Whitepaper

Table Of Contents

Abstract

Real Asset Acquisition Corp (RAAC) is a decentralized finance (DeFi) protocol powered by real-world assets (RWAs). The ecosystem empowers token holders through a set of custom-built products to tokenize real-world assets (RWAs), deploying traditional finance (TradFi) assets into DeFi to unlock liquidity and on-chain yield opportunities. This model allows RAAC to systematically expand DeFi liquidity backed by tokenized RWAs.

The global financial system has long been fragmented between traditional finance (TradFi) and decentralized finance (DeFi). Traditional asset markets such as real estate and commodities represent trillions in locked value. However,these assets are slow to settle, heavily intermediated, and often restricted by jurisdictional and regulatory barriers.

DeFi, by contrast, has the potential to offer near-instant liquidity, composability, and global accessibility. However, DeFi currently lacks stable value and predictable yield opportunities. Most DeFi yield mechanisms depend on speculative token emissions or volatile crypto assets, which hinder mainstream institutional participation.

RAAC identifies this inefficiency as the core problem: Real-world value remains siloed off-chain, while on-chain liquidity lacks stable collateral. By tokenizing RWAs, the RAAC ecosystem can potentially create a bridge between these two worlds - enabling traditional asset holders to unlock liquidity and enabling DeFi participants to access yield-generating, RWA-backed instruments.

RAAC has two core product offerings that are intended to produce asymmetric liquidity and yield opportunities within the larger DeFi Ecosystem.

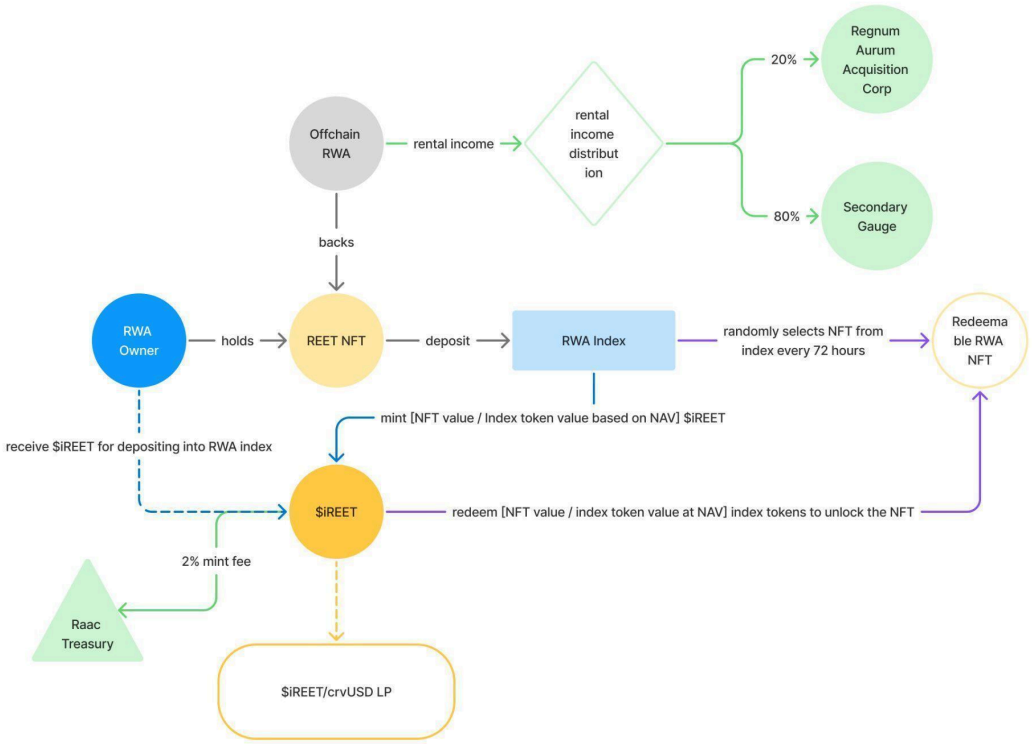
RAACLend. Tokenized RWAs (e.g., real estate) that can be held as an asset, deployed, or borrowed against for $crvUSD.

RWf(x). Tokenized RWAs (e.g., precious metals) used as collateral to mint a collateralized debt position (CDP) stablecoin, then deployed to earn yield.

RAAC anticipates that, in combination, these systems may provide a positive feedback loop that bolsters sustainable on-chain liquidity, asymmetric yield, and RAACs ability to perpetuate its on-chain system. The team is developing the RAAC protocol with intention to build in the features and characteristics described throughout this whitepaper. However, the features and characteristics of the protocol are subject to change.

Production Suite

RAACLend | RWA Tokenization & Index



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RWA Tokenization

RAAC purchases real estate and holds legal title to that real estate. It then tokenizes the real estate by creating a REET NFT, which represents a contractual right to a specific property.

REET NFT holders may use their REET NFT (or $iREET, as described below) as collateral to borrow crvUSD. They can use crvUSD to earn rental yield or an equivalent by placing tokens (DEcrvUSD and RcrvUSD) into the liquidity pool as shown in the main value flow diagram below.

REET NFTs may be traded on third-party marketplaces. Eligible REET NFT holders may also redeem their REET NFT to exercise its associated contractual rights by burning the REET NFT and starting the redemption process. Eligible users who complete the redemption process will receive title to the property.

$iREET holders may also redeem their tokens for REET NFTs or other RWA tokens using the process described below (see Redemptions).

RAAC maintains the real-world real estate underpinning the REET NFTs through continued replenishment of a Repair & Maintenance Fund. RAAC is responsible for expenses such as property management, maintenance, repair, insurance, taxes, and property filings.

80% of any rental income earned from tokenized real estate will be deposited in RAAC's secondary gauges, as described below. 20% will be paid to the Regnum Aurum Acquisition Corp., but this allocation may be modified via governance at a later date.

RWA Index

The REET Index, or iREET, allows users to gain exposure to the performance of real estate markets without purchasing a full REET NFT.

iREET allows REET NFT holders to deposit a REET NFT and receive iREET Tokens ($iREET) of equivalent value. RAAC may also contribute REET NFTs from its own holdings to the iREET.

$iREET tokens reference the notional USD value of the iREET , which is the current value of the underlying pool of real estate-linked assets.

$iREET tokens can be redeemed for REET NFTs (see: Redemptions)

When a used deposits a REET NFT, the user receives $iREET tokens based on the following formula:

$$\frac{NFT\ value}{Index\ value\ based\ on\ NAV}$$

RAAC charges a 2% minting fee denominated in $iREET tokens, which are sent to the RAAC treasury.

The value of underlying real estate is determined by a regular market assessment for each property.

Rental yield, if any, associated with $iREET tokens accrues to the RWA gauge directed by $veRAAC holders. The RWA index may receive rental yield from the RWA gauge. This way, rental yield is retained in the index, increasing Net Asset Value (NAV), and is used to expand the index's exposure. This yield is net of:

- A fee for the RAAC Treasury
- A fee for accruing protocol-owned liquidity within RAAC.

