CYLS

CYLS Project Whitepaper

Three-Token Real Estate Ecosystem on Solana & Ethereum

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This whitepaper is provided solely for informational purposes and may not be relied upon in any manner as legal, tax, accounting, investment, or other professional advice. It does not constitute an offer, solicitation, or recommendation to acquire or dispose of any digital asset, security, or financial product in any jurisdiction.

The digital tokens described in this document are intended to enable community membership, participation, and rewards within a decentralized ecosystem. Such tokens are not intended to represent equity, ownership, profit-sharing, or any other investment interest. No person is authorized to make any statements regarding the tokens or ecosystem other than as set forth in this whitepaper, and any such statements, if made, may not be relied upon.

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> **CYLS Project Whitepaper**
>
> • Project: CYLS
>
> • Tokens: CYLA (Community), CYLR (Rewards), CYLT (Security)
>
> • Contact: admin@cyls.exchange

Why CYLS?

CYLS makes real estate investment simple and accessible. Hold CYLA for community access and perks. When Treasury sells CYLA, CYLR rewards become claimable proportionally to your holdings. Eligible investors can redeem CYLR for CYLT — a yield-bearing security token backed by real estate. Three tokens, one seamless path for community members to join real estate world.

1. Disclaimer

> This whitepaper is for information only
>
> • It is not legal, tax, or investment advice
>
> • It is not an offer to sell or a solicitation to buy any token or security
>
> • Terms for CYLT (the security token) are defined in a separate legal pack (Term Sheet, PPM/OM, Subscription Agreement, etc.)
>
> • If there is any conflict between this whitepaper and those documents, the legal documents control and are final
>
> • Numbers marked as 'example' or 'illustrative' are for explanation only and may change without notice

2. Executive Summary

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Why CYLS?

- Real estate is one of the most stable asset classes, but it's hard for most people to access
- CYLS makes it simple: participate in a crypto community, earn rewards, and gain exposure to real estate — all in one place
- No need to buy property yourself, deal with tenants, or manage paperwork
- Three tokens, three clear purposes: community access (CYLA), rewards (CYLR), and regulated investment (CYLT)

What Is CYLS?

- CYLS is a real-estate-focused crypto platform built around a three-token design
- CYLA token (Community Token) — used for access and community participation. Standard SPL token on Solana with fixed supply
- CYLR token (Reward Token) — minted from Treasury CYLA sales; claimable by CYLA holders. Can be redeemed for CYLT
- CYLT token (Security Token) — a transfer-restricted ERC-20 on Ethereum representing regulated exposure to a real-estate portfolio with 8% target annual yield

How It Works (High-Level)

- Users join the CYLS community and hold CYLA for access and perks
- Treasury sells CYLA for USDC; CYLR is minted 1:1 from net proceeds

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- CYLR becomes claimable by eligible CYLA holders (proportional to holdings at snapshot time)
- Eligible, KYC'd investors may redeem CYLR (or subscribe directly) for CYLT
- CYLT holders receive quarterly distributions targeting 8% annual yield
- This separation keeps community, rewards, and regulated yield clean and understandable

3. Tokens & Roles

All three tokens use 6 decimals on chain. In day-to-day use, CYLR and CYLT are shown as whole units.

CYLA Token (Community)

- Main role: Community access and CYLR reward eligibility
- Network: Solana (SPL)
- Supply: 1B fixed — all minted at genesis, mint authority renounced before Token Generation Event.
- Freeze authority: Renounced before TGE
- Allocation: 5% Initial supply/ 70% Treasury Holdings that are available for sale/ 5% Team Bonus/ 10% Marketing / 10% Sponsor
- Intended holders: Broad community
- Transfers: Freely transferable,

