

exclusivity-carveout

WORKING DRAFT — collaboration notes between Innov8 Resources and CCT (David Watts). Not the operative document. The binding executable is [cct-exclusivity-carveout-executable.md](#) (filled with CCT entity details 2026-06-11). The mirror copy in the shared Google Drive sukuk folder is marked "DRAFT" by the operator.

Exclusivity & Carveout Schedule – CCT Sukuk Structuring Mandate

Parties: Innov8 Resources Program 2, LLC (Delaware) and affiliates; Capital Custody Trust ("CCT," David Watts, structurer) **Counterparties (Sponsor GPs):** Helium Hydrogen Holdings, LLC; Galileo Capital Advisors SA; Bitkove Management, a Series of Bitkove LLC; Covault Management, a Series of Covault Capital LLC **Scope:** Anchor Sukuk Musharaka (Wells 16-20) and scalable tranche framework **Drafted by:** Martin / Meridian **Status:** DRAFT v1 — for CCT, Issuer counsel, and GP team review **Date:** 2026-05-26 **Epic:** GH#3058 · **Workstream:** GH#3059 (Structuring & Legal)

1. Purpose and Status

This memorandum sets forth the **exclusive Sukuk structuring mandate** granted to Capital Custody Trust ("CCT") and the **carveouts** that preserve Innov8's flexibility to raise non-Sukuk capital, launch parallel sub-threshold Sukuk tranches, and develop unrelated programs and entities without breaching exclusivity.

This document is intended to be incorporated by reference into (i) the CCT engagement letter, (ii) the Sukuk term sheet for the Offshore Issuance SPV and Innov8 Resources Program 2, LLC, and (iii) the Sukuk Musharaka structure memorandum. It does **not** constitute a binding agreement until executed by authorized representatives of the Issuer and CCT.

Important clarification: CCT (David Watts) is the Sukuk structurer, trustee/calculation agent candidate, and mandate counterparty. **Galileo Capital Advisors SA** is a Sponsor GP and capital-markets advisor; Galileo is **not** the Sukuk structurer and does not hold this exclusivity.

2. Defined Terms

Term	Definition
Offshore Issuance SPV	The Sukuk-proceeds vehicle to be established by CCT or the Issuer in Cayman (exempted company) or comparable Shariah-friendly jurisdiction (TBD). Issues Sukuk Musharaka certificates to holders; remits proceeds directly into Program 2 LLC against the Wells 16-20 anchor cohort
Operating Vehicle / Mudarib	Innov8 Resources Program 2, LLC (Delaware) — holds working interests in Wells 16-20; receives Sukuk proceeds directly from the Offshore Issuance SPV; segregated cohort accounts ring-fence anchor cohort assets within Program 2 LLC
Program 2 Parent	Innov8 Resources Program 2, LLC (Delaware) — synonymous with Operating Vehicle
Holdco	Innov8 Resources, Inc. (Delaware C-Corp)
Program 1	Innov8 Resources Program 1, LLC and its \$250M project finance stack (separate from Program 2 Sukuk)
CCT	Capital Custody Trust, the exclusive Sukuk structurer for Covered Financings (subject to carveouts)
Covered Financing	Any Shariah-compliant capital markets issuance (Sukuk, Mudaraba notes, Wakala certificates, or equivalent) secured on, or primarily backed by revenues or assets of, Program 2 Wells 16-20 or any Subsequent Tranche Wells
Subsequent Tranche Wells	Wells 21-25 (Tranche B), Wells 26-30 (Tranche C), and additional five-well bundles as described in §5
Exclusivity Period	One hundred twenty (120) calendar days from the Effective Date
Evergreen Carveout	The standing exception in §3.6 for New Entities and unrelated business lines
Agent Operator	Innov8 Gases Corporation (Wyoming), assignor of working interests and day-to-day operator
Effective Date	Date of full execution of the CCT mandate letter (target: on or before 2026-06-15)

Capitalized terms not defined herein shall have the meanings assigned in the companion documents listed in §12.

