

HD RESERVE

Treasury Framework & Dividend Policy

Version 2.0

Effective Date 2/13/2026

Executive Summary

HD Reserve is the permanent treasury and dividend engine of the HoneyDropz ecosystem. Its purpose is to generate recurring yield, distribute structured monthly dividends, maintain capital discipline, and establish a capped and sustainable payout model.

Capital Structure

HD Reserve consists of deployed treasury capital, retained yield (40%), and project allocations from HD Capital Series. Outside of the defined reimbursement event, principal is not designed to shrink during the dividend phase.

Yield Modeling

Yield is generated through deployment into liquidstakingprotocol.com. All sustainability modeling is based on a conservative 2% daily rate. Actual performance may exceed this rate, but projections are calculated conservatively.

Reimbursement Policy

Each NFT is owed 0.084 SOL (84% of original mint price). Based on a mint reference of \$130 per SOL, reimbursement per NFT is approximately \$10.92, for a total liability of approximately \$5,907 across 541 NFTs.

Reimbursement will occur only when the Reserve can recover the total reimbursement amount within 14 days under conservative modeling. This is a one-time event funded from retained yield and executed via snapshot-based distribution in USDC on Solana.

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Dividend Policy

Monthly Dividend per NFT = $(\text{Reserve Monthly Yield} \times 0.60) \div 541$. 60% of yield is distributed evenly across all NFTs. 40% is retained for compounding growth. Dividends are paid monthly in USDC on Solana.

Dividend Cap

When dividends reach \$100 per NFT per month, payouts become fixed. Excess yield above required payout is removed from the Reserve and allocated to a diversified treasury strategy. Under conservative modeling, approximately \$150,000 in Reserve capital is required to sustain the cap.

Transparency & Reporting

Monthly reporting will include yield performance screenshots, vault balance summaries, and dividend calculations.

Platform Dependency & Risk

HD Reserve performance depends on liquidstakingprotocol.com yield stability, platform continuity, and market conditions. All modeling is conservative and does not represent guarantees of future performance.

Appendix – Sustainability Modeling Summary

Metric	Value
Total NFTs	541
Monthly Cap per NFT	\$100
Total Monthly Required Distribution	\$54,100
Required Monthly Yield (60% Rule)	\$90,166
Reserve Required at 2% Daily	~\$150,000