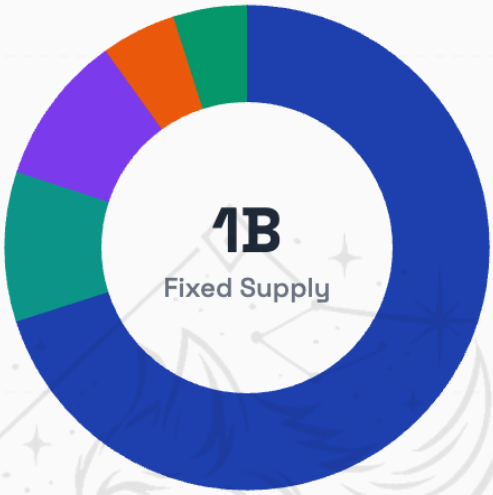
All CYLA holders are treated equally — no tiers. Benefits are proportional to holdings.

See CYLA Tokenomics for full details.

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CYLA TOKEN ALLOCATION

1B Fixed Supply



- **70% Treasury Reserve** (strategic sales → CYLR rewards)
- **5% Team** (36-month vest, 6-month cliff)
- **10% Marketing** (partnerships, campaigns, growth)
- **5% Initial Supply** (circulating at TGE)
- **10% Sponsor** (per legal agreements)

Mint authority renounced at TGE - supply fixed forever

CYLR Token (Rewards)

- Main role: Rewards and redemption credit for CYLT

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- Network: Solana (SPL)

- Supply: Variable — minted based on the net USD-equivalent proceeds received by the Treasury from CYLA sales (including CYLA/SOL trades, with SOL converted to USDC or valued at execution-time rates)

- Mechanism**:** Sale-based — Treasury sells CYLA for SOL (or other supported assets); CYLR is minted based on the net USD-equivalent value realized, calculated at execution-time rates
- Distribution: Claim-based — CYLR becomes claimable after snapshot; users claim via portal
- Mint authority: 3-of-5 multisig with 72-hour timelock
- Freeze authority: Retained by multisig during early phases (higher exploit risk)
- Intended holders: CYLA community members
- Transfers: Freely transferable; can be burned to redeem for CYLT

See CYLR Tokenomics for full details.

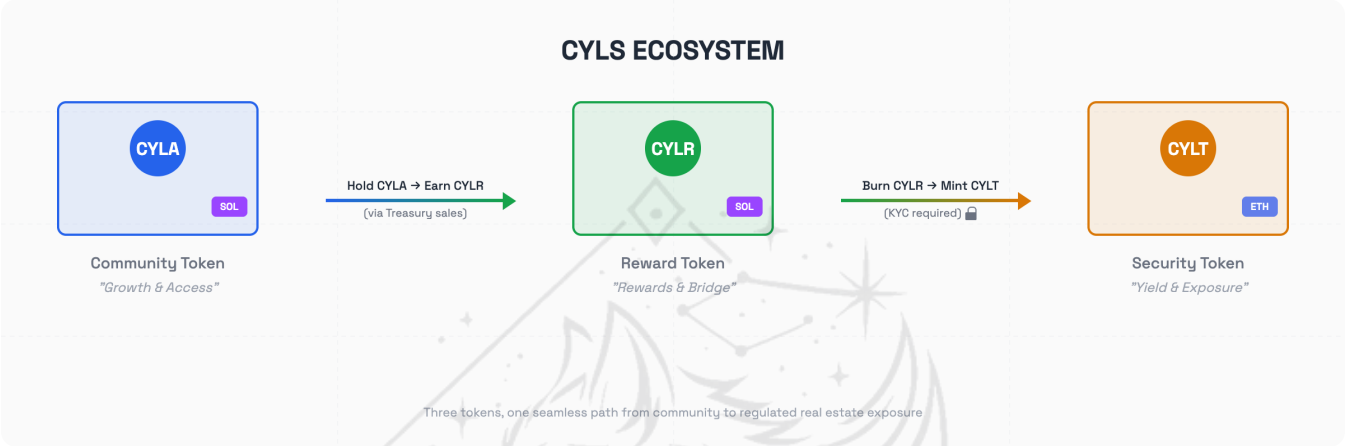
CYLT Token (Security)

