

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**NEW JERSEY EMERGING TECHNOLOGY AND
BIOTECHNOLOGY
FINANCIAL ASSISTANCE REPORT**

FY2005 –FY2006 ANNUAL REPORT



NEW JERSEY EMERGING TECHNOLOGY AND BIOTECHNOLOGY FINANCIAL ASSISTANCE REPORT

The New Jersey Economic Development Authority (EDA) is pleased to report the results of its activities for fiscal years 2005 and 2006 under the New Jersey Emerging Technology and Biotechnology Financial Assistance Act in accordance with P.L. 1995, C.137, Chapter 34. This report reflects activity for the period July 1, 2004 through June 30, 2006.

The EDA offers a wide range of financial, real estate development and technical services to encourage business growth and job creation. As part of its commitment to the primary business sectors critical to the state's economy, the EDA has fostered advancement of all sectors of the technology industry throughout New Jersey.

In FY2005 and FY2006, the EDA directly committed approximately \$186 million in financial assistance to high technology and life science companies as follows:

Technology Financing	\$ 6.5 million
Loans/Loan Guarantees/Bonds	\$11.6 million
Business Employment Incentive Program (BEIP)	\$52.9 million
Tax Certificate Transfer Program	\$ 105 million
Garden State Life Sciences Venture Fund	\$ 10 million
Total:	\$ 186 million

Financing Overview

The EDA provided financial assistance to 22 high technology and life science companies through targeted technology-focused initiatives, i.e., the Seed Capital Fund, Springboard Fund and New Jersey Technology Fund.

Seed Capital Fund – The Seed Capital Fund targets businesses that have already developed a new technology or product and require seed capital to bring the product to market. In FY2005 and FY2006, EDA provided financing to 2 companies for a total of \$841,400 in support.

Springboard Fund – The Springboard fund offers direct investment in companies to conduct product or process development with near-term commercial outcomes. In FY2005 and FY2006, the EDA provided financing to 18 companies for a total of \$4,370,646 in support.

New Jersey Technology Fund – The New Jersey Technology Fund is a partnership between the EDA and area banks that offers expansion capital to companies further along in their business cycle and focuses on companies seeking from \$100,000 to \$5 million in financial support. In FY2005 and FY2006, the EDA provided financing to 2 companies for a total of \$1,353,500 in support.

A list of all projects assisted through the Seed Capital Fund, Springboard Fund and New Jersey Technology Fund in FY2005 and FY2006 is attached as *Exhibit A*.

In addition to these funds created to specifically benefit the technology industry, the EDA also provided other low-cost financing opportunities, including loans, loan guarantees and tax-exempt bond financings for manufacturers. In FY2005 and FY2006, the EDA assisted 10 technology and life sciences companies through \$11,649,939 in loans, loan guarantees and bond financing. A list of these additional projects is attached as *Exhibit B*.

During this time, EDA also executed 31 Business Employment Incentive Program (BEIP) grant agreements with technology and life sciences companies worth approximately \$52.9 million over 10 years, supporting the creation of 3,032 jobs and \$367 million in new capital investments. Through EDA's low-interest financing programs, which include loans, guarantees and tax-exempt bonds, 10 projects were assisted with nearly \$12 million in financing.

In addition, EDA also administers the Technology Tax Certificate Transfer Program, which made \$105 million available to 462 eligible life science and high technology companies in FY2005 and FY2006. EDA also provides technical assistance through entrepreneurial training, and offers technology-based companies significant real estate development support throughout the State.

Finally, in August 2004, the EDA entered into a limited partnership agreement with Quaker BioVentures to create and manage the \$40 million Garden State Life Sciences Venture Fund to make investments in emerging New Jersey life sciences companies. The EDA's \$10 million commitment leveraged at least \$30 million in investments from other Quaker-managed funds.

Edison Innovation Fund

In Fall 2006, EDA sought to build on its commitment to technology businesses through the establishment of the high profile Edison Innovation Fund – a key element of Governor Jon S. Corzine's *Economic Growth Strategy* – discussed below. Although the EDA began the application and review process for loans and grants under the new fund, the final approval of financings did not occur until the later part of calendar year 2006 and are not reported herein.

The Edison Innovation Fund helps create, sustain and grow technology and life sciences businesses in New Jersey. The Fund, managed by EDA, builds the capacity of the state's research colleges and universities in strategic areas that complement economic development, expands the entrepreneurial environment of the state and increases access to early stage capital and provides specialized assistance to existing mid-sized and large science and technology businesses.

