



Portfolio News

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

Cambridge Capital
Management Corp.

Fourth Quarter 2020

State Bank is the Small Business Lender of the Year

We'll never forget 2020. A lesson learned; "Be careful." A parting greeting; "Stay safe."

The staying power of small businesses that survived and the courage of small businesses that didn't make it were stories we heard every day. A New Year seldom seems so welcome, even though it rings in continued challenges from the old one.

Those of us at Cambridge Capital Management are grateful to all who worked with us to provide capital to resourceful small-business owners in Indiana.

In December, Indiana Statewide CDC honored several of you who trusted us to provide SBA 504 financing to their clients. At the end of the year, our award as Indiana Small Business Bank Lender of the Year was earned by State Bank. Ryan Murphy and Kevin Hall were State Bank's officers making the loans. State Bank is headquartered in Lizton and has six locations in Hendricks and Boone counties.

Runner-up as Lender of the Year is Community First Bank of Indiana. From its base in Kokomo, Community First Bank of Indiana operates six locations in Howard and Hamilton counties.

The Lender of the Year Award is made to the Indiana bank that makes the highest dollar volume of SBA 504 loans with Indiana Statewide CDC as a percentage of the bank's total deposits.

Several other banks also won awards. First Merchants Bank had the most SBA 504 loans approved by Indiana Statewide CDC, and the most dollars in debenture bond sales by the SBA to finance the 504 loans.

Ryan Mooney of First Merchants was the banker with the most loans approved by Indiana Statewide CDC.

Chuck Fippen of First Internet Bank won an award for the most debenture dollars approved for the year.

We appreciate every lender and every borrower — and every year — that

gives us the opportunity to help build Indiana's small-business economy. Indiana Statewide CDC loaned nearly \$29.8 million to owners of Hoosier small businesses during 2020 federal fiscal year; that's first in dollars approved among Indiana's five CDCs. When combined with funds from lending partners and down payments from borrowers, Indiana Statewide CDC generated nearly \$75 million in total economic development projects. We could not have achieved this without you. Thank you!

As with every quarter, read on in this newsletter for stories depicting the progress of some of the small businesses you brought to us.

Our best wishes for a happy, successful 2021!



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>2020</u>	<u>10-yr.</u>	<u>20-yr.</u>	<u>25-yr.</u>
October	—	2.40	2.43
November	2.23	2.36	2.40
December	—	2.43	2.47

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Indiana Statewide Certified Development Corporation

Fourth Quarter 2020



"I needed a much larger practice," says Dr. Sarah Stewart-Bailey, owner of County Seat Veterinary Hospital in downtown Princeton. She and her ten employees were out of room.

So, she purchased two vacant lots and built a new hospital just a block away with SBA 504 financing from German American Bank and Indiana Statewide CDC.

Dr. Stewart-Bailey says, **"I was definitely able to do more with the SBA 504 loan. My hospital is twice the size and has more technological features which can help more patients."**

She says. **"Our new clinic has three additional spacious exam rooms, areas for patients and clients to feel comfortable and not stressed. I think it is important for pet owners to feel comfortable when they come to the veterinarian and have a good experience."**

Dr. Stewart-Bailey began living her childhood dream in 2008 when she founded County Seat Veterinary Hospital in her hometown.

Corey Heldt of German American Bank says, **"The 504 program allows us to offer a financing option to loan applicants who otherwise may not have the means to seek financing solely from our bank."**



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

County Seat Veterinary Hospital

Princeton, IN

In participation with

German American Bank

Fort Branch, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Howard Bailey Financial, Inc.

Fort Wayne, IN

In participation with

Fifth Third Bank

Indianapolis, IN



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Howard Bailey Financial is an investment and financial planning firm founded in 2011 by Casey Weade. Based in Fort Wayne — and with an office in Mishawaka — Weade and Vice President Marshall Johnson head a 29-member team dedicated to helping clients develop their individual retirement investment plans.

Ben Hutchins of Fifth Third Bank worked with Weade and Indiana Statewide CDC for SBA 504 financing to assist in the purchase and construction of a larger office for Howard Bailey Financial.



Coming off the latest in a succession of successful years in 2019, Aerodyn Engineering LLC had built the foundation for new expansion in 2020.

Aerodyn is a worldwide manufacturing, engineering and instrumentation company headquartered on Indianapolis' west side. Since its founding in 2002, Aerodyn has become a key partner to companies in aerospace, engineering, defense and the sciences. Aerodyn maintains 130 employees on three continents and five countries.

