



<https://harmonynodes.com>

# WHITEPAPER

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## Introduction and Vision

Our team has built this project with one primary vision, to provide investors with sustainable passive income. Over the course of this year many NAAS and DAAS projects have delivered incredible services to their users and enlightened many to realize the potential of Defi as a source of passive income. While many of these projects have had successful beginnings, most have failed to execute on the most vital aspect of any Defi project, maintaining sustainability. We write this in a non-bashful or accusatory manner, rather we have taken inspiration from the positive aspects of other projects while being attentive to the harmful blunders and miscalculations of NAAS and DAAS developers.

The first building block for Harmony Nodes is the Harmony blockchain itself. The team has chosen to use this blockchain as our foundation due to its rapid transaction speeds, cost effective fees, and elite security features. Currently the blockchain is able to process over 2000 transactions per second and its developers believe that this number could exponentially rise to 10 million TPS in the future. This is vital for trading because users will never be faced with delayed transactions or lag preventing them from buying or selling at their desired price point. We understand that many investors have a limited supply of funds to invest into a project and cannot afford to be burned by fees. In other blockchains, the gas fees can be extremely volatile and expensive, sometimes even exceeding the transaction cost itself, leaving some annihilated by fees. In the case of the Harmony blockchain, gas fees are extraordinarily low, being only a fraction of a penny. In regards to security, Harmony offers randomness based sharding which randomizes a mutually

agreed upon number to determine the assignment for each node on the blockchain. Each number must have the following security features.

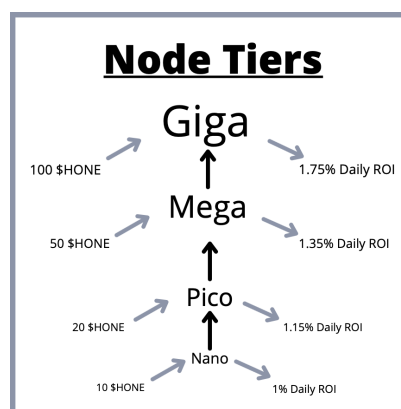
1. Unpredictable: No one should be able to predict the random number before it is generated.
2. Unbiaseable: The process of generating the random number should not be biasable by any participant.
3. Verifiable: The validity of the generated random number should be verifiable by any observer.
4. Scalable: The algorithm of randomness generation should scale to a large number of participants.

These characteristics of randomness based sharding makes it virtually impossible for the Harmony blockchain to be compromised or tampered with.

## What We Offer

Now that we have discussed the importance of the Harmony Blockchain as the foundation of this project, let's dive right into the services we will be offering. As previously mentioned our team aims at providing users with a sustainable stream of passive income; the way this will be accomplished is by allowing users to obtain interest-earning nodes. There are four different tiers of nodes, each yielding a different interest rate. The tiers of nodes are as follows:

1. The first tier will be the Harmony Nano Node which yields a 1% daily return.
2. The second tier will be the Harmony Pico Node which yields a 1.15% daily return.
3. The third tier will be the Harmony Mega Node which yields a 1.35% daily return.
4. The fourth tier will be the Harmony Giga Node which yields a 1.75% daily return.



There will be two methods to obtain these nodes. The first and fastest method is purchasing an NFT(s) at presale which can be redeemed for a Nano Node at a 1:1 rate. In order to participate in the presale a user must be a whitelisted member in our discord community. The second method will be exchanging our native token HONE for the desired tier of node. Unlike our NFTs, the HONE tokens will *not* be exchangeable for nodes at a 1:1 rate. The exchange rates of HONE-To-Nodes will be as follows:

1. 10 HONE = 1 Nano Node
2. 20 HONE = 1 Pico Node
3. 50 HONE = 1 Mega Node
4. 100 HONE = 1 Giga Node

Users will be able to upgrade their respective nodes into higher tiers as well. For example, if someone exchanged 10 NFTs for 10 Nano nodes in the presale, they would be able to then upgrade those 10 Nano nodes into 1 Giga node to earn the highest possible interest rate. This applies to any combination of nodes whose combined value adds up to another tier. If someone had two Pico nodes and one Nano, for instance, they'd be able to merge them into 1 Mega node. The total supply of HONE will be 600,000 tokens. These tokens are the only coin which can be exchanged for our unique nodes and will be used to pay the interest earned by nodes.

