
Districts™
Token Economy Whitepaper
Version 1.1 - 31 Jan 2025

Disclosure

Each Land Pixel is linked to a unique geographical location, but it carries no rights related to real-world property and no rights to the intellectual property of the user or owner of the real-world property. Land Pixels are not intended for investment, and purchasers should not assume that Land Pixels will appreciate in value or have any resale value whatsoever.

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Executive Summary

Project

The Districts platform is a virtual world mimicking Earth, fully built on the Realio Network, EVM (Ethereum Virtual Machine). Phase 1 of the project, dubbed "LandRush" focuses on allowing users to claim scarce parcels of land within the ecosystem via the creation of "Land Pixels" by staking RIO (the native currency of the Realio Network) in the "Land Bank", and to gain governance rights within the ecosystem via the mining of DSTRX governance tokens. During Phase 2, tools and capabilities will be added for users to build on their Land Pixels, which will unlock a wealth of capabilities for community members and partners along with a self-sustaining economy for the Districts ecosystem driven by the Land Bank (the core DeFi primitive of the Districts economy). During Phase 2, Districts' governance will also complete its migration from the project team to a decentralized autonomous organization (DAO) using the DSTRX token.

Land Pixel NFT

Land Pixel NFTs are unique, scarce cells that represent actual locations around the globe. In Districts, Land Pixels are based on H3 resolutions (resolution 9), meaning that Districts would consist of a total of 4,842,432,842 Land Pixels.

Land Pixels will be released in stages via a LandRush, starting with New York (12,134 pixels), with subsequent cities being released via community governance voting. Within the first few years, a total of 12 areas are planned to be released (New York, Rio de Janeiro, Singapore, El Salvador, Switzerland, Dubai, Miami, San Francisco, London, Tokyo, Paris, Hong Kong) for a total of 1,134,169 Land Pixels or 0.023% of the total global land area.

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Claiming / Minting Land Pixels

Any Districts user can claim Land Pixels during the LandRush phase of Districts. The process requires the user to have a web3/ EVM compatible crypto wallet, for example, MetaMask, connected to the Districts platform and some RIO tokens in the wallet to cover the gas fees associated with minting and transferring of the Land Pixels (batch claiming will also be available for gas optimization in the future). The Districts platform is able to connect to the Realio Network, Osmosis, Ethereum, and BNB Chains and has a bridge to convert RIO tokens from Osmosis, Ethereum, and BNB Chains to native RIO as needed via MetaMask.

To mint and claim a unique geographically-linked Land Pixel, the user must deposit 5,000 Realio Network Tokens (RIO) on the Realio Network in the Land Bank, upon which:

- 20%, or 1,000 RIO, is burned (the burn amount will be reduced over time).
- 4,000 RIO is held in the Land Bank (this can be redeemed later).
- The user receives a minting reward equal to 0.01% of the un-minted DSTRX supply (e.g., the very first Land Pixel mint (for example) will result in a minting reward of 10,000 DSTRX. Each subsequent minting reward will be slightly less than the minting reward before it.).

The newly minted Land Pixel NFT represents a piece of pure virtual land, geographically linked to a specific real-world location within Districts, which can be freely transferred by its owner for use within Districts or outside of Districts in applications such as OpenSea. After the original minting of their Land Pixels, users can do the following with them:

- Sell or auction them via NFT marketplaces such as OpenSea or within the Districts Marketplace.

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- Sell them to the Land Bank for the “Floor Price”.
    - Sales to the Land Bank will have a 7-day unbonding period. After the sale to the Land Bank, the sold Land Pixel can then be purchased by anyone at the current Floor Price.
    - Floor Price = Total RIO held in Land Bank divided by total Land Pixel NFTs minted (e.g. if only 1 Land Pixel NFT has been minted, the Floor Price will be 4,000 RIO). Note that future reductions in the amount of RIO burned, to mint Land Pixels, in addition to future fees earned by the Land Bank, will result in Floor Price increases over time. The Floor Price will never be lower than 4,000 RIO and is expected to increase over time as the Land Bank accrues fees for its operations.
- Stake them with the Land Bank to earn more DSTRX equal to 0.000001% of the unminted tokens per block (roughly equal to 1 DSTRX per 5-second block at the start and decreasing thereafter).