Aerodyn Engineering, LLC specializes in gas turbine instrumentation and field testing for commercial engines and the aerospace industry. The company manufactures precision slip rings, which are used in applications requiring the transfer of data from any rotation machinery or equipment.

In 2020, Aerodyn's president, Dave Lawrence, obtained funding to assist in the company's global refinance of debt to support expansion. Three Cambridge Capital Management entities — Indiana Statewide CDC, Indiana Community Business Credit Corporation and Cambridge Ventures LP — participated, along with First Merchants Bank.



Indiana Statewide Certified Development Corporation

Real Estate refinancing for

Aerodyn Engineering, LLC

Indianapolis, IN

In participation with

First Merchants Bank

Indianapolis, IN



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Indiana Statewide Certified Development Corporation



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Stone City Products manufactures and delivers metal components to customers in the U.S., Mexico, Europe and Asia. Stone City is based in Bedford, in the middle of Southern Indiana's limestone quarries that give Bedford its "stone city" nickname.

Stone City Products was founded in 1946 and today is a \$22 million business producing automotive stampings, HVAC system components, appliance components and hundreds of other specialty metal products — large and small.

Stone City president Stewart Rariden's father David Rariden was one of three men who purchased the company from its original founders in 1949. Stewart Rariden used SBA 504 financing with German American Bank and Indiana Statewide CDC to remodel and equip a vacant manufacturing building. The resulting facility is the latest addition to Stone City's manufacturing capability that has continually evolved over the decades.

Everett Southern of German American Bank says, "Our bank is able to provide Stone City an excellent lending package using the SBA 504 loan as the key ingredient. Stone City is a major employer in the south-central Indiana region and this loan and construction helps them expand that role."



STONE CITY
SOLUTION DRIVEN STAMPINGS
AND ASSEMBLIES

Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate & equipment financing for

Stone City Products
Bedford, IN

In participation with
German American Bank
Bloomington, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate real estate financing for

Rob's Meat Chop & Deli
Dyer, IN

In participation with
CNB Bank & Trust
Oak Forest, IL



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Robert Newenhouse says, "We stayed in our neighborhood," He moved Rob's Meat Chop & Deli three blocks in Dyer (Lake County) and his customers followed — and more caught on. Newenhouse's 45 employees made the move with him. Eighty people now work at Rob's. Newenhouse says, "We are twice the size (of our old store) and more efficient."

An SBA 504 loan helped Newenhouse buy land and build his new, 16,000 square-foot store. CNB Bank & Trust of Oak Forest, Illinois and Indiana Statewide CDC provided the loan.

Newenhouse, 52, opened Rob's Meat Chop & Deli 14 years ago, "I started in the business when I was 15 years old with my wife's uncle. We're an old-fashioned meat market, there is nothing packaged, and we wait on everybody." Fish, salads and soups are also in Rob's lineup.

Andrew Tinberg of CNB Bank says, "Rob staffs the business with local residents providing quality jobs close to home and is able to create more jobs in his larger store."

Tinberg continues, "SBA 504 financing has several key advantages over conventional financing. The SBA portion of the loan offers a fixed rate for the 20-year term of the credit. Traditional conventional financing often re-prices the loan every three-to-five years."

Rob's wife, Patricia, reports that their store stayed open with shortened hours for a while during the pandemic but returned to normal hours several weeks ago.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Fisher Imports
Indianapolis, IN

In participation with
Lake City Bank
Indianapolis, IN



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Rashid Peyman and his company, Fishers Imports, buys and sells luxury cars, SUVs and trucks. If the customer doesn't drive their purchase away, Fishers Imports will deliver it — free — within 250 miles of Indianapolis. He has satisfied customers in Indianapolis, Fort Wayne, Cincinnati, Louisville, Lexington, Chicago, Columbus, Toledo, Detroit and Windsor, Canada. Fishers Imports will also arrange the vehicle's delivery to anyone outside that 250-mile perimeter.

Peyman's company has sold over 9,000 vehicles in its seven years in business. Lake City Bank and Indiana Statewide CDC provided SBA 504 financing to Peyman for buying real estate and constructing a sales office and showrooms in Fishers to complete Fishers Imports' most recent expansion. Fishers Imports also has a facility in northwest Indianapolis.