- Main role: Regulated exposure to real-estate (note)
- Network: Ethereum (ERC-20, transfer-restricted)
- Supply: Variable — floats with capital inflows/outflows (no fixed cap)
- Value: Issued/redeemed at $1 per token under legal docs
- Target yield: 8% annual, paid quarterly
- Mint authority: 3-of-5 multisig with 72-hour timelock

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- Transfer restrictions: Whitelist-only
- Intended holders: Eligible (KYC'd, accredited) investors only

See CYLT Tokenomics for full details.



4. How the System Works (User Flow)

Step 1: Hold CYLA

- Acquire or hold CYLA token
- All holders are treated equally — benefits proportional to holdings

Excluded wallets (Treasury, Team, Marketing, Sponsor) do not receive CYLR rewards directly. However, once tokens are distributed from these wallets to individual team members, marketing partners, or sponsors, those individual wallets become eligible to earn CYLR rewards like any other holder. For complete eligibility terms, please refer to the Private Placement Memorandum (PPM).

Step 2: Treasury Sells CYLA

- Treasury holds 70% of the CYLA supply (700M tokens)

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- Treasury sells CYLA for SOL on supported exchanges while aiming to maintain price stability
- Net USD-equivalent value realized is used to mint CYLR on a 1:1 value basis
- Definition: Net value realized = gross value of SOL received at execution-time market rates, minus exchange fees, slippage, and transaction costs

Step 3: CYLR Becomes Claimable

- Snapshot taken of eligible CYLA holdings after each Treasury sale
- CYLR becomes claimable proportionally to your share of eligible CYLA
- Users claim through CYLS portal (Claiming CYLR through the CYLS portal requires only the standard Solana network fee (paid in SOL); no additional protocol fees apply.
- Unclaimed CYLR remains claimable indefinitely

Step 4: Hold or Use CYLR

- Hold CYLR as a record of accumulated rewards
- Transfer CYLR to others (freely transferable)
- Use CYLR during subscription/redemption windows

Step 5: Redeem CYLR → CYLT (If Eligible)

- Pass KYC/AML checks and get approved under the legal framework

- Burn CYLR on Solana during an open window (every 6 months, 90-day notice)
- Off-chain attestation service verifies the burn and eligibility

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• CYLT is minted on Ethereum to your whitelisted address (0.25% - 0.75% redemption fee (Subject to change))

Step 6: Hold CYLT and Receive Distributions

• CYLT holders receive quarterly distributions targeting 8% annual yield

Distributions depend on actual portfolio performance and are NOT guaranteed and are paid according to the terms set in PPM documents.

• If you never become eligible for CYLT, you can still use CYLA and CYLR for community utilities

5. Networks & Architecture

Solana Layer

• CYLA token and CYLR token (SPL)

• Rewards claim program

• Low fees and fast settlement

Ethereum Layer

• CYLT token (restricted ERC-20)

• Whitelist / registrar contract

• Distribution and redemption helper contracts

Off-Chain Services

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- KYC/AML + investor portal for eligible investors
- Treasury management for CYLA sales and CYLR minting
- Attestation service that verifies CYLR burns and eligibility, then signs claims for CYLT minting

Cross-Chain Model

- Burn CYLR on Solana → Off-chain attestation → Mint CYLT on Ethereum
- No generic third-party bridge is required