Utilizing an integrated set of resources, the \$150 million Edison Innovation Fund supports technology and life science initiatives throughout the stages of discovery, development, and commercialization. While the EDA, along with real estate investments and additional direct funding, has dedicated \$45 million to specific investment categories, the Commission on Science and Technology is also a partner in the Fund, with commitments totaling \$25 million.

In addition to providing access to research grants from the federal government, the Fund will leverage \$350 million in private capital. To build the ideas that support technology-based economic growth, the Edison Innovation Fund invests in the creation of Centers of Excellence in

the state's colleges and universities in areas important to New Jersey's economic growth. An Eminent Scholars Endowment Fund was also created to recruit world-class researchers to run these centers.

See addendum for overview of the Edison Innovation Fund investment areas.

Technology Business Tax Certificate Program

The EDA administers the Technology Business Tax Certificate Program, which assists growing technology and biotechnology companies continue their research, raise capital and strengthen and build their business.

The program enables eligible companies with fewer than 225 employees, at least 75 percent of whom must be based in New Jersey, to sell their net operating losses and/or research and development credits to profitable corporate entities, which also must be New Jersey-based. The proceeds from these sales must be reinvested in the seller's business and can be used for business expenses like purchasing equipment or expanding facilities, or for working capital to cover operating expenses.

Under the program, applications are reviewed by the Division of Taxation to establish the value of the tax loss or tax credit benefit. The Commission on Science and Technology reviews the applications for technology qualifications and EDA makes the final determination on eligibility. When an application is approved, a certificate is issued that identifies the value of tax being exchanged and transfers it from the selling to the buying company.

Initially, the program made \$40 million available each year. However, in June 2004, legislation was enacted which increased the program cap to \$55 million in FY2005 and to \$60 million in FY2006. Since its inception, the Technology Business Tax Certificate Transfer Program has proven to be widely popular and a successful element of the Edison Innovation Fund initiative:

- In FY2005, 226 applications were approved under the program to share \$55 million.
- In FY2006, 212 applications were approved under the program to share \$50.1 million.

In total, the program has provided \$325 million to emerging technology companies in a wide range of industries from life sciences to electronics to software. A business can apply more than once for assistance subject to a total lifetime cap of \$10 million.

Business Employment Incentive Program (BEIP)

The Business Employment Incentive Program (BEIP) offers grants to companies that create new jobs in New Jersey. The program has proven especially enticing to companies representing new and emerging technology industries. BEIP grants may be granted for up to 10 years and can equal 10% to 80% of the total amount of state income taxes generated by the grantees' newly created jobs during the

calendar year. To qualify, a business must demonstrate that the BEIP grant is a “material” factor for expanding or relocating jobs in New Jersey, that it is financially viable, and that it will create a minimum number of new jobs.

Over the years, the BEIP program has been amended to enhance benefits to emerging technology companies. Under the program, a company is required to create 25 new jobs in the state. However, because many high technology/biotechnology companies are too small to qualify for the BEIP grant, but have great economic potential, the enhanced BEIP program lowers the minimum job creation requirement for these industries to the creation of 10 employees.

The enhanced BEIP program further encourages the growth of certain targeted industries by providing the opportunity for higher grant amounts for qualifying businesses within the high technology, biotechnology, and pharmaceutical industries, among other targeted industries such as financial services and logistics.

As noted earlier in this report, in FY2005 and FY2006, EDA executed 31 BEIP grants with emerging technology companies in New Jersey. The grants, worth an estimated \$53 million, will support the creation of an estimated 3,032 new jobs and the total investment of approximately \$367 million in New Jersey. A full list of technology and life sciences companies that executed BEIP grants in FY 2005 and FY 2006 is attached as *Exhibit C*.

Innovation Zones

In FY2005, the EDA created three Innovation Zones located in parts of Camden, Newark and the Greater New Brunswick/North Brunswick area. The zones – “technology neighborhoods” encompassing state universities, research institutions and related businesses – are designed to spur collaborative efforts and encourage the rapid transfer of discoveries from the laboratory to the marketplace. Technology and life sciences companies relocating within Innovation Zones are eligible for enhanced financial incentives through the EDA.

In FY2005, \$5 million in Technology Tax Certificate Transfer Program funds were set aside for additional funding for approved projects in the Innovation Zones; and, in FY2006, the amount was increased to the current level of \$10 million. In all, twenty-six companies were assisted with these additional funds in FY2005 and FY2006.