Peyman says, "We specialize in rare, pre-owned Mercedes, BMW, Audis, Land Rovers, Porsches, Lamborghinis, Ferraris, and Aston Martins. We would not sell a vehicle that we wouldn't drive ourselves. Our SBA 504 loan from Lake City and Indiana Statewide enabled us to fully realize our expansion plan."

Ryan Hart of Lake City Bank says, "Rashid and his staff are straight-forward, and we are pleased to provide a great SBA 504 loan to help Fishers Imports take this step in their evolution."

Indiana Statewide Certified Development Corporation



Fourth Quarter 2020

One of the largest RV dealers in the Midwest, Mount Comfort RV, is bigger than ever upon completing a major expansion at its now-17-acre complex northwest of Greenfield.

President Ken Eckstein worked with Huntington Bank and Indiana Statewide CDC for an SBA 504 loan that helped complete the real estate purchase and construction of a modern repair center and other features.

Eckstein says, "Our SBA 504 financing was great. We now have a massive outdoor showroom for both RV rental and sales. Our repair center is first-class, and our team looks forward every day to helping customers buy, rent or repair a RV, camper, or anything they need to outfit their vehicle for a great adventure outdoors."

Brian Burrell of Huntington Bank says, "The SBA 504 loan was perfect for Ken and his business. Working with Indiana Statewide helped him and our bank overcome construction delays and the pandemic slowdown. The results are outstanding for Mount Comfort RV."



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Mount Comfort RV, Inc.

Greenfield, IN

In participation with

Huntington Bank

Indianapolis, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Automated Routing, Inc.

Troy, IN

In participation with

German American Bank

Jasper, IN



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Automated Routing's newest manufacturing plant brings ten new jobs to Troy, in Perry County.

Automated Routing is a specialty CNC (computer numerically controlled) router company with 135 employees in Troy. The 27-year-old company's new Troy plant adds 50,000 square feet of machining, assembly and warehouse space to 195,000 square feet under roof in Troy.

About 90 percent of Automated Routing's customers are original equipment furniture manufacturers, Co-owner Barry Schaefer says. "Many of them are local furniture manufacturers, and our job is to help them maintain the confidence of their customer base and employees. Opening our new plant in Troy and diversifying our range of services should help our customers and, therefore, provide a good boost for our company."

German American Bank and Indiana Statewide CDC provided a loan from the SBA 504 program to Automated Routing to buy land and build the new plant.

Schaefer is one of five brothers and two nephews who own Automated Routing. He says, "The SBA 504 loan process has been easy, easier than I thought it would be."

Jake Memmer of German American Bank says, "The SBA 504 financing allows Automated Routing to take advantage of long-term financing on their expansion and reduces risks associated with the project for German American Bank. The 504 is also flexible enough to allow for the stretched-out construction schedule."

Digital marketing agency MediaFuel is reaching out to and for clients from a new headquarters near I-69 and 116th Street in Fishers.

MediaFuel designs websites, digital marketing campaigns and video productions to attract customers to their clients' services. MediaFuel has ten employees and its clients include Wellpoint, the Indianapolis Colts, Ivy Tech, the University of Indianapolis, Eli Lilly & Co. and Peterson Schmidt Racing.

Jeff and Cynthia Kivett founded MediaFuel 16 years ago. In 2020, they financed the purchase and renovation of their new building with First Merchants Bank and Indiana Statewide CDC's SBA 504 loan.

Cindy Kivett says, "The SBA is giving us an opportunity we normally wouldn't have. The improvements to our new facility are allowing us to expand and hire. The new facility also allows us to offer services we could not provide due to size and limitation of the former space."

First Merchants' Ryan Mooney says, "This project allows MediaFuel to secure ownership of a nice facility to accommodate their growth needs. First Merchants sees the 504 programs as a great tool that brings value to help businesses grow without taking on some of the interest rate risks of other programs."

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

MediaFuel

Fishers, IN

In participation with

First Merchants Bank

Indianapolis, IN



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Indiana Statewide Certified Development Corporation



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Bradley Clark and Bruce Maginn own individual businesses combined under one title: Solomon Financial. Clark owns BD Clark Financial and Maginn owns Iceberg Financial. They bought an existing building east of Keystone and north of 96th street in Indianapolis for their businesses. Clark says the new location will help their companies expand by two-five employees and provide more services to “help clients grow and protect their savings.”

STAR Financial Bank and Indiana Statewide CDC provided financing for the purchase with a loan from the SBA 504 program.

