



Request for Proposals – Legal Counsel

January 18, 2023

RE: Request for Proposals, InvestTN Fund Legal Counsel

Dear Law Firm,

The Tennessee Technology Development Corporation, d/b/a Launch Tennessee (LaunchTN) is requesting proposals from law firms that have extensive experience in providing legal counsel services for venture capital firms making equity investments into early-stage startups, as well as limited partner commitments into venture capital funds. We invite your firm to submit a three-year proposal to us by February 10, 2023, for consideration. Due to the unique structure and needs of the InvestTN program, we may enlist the support of more than one law firm to assist us in supporting investable businesses across Tennessee. A description of our organization, the services needed, and other pertinent information follows:

Background of LaunchTN:

LaunchTN is a public-private partnership focused on supporting the development of high-growth companies in Tennessee. Our ultimate goal is to make Tennessee the No. 1 place in the Southeast to start and grow a business. LaunchTN is recognized by the Internal Revenue Service as a charitable, tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code. Launch Tennessee was incorporated in 1998.

In 2023, LaunchTN will be responsible for the management and disbursement of investment funds that will be passed through Tennessee's Department of Economic and Community Development from the U.S. Department of Treasury as a second iteration of the State Small Business Credit Initiative (SSBCI 2.0). These funds, referred to as the InvestTN Fund ("the Fund", fka BuildTN Fund), represent \$70M that will be invested into Tennessee-located startups and venture capital funds over a 9-year period.

LaunchTN's CEO, Chief Investment Officer, and Director of Finance constitute a three-person committee making the final selection of legal counsel in line with LaunchTN's goals for this program.

For more information on Launch Tennessee, please visit our website at www.launchtn.org.

Overview of the InvestTN Fund:

The three funds comprising the \$70M InvestTN Fund include \$28M for the Regional Seed Program, \$30M for the Technology Program, and \$12M for the Multi-Fund Program. Each program requires a unique set of legal services to be performed, independent of overall legal guidance for the InvestTN Fund as a whole. The services required for each fund are outlined below.

Services to be Performed:

Your proposal is expected to cover one or more portions of the following:

1. InvestTN Regional Seed Fund
 - a. Creation of a standardized convertible note and SAFE note for pre-Seed and Seed stage investments ranging in size from \$25k to \$250k, in line with current industry standards.
 - b. Creation of a templated side letter agreement encompassing the reporting and disclosure requirements, among other programmatic compliance requirements, outlined by the SSBCI program guidelines and national compliance standards.
 - c. A pre-negotiated rate for legal document review for each transaction, including but not limited to reasonable correspondence with LaunchTN’s capital team, document review, implementation of agreed-upon edits to relevant deal documents, execution of LaunchTN’s side letter agreement and certifications, and other deal-related legal counsel advisory duties.
2. InvestTN Technology Fund
 - a. Creation of a standardized convertible note and SAFE note for Seed and Series A stage investments ranging in size from \$500k to \$3M, in line with current industry standards.
 - b. Creation of a standardized term sheet for Seed and Series A stage investments ranging in size from \$500k to \$3M.
 - c. Creation of a templated side letter agreement encompassing the reporting and disclosure requirements, among other programmatic compliance requirements, outlined by the SSBCI program guidelines and national compliance standards.
 - d. A pre-negotiated rate for legal document review for SAFE and convertible note transactions where LaunchTN is not leading the deal but is participating, including but not limited to reasonable correspondence with LaunchTN’s capital team, document review, implementation of agreed-upon edits to relevant deal documents, execution of LaunchTN’s side letter agreement and certifications, and other deal-related legal counsel advisory duties.
 - e. A pay scale for legal document review (including the items detailed above in 2d.) for priced transactions where LaunchTN is leading the deal, negotiating terms with the company, and setting the terms for the round.
3. InvestTN Multi-Fund Fund
 - a. Creation of a templated side letter agreement encompassing the reporting and disclosure requirements, among other programmatic compliance requirements, outlined by the SSBCI program guidelines and national compliance standards.
 - b. A pay scale for legal document review for capital commitments made by LaunchTN into venture funds, including but not limited to reasonable correspondence with LaunchTN’s capital team, document review notes and recommended edits to be negotiated (e.g. pertaining to the venture fund’s subscription agreement, limited partnership agreement, existing side letter agreements in place with other limited partners, and other relevant documents to the general partner and limited partner entities), execution of LaunchTN’s side letter agreement and certifications, and other related legal counsel advisory duties.