6. Fees & Treasury Policy

Fee Overview

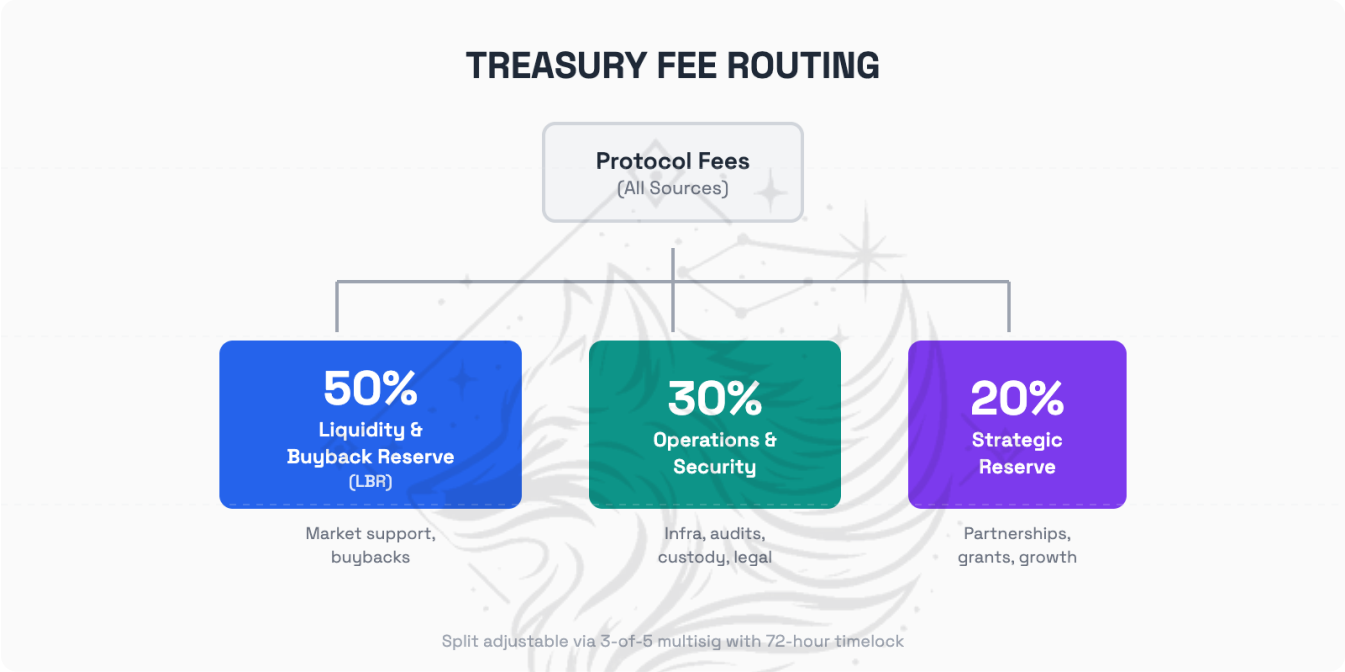
- CYLA transfers (wallet-to-wallet): 0% protocol fee
- CYLR transfers (wallet-to-wallet): 0% protocol fee
- CYLR claim: No protocol fee (standard Solana network fees apply)
- CYLR → CYLT redemption: 0.25%–0.75% of redemption credit, subject to governance approval via multisig and timelock
- CYLT transfers: 0% protocol fee (standard Ethereum gas fees apply; allowlist-restricted)
- CYLT distributions: No protocol take-rate; issuer covers administrative costs

Treasury Routing

- 50% → Liquidity & Buyback Reserve (LBR)

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- 30% → Operations & Security
- 20% → Strategic Reserve
- Split is visible in a parameter registry and can only be changed via multisig and timelock



7. Protocol Controls, Authorities & Emergency Policy

This section is the single source of truth for governance, authority models, and emergency procedures across the CYLS ecosystem.

7.1 Governance Model

- Multisig threshold: 3-of-5 signers required for execution
- Timelock: 72 hours for all material parameter changes
- Material changes include: fees, windows, ratios, excluded wallets, upgrades, allowlist policy

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• Signer composition: All five (5) multisig signers are individuals directly connected to CYLS LLC or its principals. The multisig does not include independent third-party signers.