3. Exclusive Mandate

3.1 Grant of Exclusivity

During the Exclusivity Period, Innov8 (collectively: Holdco, Program 2 Parent / Operating Vehicle, and their controlled affiliates acting at the direction of the Sponsor GPs) grants CCT the **exclusive right** to structure, arrange, and lead placement of the Anchor Covered Financing and all Subsequent Tranche Covered Financings within the Program 2 Sukuk envelope, in each case on terms consistent with the Musharaka architecture described in `sukuk-musharaka-structure-memo.md`.

Innov8 shall not solicit, negotiate, or accept term sheets from any third-party Sukuk structurer, placement agent, or trustee for Covered Financings within CCT's exclusive scope, except as permitted by §3.3 through §3.6.

3.2 CCT Responsibilities

During exclusivity, CCT shall use commercially reasonable efforts to:

1. Finalize Musharaka (not Ijara) structure documentation outline with offshore and Delaware counsel;
2. Coordinate Shariah board engagement and fatwa pathway;
3. Prepare institutional term sheet and VDR index for GCC and Reg D 506(b) subscribers;
4. Deliver draft trust deed / agency agreement / certificate terms;
5. Support KYC and subscription mechanics for accredited and institutional investors;
6. Identify offshore issuance SPV jurisdiction (Cayman exempted company or DIFC SPV — not Cayman SPC).

CCT's exclusivity is **structuring and arrangement** exclusivity. It does not grant CCT equity, working interest, or management rights in the Operating Vehicle (Program 2 LLC) or the Offshore Issuance SPV unless separately negotiated and disclosed.

3.3 Carveout — Non-Sukuk Debt and Conventional Project Finance

Innov8 retains **unrestricted rights** to incur, refinance, or amend **non-Shariah-compliant** indebtedness, including:

- Reserve-based lending (RBL) secured on Program 2 assets (subject to intercreditor and ring-fence terms in `security-collateral-package.md`);
- Convertible notes, SAFEs, or equity-linked instruments at Holdco or Program 2 Parent;
- Equipment finance, vendor credit, and trade payables;
- Program 1 senior facilities and any amendments thereto;
- Letters of credit, bonding, and hedging (if Shariah-compliant hedging is unavailable, conventional hedging at non-Sukuk SPV level only with disclosure).

No exclusivity breach occurs solely because Innov8 raises conventional debt in parallel with CCT's Sukuk workstream, provided Sukuk structurers other than CCT are not engaged for the Covered Financing.

3.4 Optional 5-Well Carveout Pilot (Held in Reserve)

If CCT or a specific institutional allocator requires a smaller, dedicated pilot structure prior to or alongside the full \$125M anchor – for example, to test institutional appetite or to satisfy a particular allocator's structural preference – Innov8 and CCT may jointly negotiate an **optional 5-well carveout SPV pilot** with the following parameters:

1. **Indicative size: ~USD 65,000,000 – 70,000,000**, drawn from the broader \$125M Program 2 Sukuk envelope (not parallel to it);
2. Uses the same entity chain as the anchor – Offshore Issuance SPV → Program 2 LLC (Operating Vehicle) – with a dedicated on-shore SPV layered into Program 2 LLC's cohort structure only if structurally required;
3. Held in reserve; **not** the default structure for first close. The default Sukuk participation is at the full Program 2 LLC level against the Wells 16-20 anchor cohort;
4. Remains within CCT's exclusive structuring scope – does not trigger alternative structurer rights.

There is **no carveout below this 5-well pilot floor**. Issuances below ~USD 65,000,000 are not contemplated under this mandate.

3.5 Carveout – Program 1, Holdco, and Legacy Stacks

The following entities and programs are **expressly excluded** from Covered Financings and from CCT exclusivity:

Excluded scope	Rationale
Program 1 (\$250M stack, separate well inventory)	Distinct credit pool; existing lender consents
Holdco equity and Holdco-level debt	Corporate layer; Reg D and sponsor economics
Innov8 Gases Corporation (operator entity)	Assignor/operator only; not Issuer
Pre-existing Galileo-advised mandates unrelated to Program 2 Sukuk	Galileo ≠ CCT; separate engagement letters

Innov8 may run simultaneous capital markets processes on excluded scopes without CCT participation, subject to disclosure to Sukuk investors that excluded debt does not encumber Program 2 LLC's Wells 16-20 anchor cohort assets (ring-fence).