Holders may redeem $iREET tokens for an available REET NFT, selected at random from the iREET (see: Redemptions).

$iREET tokens can also be used as collateral on RAAC to borrow crvUSD. This adds further velocity, helps align index token prices closer to NAV.

The index token price will start at $1 but may fluctuate based on NAV.

Example
Real estate worth $1,000,000 is added to the iREET at an $iREET token price of $1. Therefore, 1,000,000 $iREET tokens are issued. One year later, the notional value of the real estate in the iREET is $1,100,000. With 1,000,000 $iREET tokens in circulation, the price of each $iREET token is $1.10.

Redemptions

The iREET system uses a randomized redemption queue where users don't know which REET NFT is next in line if $iREET tokens are submitted for redemption. Users cannot select a specific property for redemption. If no redemption occurs within 72 hours, the next REET NFT is randomly selected for redemption.

To unlock the REET NFT, users must redeem $iREET tokens. The number of $iREET tokens required to unlock the REET NFT is:

$$\frac{NFT\ value}{Index\ value\ based\ on\ NAV}$$

Lending Infrastructure

Interest Rate Framework

RAAC utilizes a discounted interest rate model which tracks the US prime rate. Specifically, below the target rate, borrowers pay half of the US prime rate.

Above the utilization rate target, a penalty interest rate is introduced which scales linearly with the distance to the target utilization. This provides an incentive for borrowers to repay their loan and allows lenders to withdraw funds, ensuring liquidity. The borrow rate is calculated as follows:

$$R_b = R_b^{target} + max(u \times (U - U_T), 0)$$

with:

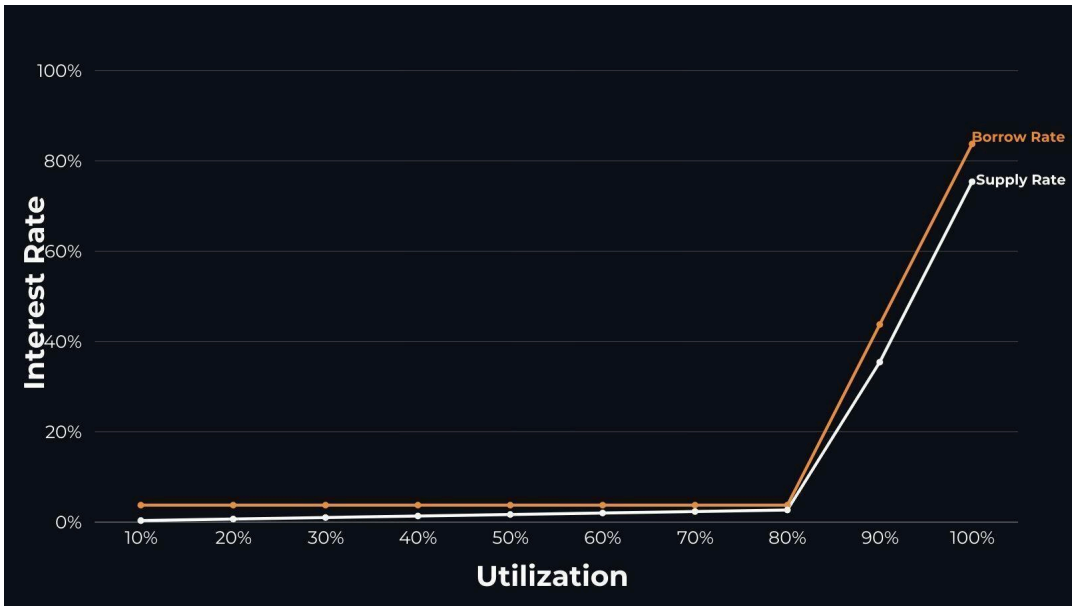
- R_b: borrow rate
- R_b^{target}: target borrow rate (½ US prime rate)
- U: utilization
- U_T: target utilization
- u: utilization penalty factor

The supply annual percentage rate (APR) (R_s) is calculated from the borrow interest paid by borrowers, minus a reserve factor which constitutes a protocol fee.

$$R_s = R_b \times U \times (1 - RF)$$

with:

- R_s: supply rate
- R_b: borrow rate
- U: utilization
- RF: reserve factor



Stability pool depositors may earn up to 80% of the rental income of the borrower's collateral, whether REET NFTs or $iREET, as decided by $veRAAC holders via the secondary gauge.

That gives the following total lending APR:

$$R_s = R_b \times U \times (1 - RF) + \frac{I_{maxrental} \times U}{LTV}$$

Where

$$I_{rental} = a \times Rental\ Yield$$

$$LTV = \frac{Borrows}{Collateral\ Value}$$

with:

- R_s: supply rate
- R_b: borrow rate
- U: utilization
- RF: reserve factor
- I_{rental}: rental yield (APR) distributed to lenders by secondary gauge
- a: max percentage of rental income earmarked for distribution to lenders

Furthermore, idle crvUSD supply is deployed into Savings crvUSD (scrvUSD) on Curve to earn yield.

Stability Pool

When deploying crvUSD, lenders receive a receipt token called RcrvUSD. RcrvUSD can be deployed into the stability pool LP (RcrvUSD/DecrvUSD) to earn additional yield distributed by veRAAC holders through the second gauge.

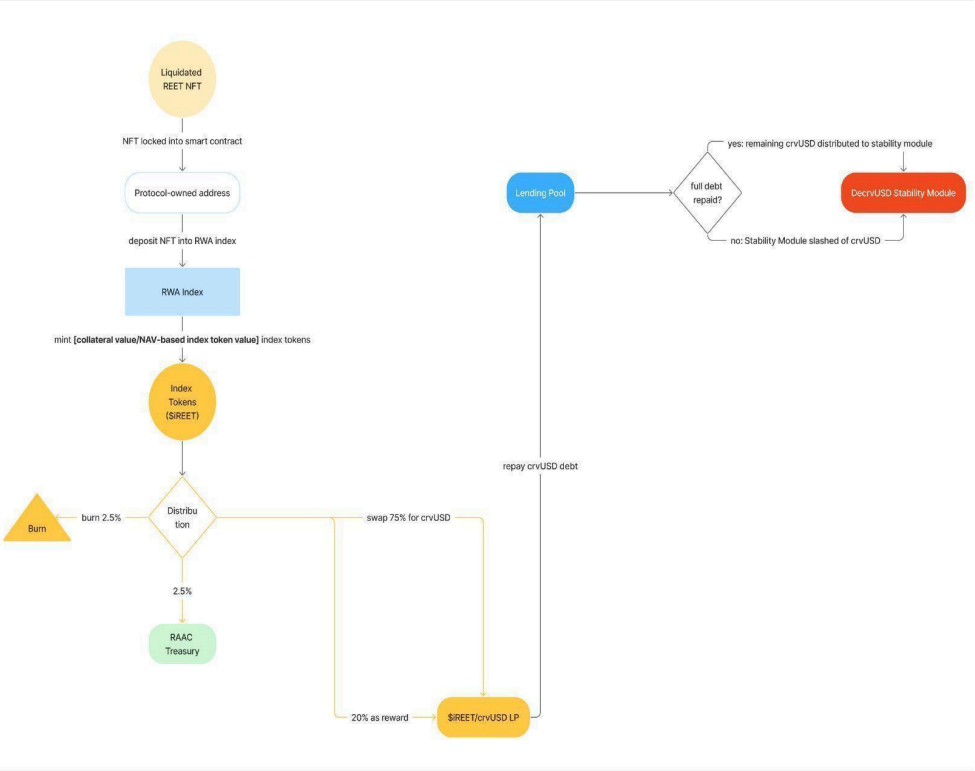
Note: DecrvUSD is the receipt token of RcrvUSD when deploying into the stability module. RcrvUSD and DecrvUSD are paired to make up the stability pool LP.

