

innov8-resources-program2-llc-operating-agreement- v7.3.10

OPERATING AGREEMENT

Innov8 Resources Program 2, LLC

A Delaware Limited Liability Company

v7.3.8 / 2026-05-27

CRITICAL TIMING FLAG — FORM 8832: *This LLC must file IRS Form 8832 (Entity Classification Election) within 75 days of the LLC's formation date to elect C-Corp treatment retroactively. The managing member (Innov8 Resources, Inc.) shall cause this filing. If Program 2 LLC is formed on the same date as Program 1 LLC and Holdco, all three Form 8832 deadlines (and the §83(b) deadline for Class B shares) may run concurrently — calendar all simultaneously.*

SUKUK SPV — SHARIA COMPLIANCE: *This LLC's membership interests are the economic backing for Musharaka-based Sukuk certificates to be issued by an offshore Special Purpose Vehicle (the "Sukuk SPV"; jurisdiction and legal form defined separately in the Sukuk documentation). The Sukuk structure requires: (i) Sharia compliance committee approval before issuance; (ii) LLC membership interests to be structured as Musharaka equity participations, not debt instruments; and (iii) confirmation from US tax counsel that Musharaka certificates are treated as equity (not debt) for US federal tax purposes. Do NOT issue Sukuk certificates before obtaining these confirmations.*

FIRPTA FLAG: *GCA (Galileo Capital Advisors SA, a Swiss entity) may invest in this Program LLC (directly as LP or through the Sukuk SPV). LLC membership interests in a US entity holding real property interests (mineral leases) may constitute US Real Property Interests (USRPIs) for FIRPTA purposes. FIRPTA withholding at 15% may apply to distributions to GCA and other non-US Members. Confirm with counsel before LP admission.*

PREAMBLE

This **Operating Agreement** (this "**Agreement**") of **Innov8 Resources Program 2, LLC** (the "**Company**"), a Delaware limited liability company, is entered into as of May 27, 2026 (the "**Effective Date**"), by and among the following members (collectively, the "**Members**"):

(a) **INNOV8 RESOURCES, INC.**, a Delaware corporation ("**Holdco**" or the "**Managing Member**"), holding an **80%** membership interest; and

(b) The **LP Investors** listed on **Schedule A** (LP Member Schedule), including any LP investors investing directly and/or through the Sukuk SPV (as described in Article VI), each holding direct membership interests in the aggregate constituting **up to 20%** of the Company.

[Note: Program 2 LLC has no Lender Equity Kicker membership interest – the 20% non-Holdco interests are held entirely by LP investors (directly or via Sukuk SPV). Lender equity kicker, if any, may be negotiated at Program 2 LLC financing stage and requires amendment to this Agreement.]

ARTICLE I – ORGANIZATION

Section 1.1 – Formation

The Company has been formed as a Delaware limited liability company pursuant to the Delaware Limited Liability Company Act, 6 Del. C. § 18-101 et seq. (the "**DLLCA**") by filing a Certificate of Formation with the Delaware Secretary of State.

Section 1.2 – Name

The name of the Company is **Innov8 Resources Program 2, LLC**.

Section 1.3 – Registered Agent and Office

The Company's registered agent and registered office in Delaware is Harvard Business Services, Inc., 16192 Coastal Highway, Lewes, Delaware 19958, consistent with Holdco's registered office.

Section 1.4 – Principal Place of Business

The principal place of business of the Company is Phoenix, Arizona (or such other location as the Managing Member may designate).

Section 1.5 – Purpose

The Company's purpose is to:

(a) Finance, develop, produce, and commercialize helium, hydrogen, carbon dioxide, nitrogen, argon, neon, liquefied natural gas, oil, gas, and other producible gases and hydrocarbons from the **Program 2 Assets**, being the 100-well expansion drilling program (wells 16–115) on certain leases held by INNOV8 Gases Corporation ("**Gases Corp**") in Apache County and Navajo County, Arizona, as authorized by the Board of Holdco;

(b) Provide capital to Gases Corp for drilling and completion of the Program 2 wells under the Drilling and Operating Agreement;

- (c) Receive production revenue flows from Gases Corp attributable to Program 2 wells under the Drilling and Operating Agreement;
- (d) Issue membership interests to LP investors, including (where applicable) facilitating the Sukuk SPV structure described in Article VI; and
- (e) Engage in all activities incidental, ancillary, or related to the foregoing.

Section 1.6 – Term

The Company shall continue in perpetuity unless dissolved pursuant to Article X.

