

Chipacity LLC — Investor & SAFE Overview

Chipacity LLC is a South Park Valley-based technology company focused on providing innovative tech solutions for tomorrow. We blend cutting-edge digital technologies with human-centric design to empower our clients to build the next generation of products.

Corporate Structure and Governance

Chipacity operates as a limited liability company (LLC) that has elected to be treated as an S corporation for federal tax purposes. S-corp status can offer potential tax advantages but also carries compliance obligations, such as keeping accurate meeting minutes and maintaining a formal board structure. Our board consists of three members—the founder and two appointed directors—who oversee the company's strategic direction and day-to-day management.

Offering Overview

Chipacity is making **2.5 million shares of premier stock** available to outside investors at **US\$3.20 per share**. The minimum purchase is **100 shares**, and each share carries one vote at shareholder meetings.

This offering is **exclusively for 80 select members**, representing the 80 seats currently available to non-board participants. Participants in this initial round receive a **20 % discount** on any future common stock issued in later funding rounds. By purchasing premier stock now, investors receive an immediate equity position and a preferential price for future participation.

Investment Opportunity

Investors who purchase shares become shareholders. Shareholders have **voting rights on major corporate matters**, but the board remains limited to the founder and two directors, ensuring streamlined governance. The 80 shareholder seats are **not board or employment positions**; they entitle the holders to vote at shareholder conferences and share in profits without taking on managerial duties.

Because Chipacity is an S corporation, its profits and losses are passed through to shareholders. The company expects to generate revenue primarily from **royalties on intellectual property**. When profits are distributed, each shareholder receives a portion based on the number of shares owned. Under current U.S. tax rules, **long-term capital gains** on investments are taxed at rates up to 15% for most individuals **【828017996560531†L346-L355】**. If the distributions represent a return on your investment, they may qualify for these lower capital gains rates, offering the potential for **passive income**. Tax treatment depends on individual circumstances, so investors should consult their own tax advisors.

Sample SAFE Agreement Terms (Summary)

A **Simple Agreement for Future Equity (SAFE)** is an early-stage investment contract under which the investor provides capital now in exchange for the right to receive equity in a future financing round. SAFEs are flexible instruments: they have no interest rate or maturity date

and typically include a **valuation cap or a conversion discount**, or both, to protect investors 【711196384010807†L228-L289】 .

Key terms you may see in a SAFE include:

- **Discount Rate** – A conversion discount gives the investor a lower price per share when the SAFE converts into equity 【711196384010807†L361-L365】 . For example, if later investors pay US\$1.00 per share, a 20 % discount allows the SAFE holder to purchase shares for US\$0.80.
- **Valuation Cap** – A valuation cap sets the maximum valuation at which the SAFE converts into equity 【711196384010807†L350-L357】 . If the company’s valuation exceeds this cap in the priced round, the SAFE converts at the capped valuation, giving the investor a more favorable price.
- **Most Favored Nation Clause** – This clause ensures that if the company issues later SAFEs with better terms (for example, a lower cap), the original investor’s SAFE automatically benefits from those terms 【711196384010807†L370-L378】 .
- **Qualifying Round / Liquidity Event** – A SAFE converts into equity upon a qualifying financing round (a priced funding round) or certain liquidity events 【711196384010807†L381-L390】 .
- **Voting Rights** – Until conversion, a SAFE does not provide voting rights or ownership 【711196384010807†L228-L236】 . Voting rights arise once the SAFE converts into shares.

This outline is provided for informational purposes only. Investors should review the full SAFE agreement and consult their own legal advisers before investing.

Compliance and Transparency

We are committed to transparent corporate governance. Meeting minutes are maintained as official records of the board’s decisions, and shareholders receive regular updates on company performance.

Get Involved

If you’re interested in participating in this offering or learning more about Chipacity, please reach out through the contact form on our website or via LinkedIn.