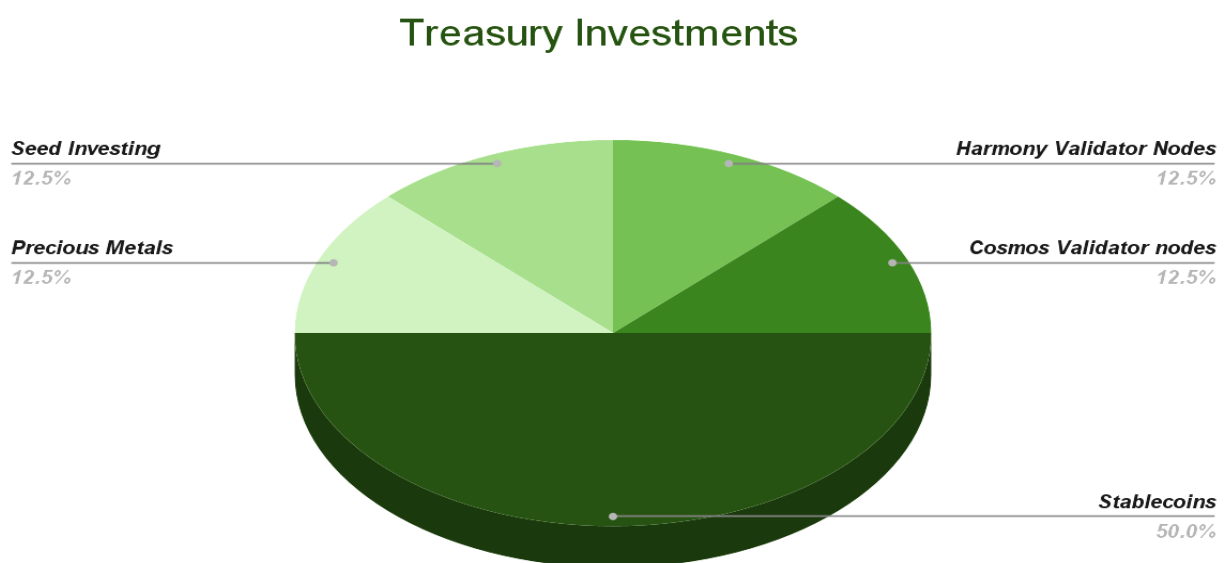
## **Rent-A-Node Feature**

There will be a unique feature on our dapp that allows node holders to rent their nodes to other users. They will be able to receive a fixed monthly payment by the rentee in exchange for the returns on their nodes. This would be for holders that want an initially high, yet ultimately smaller return up front instead of receiving smaller returns daily that end up leading to more returns overall in a given month. For example, A Giga node owner who would be projected to earn 52.5 HONE over the course of a single month, might prefer receiving 35 HONE up front from a rentee instead of waiting to earn the eventual larger amount.

## Treasury

As promised in our first article, we would like to share more insight into the specifics of our treasury investments. The allocations of the funds raised at presale will be as follows: 47.5% will be used to provide liquidity, another 47.5% will be utilized for the treasury, and the final 5% will go towards further development of the project.

The treasury investments will include Harmony validator nodes, Cosmos validator nodes, stablecoin farming, precious metals, and seed investing opportunities in projects voted on by the community. Validator nodes will bring generous but slightly volatile returns. The stablecoin farming and precious metals will hedge against this volatility while simultaneously providing moderate returns. The community driven seed investments have exponential potential in both directions. This mixed investment approach gives us broad exposure while also allowing us to diversify risk. The distribution of the treasury investments will be as shown in the graph below:





## Sustainability

Another key factor in sustainability is incentivizing node owners to hold, earn rewards, and build more nodes. Additionally, the team has implemented several taxes to sustain liquidity and to have a constant flow of funds to the reward pool.

The team will be allowing the community to own the entirety of the HONE supply and in no way, shape, or form will the team influence the price of HONE tokens. As far as compensation for the founders, each team member will be given five Giga nodes at public launch and will be enjoying rewards alongside our community. To prevent inadequate liquidity and maintain a stable treasury, we will be implementing a 15% sales tax and a 40% transfer tax on our native token, HONE. When nodes are created 25% of the HONE used will be burned, 65% will be sent to the reward pool and 10% will be used to add to liquidity.

As well as taxes, we're applying a unique mechanism where when users have broken even after around 60–100 days, every time users claim and sell, their effective daily rewards reduce by 5%. This does not apply if a user compounds, so when a user breaks even, if he continues to compound rewards, and not claim or sell, his daily return will remain the same. These measures will encourage patience and protect new buyers as well as those with smaller holdings.

## How to Buy

Our presale will be open to our whitelisted members from 12PM Central Time on March 15 -12PM Central Time on March 16. Members will be able to mint their NFTs directly from a minting dapp hosted on our site. Each NFT will be redeemable for a nano node on our dapp. USDC will be used for minting. The price of each NFT will be \$200 USDC at a rate of \$20/ HONE. The max number that can be purchased will be capped at 10 NFTs per whitelisted address.

Our native token, \$HONE, will be released to the public between March 24 - April 4 with an initial price of \$22 per coin.

The liquidity pairing for \$HONE will be in usdc, so we recommend you have usdc in your wallet to maximize the likelihood of your transactions going through. You'll be able to purchase \$HONE through the defira dex, which has the highest liquidity for USDC.

<https://app.defira.com/#/>

To buy our token \$HONE, you'll need to bridge usdc onto the harmony blockchain using

<https://synapseprotocol.com/?inputCurrency=USDC&outputCurrency=USDC&outputChain=1666600000>. Most major layer 1 blockchains are supported, including fantom, avax, bnb, and ethereum.

You can also send harmony from an exchange to your metamask address connected to the harmony network.

Tokens can be swapped at:

<https://app.defira.com/#/swap?outputCurrency=0x985458e523db3d53125813ed68c274899e9dfab4>

To add harmony to metamask, use <https://www.chainswitch.xyz/> or <https://chainlist.defillama.com/> Search for harmony and press connect and add the network to metamask.

### **Anti-Bot Measures**

During public launch we will be blacklisting addresses within the first few blocks after liquidity is added. There will also be an initial buy limit put in place (to be determined). A high sales tax within the first few hours of launch will also assist in deterring bots.