Under the Business Employment Incentive Program (BEIP), technology and life sciences companies relocating to Innovation Zones are afforded a boost to the scoring formula for determining grant amounts based on the tax withholdings of new jobs created, as well as additional scoring criteria, resulting in higher cash grants.

The Camden and Greater New Brunswick Zones feature a state-of-the-art commercialization facility to provide specifically designed office and lab space for early-stage growth companies; and a building to house high technology office tenants with unique technology requirements is in the early planning/design stage in the Newark Innovation Zone.

Real Estate Development

Among its real estate activities during FY2005 and FY2006, the EDA initiated and completed plans to more than triple the space within its Commercialization Center for Innovative Technologies (CCIT) in North Brunswick, one of the more significant life sciences and technology post-incubator facilities in the nation. The expansion plans will provide new lab units, business accelerator office space and flexible conferencing facilities for emerging biotechnology and other life sciences companies located in the EDA's Technology Centre of New Jersey along the Route 1 research and development corridor between Princeton and Rutgers universities.

The EDA also designed and constructed the Waterfront Technology Center at Camden, a five-story, 100,000-square foot building suitable for both established businesses and startups in the biosciences, microelectronics, advanced materials, information technology and other high-tech fields. The facility is the first public project in the state to be certified under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System. The LEED-CS designation for core and shell pilot gold-level certification was awarded by the U.S. Green Building Council, a Washington, D.C.-based nonprofit coalition of building industry leaders, which administers the national rating standards for high-performance, sustainable buildings.

The first of several buildings planned for the site along the Camden waterfront, the Waterfront Technology Center received its first tenants in 2006 – Drexel University/Applied Communications and Information Networking (ACIN) program to advise high-technology startups focused on military security to homeland defense; Gestalt, LLC, an international firm providing consulting, technology and managed services to defense and energy and utilities industries, and the Rutgers Camden Technology Campus, Inc., which operates the Rutgers Camden Business Incubator to encourage entrepreneurs to locate their business in Camden and helps them secure low-cost office and conference support and mentoring services.

EDA Technology Project Highlights

Princeton Power Systems, Inc., a power conversion technology business, received a \$250,000 recoverable grant that made it possible for the Princeton startup company to continue development of an industrial/commercial prototype using its proprietary technology, which controls the speed of electric motors to conserve energy and can be adapted for a wide variety of applications.

Q-Pharma, LLC of Lawrence received a \$2.4 million Sun National Bank loan with a \$500,000 EDA participation at an initial interest rate of 3 percent and a 40 percent EDA guarantee of the bank's portion of the financing to support new equipment and working capital needs for its manufacturing business.

Simulation Systems Technologies of Mount Laurel – a custom software development firm – borrowed \$500,000 from The Bank, backed by a 25-percent EDA participation and a 30-year EDA guarantee, to purchase equipment and for working capital.

Novo Nordisk, Inc., a world leader in hemostasis therapy, opened its first-of-its-kind hemostasis research center at the EDA's Technology Centre of New Jersey in North Brunswick. The company's primary focus will be discovering new pharmacological targets for hemostasis and related complications.

Gestalt, LLC, a leading provider of technology solutions that enable organizations to make better decisions and maximize the value of current IT investments, received a \$1.4 million Business Employment Incentive Program grant and \$289,200 Business Lease Incentive Grant. The company, with 10 offices in 3 countries, is an essential partner to some of the world's most vital organizations in the defense and energy sectors.

Linguagen, which develops novel healthful taste enhances for the food and pharmaceutical industries, received a BEIP grant worth over \$440,000 over 10 years for the creation of an estimated 36 jobs in Ewing Twp.

For more information about the EDA and the assistance it offers to high technology and life sciences companies in New Jersey, visit www.njeda.com

Exhibit A

EDA Technology Program Financing (FY2005/FY2006)