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4. Availability throughout the year to provide legal advice and guidance on matters related to fund administration, equity investments, follow-on investment opportunities, and other relevant legal matters pertaining to the Fund.

The legal review of documents associated with the Fund’s investments and other relevant legal documents must be made in accordance with:

1. All current securities laws and regulations pertaining to equity investments as stated by the U.S. Securities and Exchange Commission.
2. SSBCI Capital Program Guidelines (<https://home.treasury.gov/system/files/136/SSBCI-Capital-Program-Policy-Guidelines.pdf>).
3. SSBCI Capital Program National Compliance Standards (<https://home.treasury.gov/system/files/256/SSBCI-Capital-Program-National-Compliance-Standards.pdf>).
4. SSBCI Frequently Asked Questions (<https://home.treasury.gov/system/files/136/SSBCI-FAQs.pdf>).
5. SSBCI Capital Program Reporting Guidance (<https://home.treasury.gov/system/files/136/SSBCI-Reporting-Guidance.pdf>).

Timeframe:

A final selection of legal counsel will be made by March 3, 2023.

Proposals are due by no later than 4:30 p.m., CST, February 10, 2023 via email to:

Tennessee Technology Development Corporation
d/b/a Launch Tennessee
Attn: Monique Villa, Chief Investment Officer
monique@launchtn.org

If you have any questions concerning this request for proposal, please contact Monique Villa at monique@launchtn.org. When submitting your proposal, be sure to include the name, phone number, and e-mail address of the contact at your firm.

This letter is not to be construed as a contract or commitment of any kind.

Sincerely,

Monique Villa
Chief Investment Officer



Schedule of Work

All responses to the RFP should be organized in the manner and format described below:

I Executive Summary

Describe your understanding of the work to be performed and your firm's ability to perform the work within the time frame provided.

II Professional Experience

Include an explanation of your firm's philosophy, size, structure, and qualifications with servicing venture capital firms and/or not for profit organizations with a similar size and operations. Describe your firm's resources devoted to venture capital firms and/or not for profit organizations. Discuss the firm's independence with respect to LaunchTN.

III Team Qualifications

Identify the specific partners, managers, and in-charge staff who will be assigned to this engagement if you are successful in your bid. Provide their bios specifying relevant experience to the type of services requested.

IV Legal Counsel Approach for Venture Capital Firms and Institutional Limited Partners

V Fees

Please provide a firm estimate of fees (years 1, 2, and 3) for the services to be provided.

VI Client References

Include a list of the relevant clients the firm has served within the past three years and furnish the names and telephone numbers of any reference whom we may contact. If submitting a proposal for the Regional Seed Fund and/or Technology Fund, please provide references relevant to the stated transaction size and type. For multi-fund proposals, please include references to limited partners currently and formerly represented by your firm.

V Payment

Invoices must be submitted no later than 30 days after completion of a given transaction and/or deliverable. Separate invoices must be submitted for review work related to the SSBCI Program. Invoices must list the dates of service, scope of service, duration, and rate. Payments will be made no later than 30 calendar days after receipt of invoice(s). Management reserves the right to dispute any charges it deems questionable or excessive.



VI Time of Performance

The services of the Firm are to commence as soon as possible after March 3, 2023.

VII Termination

LaunchTN reserves the right to terminate the services of the Firm by giving at least fourteen (14) days written notice of the fact and time of such termination. In such an event, all finished or unfinished work prepared by the Firm shall become the property of LaunchTN, and the Firm shall be entitled to compensation for satisfactory work under this agreement.

Proposal Timetable:

RFP distributed	January 20, 2023
Emailed proposals due to LaunchTN	February 10, 2023
Management contacts finalists to schedule presentations	February 17, 2023
Finalists make presentations to the Committee	February 20-28, 2023 (subject to change)
Legal Firm selected and notified	March 3, 2023 (subject to change)

Evaluation of Proposals:

While price is an important factor, LaunchTN will evaluate proposals on price and the following criteria:

- Prior experience providing legal counsel to similar organizations
- Qualifications of staff members to be assigned to the engagement
- Legal firm’s understanding of work to be performed
- Alignment with LaunchTN’s vision for growing innovation and entrepreneurship in Tennessee
- References and track record, and
- Completeness of the proposal