3.6 Evergreen Carveout – New Entities and Future Business Lines

§3.6 Evergreen Carveout (standing, survives Exclusivity Period): Innov8, Holdco, and any Sponsor GP may form **New Entities** (subsidiaries, JVs, SPVs, or asset-holding LLCs) for:

- New geographic basins or countries;
- Hydrogen, helium, CO₂, or nitrogen projects outside the Program 2 well numbering plan;
- Technology, midstream, or offtake ventures not primarily collateralized by Wells 16-20 or Subsequent Tranche Wells;
- Any business line approved by Holdco board after disclosure to CCT.

CCT exclusivity **does not attach** to New Entities unless and until such entity becomes the Issuer of a Covered Financing within the Program 2 Sukuk envelope. This evergreen provision prevents Innov8 from being permanently bound for assets not yet in contemplation at anchor close.

3.7 Exclusivity Period and Extensions

Milestone	Day count
Effective Date	Day 0
Exclusivity Period	Days 1-120
Automatic extension	+30 days if definitive docs at counsel and Shariah review in progress
Termination for cause	Immediate if Innov8 materially breaches ring-fence or engages competing structurer for Covered Financing

Upon expiry without anchor launch, exclusivity lapses except §3.6 Evergreen Carveout and confidentiality obligations.

4. Covered Financing Parameters (Anchor)

Parameter	Term
Structure	Musharaka (partnership), not Ijara lease-back
Certificate Issuer	Offshore Issuance SPV (Cayman exempted company or comparable Shariah-friendly jurisdiction TBD; established by CCT or Issuer)
Operating Vehicle / Mudarib	Innov8 Resources Program 2, LLC (Delaware) — receives proceeds directly from the Offshore Issuance SPV; Wells 16-20 anchor cohort held in segregated accounts
Well basket	Wells 16, 17, 18, 19, 20 (Apache / Navajo County, Arizona + BLM)
Target raise	Up to USD 125,000,000 (anchor)
Investor target return	12% — 15% IRR (target, not guaranteed, subject to production and commodity prices)
U.S. offering	Regulation D, Rule 506(b) — accredited investors only; no general solicitation
Offshore offering	GCC institutional — separate counsel and prospectus path
Working interest	Assigned from Innov8 Gases Corporation (Wyoming) to Innov8 Resources Program 2, LLC (Operating Vehicle)

5. Tranche Framework and Aggregate Scale

Subsequent Tranches are additional drawdowns into the Innov8 Resources Program 2, LLC envelope. Each tranche issues a new certificate series through a CCT-established Offshore Issuance SPV; proceeds flow directly into Program 2 LLC against an additional well cohort with its own segregated accounts.

Tranche	Wells (indicative)	Status	Structurer
A (Anchor)	16-20	Exclusive to CCT	CCT
B	21-25	CCT exclusive	CCT
C	26-30	CCT exclusive	CCT
D+	31+	Board-approved	CCT (or jointly negotiated)

Aggregate Program 2 Sukuk capacity (indicative): USD 300,000,000 — 500,000,000 across tranches, subject to reserves, title, Shariah capacity, and market conditions. No commitment by Innov8 or CCT to issue any minimum amount.

Each tranche replicates the anchor entity chain: new certificate series via Offshore Issuance SPV, proceeds remitted directly to Program 2 LLC, WI assignment from Gases Corp for the new cohort, segregated accounts within Program 2 LLC, and cross-reference to [legal-corporate-structure.md](#).

Optional dedicated carveout SPV at the on-shore layer (per §3.4) is held in reserve and available on a tranche-by-tranche basis if institutional demand requires it.

6. Offtake and Marketing Language Rules

Innov8 acknowledges VDR marketing constraints:

1. **Permitted:** "Serious interest from potential offtakers," "advanced discussions," "non-binding indications," "targeting execute at first production."
2. **Prohibited:** "Secured offtake," "executed offtake agreement," "take-or-pay," "investment-grade counterparty committed," or any language implying binding revenue contracts unless and until definitive agreements are uploaded to the VDR and disclosed in the offering memorandum.