In return for higher yields, stability pool depositors accept higher risk in the event of bad debt.

The stability pool comes with a 14 day withdrawal window. Depositors send a withdrawal request, wait for the withdrawal window, and then have 72 hours

to claim their withdrawn funds. If a user misses the withdrawal window, a new request is required.

Liquidations



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Liquidations are determined by the borrower's health factor, which is calculated using the following formula:

$$Health\ Factor\ = \frac{(Collateral\ Value \times Weighted\ Average\ Liquidation\ Threshold)}{Borrow\ Value}$$

Example
Liquidation threshold: 50%
Collateral: $100,000
Borrow position: $40,000
→ Health factor = ($100,000 * 50%) / $40,000 = 1.25

When a borrower's debt position falls below a health factor of 1, it enters the liquidation process. Liquidations on RAAC work differently than traditional DeFi lending protocols due to the borrower's collateral being $iREET instead of a fungible token with a liquidity pool.

A liquidation threshold is set for each RWA collateral asset, based on its risk profile. The liquidation threshold acts as a buffer to prevent bad debt from accumulating in the RAAC ecosystem.

Liquidation Process

A borrower's RWA collateral value (in crvUSD) is updated regularly based on Chainlink price feeds and an off-chain evaluation twice a year.

When a borrower's health factor falls below 1, a liquidation event is triggered. If the borrower took out an optional Liquidation Guard, the borrower may repay their loan within 72 hours to avoid liquidation.

Upon liquidation, the stability pool pays the bad debt to make the lending pool whole. The stability pool receives the REET NFT.

The stability pool then deposits the RWA NFT into the RWA index, receiving $iREET index tokens in exchange. $iREET received by the stability pool for liquidations is used as follows:

- 75% are swapped to crvUSD via the $iREET/crvUSD liquidity pool and used to reimburse the stability pool. Given the 60% LLTV, the reward would be ~15% dependent upon the price impact of the swap
- 20% is distributed to $iREET/crvUSD LPs as a reward
- 2.5% is allocated to the RAAC Treasury as a protocol fee
- 2.5% is burned, accruing value to the RWA index, and therefore $iREET holders

If the $iREET/crvUSD liquidity is insufficient to repay the entire crvUSD debt, the DecrvUSD stability module will socialize the loss within the stability module. The RcrvUSD deployed in the stability module is burned to make the system whole.

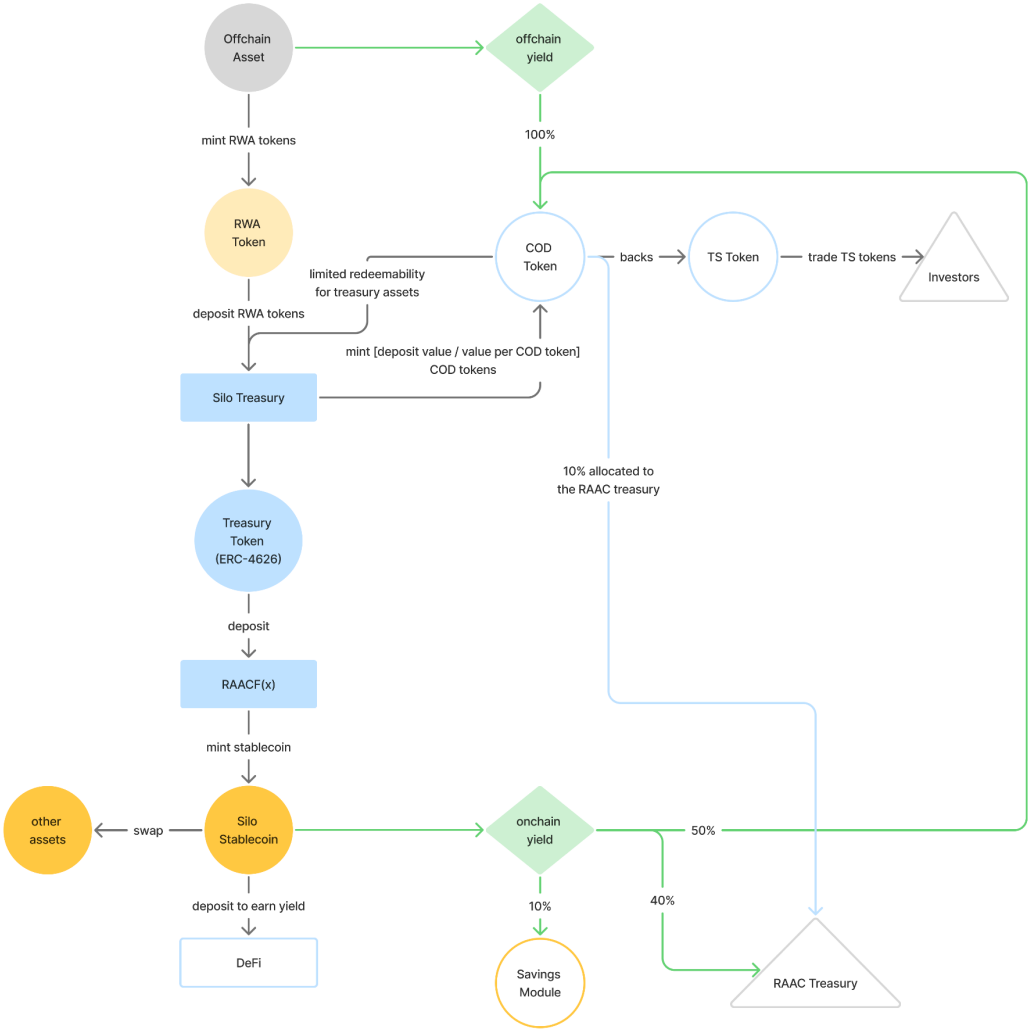
The borrower keeps their loaned crvUSD but loses ownership of the REET NFT, realizing a loss of:

$$collateral\ value\ -\ borrowed\ amount$$

The whole debt position is liquidated.