Clark says, “With the 504 we are able to put just 10 percent down, allowing us to keep funds available for daily operations and some new marketing programs we will use with this facility to grow the business.”

Jennifer Van Handel of STAR Financial Bank says, “We love working with small business who put the right financing structure in place for the long run. Working with Indiana Statewide CDC we were able to structure a loan that best met this company’s needs. The borrower conserved working capital to fuel their growth.”



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Solomon Financial

Carmel, IN

In participation with

STAR Financial Bank

Indianapolis, IN



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Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Cryogenic Solutions, LLC

Indianapolis, IN

In participation with

Huntington Bank

Indianapolis, IN



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In a classic small-business startup, the owner begins making and servicing products in his garage, all the while scrambling to secure his niche in a competitive market.

Todd Durham is living that story. Beginning in 2008, Durham primarily serviced liquid oxygen tanks. By 2020, Cryogenic Solutions LLC had grown through acquisition and from within to become a national leader in selling and servicing refurbished sleep and respiratory equipment for hospitals, nursing homes and home-care providers.

Cryogenic Solutions needed a new location to give its 45 employees room to fulfill customers’ needs covering more than 20 product categories. Durham obtained SBA 504 financing to buy and remodel a building in southwest Indianapolis. Huntington National Bank and Indiana Statewide CDC provided the loan.

Travis Caulk of Cryogenic Solutions says, “The 504’s lower interest rate and favorable down payment requirements allow us to utilize our capital in the best way possible to maximize our growth initiatives.”

Ryan Bozell of Huntington Bank says, “Huntington National Bank used the SBA 504 loan to assist the borrower with the proposed project financing and allowing CIS a longer maturity rate than our regular lending policy permits.”



REFURBISHED
RESPIRATORY
EQUIPMENT

Sheila Faut has established a loyal following for her business, POSH Salon & Spa, for more than ten years. “We know many of our customers and their families. And we know their hairstyle preferences, and when we had a chance to buy a larger facility nearby, I did not want to miss out.”

Using an SBA 504 loan from First Merchants Bank and Indiana Statewide CDC, Faut purchased real estate and an existing building in Greenfield’s heart along West Main Street (U.S. 40).

Faut says, “The loan process was very easy with First Merchants and Indiana Statewide CDC. I probably could not have accomplished this move without the 504 loan. It made ownership possible.”



The coronavirus pandemic closed POSH for seven weeks. Faut says, “We have been open and running since May 11. Business has been going really well and we are all grateful for the support from our community.”

Michelle Back of First Merchants Bank says, “This partnership helped POSH Salon & Spa invest in itself while upgrading a vacant building in a visible area of historical Downtown Greenfield into something Sheila and the community can be proud of. Being able to participate in this type of physical transformation is a rewarding aspect of lending. The SBA 504 program supports First Merchants’ ability to add value by offering alternative financing options while helping strengthen the financial condition of those customers who partner with us and Indiana Statewide CDC.”

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

POSH Salon & Spa

Greenfield, IN

In participation with

First Merchants Bank

New Castle, IN



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The Big Stories of 2020

Two stories dominated the news in 2020: the Covid-19 pandemic and the election. The latter is now over and new — or returning — officeholders soon will begin their responsibilities. And newly developed vaccines allow us to imagine seeing the end of the pandemic rising on a distant horizon.

The pandemic's tragic death toll is a permanent loss. Businesses that have closed will never return. And even more companies — small and large — are clinging to the edge of a cliff. Those companies continue to need our help,

During the last several months, Cambridge Capital Management has reached out to each of our portfolio companies and continued to monitor and provide relief as they navigated the pandemic. We encouraged all of our borrowers to apply for Paycheck Protection Program (PPP) loans and Economic Injury Disaster loans (EIDL). With new legislation pending there may be more relief coming or there could be more uncertainty. Some of these borrowers may see a tax impact to the relief. We believe that many borrowers may require urgent cash to pay taxes on this additional income or may need capital to continue their recovery.

Right now, is a good time for bank loan officers to evaluate whether they should partner with the Indiana Business Community Credit Corporation (ICBCC) to provide some permanent working capital to fuel the recovery of these businesses.

We have a long way to go to reach a secure economy in which small businesses are able to resume their importance as providers of abundant jobs and services. Please call us. Allow us to work with you in helping your small-business borrowers return to economic health.

Grow Indianapolis Fund

There are many ways Cambridge Capital helps Indiana's small businesses succeed. Our partnerships with financial institutions are key in extending the ability of each of us to find the right funding solution.