Section 1.7 – Form 8832 Election

The Managing Member shall cause the Company to file IRS Form 8832 within **75 days** of the Company's formation date, electing to be treated as a corporation for federal income tax purposes retroactive to the formation date. The Company, once the Form 8832 election is effective, shall be included in Holdco's §1501 consolidated tax return as a member of the affiliated group.

[Tax counsel flag: Confirm treatment of Musharaka certificate holders (Sukuk SPV investors) as Company equity holders vs. creditors for US federal tax purposes under the Form 8832 C-Corp election. The Sukuk SPV structure must be analyzed separately for US tax treatment – Sukuk investors may be treated as indirect equity participants in the Company (via the SPV's equity holding) or as preferred creditors of the SPV (which holds Company equity). US tax treatment determines information reporting obligations and withholding.]

ARTICLE II – DEFINITIONS

As used in this Agreement (terms defined in the Program 1 LLC Operating Agreement have the same meaning unless otherwise stated):

"Company" has the meaning set forth in the preamble.

"Distributable Cash" means all cash received by the Company from Gases Corp or any other source, less: (i) amounts required for operating reserves; (ii) debt service on any Program 2 senior secured financing; (iii) amounts required for capital expenditures under the DOA; and (iv) Tax Distributions (Section 4.5).

"DOA" means the Drilling and Operating Agreement between Gases Corp, the Company, and Program 1 LLC (or a separate DOA specific to Program 2 – to be confirmed at execution).

"LP Investor" means any Person admitted as a non-managing member of the Company, whether investing directly or through the Sukuk SPV. LP Investors are listed on Schedule A.

"LP Investor Distribution Agreement" has the same meaning as in the Program 1 LLC Operating Agreement.

"Musharaka" means the Islamic finance partnership structure in which all partners share in profit and loss pro-rata to their ownership, with no guaranteed return. The Sukuk certificates are structured as Musharaka participation certificates backed by the LP Investors' membership interests in this Company.

"Sharia Compliance Certificate" means the written certification from a recognized Sharia compliance committee (to be appointed by the Sukuk SPV) that the Sukuk structure, the Musharaka certificate terms, and the underlying LP membership interests comply with Islamic finance principles.

"Sukuk SPV" means the offshore special purpose vehicle (jurisdiction and legal form defined separately in the Sukuk documentation, and not within this Operating Agreement) formed to issue Sukuk certificates to Islamic finance investors, backed by the LP Investors' membership interests in this Company held by the SPV, structured as Musharaka Sukuk. *[Flag for offshore counsel: confirm entity form and jurisdiction at the time of SPV formation under the separate Sukuk documentation.]*

"Sukuk Investors" means the persons purchasing Musharaka Sukuk certificates issued by the Sukuk SPV.

ARTICLE III – MEMBERSHIP INTERESTS AND CAPITAL

Section 3.1 – Membership Interest Table

The Membership Interests in the Company are allocated as follows:

Member	Role	Membership %	Initial Capital Contribution
Innov8 Resources, Inc.	Managing Member	80%	\$100 (nominal organizational capital; Holdco contribution of 80% of Program 2 capital requirements per §3.2(a))
LP Investors (Schedule A)	LP Members	up to 20% (aggregate)	Up to 525,000,000 aggregate (125M Sukuk Musharaka via Capital Custody Trust SPV + 300M–400M Reg D 506(b) equity raise); individual LP commitments per Subscription Pack
Total		100%	

[Note: Program 2 LLC has no separate Lender Equity Kicker – the full 20% non-Holdco interest is reserved for LP investors (directly or via Sukuk SPV). If Program 2 financing includes a lender equity kicker, this Agreement must be amended prior to lender admission. Confirm with Managing Member at financing stage.]

Section 3.2 – Capital Contributions

(a) Holdco Contribution. Holdco shall contribute 80% of Program 2 capital requirements, funded through Holdco-level capital sources.

(b) LP Investor Contributions. LP Investors shall contribute the 20% balance of Program 2 capital requirements, up to a maximum aggregate amount equal to **20% of total Program 2 capitalization** (estimated up to 525,000,000 aggregate LP capital based on a Program 2 capital stack of approximately * $455,000,000 - \$655,000,000$ ** — comprising \$125,000,000 target Sukuk Musharaka tranche structured via Capital Custody Trust SPV, 300,000,000–400,000,000 Reg D 506(b) equity raise, and 30,000,000–130,000,000 senior debt — deployed across approximately 100 expansion wells). Individual LP commitment amounts are set forth in the Subscription Pack and counterpart joinders.