In a worst case scenario, when the liquidation of the collateral cannot happen due to an insufficient stability pool and $iREET-crvUSD liquidity pool, the liquidation is reverted. The position will stay under liquidation, the protocol is paused to prevent malicious withdrawals, and the required capital is sourced to enable an efficient liquidation.

RWf(x) | A CDP stablecoin silo system



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RWf(x) stablecoin silos operated by third parties allow RAAC to bring RWA assets on-chain. Each independent silo is a self-contained vault that

tokenizes a single asset class. Examples could include: gold, farmland, oil, data, water, etc.

Independent silos mint a branded stablecoin (e.g., pmUSD) against the asset deployed and deploys it into RAAC products and other DeFi protocols to support RAAC's growth and earn yield.

Silos are backed by an asset which is tokenized via an RWA token (e.g. gold). The RWA token is deployed into the silo treasury which mints a COD token, representing a share of the treasury. Over time, the treasury earns yield and may take in other assets beside the RWA token. Silos can decide to sell COD tokens to raise cash. 50 % of net on-chain yield and 100% of off-chain yield generated by Treasury assets is paid pro-rata to COD holders.

Each vault is isolated in underlying asset risk. For example, if the precious metals silo suffers a black swan event, the metals and agriculture silos are not impacted because assets and liabilities are legally and organizationally firewalled. RAAC captures upside through yield sharing, and acts as the coordination layer for all silos, awarding a programmable stream of emissions in return for 40% yield sharing on on-chain yields and 10% RWA asset ownership, thereby receiving 10% of off-chain yields. To start, these yields accrue to the RAAC Treasury.

pmUSD

pmUSD, short for precious metals USD, is a synthetic stablecoin backed by tokenized in-situ gold reserves. RAAC's tokenization partner is I-ON Digital Corp. which offers fully audited, compliant, and secure gold tokenization.

In-situ gold reserves are discounted by 80% from the real-time spot gold price, resulting in a reserve ratio of 5:1.

These discounted gold reserves back pmUSD. RAAC uses an official f(x) Protocol 1.0 fork for its stablecoin creation. The 1x net long gold position is split into the stablecoin pmUSD and a leveraged xGOLD position which eats all the volatility. For more info please refer to the f(x) protocol documentation.

The change to f(x) protocol is that RAAC internalizes the xGOLD position instead of offering leveraged gold exposure to the public.

Protocol Economics & Fees

This section details the various fees and revenue streams going to RAAC and other parties.

RAACLend & RWA Index

Rental Income

RAAC takes a protocol fee on the rental income flowing through its ecosystem which is used to help maintain the physical real estate:

- 80% will go to secondary RWA gauge which directs rewards to LPs in the RcvrUSD/DEcrvUSD and $iREET/crvUSD liquidity pool (or other gauges in the future)
- 20% will go to pay for software development, professional services, and administration (Protocol Services).

Royalty Fees

Trades on REET NFTs are subject to a 2% royalty fee on every trade, which is distributed as follows:

- 0.5% to $veRAAC holders
- 0.5% to Protocol Services
- 1% to RAAC's Treasury

$iREET Token Tax

$iREET, the tokenized share of the RWA Index, comes with a 2% token tax, similar to the 2% royalty fee of REET NFTs.

Revenue generated via the token tax is distributed as follows:

- 0.5% to $veRAAC holders
- 1% to Protocol Services
- 0.5% to the RAAC Treasury

$iREET Minting Fee

Whenever a user adds a REET NFT to the RWA Index, 2% of the minted $iREET is allocated to the RAAC Treasury.

RAACLend

All revenues from the RAACLend product (DeFi platform revenue) are split in the following way:

- 80% $veRAAC holders
- 20% RAAC Treasury

DeFi platform revenue is generated from the sources described in this section, below.

Interest Rate Spread
RAAC takes a 10% fee on the interest paid by borrowers. The same 10% fee will be deducted from the interest paid by borrowers, such that lenders will receive a net return equal to 90% of the interest paid by borrowers.

Liquidation Guard Fees
Borrowers can guard their REET NFT collateral from instant liquidation (get 72 hours to repay their loan after the liquidation threshold is reached) for a fee equal to 3% of their loan.

Mint Fees
Deploying to a lending vault is subject to a 0.05% fee on deployment. Minting fees may be subject to change in the future.

Vault Fees
There are no current fees to open a vault to borrow.

Liquidation Fees
RAAC receives a 2.5% fee on liquidations by receiving 2.5% of index tokens minted during the liquidation process. The fees are sent to the RAAC Treasury.

Note that fees stated above may be subject to change at RAAC's discretion or as a result of a governance vote.

RWf(x)

The RAAC Treasury receives 10% of each silo's COD tokens, representing 10% of the RWA backing and 10% of RWA off-chain yield. Additionally, the RAAC

Treasury receives 40% of on-chain yield generated by a silo's treasury-backed stablecoin.

A 2% mint fee is charged and distributed between ecosystem partners.

Repair & Maintenance Fund

The RAAC Treasury is obligated to fill the Repair & Maintenance Fund (R&M Fund) up to a target threshold. The target threshold is a percentage of total real estate assets under management by RAAC, weighted by the real estates' risk profile to account for the probability and size of required repairs. For example, Housing Choice Voucher Program properties are more risky and might require repairs worth a couple of monthly rents every year.

$$R\&M\ Target\ Size\ =\ a \times \sum_{i}^{n} Value_{i} \times weight_{Risk_{i}}$$

with

- *i: real estate object*
- *a: base percentage of AUM that should go to the R&M Fund*

At launch, RAAC will use the following parameters:

a	2.50%

Risk Score	**Weight**
1 (e.g. Prime housing)	1
2	1.5
3 (e.g.Housing Choice Voucher Program properties)	2

Until the target size is hit, 70% of the RAAC Treasury's USD fund will be allocated to the R&M Fund, while 30% remain in the treasury for other use.

$$R\&M\ Size\ =\ MIN(R\&M\ Target\ Size\ ,\ 70\%\ of\ Treasury\ USD\ Balance)$$

$RAAC Token

$RAAC is RAAC's ecosystem token, managing and coordinating its various components including RWf(x), RAACLend index, as well as $RAAC distributions.