Name of Program/Project	Municipality	County	Est. Jobs	EDA		Closing Date	Project Type
				Financing Amount	Total Project Cost		
<u>Seed Capital Fund</u>							
Ingen Orthopedics, L.L.C.	Manalapan Twp.	Monmouth	12	\$500,000	\$500,000	11/10/2004	Manufacturing
Creative Business Decisions Inc	Princeton Boro	Mercer	35	\$341,400	\$512,000	3/15/2005	Services
Total Projects: 2			47	\$841,400	\$1,012,000		
<u>Springboard Fund</u>							
CyberExtruder.com, Inc.	Newark City	Essex	8	\$250,000	\$250,000	7/29/2004	High Technology
face2face animation, inc.	Summit City	Union	12	\$250,000	\$250,000	7/29/2004	High Technology
MGP Biotech, Inc.	Lawrence Twp.	Mercer	6	\$123,979	\$123,979	7/29/2004	High Technology
Noble Device Technologies Corporation	Newark City	Essex	20	\$250,000	\$250,000	7/29/2004	Manufacturing
Provid Pharmaceuticals, Inc.	Edison Twp.	Middlesex	43	\$250,000	\$250,000	7/29/2004	Manufacturing
Sightlogix, Inc.	Montgomery Twp.	Somerset	24	\$250,000	\$250,000	7/29/2004	Biotechnology
Common Ground Recycling	Camden City	Camden	20	\$250,000	\$250,000	10/1/2004	Manufacturing
Nanonex Corporation	South Brunswick Twp.	Middlesex	50	\$250,000	\$250,000	10/1/2004	Manufacturing
Princeton Power Systems, Inc.	Princeton Boro	Mercer	60	\$250,000	\$250,000	10/1/2004	High Technology
Software International, Inc.	Ewing Twp.	Mercer	43	\$250,000	\$250,000	10/1/2004	Health Care
TeleManager Technologies, Inc.	Newark City	Essex	40	\$250,000	\$250,000	10/1/2004	High Technology
ClassLink, Inc	Weehawken Twp.	Hudson	5	\$246,667	\$246,667	11/29/2004	High Technology
Hycrete Technologies, LLC	Newark City	Essex	3	\$250,000	\$250,000	11/29/2004	Manufacturing
Phytomedics Inc.	South Brunswick Twp.	Middlesex	3	\$250,000	\$250,000	11/29/2004	Pharmaceutical
U V Solutions, Inc.	Bernardsville Boro	Somerset	5	\$250,000	\$250,000	11/29/2004	High Technology
Cerionx, Inc.	Camden City	Camden	0	\$250,000	\$250,000	1/28/2005	Manufacturing
Silicon Wafer Technologies, Inc.	Newark City	Essex	0	\$250,000	\$250,000	1/28/2005	Manufacturing
Supertron Technologies, Inc.	Newark City	Essex	0	\$250,000	\$250,000	1/28/2005	Manufacturing
Total Projects: 18			342	\$4,370,646	\$4,370,646		
<u>New Jersey Technology Fund</u>							
Q-Pharma, LLC	Lawrence Twp.	Mercer	55	\$1,116,000	\$2,500,000	10/1/2004	Pharmaceutical
Simulation Systems Technologies, Inc.	Voorhees Twp.	Camden	18	\$237,500	\$505,000	2/22/2005	High Technology
Total Products: 2			73	\$1,353,500	\$3,005,000		
ALL PROJECTS: 22			462	\$6,565,546	\$8,387,646		

Exhibit B

EDA Low-Interest Financing (FY2005/FY2006)

Name of Program/Project	Municipality	County	Est. Jobs	EDA Financing Amount	Total Project Cost	Closing Date	Project Type
Loans/Guarantees							
South Jersey Water Test, LLC	Monroe Twp.	Gloucester	5	\$116,000	\$246,750	2/25/2005	Services
PJM Environmental Info Services	Non-NJ	Non-NJ	1	\$2,222,000	\$2,222,000	3/24/2005	High Technology
Applicad, Inc.	Farmingdale Boro	Monmouth	5	\$40,750	\$252,768	9/1/2005	Services
Princely, L.L.C.	Trenton City	Mercer	20	\$350,000	\$1,759,000	10/14/2005	Pharmaceutical
TOBAR, Inc.	East Brunswick Twp.	Middlesex	8	\$308,239	\$1,464,369	11/3/2005	Services
Gestalt, LLC	Camden City	Camden	17	\$289,200	\$3,375,928	3/23/2006	Research and Development
EWC Controls, Inc.	Englishtown Boro	Monmouth	10	\$168,750	\$927,188	6/9/2006	High Technology
Tax-Exempt Bonds							
EMI Edge, LLC	Totowa Boro	Passaic	15	\$3,000,000	\$5,983,000	3/8/2005	Manufacturing
Elite Pharmaceuticals, Inc.	Northvale Boro	Bergen	26	\$1,655,000	\$1,890,000	8/31/2005	Pharmaceutical
TheraGen, Inc.	East Windsor Twp.	Mercer	65	\$3,500,000	\$9,900,000	11/15/2005	Pharmaceutical
Total Projects: 10			172	\$11,649,939	\$28,021,003		

