisfy the requirements of our bank."

Old National's Jason King says, "The loan packages from the Credit Corp. and Indiana Statewide CDC were instrumental in Old National's ability to help the Hobbs and Sprowl provide this needed service to the community."

Sprowl Funeral Care helps its clients choose either traditional services in the funeral home or church; or a non-traditional observance such as cremation with or without a visitation or funeral service.



Check out our website at www.cambridgecapitalmgmt.com



Association with Lynx Capital and Credit Corp.
helps lift Lake County medical publishing company to prosperity



Dr. Hilton Hudson II is a heart surgeon in Lake County. In 1996, Dr. Hudson started Hilton Publishing Company to print and distribute medical education books.

The startup languished at first. Then, after a year-or-so, he received help from Lynx Capital Corporation.

Lynx's first capital infusion arrived in the nick of time. Dr. Hudson says, **"We were a day or two from being insolvent." Loans from Lynx — and the Indiana Community Business Credit Corp. — boosted Hilton Publishing's working capital and helped purchase a building.** The Credit Corp. partnered with First Financial Bank to support the company with additional working capital.

Dr. Hudson says Lynx Capital and the Credit Corp. built the foundation for his company's success through years of in-person and remote counseling. Including, "Patience and some tough love," he says.

Dr. Hudson's small startup is now HPC International.

HPC provides books and other educational services to corporations and health care facilities around the world.

Changing from paper to digital; one-hundred percent of Hudson Publishing's books and materials were printed at the start; it's 80 percent digital and 20 percent print now.

Five people worked at Hilton Publishing at the start. Most are included in the current HPC International payroll of 25 who work online from homes around Lake County. Approximately ten others sub-contract with HPC.

HPC International should reach \$25 million in revenue this year and \$32 million in 2023. Dr. Hudson adds, **"The juice of this story is that I was able to accomplish all this without giving up equity."** Hilton recently repaid his obligations with Lynx and The Credit Corp. and joins many other success stories from our portfolio.

Dr. Hudson is a busy full-time heart surgeon performing multiple operations per month. He practices though HPC Surgical, a subsidiary in Crown Point with five surgeons and two nurse practitioners. He says, "HPC works well due to its excellent leadership team and an excellent culture."

Dr. Hudson sums it up; **"We wouldn't be here without Lynx and Credit Corp"**

Funding Minority Owned Companies is nothing new for LYNX Capital

There has been some excitement lately about funding for minority owned companies. At least one new Indiana fund has been launched, and out-of-state funders are all over the Internet.

Hopefully, you are aware that Lynx Capital has been focused on minority business funding as its sole mission since 1991. Since that time Lynx has attracted \$8.6 million in investment capital from 22 investors. With this precious capital, Lynx has funded over \$24 million to 97 companies throughout Indiana.

Lynx funding and personal consulting has helped trucking companies, a medical publisher, a popular restaur-

ant in Gary that is part of the downtown's resurgence, and a social and meeting hall in an Indianapolis neighborhood on the comeback trail. And there's a metal fabricator on Indianapolis' east side where Lynx funding saved a dozen jobs. The owner says, "Lynx came at a crucial moment for us. Lynx was our lifeline."

Lynx is doing important work. Lynx volunteer board members are bankers, utility officials, representatives of corporations such as Eli Lilly and Company and people of no affiliation who just want to help. We are Hoosiers who assist Hoosier businesses.



Peña Joins CIFI Board of Directors

Regions Bank's Schiela Peña is joining the board of directors of Community Investment Fund of Indiana (CIFI).

Peña is vice president and community relations officer for Regions bank. She is based in Indianapolis. Peña joined Regions Bank in 2009. Her role as Community Relations Officer involves advancing the bank's corporate social responsibility by building relationships with nonprofit organizations.

Peña serves on the Student Business Advisory Committee for the McKenzie Center of Inno-



vation and Technology, is the Ambassador Committee Chair for the Greater Lawrence Chamber, is a board member for the Indiana Afterschool Network and Autism Society of Indiana and a member of the Indiana United Way National Disaster Fund Grant Committee.

Schiela earned a Bachelor of Science degree in Business Administration from Indiana Wesleyan University. She was born in Germany, but now considers McCordsville, Indiana her home where she lives with her husband Steve and their two sons. (continued)

Cambridge Capital Management Corp.

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Pena—Continued

CIFI makes microloans up to \$50,000 and small-business loans up to \$300,000 to business owners in Indiana's historically underserved populations. Typically, they are businesses owned by people of color, women and low-income individuals living and working in dense urban or rural areas.

CIFI is funded through grants and loans from federal and state agencies, Indiana banks, and other philanthropic organizations. Banks can benefit through Community Reinvestment Act (CRA) credit for the investment of resources it makes in CIFI. As of the end of 2021, CIFI has loaned over \$5.1 million, leveraged over \$60 million in additional investments, and created or sustained more than 800 jobs.

CIFI Board President Matt Murphy says, "CIFI is focused on helping advance the economic well-being of our communi-

ties. Schiela brings her experience, background and commitment to CIFI's important work."

Phil Black, CIFI Executive Director, says, "We have an outstanding Board of Directors. Adding Schiela's experience and expertise in banking and community engagement will help strengthen our Statewide efforts to support Black, Latino and women-owned businesses in Indiana."