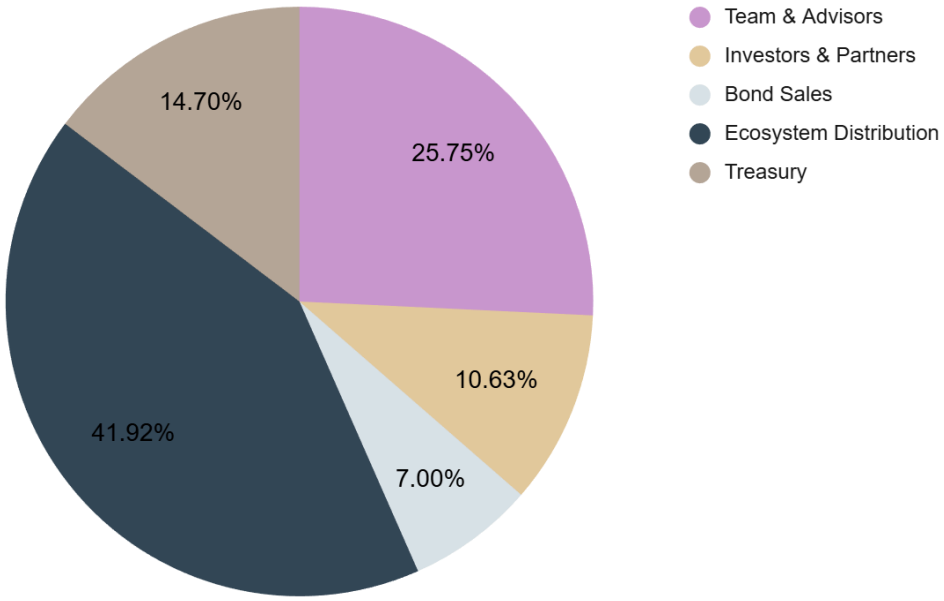
RAAC uses a ve (vote escrow) token model to align token holders with the protocol. Lockers receive a pro rata share of value captured by RAAC based on their $veRAAC token holdings. This may include:

- 80% of RAACLend revenue
- 0.5% take rate on REET NFTs and $iREET trading volume (a share of the total token tax and royalty fees)
- Voting incentives for primary and secondary gauge emissions
- Further value share from the RAAC Treasury (see section "Protocol Economics & Fees") if such allocation is deemed effective use of capital

Tokenomics

Total Supply:
21,000,000

Allocations



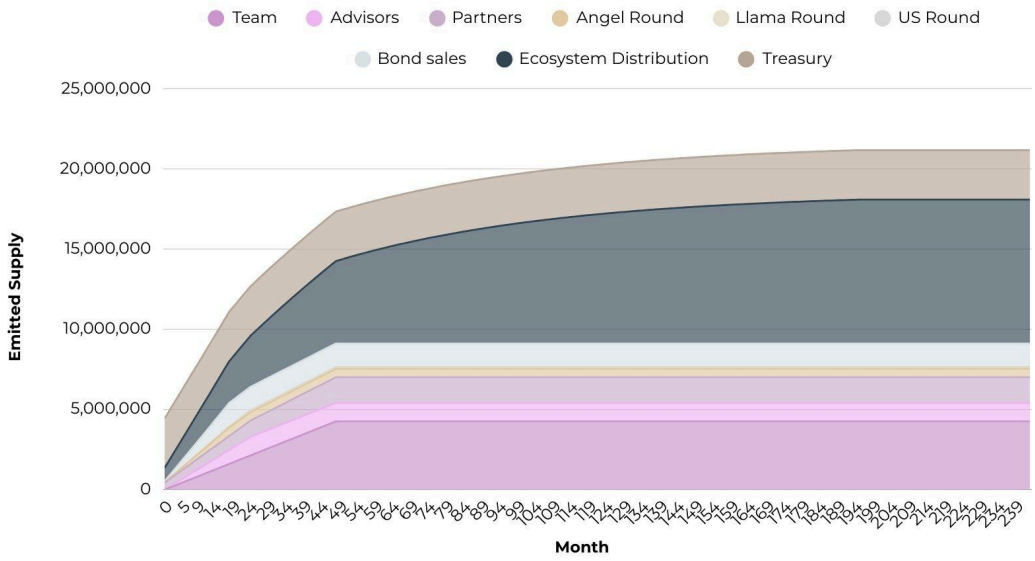
41.92% of supply is allocated for the ecosystem. Ecosystem token distributions follow a fixed schedule and their destination is decided by $veRAAC holders (see section "Ecosystem Token Distribution").

Category	Cliff (months)	Vesting (months)	% Unlocked at TGE	Allocation
Team	0	48	0.0%	20.25%
Advisors	0	24	0.0%	5.50%
Partners	0	48	27.4%	7.60%
Angel Round	0	18	5.0%	2.50%
Llama Round	0	24	0.0%	0.2207%
US Round	12	12	0.0%	0.3125%
Bond sales	see "RAAC Bonds"		0.0%	7.00%
Ecosystem Distribution	see "Ecosystem Token Distribution"		3.73%	41.92%
Treasury	0	0	10.0%	14.70%

The treasury is used to seed multiple key components of the RAAC system, including DEX LPs and leRAAC's maturity vault. More details, such as exact

allocations across LPs, will be published. For the required flexibility, the treasury has to be unlocked at day one as showcased by the vesting schedule. The RAAC team will not sell any RAAC from the treasury allocation.

Emissions



As explained throughout this section, not all emitted RAAC will be liquid as emissions are making use of leRAAC and veRAAC, locked versions of RAAC.

Ecosystem Token Distribution

41.92% of total $RAAC supply is earmarked for the ecosystem.

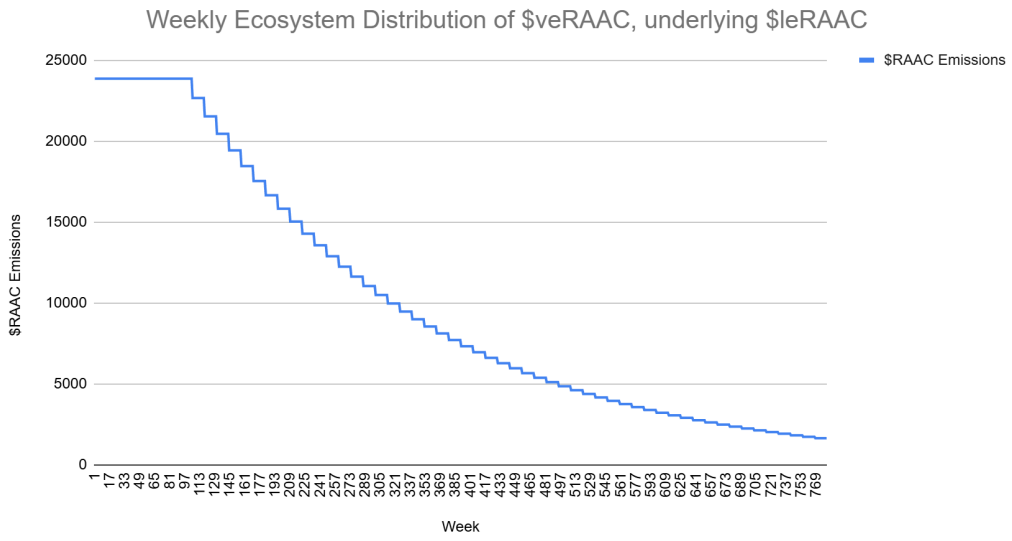
Ecosystem distributions are done in $leRAAC. $leRAAC is RAAC's fork of Clever's clevCVX, a wrapper for $veRAAC. $leRAAC is described in more detail in the $leRAAC section.

