

June 30, 2026



Private Placement

2ND AMENDED & RESTATED PRIVATE PLACEMENT MEMORANDUM

PHOENIX ENERGY ONE, LLC
\$2,000,000,000 Unsecured Bonds

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CONFIDENTIAL

SECOND AMENDED AND RESTATED PRIVATE PLACEMENT MEMORANDUM



**PHOENIX
ENERGY**

PHOENIX ENERGY ONE, LLC

F/K/A PHOENIX CAPITAL GROUP HOLDINGS, LLC

June 30, 2026

This Second Amended and Restated Private Placement Memorandum (as may be supplemented and including any exhibits hereto, this “Memorandum”) of Phoenix Energy One, LLC, formerly known as Phoenix Capital Group Holdings, LLC (the “Company”), was prepared solely for use in connection with the offering. Recipients of this Memorandum may not distribute it or disclose the contents of it to anyone without the prior written consent of the Company, other than to persons who advise potential investors in connection with the offering, or otherwise use the same for any purpose other than evaluation by such prospective investor of the offering. The recipient, by accepting delivery of this Memorandum, agrees to return this Memorandum and all documents furnished herewith to the Company or its representatives upon request if the recipient does not purchase any of the securities offered hereby or if the offering is withdrawn or terminated.

This Memorandum supersedes in its entirety that certain Amended and Restated Private Placement Memorandum of the Company, dated May 14, 2025 (as supplemented), any prior private placement memorandum or other investment information (including any offering document, marketing information or supplement to any of the foregoing) provided by the Company and its representatives and agents.

The information in this Memorandum is current only as of the above date (unless such earlier date is referenced herein, then the information is as of such date) and may change after such date.

**SECOND AMENDED AND RESTATED PRIVATE PLACEMENT MEMORANDUM
OF**

PHOENIX ENERGY ONE, LLC

F/K/A PHOENIX CAPITAL GROUP HOLDINGS, LLC



**PHOENIX
ENERGY**

9.0% One-Year Unsecured Bonds (Series U Bonds)

Three-Year Unsecured Bonds (Series V Bonds)

11.0% Five-Year Unsecured Bonds (Series W Bonds)

12.0% Seven-Year Unsecured Bonds (Series X Bonds)

13.0% Eleven-Year Unsecured Bonds (Series Z Bonds)

9.0% One-Year Unsecured Bonds (Series U-1 Bonds) 10.0%

10.0% Three-Year Unsecured Bonds (Series V-1 Bonds)

11.0% Five-Year Unsecured Bonds (Series W-1 Bonds)

12.0% Seven-Year Unsecured Bonds (Series X-1 Bonds)

13.0% Eleven-Year Unsecured Bonds (Series Z-1 Bonds)

\$25,000 Minimum Purchase Amount (25 Bonds)

9.5% One-Year Unsecured Bonds (Series AA Bonds)

10.5% Three-Year Unsecured Bonds (Series BB Bonds)

11.5% Five-Year Unsecured Bonds (Series CC Bonds)

12.5% Seven-Year Unsecured Bonds (Series DD Bonds)

13.5% Eleven-Year Unsecured Bonds (Series EE Bonds)

9.5% One-Year Unsecured Bonds (Series AA-1 Bonds)

10.5% Three-Year Unsecured Bonds (Series BB-1 Bonds)

11.5% Five-Year Unsecured Bonds (Series CC-1 Bonds)

12.5% Seven-Year Unsecured Bonds (Series DD-1 Bonds)

13.5% Eleven-Year Unsecured Bonds (Series EE-1 Bonds)

\$500,000 Minimum Purchase Amount (500 Bonds)

10.0% One-Year Unsecured Bonds (Series FF Bonds)

11.0% Three-Year Unsecured Bonds (Series GG Bonds)

12.0% Five-Year Unsecured Bonds (Series HH Bonds)

13.0% Seven-Year Unsecured Bonds (Series II Bonds)