Exhibit C

BEIP Grants with High Technology, Biotechnology and Pharmaceutical Industries FY2005 and FY2006

Name of Applicant	Industry	Municipality	County	Type of Proj	Est. Jobs	Jobs Created to Date	Est. Grant Amount	Amount of Grant Disbursed to date	Total Project Investment in NJ	Grant Execution Date	EDA Approval Date
Accurum, Inc.	High Tech	Jersey City	Hudson	SV	70	16	\$381,360	\$0	\$250,000	8/18/2004	6/8/2004
Aurobindo Pharma LTD, Inc.	Pharmaceuticals	South Brunswick Twp.	Middlesex	MF	150	12	\$441,000	\$0	\$26,500,000	9/14/2004	3/9/2004
VaxInnate Corporation	High Tech	Cranbury Twp.	Middlesex	RD	30	14	\$384,265	\$0	\$2,000,000	9/23/2004	7/13/2004
Medidata Solutions, Inc.	Communications	Edison Twp.	Middlesex	SV	60	52	\$642,010	\$88,744	\$1,150,000	12/27/2004	10/12/2004
Medical Diagnostics Lab., LLC	High Tech	Hamilton Twp.	Mercer	RD	75	139	\$201,702	\$27,921	\$9,200,000	12/27/2004	6/8/2004
Zimmer Trabecular Metal Tech.	Manufacturing	Hanover Twp.	Morris	MF	65	31	\$283,437	\$11,808	\$2,680,000	12/28/2004	9/14/2004
Dendrite International, Inc.	High Tech	Bedminster Twp.	Somerset	SV	170	0	\$2,481,150	\$0	\$8,000,000	12/29/2004	6/10/2003
Phyton Biotech, Inc	Biotechnology	East Windsor Twp.	Mercer	RD	118	32	\$1,204,868	\$10,670	\$2,730,170	11/9/2005	2/8/2005
Antenna Software, Inc.	Communications	Jersey City	Hudson	SV	20	27	\$437,120	\$54,914	\$850,000	3/31/2005	5/11/2004
Dava Pharmaceuticals, Inc.	Pharmaceuticals	Fort Lee Boro	Bergen	MF	40	7	\$931,560	\$0	\$170,000	4/25/2005	12/13/2004
Celgene Corporation	Pharmaceuticals	Summit City	Union	MF	600	188	\$6,086,250	\$97,819	\$35,000,000	5/26/2005	2/10/2004
Amdocs, Inc.	High Tech	Jersey City	Hudson	SV	60	24	\$933,900	\$0	\$1,500,000	6/9/2005	10/12/2004
NPS Pharmaceuticals, Inc.	Pharmaceuticals	Parsippany-Troy Hills	Morris	CM	100	16	\$4,371,200	\$0	\$2,000,000	6/23/2005	12/9/2003
Zimmer Trabecular Metal Tech.	Manufacturing	Parsippany-Troy Hills	Morris	MF	100	19	\$408,675	\$0	\$17,787,000	7/21/2005	2/8/2005
Infragistics, Inc.	High Tech	East Windsor Twp.	Mercer	SV	12	20	\$69,150	\$0	\$609,456	7/25/2005	5/10/2005
Galaxy, Inc.	High Tech	Hackensack City	Bergen	SV	150	0	\$503,164	\$0	\$500,000	7/26/2005	5/10/2005
Metrologic Instruments, Inc.	Manufacturing	Gloucester Twp.	Camden	MF	42	74	\$75,600	\$0	\$62,500	9/12/2005	8/9/2005
Lundbeck, Inc.	Pharmaceuticals	Paramus Boro	Bergen	MF	42	5	\$726,713	\$0	\$60,000	9/16/2005	6/14/2005
Linguagen Corp.	High Tech	Ewing Twp.	Mercer	RD	36	6	\$441,018	\$0	\$4,251,000	2/8/2006	3/7/2005
Valera Pharmaceuticals, Inc.	Biotechnology	Cranbury Twp.	Middlesex	RD	20	22	\$86,295	\$0	\$3,000,000	3/28/2006	12/13/2004
Magnolia Broadband, Inc.	Manufacturing	Bedminster Twp.	Somerset	RD	24	7	\$218,124	\$0	\$730,000	3/28/2006	12/13/2004
Daiichi Pharmaceutical Corp.	Pharmaceuticals	Madison Boro	Morris	MF	76	0	\$1,330,304	\$0	\$76,000,000	3/14/2006	9/14/2004
Gestalt, LLC	High Tech	Camden	Camden	RD	60	0	\$1,477,920	\$0	\$400,000	3/23/2006	5/10/2005
Pharmasset, Inc.	Pharmaceuticals	Plainsboro Twp.	Middlesex	RD	65	34	\$1,736,864	\$0	\$11,005,000	3/31/2006	1/11/2005
Eisai, Inc.	Pharmaceuticals	Woodcliff Lake Boro	Bergen	MF	50	0	\$1,203,750	\$0	\$30,000,000	4/7/2006	7/12/2005
DOV Pharmaceutical, Inc.	Pharmaceuticals	Franklin Twp.	Somerset	MF	105	0	\$2,906,085	\$0	\$20,000,000	5/5/2006	12/13/2005
Novartis Pharmaceuticals Corp.	Pharmaceuticals	East Hanover Twp.	Morris	MF	250	0	\$5,822,250	\$0	\$60,000,000	5/9/2006	5/11/2004
Kirusa Inc.	High Tech	New Providence Boro	Union	MF	41	0	\$475,395	\$0	\$30,000	5/22/2006	2/14/2006
King Pharmaceuticals, Inc.	Pharmaceuticals	Bridgewater Twp.	Somerset	MF	91	0	\$8,253,750	\$0	\$5,900,000	5/25/2006	6/14/2005
Novo Nordisk, Inc.	Biotechnology	North Brunswick Twp.	Middlesex	RD	170	24	\$3,311,000	\$0	\$8,700,000	6/23/2006	11/9/2004
ExxonMobil Research and Eng.	High Tech	Clinton Township	Hunterdon	RD	140	0	\$5,139,428	\$0	\$36,000,000	6/26/2006	1/10/2006
Total: 31						3,032	\$52,965,307		\$367,065,126		