7.2 Authority Summary Table

Token-level authorities by token:

• CYLA (Solana SPL):

– Mint authority: Renounced at Token Generation Event — supply fixed forever

– Freeze authority: Renounced at Token Generation Event — accounts cannot be frozen

• CYLR (Solana SPL):

– Mint authority: 3-of-5 multisig + 72h timelock

– Freeze authority: Retained by multisig (early phase security)

• CYLT (Ethereum ERC-20):

– Mint authority: 3-of-5 multisig + 72h timelock

7.3 Emergency Bypass Policy

Emergency actions may bypass the 72-hour timelock under strict conditions:
• **Scope:** Containment-only actions (contract pause/freeze, allowlist enforcement where applicable)
• **Not permitted:** Economic or governance changes (fees, ratios, windows, upgrades)
• **Authorization:** Requires 3-of-5 multisig approval; no single key can trigger emergency action
• **Transparency:** Public disclosure within 24 hours explaining the action taken and its rationale

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7.4 Token-Specific Emergency Notes

- CYLA:
  No emergency actions are possible. All mint and freeze authorities are fully renounced at the Token Generation Event (TGE).

- CYLR:
  No emergency freeze or clawback functionality exists. CYLR distribution is controlled through a snapshot-based Merkle allocation system, where eligible CYLA balances are recorded at snapshot time and distributions are approved before claims are enabled. Once a distribution is approved, users may claim their allocated CYLR permissionlessly.

- CYLT:
  Emergency controls, including freeze, clawback, and allowlist enforcement, are available through a registrar contract and are used solely for regulatory and compliance purposes, as defined in the applicable legal documentation.

7.5 Consolidated Fee Table

System-wide fee schedule (applies across all tokens):

- CYLA transfers (wallet-to-wallet): 0% protocol fee
- CYLR transfers (wallet-to-wallet): 0% protocol fee
- CYLR claim: No protocol fee (standard Solana network fees apply)
- CYLR → CYLT redemption: 0.25%–0.75% of redemption credit, subject to governance approval via multisig and timelock
- CYLT transfers: 0% protocol fee (standard Ethereum gas fees apply; allowlist-restricted)
- CYLT distributions: No protocol take-rate; issuer covers administrative costs

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Fee changes require 72-hour timelock and remain within published ranges.

7.6 Community Signaling

CYLA holders may participate in non-binding polls for community sentiment. However, CYLA holders have signaling rights only — not governance control. All parameter changes require 3-of-5 multisig + 72-hour timelock approval regardless of poll results. Should be implemented in second phase of the project if technically feasible.

7.7 Upgradability

> • Some contracts/programs are upgradeable via a proxy pattern, but scope is narrow
>
> • Allowed: Bug fixes, security patches, configuration adjustments within published bounds
>
> • Not allowed: Silently changing what a token represents or seizing user tokens outside compliance
>
> • Every upgrade must be proposed by multisig, sit in timelock for 72+ hours, and be visible on-chain

8. Compliance & Legal

Token Classifications

> CYLA token: Community/utility token, no direct revenue or asset claims
>
> CYLR token: Reward and credit unit; security-like exposure is handled through CYLT
>
> CYLT token: Security token. Only eligible, verified investors may subscribe or hold

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Who Is CYLS For?

> • CYLA and CYLR tokens: Open to the general crypto community worldwide (subject to standard restrictions)
>
> • CYLT token: Only for eligible, verified investors who pass KYC/AML checks
>
> • Geographic restrictions may apply based on local laws — check eligibility before participating

Legal Pack for CYLT

The legal pack will define:

> – Entity and structure
>
> – Offering exemptions and investor eligibility
>
> – Term Sheet and risk factors
>
> – Subscription, transfer, and redemption terms
>
> – Distribution, NAV/valuation, and reporting policies

This whitepaper is a summary and does not replace those documents.

9. Key Risks

This is a non-exhaustive, high-level list. The legal pack will include a full risk section.