Did you know that Cambridge also manages the Grow Indianapolis Fund for the City of Indianapolis? This fund utilizes New Market Tax Credits along with leverage loans to create a pool of capital that can be lent to small business located in distressed areas of the city. Often these loans have flexible terms like interest only period, long amortizations and high advance rates.

If you are aware of a company that could benefit from this type of funding follow up with Ckennedy@cambridgecapitalmgmt.com

In our newsletter, we report each quarter how our companies — Indiana Statewide CDC, Indiana Community Business Credit Corp., Lynx Capital Corp., Cambridge Ventures L.P., and Community Investment Fund of Indiana — make a positive difference. We want to see your names in here, too. Call us about any of these and remember the Grow Indianapolis Fund is a great way to be involved in rebuilding businesses in our Capitol City.



Success Story: Highway Safety Services

If you're annoyed at the slowdowns around highway construction barriers and safety barrels, consider the people who installed them. Highway safety barriers exist to save the lives of the construction workers...and possibly your life, too.

Highway Safety Services of Indiana probably installed those orange barrels and concrete barriers along with the radar signs that accurately display your speed. The company picks up and re-installs the devices to follow the construction crews as they move on down the road.

President and owner Mike Madrid founded Highway Safety Services (HSS) in 2007 and is presiding over its rapid growth. HSS' 40 employees (the number zooms up when local temporary workers are hired) handle over 75 projects in Indiana at a time and more than 200 projects per year.

HSS' customers are the large highway contractors who perform the work. This includes putting down the thermoplastic painted runway markings at airports such as those in Indianapolis, French Lick, Kokomo and West Lafayette.

Madrid received a working capital line of credit from First Merchants Bank and three Cambridge Capital Management programs; Indiana Community Business Credit Corp, Lynx Capital Corp. and Community Investment Corporation of Indiana. Dan House of First Merchants suggested the project to Cambridge Capital.

Highway Safety Services set a new sales record in 2020 and Madrid repaid his loans to Lynx Capital Corporation and Community Investment Fund of Indiana. They still are partnering with First Merchants and Indiana Community Business Credit Corporation. Madrid says, **"The financing was great. (Everyone) is outstanding, easy to work with and responsive. The loans were tailored to fit our needs. They allow our company to grow and reach new goals every year."**



HIGHWAY SAFETY SERVICES

Success Story: At Home Health Services

At Home Health Services professional caregivers often made the difference between a patient receiving high quality care at home or being forced to enter a hospital.

Lynx Capital Corporation provided working capital at a key time for At Home. The company needed to hire nurses and attendants in order to meet increasing demands.

Owner Beverly Johnson says, **"Lynx was wonderful. We would not have made it as far as we did."** Having reached her goals of stabilizing the company, Johnson repaid her loan from Lynx Capital.

LYNX Capital Corporation

Fourth Quarter 2020

Eli Lilly and Company Invests \$1 Million in Lynx Capital Corporation

Eli Lilly and Company invested \$1 million in Lynx Capital Corporation recently. Actually, it's an "additional" \$1 million, bringing Lilly's total investment in Lynx to \$3.5 million over a 30 year period.

Lynx Capital is a minority small-business lending fund managed by Cambridge Capital Management.

Cambridge Capital Management Corp.

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Jean Wojtowicz, Cambridge Capital's CEO, says, "**Lilly has walked with Lynx Capital since our beginning in 1991. Lilly has provided financial assistance and personnel who volunteer their time on Lynx's board. Lynx recognizes that businesses owned by minorities need access to expansion capital designed specifically for them. And Lilly proves, through its actions, that it shares Lynx's commitment to helping build a strong and diversified economy.**"

Lilly's latest commitment to Lynx was included in an announcement of Lilly's participation in the Indy Racial Equality Pledge, a coalition of civic and business community members.

Josh Smiley, CFO of Lilly and senior vice president, says, "**Lilly is committed to improving racial equity and providing solutions that level the playing field, including investing in minority-owned business. We have been proud to partner with Lynx Capital Corporation to grow African American businesses in Indiana and hope this investment will be a catalyst for others.**"

Lilly is a global healthcare leader based in Indianapolis with a more than 140-year commitment to creating and distributing high quality medicines that meet real needs.

Lynx Capital has issued more than \$22 million in loans and has provided assistance to more than 90 minority-owned Hoosier businesses.