14.0% Eleven-Year Unsecured Bonds (Series JJ Bonds)

10.0% One-Year Unsecured Bonds (Series FF-1 Bonds)

11.0% Three-Year Unsecured Bonds (Series GG-1 Bonds)

12.0% Five-Year Unsecured Bonds (Series HH-1 Bonds)

13.0% Seven-Year Unsecured Bonds (Series II-1 Bonds)

14.0% Eleven-Year Unsecured Bonds (Series JJ-1 Bonds)

\$1,000,000 Minimum Purchase Amount (1,000 Bonds)

\$2,000,000,000 Aggregate Maximum Offering Amount (2,000,000 Bonds)

Phoenix Energy One, LLC, a Delaware limited liability company (the “**Company**,” “**we**,” “**our**,” and “**us**”), is offering pursuant to this Memorandum a maximum aggregate amount of \$2,000,000,000 (the “**Maximum Offering Amount**”) of (i) 9.0% one-year unsecured bonds, comprised of the “**Series U Bonds**” and “**Series U-1 Bonds**,” (ii) 10.0% three-year unsecured bonds, comprised of the “**Series V Bonds**” and “**Series V-1 Bonds**,” (iii) 11.0% five-year unsecured bonds, comprised of the “**Series W Bonds**” and “**Series W-1 Bonds**,” (iv) 12.0% seven-year unsecured bonds, comprised of the “**Series X Bonds**” and “**Series X-1 Bonds**,” (v) 13.0% eleven-year unsecured bonds comprised of the “**Series Z Bonds**” and “**Series Z-1 Bonds**,” (vi) 9.5% one-year unsecured bonds, comprised of the “**Series AA Bonds**” and “**Series AA-1 Bonds**,” (vii) 10.5% three-year unsecured bonds, comprised of the “**Series BB Bonds**” and “**Series BB-1 Bonds**,” (viii) 11.5% five-year unsecured bonds, comprised of the “**Series CC Bonds**” and “**Series CC-1 Bonds**,” (ix) 12.5% seven-year unsecured bonds, comprised of the “**Series DD Bonds**” and “**Series DD-1 Bonds**,” (x) 13.5% eleven-year unsecured bonds, comprised of the “**Series EE Bonds**” and “**Series EE-1 Bonds**,” (xi) 10.0% one-year unsecured bonds, comprised of the “**Series FF Bonds**” and “**Series FF-1 Bonds**,” (xii) 11.0% three-year unsecured bonds, comprised of the “**Series GG Bonds**” and “**Series GG-1 Bonds**,” (xiii) 12.0% five-year unsecured bonds, comprised of the “**Series HH Bonds**” and “**Series HH-1 Bonds**,” (xiv) 13.0% seven-year unsecured bonds, comprised of the “**Series II Bonds**” and “**Series II-1 Bonds**,” and (xv) 14.0% eleven-year unsecured bonds, comprised of the “**Series JJ Bonds**” and “**Series JJ-1 Bonds**” (such bonds, collectively, the “**Bonds**”).

As of March 31, 2026, the Company has issued \$1.14 billion aggregate principal amount of Bonds and is continuing to offer Bonds of the series above up to the Maximum Offering Amount in the aggregate.