The amount of $leRAAC emitted per week is set on a decaying schedule.

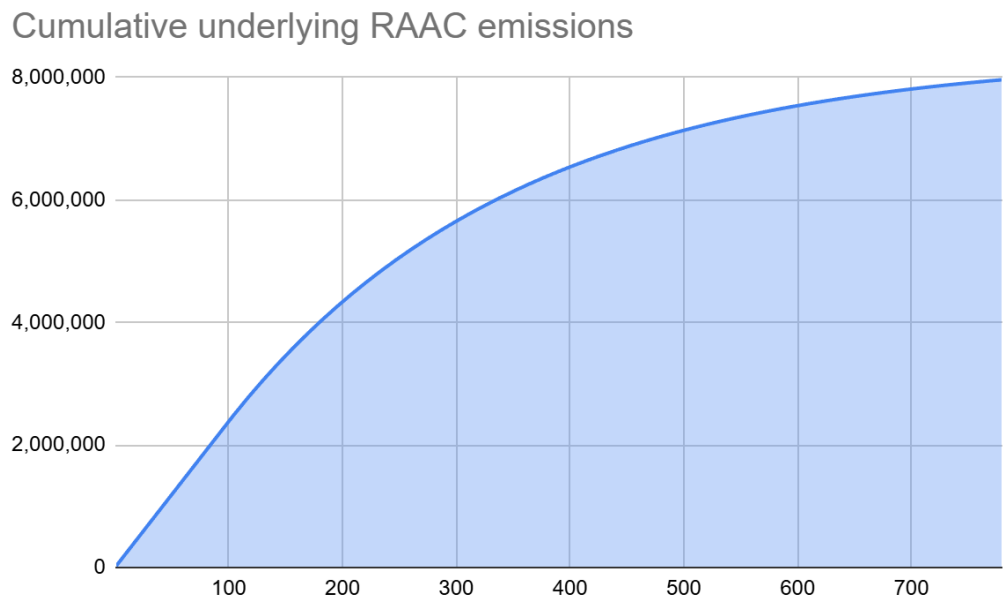
For the first 104 weeks, emissions will remain constant. After 104 weeks emissions will be reduced by 5% every 13 weeks. This will result in a reduction of approximately 18.55% per year. Emissions will run for a total of 780 weeks.

This results in the following emissions schedule:

Weekly Ecosystem Distribution of $veRAAC, underlying the emitted $leRAAC



Cumulative $veRAAC distribution



Ecosystem distributions are frontloaded to kickstart protocol and treasury growth while providing a long-tail of emissions, with the intention of giving RAAC time to become self-sustaining. After year 1, 15.58% of ecosystem tokens will be distributed, 31.15% after year 2, and 44.88% after year 3.

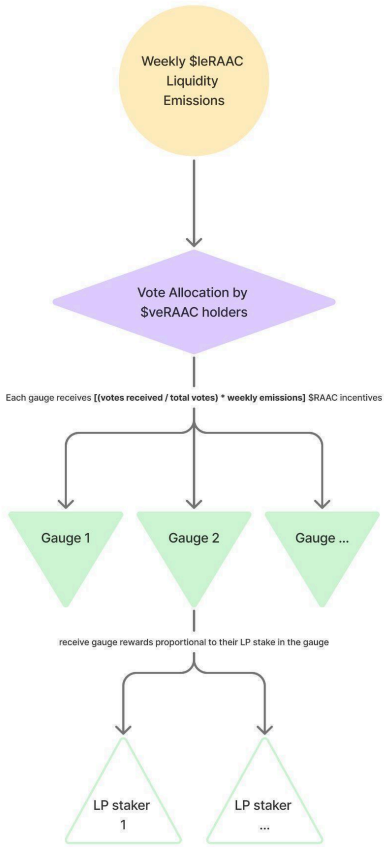
$veRAAC holders decide where ecosystem distributions flow. $RAAC emissions are allocated to gauges based on the percentage of weekly votes gauges receive.

The actual circulating supply depends on multiple factors, including how $leRAAC holders use the mechanics, $veRAAC yield and $RAAC price, and therefore cannot be determined upfront.

Gauges

RAAC features a dual gauge system, with one gauge for $RAAC ecosystem distributions and another for the distribution of RWA yield, such as rental income from real estate.

Primary gauge



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$RAAC ecosystem distributions flow to users who deposit their liquidity provider tokens in gauges. Each depositor receives $leRAAC emissions proportional to their share of total value deposited in the gauge.

$$Weekly\ Distribution_{i,j} = Weekly\ Gauge\ Distribution_j \times \frac{Tokens.staked.in.gauge_{i,j}}{\sum_i^n Tokens.staked.in.gauge_{i,j}}$$

With

- *i: staker*
- *j: gauge*

For a gauge to receive $RAAC ecosystem distributions, the token holders must approve the gauge. More details can be found in the governance section.

Gauges may include:

- RAAC Core stability pool (RcrvUSD/DEcrvUSD LP)
- $iREET/crvUSD LP
- Silo stablecoin LPs

The total amount of $leRAAC ecosystem distributions received by a gauge is decided weekly by $veRAAC holders. Every week, a fixed amount of $leRAAC tokens are distributed, as detailed in the emission schedule. The share of weekly $leRAAC ecosystem tokens per gauge (gauge weight) is determined by its share of total $veRAAC votes that week. While votes are held weekly, $RAAC distributions are made daily.

$$Weekly\ Gauge\ Distribution_j = Gauge\ weight_j \times Weekly\ \$leRAAC\ Emissions$$

$$Gauge\ weight_j = \frac{\$veRAAC\ votes_j}{\sum_j^m \$veRAAC\ votes_j}$$

Gauge weights are updated every Wednesday at 00:00 UTC.

Secondary gauge
The secondary gauge distributes RWA yield, such as rental income from real estate managed by RAAC and silo yields.

RAAC RWA yield flows to the pools underlying the RWA gauges in proportion to the gauge's share of total votes. For a gauge to receive RWA yield, the token holders must approve the gauge. More details can be found in the Governance section.

Gauges may include:

- RAAC core pools (RcrvUSD/DEcrvUSD liquidity pools and $iREET/crvUSD liquidity pools)
- Auto-compounders
- Token purchases

The total amount a gauge receives is decided monthly by $veRAAC holders. Every 4 weeks, a fixed amount of RWA income investments are made by the RAAC treasury. The share of monthly RWA yield per gauge (gauge weight) is determined by its share of total $veRAAC votes that month.

$$Monthly\ Gauge\ Investments_j = Gauge\ weight_j \times Monthly\ RWA\ Income\ Investments$$

$$Gauge\ weight_j = \frac{\$veRAAC\ votes_j}{\sum_j^m \$veRAAC\ votes_j}$$

Gauge weights are updated every week at 00:00 UTC.