Edison Innovation Fund

Targeted Investment Areas

In FY2007, targeted investments of \$45 million were allocated to advance the Edison Innovation Fund; coupled with \$60 million in investments made earlier in 2006, New Jersey has committed over \$100 million to support and encourage innovation in the state. The \$45 million will be targeted to several investment areas, including:

Edison Innovation Angel Guarantee Fund – The angel guarantee fund was launched through JumpStart New Jersey with an allocation of \$1 million in 2006, along with an additional \$1 million.

- Angel Guarantees are provided by the New Jersey EDA to encourage angel investors to provide pre-venture capital to life sciences and technology companies
- Guarantees cover up to one-third of the angel investments in early-stage companies
- Available to members of JumpStart New Jersey Angel Investor Network during the initial rollout stages. JumpStart is a private, member led angel group that invests in early-stage technology companies in the Mid-Atlantic region.

Edison Innovation Research and Development Fund – Promising early-stage research companies can gain access to up to \$100,000 in equity-like financing for non-R&D related costs, in combination with up to \$500,000 in grant funding from the New Jersey Commission on Science & Technology.

Edison Innovation Commercialization Fund – Qualified early-stage companies seeking to bring their new project to market are eligible for up to \$200,000 in the form of a subordinated convertible note.

- Up to \$200,000 in the form of a subordinated convertible note
- Below-market, fixed interest rate in the range of 4-10%; may involve deferred interest and/or principal up to 5 years
- Financing "staged in" based upon business- and technology-based milestones, specific to each individual company; structure to include a negative pledge on the intellectual property
- Warrants will be taken; no personal guarantees required

Edison Innovation Growth Fund – Qualified companies seeking to grow their operations will be eligible for up to \$1 million in funding. Applicants at this stage should have an independent reference-able "beta" and will have "fresh" match funding.

- Financing from \$200,000 to \$1 million, with a 1:1 cash match
- Structure similar to Seed/Early Stage Loans (above)
- Companies must have delivered a "proof of concept" and achieved successful, referencable, independent beta results
- Both technical and experienced business owners to be part of the management team

Edison Innovation – "Fund of Funds" – The EDA has approved new guidelines to ensure that its venture capital investments are aligned with the *Economic Growth Strategy* and consistently support the success of emerging New Jersey-based businesses.

- EDA to commit up to \$20 million in three to four venture funds to ensure venture capital investments are aligned with Governor Corzine's Economic Growth Strategy.
- Venture funds supported to date include NJTC Venture Fund, Edison Venture Fund, Garden State Life Sciences Venture Fund, and NextState Capital.