(c) Sukuk SPV Investment. Where LP investors invest through the Sukuk SPV, the Sukuk SPV shall hold LP membership interests in the Company on behalf of Sukuk certificate holders. The Sukuk SPV shall be admitted as an LP Investor on Schedule A at the time of investment.

Section 3.3 — LP Investor Admission Conditions

No LP Investor (including the Sukuk SPV) shall be admitted to the Company without satisfaction of all of the following conditions:

- (a)** Execution of a counterpart to this Agreement (or a joinder agreement in form approved by the Managing Member);
- (b)** Execution of an LP Investor Distribution Agreement with Holdco;
- (c)** Delivery of capital contribution in immediately available funds (or, for the Sukuk SPV, delivery of confirmation that Sukuk certificate proceeds have been received by the SPV);
- (d)** Delivery of an executed Subscription Agreement and all required Regulation D certification documents confirming accredited investor status under Rule 501(a); and
- (e)** Written KYC/AML certification from Galileo Capital Advisors SA ("GCA"), the designated KYC/AML Administrator under Section 3.5 of this Agreement, confirming satisfactory completion of KYC/AML screening (the "**KYC Certificate**"). For the Sukuk SPV, the KYC Certificate shall cover both the SPV as an entity and, to the extent required by applicable law, the Sukuk certificate holders.

Section 3.4 — §1504 Value Test Constraint

The same §1504 value test constraints applicable to Program 1 LLC (Section 3.6 of the Program 1 LLC Operating Agreement) apply to this Company. Specifically:

- (a)** LP Investor Membership Interests are plain pro-rata — no structural liquidation preferences, preferred returns, or priority claims at the Company entity level;
- (b)** Sukuk SPV membership interests are plain pro-rata equity — the Musharaka structure, by definition, should satisfy this constraint (Musharaka is a profit/loss sharing arrangement, not preferred debt); and
- (c)** The Managing Member shall confirm §1504 compliance with Holdco's tax advisor before admitting the Sukuk SPV as an LP Investor.

Section 3.5 – KYC/AML Procedures

(a) Designated KYC/AML Administrator. Galileo Capital Advisors SA ("GCA") is designated as the KYC/AML Administrator for LP investor admission to this Company. GCA shall conduct Know-Your-Customer (KYC) and Anti-Money Laundering (AML) screening for each prospective LP Investor (including the Sukuk SPV) prior to admission, consistent with applicable FinCEN requirements, the Bank Secrecy Act, and applicable international AML standards. GCA's written KYC Certificate is a condition precedent to LP Investor admission under Section 3.3(e).

(b) Sukuk SPV KYC Extension. For LP Investors investing through the Sukuk SPV, GCA shall: (i) conduct KYC/AML screening on the Sukuk SPV as an entity; and (ii) confirm that the Sukuk SPV's AML program (under the AML regime of the SPV's governing jurisdiction, as defined separately in the Sukuk documentation) covers each Sukuk certificate holder at issuance. GCA's US-facing KYC obligations under this Section are separate from and in addition to the SPV's home-jurisdiction AML obligations – both must be satisfied before the SPV is admitted as an LP Investor.

(c) GCA Dual-Role Conflict Management. GCA serves as both a Sponsor GP (Class B stockholder of Holdco) and as KYC/AML Administrator. GCA's KYC/AML function shall be conducted independently of its economic interests as a Sponsor GP, on arm's-length terms, and shall not be used to favor or disadvantage any LP Investor based on GCA's commercial interests. The Board (excluding any Class B Director designated by GCA) shall review GCA's KYC screening procedures at least annually and may replace GCA as KYC/AML Administrator by a four-of-five director vote under the Holdco Stockholders Agreement Special Voting Matters procedure.

(d) AML Program. GCA shall maintain a written Anti-Money Laundering program covering: (i) customer identification and verification; (ii) beneficial ownership determination for entity investors; (iii) sanctions screening (OFAC, UN, EU); and (iv) ongoing monitoring of LP Investor status. GCA shall promptly notify the Managing Member of any adverse finding or change in LP Investor AML status.

(e) Limitation of Liability. GCA's issuance of a KYC Certificate is based on information provided by the LP Investor or Sukuk SPV. The Company and GCA are not liable for KYC/AML breaches attributable to false representations or fraudulent documents. Each LP Investor's representations in its Subscription Agreement are independently relied upon by the Managing Member.