The two forms of Bonds per series differ only in how and when interest is calculated and becomes payable. The Series U Bonds, Series V Bonds, Series W Bonds, Series X Bonds, Series Z Bonds, Series AA Bonds, Series BB Bonds, Series CC Bonds, Series DD Bonds, Series EE Bonds, Series FF Bonds, Series GG Bonds, Series HH Bonds, Series II Bonds and Series JJ Bonds (such Bonds, “**Cash Interest Bonds**”) will accrue simple interest, and interest payments will be paid monthly, in arrears, on the tenth day of each month for the prior calendar month. The Series U-1 Bonds, Series V-1 Bonds, Series W-1 Bonds, Series X-1 Bonds, Series Z-1 Bonds, Series AA-1 Bonds, Series BB-1 Bonds, Series CC-1 Bonds, Series DD-1 Bonds, Series EE-1 Bonds, Series FF-1 Bonds, Series GG-1 Bonds, Series HH-1 Bonds, Series II-1 Bonds and Series JJ-1 Bonds (such Bonds, “**Compound Interest Bonds**”) will accrue interest compounded monthly on the tenth day of each month for the prior calendar month, and no interest payments will be payable prior to the maturity date of the respective Compound Interest Bond. Interest for both the Cash Interest Bonds and the Compound Interest Bonds will accrue on the basis of a 360-day year consisting of twelve 30-day months. Upon maturity of each respective Bond, the Company will pay the principal plus all then-accrued and outstanding interest. For the avoidance of doubt and notwithstanding anything contained herein to the contrary, all Bonds will have a maturity date of the 10th of the calendar month in the month in which the settlement of such Bond occurs, and such Bond will accrue interest for the entire month in which the settlement occurs, without any offset or pro-rata calculation.

The purchase price per Bond is \$1,000 for all series of Bonds. The minimum purchase amount (the “**Minimum Purchase**”) is: (i) \$25,000 for the Series U Bonds, Series U-1 Bonds, Series V Bonds, Series V-1 Bonds, Series W Bonds, Series W-1 Bonds, Series X Bonds, Series X-1 Bonds, Series Z Bonds and Series Z-1 Bonds; (ii) \$500,000 for the Series AA Bonds, Series AA-1 Bonds, Series BB Bonds, Series BB-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series EE Bonds and Series EE-1 Bonds; and (iii) \$1,000,000 for the Series FF Bonds, Series FF-1 Bonds, Series GG Bonds, Series GG-1 Bonds, Series HH Bonds, Series HH-1 Bonds, Series II Bonds, Series II-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds. The Company, in its sole discretion, reserves the right to accept smaller purchase amounts. See “*Summary of Offering.*” The Series U Bonds, Series U-1 Bonds, Series AA Bonds, Series AA-1 Bonds, Series FF Bonds and Series FF-1 Bonds will mature on the 10th of the calendar month on the first anniversary of the closing date. The Series V Bonds, Series V-1 Bonds, Series BB Bonds, Series BB-1 Bonds, Series GG Bonds and Series GG-1 Bonds will mature on the 10th of the calendar month on the third anniversary of the closing date. The Series W Bonds, Series W-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series HH Bonds and Series HH-1 Bonds will mature on the 10th of the calendar month on the fifth anniversary of the closing date. The Series X Bonds, Series X-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series II Bonds and Series II-1 Bonds will mature on the 10th of the calendar month on the seventh anniversary of the closing date. The Series Z Bonds, Series Z-1 Bonds, Series EE Bonds, Series EE-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds will mature on the 10th of the calendar month on the eleventh anniversary of the closing date. The Company may elect to extend the maturity date of all or any portion of the Bonds, including all or any portion of any series, for up to two additional one-year periods in the Company’s sole discretion.

At each closing date (also referred to as settlement), the net proceeds for such closing will be disbursed to the Company and Bonds relating to such net proceeds will be issued to their respective investors. This offering will terminate on the earliest of: (i) the date the Company sells the Maximum Offering Amount; (ii) the second anniversary of the date of this Memorandum, as may be extended by up to one year by us by supplement hereto and as may be further extended by amending and restating this Memorandum; and (iii) such date upon which the Company determines to terminate the offering in its sole discretion.

