NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - CLEAN ENERGY SOLUTIONS CAPITAL INVESTMENT PROGRAM  

APPLICANT: Research and Manufacturing Corporation of America  
PROJECT USER(S): Same as applicant  
PROJECT LOCATION: 285 River Avenue  
GOVERNOR'S INITIATIVES: ( ) Urban Fund (X) Other Urban ( ) Edison ( ) Core (X) Clean Energy  

APPLICANT BACKGROUND:  
Research and Manufacturing Corporation of America ("RAMCOA" or "Company") is a designer and manufacturer of aftermarket vehicle suspension parts. RAMCOA was founded in 1986 by Jerry Joseph and the current owners Charles Semah and Shlomo Kanarek purchased the Company in March 2006.  

Shlomo Kanarek founded Bais Rivka Rochel School for Girls, which is located in Lakewood, in 1985. The school will be the direct benefactor of this project as the solar panel system will supply over 80% of the school's electrical needs.  

APPROVAL REQUEST:  
Approval of a $787,500 term loan under the Clean Energy Solutions Capital Investment Program.  

FINANCING SUMMARY:  
LENDER: NJEDA  
AMOUNT OF LOAN: $787,500  
TERMS OF LOAN: 10-Year Term/10-Year Amortization  
0% interest rate for the life of the loan  

PROJECT COSTS:  
Purchase of equipment & machinery $1,254,000  
Other Costs $166,000  
Engineering & architectural fees $125,000  
Renovation of Bldg. $25,000  
Legal fees $5,000  

TOTAL COSTS $1,575,000  

JOBS: At Application 35 Within 2 years 0 Maintained 0 Construction 0  

DEVELOPMENT OFFICER: R. Fischer  
APPROVAL OFFICER: J. Wentzel
TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: March 12, 2010

SUBJECT: TimeSight Systems, Inc. ("TimeSight")
Mount Laurel, New Jersey
$1,000,000 Edison Innovation Loan/$800,000 Advanced

Request:
Consent to EDA increasing its subordinate position carve out on the corporate assets from $250,000 to $750,000 and permit a shared lien on intellectual property with Bridge Bank ("Bank"), who will advance this working capital line of credit to provide support for the company’s operating needs until it closes a $4 million equity raise in late June. In exchange for our consent EDA will cap its loan exposure to TimeSight at $800,000 and will execute an Intercreditor Agreement with the Bank satisfactory to the Attorney General’s Office.

Background:
Formed in 2004, TimeSight is a software company that compresses high resolution video over time according to criteria set by the end user. TimeSight’s product reduces the data storage costs for a high-resolution camera and advanced analytics software systems used in security surveillance.

In April 2009, the members approved a $1,000,000 Edison Innovation loan to provide growth capital to this technology company. The loan closed in October 2009 and to date $800,000 has been disbursed against milestones. Interest is capitalized until December 1, 2010. Interest only payments will commence in January 2011; principal plus interest payments will commence in June 2011.

In January 2010, TimeSight requested and EDA approved under delegated authority consent for a $750,000 subordinate bridge loan from its largest investor, New Venture Partners ("NVP"). The NPV subordinated bridge loan plus anticipated first quarter company revenues were expected to fund TimeSight’s operations through June 2010 when the anticipated $4,000,000 Series B round of equity and a $750,000 line of credit from the Bank were anticipated to close.

TimeSight’s revenue projections fell short due to a delay in two large customer orders, and the company’s cash flow needs now require it to secure a line of credit from the Bank sooner than anticipated.
While consenting to the Bank’s line of credit was contemplated by EDA at the time of closing, the Bank is asking EDA to increase its subordination carve out from $250,000 to $750,000 and share our lien on the IP. As a result of these changes, Board consent is required.

There is risk to increasing our subordinated position from $250,000 to $750,000 and sharing our IP lien with the Bank. However, withholding our consent would impair the company’s ability to secure the working capital it needs to support operations. It is also highly unlikely that the asset values in this early stage company will repay our loan unless the company receives working capital sufficient to generate sales and gain traction in the market.

The largest risk is that the $4 million equity raise may not close on time or may not close at all. While we are uncertain at this time whether either of those issues could arise, to insulate EDA against those potential risks, staff is recommending that we cap our exposure at the current level of $800,000 in exchange for providing this consent.

**Recommendation:**
Consent to increasing our subordination from $250,000 to $750,000 and to sharing our IP lien with the Bank to facilitate the lender’s approval of a $750,000 credit line, which will capitalize the company until it completes its $4MM Series B equity round in June. In exchange for our consent, EDA will cap its exposure to $800,000 and will execute an Intercreditor Agreement with the Bank acceptable to the Attorney General’s Office.

The members are asked to approve this request to support an early stage technology company with 14 employees and to improve EDA’s likelihood of collecting its loan and sharing in future upside with our warrant position.

**Prepared by:** Glenn C. Anderson, Sr. Portfolio Manager