Only the initial mint/claim of any Land Pixel distributes DSTRX as a reward.

The DSTRX token

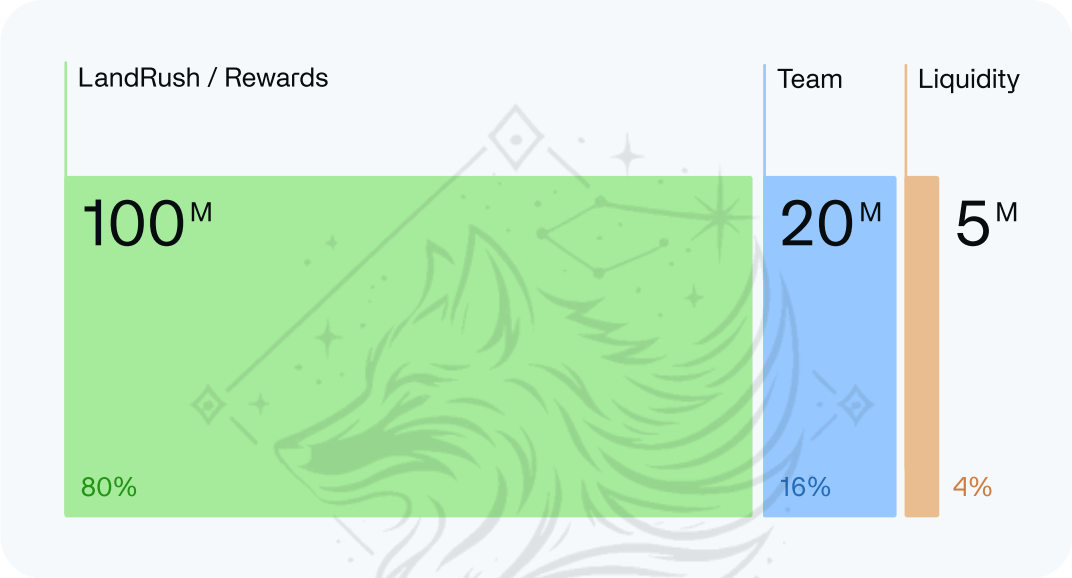
The DSTRX token is the governance token of Districts and has a fixed supply of 125M. DSTRX can only be minted into existence when a new Land Pixel is minted in Districts; this is hard-coded into the smart contracts. The project team does not have the ability to mint new tokens freely as all admin and upgrade-related functions of the Districts smart contracts will be secured under a time-lock mechanism. For transparency, we intend to provide a real-time transaction watching explorer for the Districts contracts, which will include cross-chain bridge transactions for DSTRX and supply tracking.

The total supply of DSTRX is split as follows:

- 100M supply cap for Land Pixel minting rewards and staking rewards.

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- 20M supply cap for the Districts project development/team (minted alongside Land Pixel minting rewards, e.g. when a user receives a 10,000 DSTRX minting rewards for minting a Land Pixel, the team wallet will receive 2,000 DSTRX, or 20%). The team will only receive tokens when/if Land Pixels are minted.
- 5M for DSTRX DEX/CEX liquidity provision (these will be premined into a publicly identified wallet address).



DSTRX follows a unique distribution criterion - DSTRX tokens are minted under ONLY two conditions:

- When Land Pixels are claimed.
- A very small and ever-decreasing amount of DSTRX is created with each block of the Realio Network as a reward for Land Pixel staking.

When either of the above conditions happens, a pro-rata amount of DSTRX is minted for the Districts team allocation, which will be utilized for project development. Example: For every 100 tokens minted as rewards, the District team receives 20 tokens from the Team allocation.