Auto-Compounders

RAAC provides auto-compounders and vaults built by LlamaAirforce for RAAC-related stablecoin liquidity pool positions on Curve, such as Silo stablecoins and crvUSD. The auto-compunders maximize yield from fees and gauge rewards and automatically convert yield into liquidity pool positions for compounding interest. The RAAC Treasury takes a 20% performance fee on auto-compounder yield which is captured in CVX/CRV to increase RAAC's voting weight in future CRV emissions.

$veRAAC

RAAC is built on the Curve ecosystem. crvUSD serves as the loan asset in the lending pool and $CRV/$CVX holdings are a key part of the RAAC Treasury to incentivize the RcrvUSD/DEcrvUSD stability pool and the $iREET/$crvUSD pool. Therefore, $RAAC also employs a vote-escrow (ve) token model.

$veRAAC aligns RAAC with the Curve ecosystem and creates a long-term community that fits the time horizon that's required when engaging with TradFi/RWA.

Holders can lock their $RAAC for a minimum of 1 week up to a maximum of 1 year. Upon lockup, users receive non-transferable $veRAAC, with the amount received linearly correlated to the lockup duration:

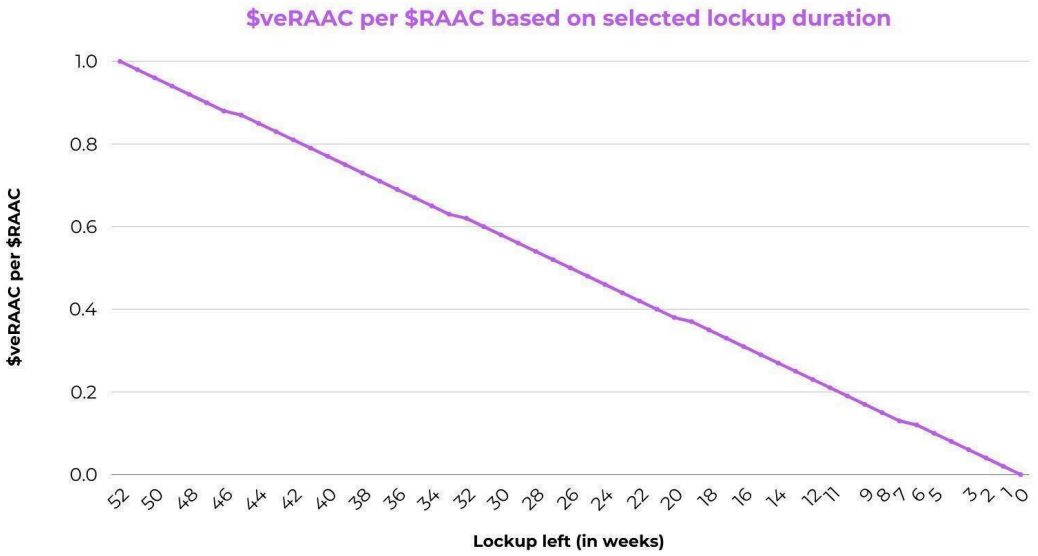
$$\$veRAAC = \$RAAC \times \frac{lockup\ period}{365\ days}$$

Example
1 $RAAC locked for 1 year = 1 $veRAAC

1 $RAAC locked for 6 months = ~0.5 $veRAAC

1 $RAAC locked for 1 month = ~0.083 $veRAAC

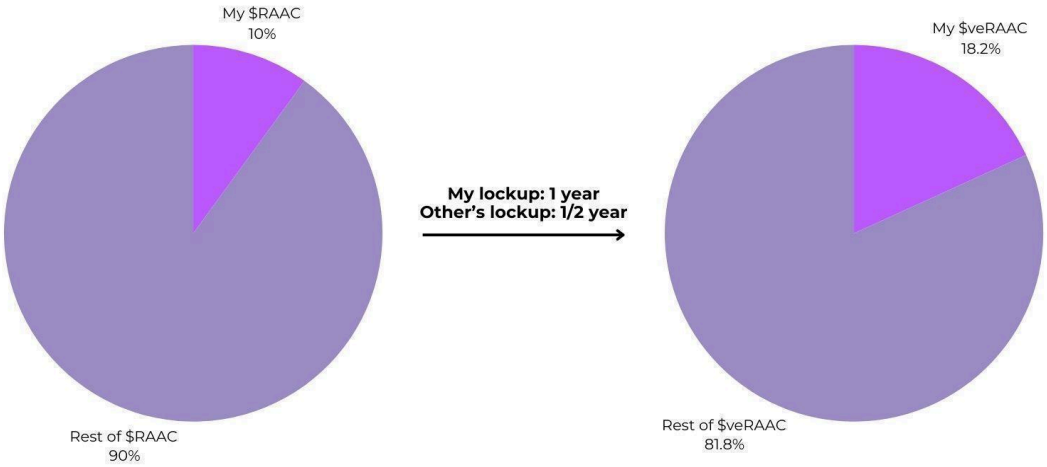
1 $RAAC locked for 1 week = ~0.019 $veRAAC



The $veRAAC balance decreases linearly over the lockup period. At maturity, holders can claim their full $RAAC position. Users can extend their lock or add $RAAC to their existing lock at any time.

$RAAC holders must lock their tokens to receive fee sharing and participate in governance (see "Utility" section). $veRAAC serves as the basis for any distribution or voting, meaning that a holder's share of total $veRAAC determines their share of revenue and voting power.

$$Weight_j = \frac{\$veRAAC_j}{\sum_j^m \$veRAAC_j}$$



Multiple Locks
A user can have multiple locks with different lockup periods for the same address.

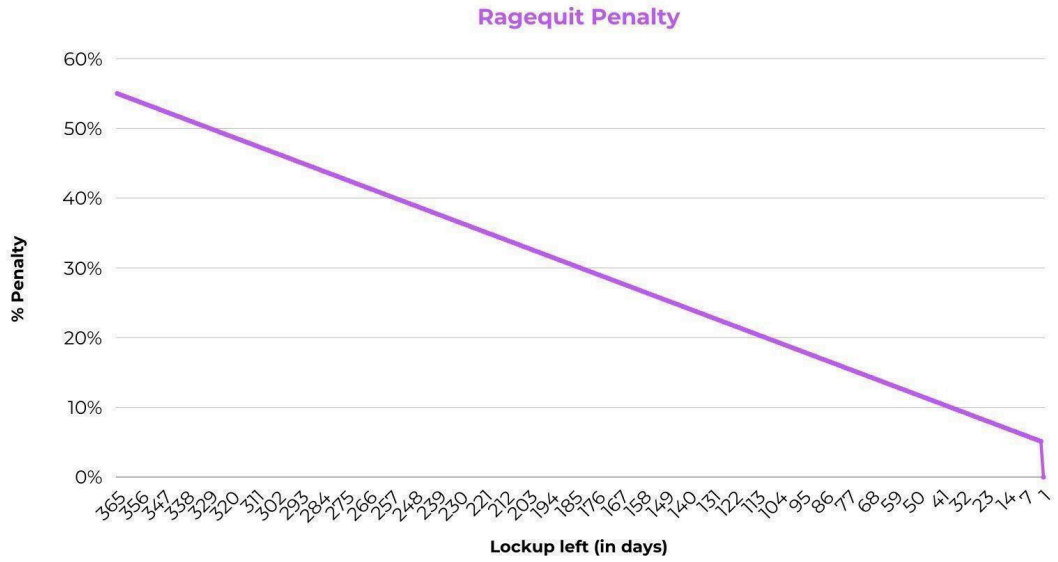
Lock Freezing
Users may freeze their locks. Frozen locks are locked for the maximum duration of 52 weeks indefinitely until unfrozen and do not decay.

