

Pesky Penguins Nootpaper

Introduction

Pesky Penguins is an OG (October 2021) Solana NFT project dedicated to providing a **positive example** of **sustainable value** to our community and the Solana ecosystem.

Our mission core is to **reinvest** in the **Solana ecosystem** and our **strong community**. Through innovative mechanisms like **The Nest Egg** and **The Snowball**, we aim to create a robust, value-driven ecosystem for our holders and market participants alike.

The Nest Egg

The Nest Egg is our newest initiative designed to reward holders and stakers with a share of Pesky Penguins project revenue through the sustainable redemption of \$PESKY tokens for SOL.

The Nest Egg is fueled by validator profits, which we deploy (weekly) into a dynamic liquidity pool at market rates. This mechanism not only supports price stability through an ever-increasing amount of liquidity in the pool, it encourages market participation through increased volume and deeper liquidity. This virtuous cycle creates the opportunity not only for holders to redeem their \$PESKY for SOL, but also for market participants to deploy their \$PESKY into a liquidity pool with trading volume to collect fees and participate in the decentralized economy.

Trading fees earned by The Nest Egg are reinvested in the project to reward participants for as long as possible.

The Snowball

The Snowball is the heart of our long-term project appreciation strategy. It receives 2% of each NFT sale (via royalties) as well as a small portion of validator profits and uses those funds to periodically purchase the cheapest Penguins listed on exchanges. These Penguins are then burned, reducing the overall supply of the collection, and providing volume and liquidity to the NFT market.

This ongoing burn mechanism creates long-term scarcity, directly benefiting holders by supporting the floor price. Even during periods of low sales volume, The Snowball continues to grow due to having most of its funds staked at our validator, ensuring a constant revenue stream. All burned Penguins are publicly visible on our Graveyard page, at: nootopia.app/graveyard.

Staking Incentives

We reward holders for participating in the ecosystem through two primary staking paths:

- **Penguin Staking:** Holders can [stake their Pesky Penguins](#) to earn \$PESKY over time.
- **Validator Staking:** Anyone can stake SOL with our validator and earn Pesky Tokens as well. The reward rate is dynamic based on the age of the stake account:
 - **< 25 epochs old:** 1 PESKY per SOL per week
 - **25-100 epochs old:** 2 PESKY per SOL per week
 - **100+ epochs old:** 4 PESKY per SOL per week

This approach encourages long-term SOL staking, as rewards grow significantly the longer you stake. It doesn't take long to unlock these tiers — 25 epochs is just under 2 months, and reaching the maximum reward rate takes just over half a year.

Notice the logarithmic curves in the chart above; they show the amount of \$PESKY you can earn per SOL based on the floor price of Penguins. Where the curves intersect the horizontal lines (validator stake account reward levels) is the point at which it becomes more advantageous to stake at the validator rather than purchase Penguins for staking.

\$PESKY / SOL / Week

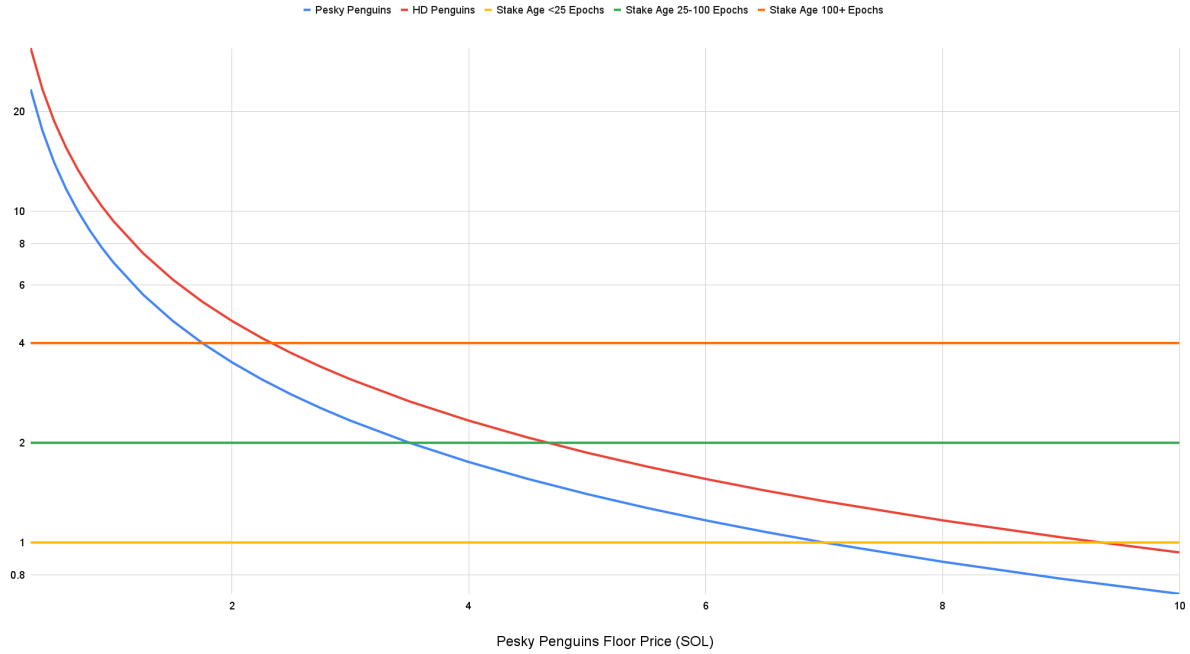


Figure 1: PESKY per SOL per Week Reward Chart

For example, once the Penguin floor price rises above 2 SOL, staking with a 100+ epoch-old account becomes the better deal for earning \$PESKY. Before that, staking Penguins offer greater rewards. This creates natural tension between “Penguins vs. SOL staking,” encouraging demand for both.

We expect this dynamic to raise the Penguin floor price to key thresholds (2 SOL, 4 SOL, and 8 SOL) while simultaneously boosting validator stake. As validator stake increases, Nest Egg revenue also grows, fueling demand for \$PESKY even further.

Additionally, as \$PESKY rewards contribute to the rise of the Pesky Penguins floor price, The Snowball will generate more royalties, accelerating Penguin supply reduction and reinforcing the value of our NFTs.

Philosophy: Returning Value to Holders

Pesky Penguins is designed with sustainability and community at its core. We actively encourage holders to sell their \$PESKY Tokens — doing so provides immediate value while reinforcing the broader system. Selling tokens allows the Nest Egg and market participants to earn fees. The more fees the Nest Egg earns, the more rewards are recycled back into our \$PESKY staking, and the more desirable it becomes to own Penguins. The more demand there are for Penguins, the more Penguins are burned via The Snowball, etc.

Our philosophy is simple: value in, value out. Every action in our ecosystem is designed to benefit long-term holders, support token health, and grow the project with integrity.

Conclusion

Pesky Penguins is more than an NFT collection — it is a community and a sustainable project built to stand the test of time. By combining deflationary supply mechanics (The Snowball), validator-powered liquidity support (The Nest Egg), and fair staking rewards (free \$PESKY emissions), we are creating an ecosystem where community participation is **genuinely** rewarded.