> • Smart-contract risk — Bugs or design errors could lead to loss of funds or incorrect rewards
>
> • Operational risk — Key management failures, downtime in services, or infra issues could delay redemptions, claims, or distributions

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- Liquidity risk — Markets may be thin and volatile, especially early on. No guarantee of deep secondary liquidity
- Regulatory risk — Laws may change. Regulators may classify tokens differently than intended

• **Wallet Security & Token Loss Risk** — Tokens are cryptographically tied to blockchain wallet addresses controlled by private keys. If a token holder loses access to their wallet (due to lost private keys, compromised credentials, hardware failure, or other causes), the associated tokens cannot be recovered, reissued, or restored by the protocol or any third party. Token holders bear full responsibility for securing their wallet credentials and maintaining adequate backups.

- Portfolio risk — Real estate valuations fluctuate; CYLT distributions depend on actual performance
- User misunderstanding — Users may confuse tokens or misinterpret rights. We aim to keep docs and UI clear

10. Roadmap

All roadmap items are indicative and may change based on audits, legal review, and market conditions.

Near-Term (Foundation & Launch)

- Finalize and audit core Solana and Ethereum contracts (CYLA, CYLR, CYLT + key programs)
- Launch CYLA token with fixed supply and renounced authorities
- Initial DEX liquidity and v1 of the app

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Mid-Term (Rewards & CYLT Onboarding)

- Begin Treasury CYLA sales and CYLR minting
- Launch CYLR claim portal
- Launch KYC/AML + investor portal and finalize CYLT legal pack
- Run initial CYLR → CYLT redemption windows

Later (Scaling & Optimization)

- Expand DEX and venue integrations
- Publish regular transparency updates (treasury, parameters, key metrics)
- Evaluate freeze authority revocation for CYLR as system matures

11. Security & Audits

Smart Contract Security

- All core contracts will be audited by reputable third-party firms before main-net launch
- Audit reports will be published publicly

Bug Bounty Program

- A bug bounty program will reward security researchers who find vulnerabilities
- Details and scope to be announced before launch

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Ongoing Security

- Regular security reviews as the platform evolves
- Incident response procedures in place

12. Definitions

Key terms used throughout CYLS documentation:

Core Terms

- Treasury: The wallet holding the 70% CYLA reserve allocation designated for strategic sales
- Treasury sale: CYLA sold for SOL on supported exchanges by the Treasury
- Net value realized: The USD-equivalent value of assets received by the Treasury from a CYLA sale, calculated at execution-time market rates and net of exchange fees, DEX slippage, aggregator fees, and transaction costs
- Snapshot: A point-in-time record of eligible CYLA holdings used to calculate proportional CYLR allocations
- Claim window: The period during which users may claim their allocated CYLR from a given snapshot

Wallet Categories

- Excluded wallets: Treasury, Sponsor, Team, Marketing — do NOT receive CYLR rewards
- Eligible CYLA: CYLA holdings in non-excluded wallets at snapshot time

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Token Terms

- Token Generation Event — the point at which CYLA is publicly tradeable
- Claimable: Rewards available to be claimed by user action (not automatically sent)
- Vesting: Time-locked release schedule (e.g., Team tokens: 36 months with 6-month cliff)
- Whitelist (CYLT): Approved addresses permitted to hold/transfer CYLT
- Registrar: On-chain program managing CYLT whitelist and compliance controls

Governance Terms

- Multisig: Multi-signature wallet requiring 3-of-5 signers to execute transactions
- Timelock: Enforced 72-hour delay between proposal and execution of parameter changes
- Material parameter change: Any modification to fees, windows, ratios, excluded wallets, or upgrade authority
- Community signaling: Non-binding polls allowing CYLA holders to express sentiment (advisory only)

13. References

- CYLA Tokenomics — Community token details
- CYLR Tokenomics — Reward token mechanics

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- CYLT Tokenomics — Security token details

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