Ragequit
Users may ragequit, exiting their lock early for a penalty, resulting in them receiving less $RAAC back.

The ragequit penalty is based on the remaining lockup time and consists of two parts, one fixed and one variable:

- The **fixed exit fee** (5%) is burned
- The **variable exit fee** (up to 50%) is allocated in the following way: 33% sent to the treasury, enabling RAAC to onboard new aligned token holders; 67% distributed to veRAAC holders linearly over 90 days, providing an incentive to remain locked

The variable exit fee decreases linearly from 50% at a remaining lockup duration of 365 days, to 0% with no remaining lockup period. Including the 5% fixed exit fee, this results in the following ragequit penalties:



To prevent flash exits, governance attacks, and other malicious actions, ragequits are subject to a 7 days cooldown period. Upon initiating a ragequit, users must wait 7 days before receiving their funds. During this time, the ragequitter is not entitled to the same incentives as other holders of locked $veRAAC tokens. They will have no governance power, no gauge voting, and no token distribution.

Utility

$veRAAC holders govern the protocol, direct value flows, and benefit from revenue sharing. They will receive:

- 80% of platform fees and 25% of both REET NFT royalties and $RAAC token tax (described in more detail in the "Protocol Economics & Fees" section)
- Direct $RAAC ecosystem distributions and RWA yield via a dual gauge system
- Boosted emissions
- Governance rights

As RAAC expands, $veRAAC holders will participate in every vertical. Revenue from all RWAs tokenized in the RAAC ecosystem, whether from silos or RAACLend, will flow to RAAC.

Governance

RAAC is operated and governed by the community. Token holders have governance power proportional to their deposits, where 1 $veRAAC equals 1 vote.

Governance is used to vote on key decisions, such as protocol parameters and addition of new gauges.

Governance Process

Forum discussion

Before an official proposal is made, proposers may submit an outline of their proposal to the governance forum for discussion. Submitting an outline for discussion makes it easier for voters to understand the proposal and increases the likelihood of tokenholders participating in governance.

Anyone can submit a new forum proposal outline.

Formal proposal

The governance proposal is then formally submitted for a token vote.

While anyone can create a forum proposal, only token holders with at least 120 $veRAAC (0.01% of circulating supply at TGE) can send a proposal for a token vote.

After the proposal is submitted, there is a 3-day proposal review period. During this time, interested parties can read up on changes, hold discussions, and gather support.

Token vote

Voting process

Token holders and delegates vote off-chain via Snapshot.

Token holders are allocated 1 vote per 1 $veRAAC. Token holders can delegate their votes, allowing community members to assign their voting power to other token holders who vote on their behalf.

Voting will remain open for 14 days, and will be extended by 3 days in case of a late quorum. For example, if a voter causes a proposal to reach quorum

right before the end of the voting period, the voting period is extended by 3 days.

Abstentions count toward the quorum but are not considered in the majority calculation.

Types of voting decisions

There are two types of decisions, depending on the potential impact of the vote:

Major Decisions:

- Changes to protocol parameters
- Changes to governance

Major decisions require a simple majority (51%) and a quorum of 15%.

Minor Decisions:

- Addition of new gauges

Minor decisions require a simple majority and a 10% quorum.

DAO Voting

In the future, RAAC may implement a DAO to manage voting and more direct implementation of proposals.

Execution

If a token vote proposal has passed, a 3-day waiting period is initiated, allowing users who object to the result to withdraw funds or take other actions to preserve their interests. The proposal is then executed by the security council.

Security Council

The security council is made up of five individuals, each holding a key for a 5-member multisig that requires a 3-of-5 approval for implementing proposals, and 2-of-3 for emergency fixes.

The security council implements passed proposals.

The security council can also respond quickly to address critical risks that are too urgent to be left to the ordinary proposal process. If required, it can take emergency actions without the need for a vote.

Emergency actions include addressing critical security vulnerabilities that put user funds at risk or could damage the integrity of the protocol.

The initial security council members were selected by the RAAC team according to their qualifications, including experience in risk management, experience in blockchain security, and knowledge of the RAAC Ecosystem. The security council may include members both inside and outside the RAAC team.

$leRAAC

$leRAAC is RAAC's fork of Clever's clevCVX, a wrapper for $veRAAC. $leRAAC is intended to be a self-repaying, non-liquidating loan against $veRAAC which is locked for the maximum duration of one year.

$leRAAC provides:

- **Incentive alignment**: Instead of distributing liquid $RAAC, the underlying of $leRAAC is $veRAAC. This makes incentives most attractive to believers in RAAC. Additionally, the price impact of sell pressure on $RAAC is reduced.
- **Direct rewards**: $leRAAC allows token holders to claim future $veRAAC yields which can be used instantly. Recipients essentially receive $veRAAC and a self-repaying, non-liquidating loan that is paid off by $veRAAC yield.
- **Governance power**: The underlying $veRAAC is used by the protocol during gauge voting to maximize rewards and protocol health. Governance power remains in the hands of leRAAC holders.

How it works:

1. Users receive $leRAAC at 50% LTV of the underlying $veRAAC from the ecosystem distribution.
2. The yield of the underlying $veRAAC pays off the user's debt.

3. After the debt has been paid back, the user can unlock the underlying $veRAAC after the 12-month lockup period.

Users may:

- Deploy $leRAAC in the Maturity Vault to receive $RAAC over time as debt is paid back, determined by the $veRAAC yield and total deposits in the vault
- Pay back the $leRAAC loan and unlock the underlying $veRAAC (12-month lockup)
- Sell leRAAC, wait for the yield to pay back the debt and then unlock the underlying $veRAAC (12-month lockup)
- Trade around the $leRAAC price. For instance, users may buy discounted $leRAAC to pay back their loan more quickly and more cheaply, or buy discounted $leRAAC to deploy it in the maturity vault

Maturity Vault

Participants in the RAAC ecosystem who have acquired $leRAAC may deposit those tokens in the Maturity Vault contract to convert those $leRAAC to $RAAC tokens at a defined rate over a specific time. The rate and time period vary based on ecosystem conditions.

Conclusion

The RAAC systems described above redefine how real-world assets interact with decentralized finance. By bridging tangible value and uncorrelated yield with programmable liquidity, RAAC creates a transparent, yield-driven, and institution-ready ecosystem—the foundation for a new paradigm in DeFi infrastructure.