The Bonds are being offered to prospective investors on a commercially reasonable efforts basis by Crescent Securities Group, Inc., a Texas corporation (the “**Managing Broker-Dealer**”), a member of the Financial Industry Regulatory Authority (“**FINRA**”), having its principal place of business at 4975 Preston Park Blvd., Suite 820, Plano, TX 75093. “Commercially reasonable efforts” means that our broker/dealer of record is not obligated to purchase any specific number or dollar amount of Bonds but will use commercially reasonable efforts to sell the Bonds. The Managing Broker-Dealer shall receive a fee of 0.4% of the gross proceeds of the offering, and registered representatives of the Managing Broker-Dealer shall receive variable sales compensation of up to 4.0% of the gross proceeds with respect to sales of the Bonds (collectively, the “**Broker-Dealer Fee**”).

	Price to Investors	Broker- Dealer Fee (weighted average) ⁽¹⁾	Proceeds to Company	Proceeds to Other Persons
Per Bond	\$1,000	\$47.42	\$952.58	\$0
Maximum Offering Amount on Bonds				
Remaining to be Sold.....	\$859,929,000	\$40,778,016	\$819,150,984	\$0

- (1) If the Maximum Offering Amount of Bonds is sold, the maximum Broker-Dealer Fee paid by the Company will be approximately \$94,840,426. The foregoing assumes the Broker-Dealer Fee was 5.0% of the gross proceeds for all sales prior to April 1, 2026; but the Broker-Dealer Fee may have been less in the instance any such fees were waived or reduced. As of March 31, 2026, the Company had issued \$1.14 billion aggregate principal amount of Bonds and, assuming the Broker-Dealer Fee was 5.0% of the gross proceeds for all such sales, the maximum Broker-Dealer Fee paid by the Company was approximately \$57.0 million. The maximum Broker-Dealer Fee was modified effective April 1, 2026, from 5.0% of the gross proceeds (a portion of which had been reallocated to registered representatives as sales compensation) to two separate fees including (i) variable sales compensation of up to 4.0% of the gross proceeds payable to registered representatives of the Managing Broker-Dealer that are non-executive personnel of the Company, and (ii) 0.4% of the gross proceeds to be retained by the Managing Broker-Dealer, provided that a minimum monthly fee of \$50,000 shall be payable to the Managing Broker-Dealer notwithstanding the amount of gross proceeds raised in a given month. The foregoing maximum Broker Dealer Fee paid by the Company of approximately \$94,840,426 assumes that the Broker-Dealer Fee will be equal to 0.4% of the gross proceeds plus sales compensation payable to registered representatives of the Managing Broker-Dealer of up to 4.0% of the gross proceeds for all sales after April 1, 2026, but the Broker-Dealer Fee may be less in the instance any such fees were waived or reduced. See “*Use of Proceeds*” and “*Plan of Distribution*” for more information.

* All figures are rounded to the nearest dollar.

NOTICE TO INVESTORS

THE BONDS OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE BONDS IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. THIS OFFERING DOES NOT CONSTITUTE AN OFFER OF BONDS TO THE PUBLIC AND NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT A PUBLIC OFFERING IN ANY STATE OR JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE.