Martin (Legal) must review all investor-facing slides and teasers for offtake compliance before distribution by CCT.

7. Sponsor GP Roles and Conflicts

Sponsor GP	Role in Sukuk workstream
Helium Hydrogen Holdings, LLC	Managing member economics; upstream consent
Galileo Capital Advisors SA	Capital markets advisor; not Sukuk structurer
Bitkove Management, a Series of Bitkove LLC	Technology and digital infrastructure sponsor
Covault Management, a Series of Covault Capital LLC	GP operational coordination; VDR owner

Any engagement of Galileo for conventional placement does not conflict with CCT exclusivity if limited to non-Covered Financings or excluded scopes per §3.5.

8. Fees and Expense Conventions (Indicative)

Final fee terms belong in the executed CCT mandate letter. Indicative industry terms for discussion:

- Structuring fee: basis points on gross proceeds at anchor close;
 - Ongoing trustee / calculation agent fee: annual flat fee plus per-certificate holder charges;
 - Expense reimbursement: legal (offshore + Delaware), Shariah board, travel, data room;
 - Break fee: payable only if Innov8 terminates CCT without cause after signing term sheet and engages another structurer for the same Covered Financing.
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9. Confidentiality and Data Room

CCT and Innov8 shall treat non-public VDR materials as confidential. CCT may share with prospective investors, Shariah scholars, and counsel under NDA. Public announcement of exclusivity or anchor launch requires joint approval.

10. Representations (Indicative – Mandate Letter)

Innov8 shall represent that, as of Effective Date:

1. No other structurer holds exclusive rights for Covered Financings except as disclosed;
 2. The Program 2 LLC operating agreement permits the Offshore Issuance SPV → Program 2 LLC direct-funding structure and cohort segregation (no intermediate on-shore Sukuk LLC required);
 3. Gases Corp is able to assign WI in Wells 16-20 subject to lessor consent and title clearance;
 4. Program 1 lenders have no cross-default into Program 2 Sukuk SPV if ring-fence is maintained;
 5. Sponsor GPs have disclosed material litigation and regulatory matters.
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11. Open Items

#	Item	Owner	Target
OI-1	Execute CCT mandate letter incorporating this carveout schedule	Ely / Covault + CCT	2026-06-15
OI-2	Confirm Program 2 OA permits Offshore Issuance SPV → Program 2 LLC direct-funding and Wells 16-20 cohort segregation	Delaware counsel	2026-06-01
OI-3	Map Program 1 credit agreement for "all assets" leakage	Martin + RBL counsel	2026-06-05
OI-4	Define "first production" for offtake execute language	Operations	2026-06-10
OI-5	Offshore SPV jurisdiction selection (Cayman vs DIFC)	CCT counsel	2026-06-20
OI-6	Shariah board roster and fee letter	CCT	2026-06-15
OI-7	Optional 5-well carveout pilot – structural negotiation framework if invoked under §3.4	Martin + CCT	2026-06-15

12. Martin Flag

Human attorney review required before signature. This draft:

- Does **not** replace executed exclusivity or engagement letter with CCT;
 - Assumes Musharaka (not Ijara) — Shariah board must confirm;
 - Requires verification that no prior Galileo or third-party Sukuk mandate conflicts with §3.1;
 - Evergreen §3.6 must be reviewed by Holdco counsel for fiduciary duty and minority LP impact;
 - Reg D 506(b) compliance is Issuer counsel responsibility — no general solicitation during exclusivity marketing.
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13. Related Documents

- `legal-corporate-structure.md` — entity stack, jurisdiction map, governing law matrix
 - `security-collateral-package.md` — collateral, revenue assignment, intercreditor priority
 - `5-well-spv-term-sheet.md` — Optional 5-well carveout SPV blueprint (held in reserve; not the default structure)
 - `sukuk-musharaka-structure-memo.md` — Musharaka mechanics and certificate terms
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Prepared by Martin / Meridian for Innov8 Resources GP team and Capital Custody Trust. DRAFT v1 — 2026-05-26.