

Proposal Name: The first profitable AIP! Powered by ParaSpace

[

image

1920×1080 93.7 KB

](https://global.discourse-cdn.com/apecoin/original/2X/2/2a98013a2874c8023c5b6366e02fbf05b4a7a115.jpeg)

Proposal Category: ECOSYSTEM FUND ALLOCATION

Abstract

This AIP proposes a six-month program where the ApeCoin DAO lends ApeCoin to ParaSpace, which will then be staked with select BAYCs for above-market returns. By doing this, we aim to establish the first profitable AIP for the ApeCoin DAO, ensuring sustainable revenue streams and bolstering the ApeCoin ecosystem's longevity.

[

image

1920×1080 131 KB

](https://global.discourse-cdn.com/apecoin/original/2X/0/0d4171dee22e063aed58be4a257954a69e284a12.png)

Team Description

ParaSpace as the most trusted Ape Staking platform, ParaSpace has more than 500 BAYC, 900 MAYC, and 11 million ApeCoin staked in their permissionless, decentralized protocol. With 9 security audits and extensive security protocols, the platform ensures the safety and security of the assets held within. ParaSpace will cover all associated costs and resources for the process. ParaSpace ecosystem investors including, Sequoia, Founders Fund, Coin Base, Poly Chain, Lightspeed, Pantera, Slow, and Blockchain Capital.

[

image

1920×1080 166 KB

](https://global.discourse-cdn.com/apecoin/original/2X/1/14e546a83b1dc4b32fea5fb1ec18e357105aece2.jpeg)

Motivation

This AIP aims to create the first profitable AIP for the ApeCoin DAO, paving the way for the future of NFT finance. We believe that it's important for the ApeCoin DAO to set up sustainable, secure streams of revenue to ensure the longevity of the ApeCoin ecosystem and to continue funding community initiatives. As such, this AIP proposes a six month program for the DAO to supply ApeCoin, after which the principal and interest will be returned to the treasury.

By lending out ApeCoin to ParaSpace, ParaSpace will develop a unique locking feature to stake the ApeCoin between 50 BAYCs, selected from interested participants, which will receive an above-market APY during the program. At the end of the program, the original ApeCoin plus interest will be returned to the ApeCoin DAO, creating the first profitable AIP.

Rationale

This will be the first AIP to generate profit for the ApeCoin DAO. Using a decentralized lending protocol like ParaSpace, the DAO can effectively lend ApeCoin and earn yield. By incentivizing new holders to purchase and stake BAYC, this AIP also aims to drive demand for BAYC. With the proposed profit share, new BAYC owners that are part of this program will be rewarded with higher than market APYs and directly contribute to the success of the DAO. This creates a 4WIN model, achieving a win-win scenario for the DAO, new BAYC owners, the floor price of BAYC, and the ParaSpace platform.

The ParaSpace platform is the most trusted platform for Ape Staking. They have enhanced security features like their TimeLock Queue, which prevents any reentrancy or flash loan exploits, real-time security monitoring, as well as 9 different security audits from top security firms and experts.

Benefit to ApeCoin Ecosystem:

This AIP aims to create a 4WIN model that achieves a win-win scenario for the ApeCoin DAO, new BAYC owners, the floor price of BAYC, and the ParaSpace platform. By lending ApeCoin, the DAO will receive the entirety of the principal including interest at the end of the program. Incentivizing new BAYC owners with an above market APY will create additional demand, thus bringing in more owners and increasing the floor price. The ParaSpace platform will cover all associated costs and resources for this process, with the sole intention of setting a new paradigm for NFT lending.

[

image

1920×1080 76 KB

](https://global.discourse-cdn.com/apecoin/original/2X/6/680f81c21c3aa9758b95eccba1fb77fcb2e5e362.png)

## Key Terms

**Ape Staking:** A way for BAYC, MAYC, BAKC, and \$APE holders to earn rewards through staking.

**Lock Up Period:** This program offers three lock up periods for BAYC holders to choose from.

## Specifications

### ParaSpace Platform:

ParaSpace is the first cross-margin NFT lending protocol, enabling users to borrow and lend against ERC-721 and ERC-20 tokens alike. ParaSpace is the most trusted Ape Staking platform, with more than 500 BAYC, 900 MAYC, and 11 million ApeCoin staked. The protocol has had 9 security audits, real-time monitoring, and enhanced safety features that protects against any unauthorized removals or attack vectors.

### Lock up Period APY:

To incentivize new BAYC buyers, the staking yield will favor those who use longer Lock Up periods as shown below. The total APY will be split between the BAYC holder and the DAO.

- Share Pool Staking: 50% NFT provider, 50% ApeCoin provider
- (No Lock up and for anyone to use)
- (No Lock up and for anyone to use)
- 1 Month Lock Up: 70% User, 30% ApeCoin DAO
- 3 Month Lock Up: 80% User, 20% ApeCoin DAO
- 6 Month Lock Up: 95% User, 5% ApeCoin DAO

[

image

1920×1080 74.9 KB

](https://global.discourse-cdn.com/apecoin/original/2X/d/dccfd91a3f9d85066974fd1d3e93ca9addc3c8e8.png)

[

image

1920×1080 101 KB

](https://global.discourse-cdn.com/apecoin/original/2X/7/78816caf1c51058083b2e1cff85fa45301629659.png)

## Steps to Implement

**Step 1:** ApeCoin DAO lends 504,700 \$APE to ParaSpace for a 6 month program. The 504,700 \$APE would be used to stake 50 BAYC each with 10,094 \$APE. After 6 months, the principal and interest will be returned to the DAO's treasury. The interest will be split between the DAO and the BAYC holder according to the specific the Lock Up Period

**Step 2:** ParaSpace develops an NFT locking feature with lock up periods of 1 month, 3 months, and 6 months. By introducing a lock up period, BAYC NFTs will be locked on the ParaSpace platform, reducing the listed quantity on marketplaces.

**Step 3:** ParaSpace offers an above-market APY to 50 interested participants who join the lock up program and purchase a new BAYC NFT. This aims to increase the willingness of potential buyers observing the market, and effectively offers higher staking rewards during this program.

**Step 4:** The newly purchased BAYCs are staked with their respective ApeCoin, in the ParaSpace protocol during the lock up period. With extensive security measures in place, the assets will be stored safely and securely until the program is over. Once the program is concluded, the principal, along with interest earned, will be returned to the ApeCoin DAO and the

BAYC owners.

ParaSpace will cover all associated costs and resources for the process.

#### Timeline

1. Secure approval for this AIP: 2-3 months
2. Development of lock up feature: 4 weeks
3. Development of contract and audits: 4-8 weeks
4. Start the program: 6 months

[

image

1616×908 12.7 KB

](https://global.discourse-cdn.com/apecoin/original/2X/4/4419668e863755b243d14cd34bb18d70a5b7c7e7.png)

#### Overall Cost

ParaSpace will cover all associated costs and resources for the process, but in order to stake the required ApeCoin, ParaSpace will need to borrow 504,700 \$APE.

$10,094 \text{ \$APE} * 50 \text{ BAYC} = 504,700 \text{ \$APE}$

Once the program is concluded, the principal and interest will be returned.

[

image

1616×908 19.4 KB

](https://global.discourse-cdn.com/apecoin/original/2X/4/46b50906565a64fe10a9bd80bf70d5c3503d21c8.png)