ARTICLE IV – DISTRIBUTIONS

Section 4.1 – LP Investor Priority Distribution (Holdco-Level – Acknowledgment)

Consistent with Section 4.1 of the Program 1 LLC Operating Agreement: LP Investor preferred economics (8.0% per annum cumulative preferred return, return of capital priority, three-phase distribution waterfall per SA Article VI) are implemented at the **Holdco level**, not at this Company. This Company distributes Distributable Cash on a plain pro-rata basis.

For Sukuk-structured investors: the Sukuk SPV receives distributions from the Company pro-rata to its membership interest, and the SPV distributes to Sukuk certificate holders per the Musharaka certificate terms. The profit-sharing mechanics within the Sukuk structure are governed by the Sukuk SPV documents and are not incorporated into this Agreement.

Section 4.2 – Pro-Rata Distributions

Distributable Cash shall be distributed to Members pro-rata in proportion to their Membership Interests:

Member	Membership %	Distribution Share
Holdco	80%	80% of Distributable Cash
LP Investors (including Sukuk SPV)	up to 20%	up to 20% of Distributable Cash

Section 4.3 – [Reserved]

Reserved.

Section 4.4 – Timing of Distributions

Same as Program 1 LLC – quarterly distributions within 30 days of fiscal quarter end, with interim distributions at Managing Member discretion.

Section 4.5 – Tax Treatment

Same as Program 1 LLC – following the Form 8832 election, no K-1s are issued. Members receive 1099-DIV for distributions. Tax is paid at the Holdco consolidated group level (21% federal corporate rate). No tax distribution provision at the Company level.

[Note on Sukuk: The tax treatment of Sukuk investor income flows through the Sukuk SPV. The Sukuk SPV may itself have US tax obligations if it is treated as a pass-through entity. Confirm with US tax counsel and offshore counsel for the SPV’s governing jurisdiction (defined separately) before Sukuk issuance.]

ARTICLE V – MANAGEMENT

Identical provisions to Program 1 LLC Operating Agreement Article VI (Managing Member Authority, Non-Managing Member Rights, Actions Requiring Member Approval, Managing Member Duties, Information Rights), applied to this Company. Key variations:

(a) Special Sukuk Matters. The following additionally require Managing Member Board approval under the Holdco Stockholders Agreement Special Voting Matters procedure:

- (i) Any amendment to the Sukuk structure or Musharaka certificate terms that affects LP Investor rights;*
- (ii) Any change in the Sharia compliance committee;*
- (iii) Any amendment to the Sukuk SPV documents.*

(b) Sharia Compliance. The Managing Member shall ensure that all LP admissions through the Sukuk SPV are preceded by a valid, current Sharia Compliance Certificate covering the Sukuk structure. Any Sukuk-related decision that raises a Sharia compliance question shall be referred to the Sharia compliance committee before implementation.

ARTICLE VI – SUKUK SPV STRUCTURE

Section 6.1 – Purpose and Overview

This Article VI describes the interface between the Company and the Sukuk SPV that may be established to facilitate investment in the Company through Islamic finance structures. The Company itself is a standard Delaware LLC – it does not issue Sukuk certificates and is not itself subject to Sharia law. The Sukuk structure is implemented entirely at the Sukuk SPV level (Sukuk SPV).

Section 6.2 – Sukuk SPV as LP Investor

The Sukuk SPV may be admitted as an LP Investor in the Company, holding direct membership interests in the Company on behalf of Sukuk certificate holders. The Sukuk SPV's membership interest is governed by this Agreement in the same manner as any other LP Investor.

Section 6.3 – Musharaka Framework

The Sukuk certificates are structured as Musharaka participation certificates:

(a) Profit Sharing. Sukuk certificate holders participate in Company profits pro-rata to their certificate holdings, through the Sukuk SPV's membership interest in the Company.

(b) Loss Sharing. Sukuk certificate holders share in Company losses pro-rata – there is no guaranteed return. The Musharaka structure is a profit-and-loss sharing arrangement, not a fixed return instrument.

(c) No Priority. Sukuk certificate holders, through the Sukuk SPV, hold plain pro-rata membership interests in the Company – consistent with the §1504 value test constraint and the Musharaka requirement of equity participation without guaranteed priority.

(d) Sharia Compliance. The Sukuk SPV is solely responsible for obtaining and maintaining the Sharia Compliance Certificate. The Company is not responsible for Sharia compliance at the Sukuk SPV or certificate-holder level.