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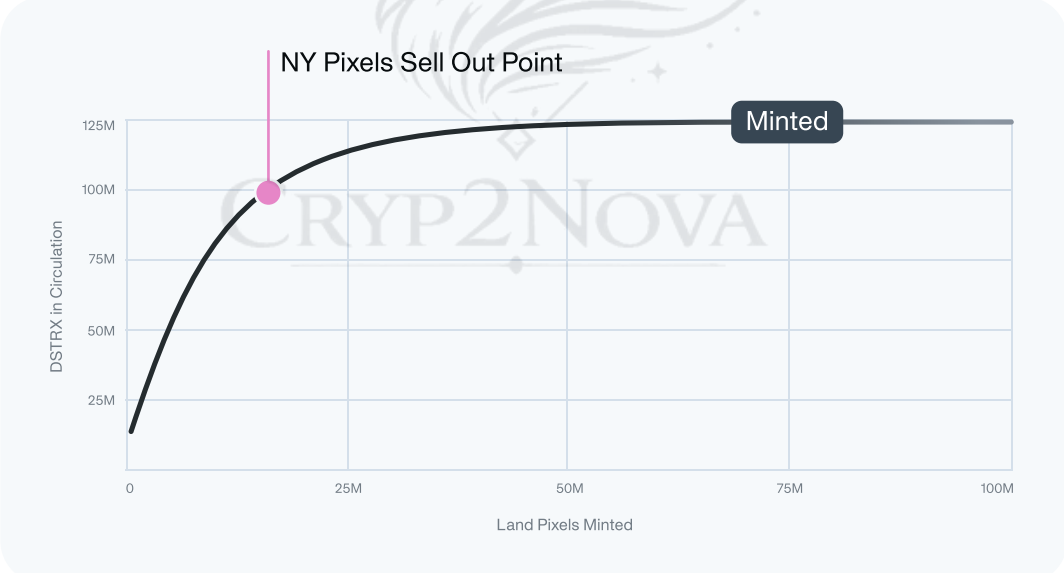
The above mechanics ensure that the supply of DSTRX grows together with the demand for Land Pixels, that the team is rewarded only as the platform grows, and that there are enough incentives for the ecosystem to develop healthily.

The DSTRX distribution

DSTRX has a unique distribution mechanic as described above:

- 0.01% of the unminted supply is minted each time a Land Pixel is minted/ claimed.
- 0.000001% of the unminted supply is minted with each 5-second block.
- 20% development/team allocation minted alongside minting rewards.

The above creates a distribution mechanic where the DSTRX supply can approach its limit of 125M tokens, but can never reach it. The graph below depicts the DSTRX in circulation based on the number of Land Pixels claimed in NY.



DSTRX in circulation based on Land Pixels claimed

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Core Token Utility

The DSTRX token is the governance token of the Districts ecosystem and is integral to deciding which areas of Districts will become available for minting via a LandRush. Other immediate governance items include reducing the burn amount and other changes to smart contract functionality, which will only be possible via governance voting. Additional token utility functions are not currently planned but may be implemented in the future if deemed appropriate.

Governance by DAO

Beginning with the first LandRush, governance of Districts will begin migrating from the project team to the Districts community. Once fully implemented, the Districts ecosystem will be a decentralized, autonomous organization (DAO) through a comprehensive system to generate proposals on future changes and improvements and vote on them through staking of DSTRX tokens.

Rare Genesis NFT

The Rare Genesis NFTs consist of 10 distinct smart contracts, each awarded randomly to RIO token holders who staked a minimum of 10,000 RIO tokens in the Genesis contract before the Realio Network launch. In October 2022, 100 NFTs were airdropped to eligible wallets and later displayed on OpenSea. Among them, 10 NFTs were designated as "rare" and uniquely tied to specific locations within the Districts ecosystem. These Rare Genesis NFTs unlock exclusive privileges for their holders.

Exclusive Benefits for Rare Genesis NFT Holders:

- **Free Preminted Ultra-Rare Land Pixel and DSTRX Tokens**
  Each Genesis NFT holder will receive a preminted ultra-rare Land Pixel in the corresponding location tied to their NFT when the LandRush event begins for that location. A RIO deposit is not required, as with standard Land Pixel claiming. Holders will also receive DSTRX governance tokens.

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- **Keys to the City**

  The preminted ultra-rare Land Pixels image will appear as a key on the Districts map, symbolizing the holder's unique access. These keys will allow the holder to unlock future LandRushes associated with the NFT’s specific location, bypassing the otherwise required governance voting threshold required to unlock them.

- **Future Utilities and Special Benefits**

  As the Districts ecosystem evolves, additional special utilities and rewards will be developed exclusively for Rare Genesis NFT holders.

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