Section 6.4 – Sukuk SPV Documents

The Sukuk SPV's constitutional documents, trust deed, offering circular, and Musharaka certificate terms are separate documents governed by the law of the Sukuk SPV's jurisdiction of formation (to be determined at the time of SPV formation – offshore counsel required). Those documents must be

consistent with the LP Investor rights and membership structure set forth in this Agreement. In the event of conflict between Sukuk SPV documents and this Agreement as to the LP Investor's rights at the Company level, this Agreement controls.

[Flag for offshore counsel: confirm governing law, enforcement mechanism, and consistency with Delaware LLC operating agreement once SPV jurisdiction is selected.]

Section 6.5 – FIRPTA Analysis Required

Before the Sukuk SPV (or any non-US LP Investor) is admitted to the Company, the Managing Member shall obtain a written FIRPTA analysis from US counsel confirming:

- (a)** Whether the Company's membership interests constitute US Real Property Interests (USRPIs) for FIRPTA purposes (given the Company's indirect interest in Arizona mineral leases through the DOA);
- (b)** The applicable withholding rate on distributions to non-US LP Investors (15% FIRPTA withholding rate unless a treaty exception applies); and
- (c)** The treaty position available to GCA (Swiss entity) investing in this Company, under the US-Switzerland tax treaty.

The Company shall establish FIRPTA withholding procedures before making any distribution to any non-US LP Investor.

ARTICLE VII – DRILLING AND OPERATING AGREEMENT

Identical provisions to Program 1 LLC Operating Agreement Article VII, applied to Program 2 wells and Program 2 Assets. The DOA for Program 2 may be a separate agreement from the Program 1 DOA or an amendment thereto – to be confirmed by Managing Member at execution.

The ORRI acknowledgment (Section 7.2 of Program 1 LLC Operating Agreement) applies equally to Program 2 – the ORRI is a Gases Corp-level real property interest paid directly by gas purchasers to ORRI holders, never flowing through the Company.

ARTICLE VIII – TRANSFER RESTRICTIONS

Identical provisions to Program 1 LLC Operating Agreement Article VIII, with the following additional restriction:

Sukuk SPV Transfer. The Sukuk SPV may not Transfer its membership interest in the Company without: (i) Managing Member written consent; (ii) a Sharia compliance committee determination that the Transfer is compliant with the Musharaka structure; and (iii) US legal counsel confirmation that the Transfer does not trigger FIRPTA reporting or withholding obligations not otherwise managed.

ARTICLE IX – EXCULPATION AND INDEMNIFICATION

Identical provisions to Program 1 LLC Operating Agreement Article IX.

ARTICLE X – DISSOLUTION

Identical provisions to Program 1 LLC Operating Agreement Article X.

ARTICLE XI – MISCELLANEOUS

Identical provisions to Program 1 LLC Operating Agreement Article XI (Governing Law, Entire Agreement, Amendment, Counterparts), with the following variation:

Governing Law – Sukuk SPV. The Sukuk SPV (structured by Capital Custody Trust as Sukuk structurer) and its constitutional documents and Sukuk certificate terms are governed by the law of the Sukuk SPV's jurisdiction of formation (to be confirmed by offshore counsel at SPV formation as part of the separate Sukuk documentation). Disputes between the Company and the Sukuk SPV regarding Company-level membership rights are governed by Delaware law regardless of the SPV's governing law.

SCHEDULE A – LP MEMBER SCHEDULE


LP Investor	Mechanism	Membership %	Capital Contribution	Contribution Date
Sukuk SPV (Musharaka)	Sukuk Musharaka Certificates	up to 4%	up to \$125,000,000 (target)	[closing date]
Direct LP Investors	Reg D 506(b) direct subscription	up to 16%	\$300,000,000 – \$400,000,000 (target)	[closing date]
Total LP Investors		up to 20%	up to \$525,000,000	

SIGNATURE PAGE

IN WITNESS WHEREOF, the Managing Member has executed this Operating Agreement as of the Effective Date.

INNOV8 RESOURCES, INC. (Managing Member – 80%)



By: 
6e70515e-952c-4986-b2a9-2520298cb2dc

Name: Ely Beckman

Title: Chief Executive Officer / President

Address: 16192 Coastal Highway, Lewes, Delaware 19958

Email: ely@covault.xyz

Date: 05/29/2026

Note: LP Members (Sukuk SPV and Direct LP Investors) are admitted to the Company pursuant to their respective Subscription Agreements and counterpart joinders to this Operating Agreement. Each LP Member's signature is set forth in such Subscription Agreement and joinder, not in this Operating Agreement. The Sukuk SPV is additionally admitted via its Musharaka Sukuk Certificate documentation governed by the Sukuk SPV's jurisdiction of formation.