NEITHER THIS MEMORANDUM NOR THE BONDS OFFERED HEREBY HAVE BEEN APPROVED BY ANY REGULATORY OR SUPERVISORY AUTHORITY IN THE UNITED STATES OR IN ANY STATE OR OTHER JURISDICTION, INCLUDING BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), NOR HAS ANY SUCH AUTHORITY OR COMMISSION PASSED ON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE BONDS WILL BE OFFERED AND SOLD IN THE UNITED STATES UNDER THE EXEMPTION FROM REGISTRATION PROVIDED BY SECTION 4(A)(2) OF THE SECURITIES ACT AND RULE 506(c) OF REGULATION D PROMULGATED THEREUNDER (“REGULATION D”) AND OTHER EXEMPTIONS OF SIMILAR IMPORT IN THE LAWS OF THE STATES AND JURISDICTIONS WHERE THE OFFERING WILL BE MADE. AS SUCH, EACH PURCHASER OF THE BONDS OFFERED HEREBY IN THE UNITED STATES MUST BE AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D. THIS OFFERING IS INTENDED FOR INVESTORS PURCHASING THE BONDS IN THE ORDINARY COURSE FOR THEIR OWN ACCOUNT FOR INVESTMENT AND NOT WITH A VIEW TO, OR ANY ARRANGEMENTS OR UNDERSTANDINGS REGARDING, ANY SUBSEQUENT DISTRIBUTION. SUBSCRIPTIONS FOR THE BONDS OFFERED WILL ONLY BE ACCEPTED FROM THOSE INVESTORS WHO REPRESENT AND WARRANT THAT SUCH INVESTOR IS (I) INVESTING IN THE COMPANY SOLELY FOR HIS OR HER OWN ACCOUNT FOR INVESTMENT PURPOSES ONLY, AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION; (II) IS AN “ACCREDITED INVESTOR” AS THAT TERM IS DEFINED BY RULE 501(a) OF REGULATION D; (III) IS FAMILIAR WITH THIS TYPE OF INVESTING AND IS CAPABLE OF EVALUATING THE RISKS AND MERITS OF AN INVESTMENT IN THE COMPANY; (IV) HAS HAD ACCESS TO SUFFICIENT INFORMATION TO MAKE AN INVESTMENT DECISION ABOUT THE COMPANY; (V) UNDERSTANDS THAT THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED UNLESS REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE; AND (VI) IS ABLE TO ACCEPT THE LACK OF LIQUIDITY OF THE BONDS AND TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE BONDS FOR AN INDEFINITE PERIOD OF TIME. SEE “PLAN OF DISTRIBUTION—WHO MAY INVEST.”

THE BONDS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY NOT BE TRANSFERRED EXCEPT AS PERMITTED BY THE SECURITIES ACT AND APPLICABLE STATE OR OTHER JURISDICTIONS SECURITIES LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THERE IS NO PUBLIC MARKET FOR THESE SECURITIES AND THERE IS NO ASSURANCE THAT A PUBLIC MARKET FOR THESE SECURITIES WILL DEVELOP IN THE FORESEEABLE FUTURE OR AT ALL. ACCORDINGLY, INVESTORS MAY FIND IT DIFFICULT OR IMPOSSIBLE TO DISPOSE OF ANY OF THESE SECURITIES AND MUST BE PREPARED TO RETAIN THEM FOR AN INDEFINITE PERIOD OF TIME.

THE OFFERING IS SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY THE COMPANY WITHOUT NOTICE. THE COMPANY RESERVES THE RIGHT TO REJECT ANY

SUBSCRIPTION FOR BONDS IN WHOLE OR IN PART OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE NUMBER OF BONDS SUCH INVESTOR DESIRES TO PURCHASE.

THE BONDS OFFERED HEREBY ARE SPECULATIVE AND INVESTMENT IN THE BONDS INVOLVES A HIGH DEGREE OF RISK. SEE “*RISK FACTORS*” TO READ ABOUT IMPORTANT FACTORS THAT EACH PROSPECTIVE INVESTOR SHOULD CONSIDER BEFORE INVESTING IN THE BONDS.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION TO THE RECIPIENT HEREOF REGARDING THE OFFERING OTHER THAN THE INFORMATION PROVIDED BY THE COMPANY HEREIN, OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFERING, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS MEMORANDUM HAS BEEN PREPARED BY THE COMPANY. THERE HAS BEEN NO INDEPENDENT THIRD-PARTY VERIFICATION OF ANY INFORMATION CONTAINED HEREIN AND THERE IS NO REPRESENTATION OR WARRANTY AS TO ITS ACCURACY OR COMPLETENESS. FURTHER, THE COMPANY DISCLAIMS ANY AND ALL LIABILITIES FOR REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, CONTAINED IN OR OMISSIONS FROM, THIS MEMORANDUM OR ANY OTHER WRITTEN OR ORAL COMMUNICATIONS OR TRANSMISSIONS MADE AVAILABLE TO RECIPIENT. EACH INVESTOR WILL BE ENTITLED TO RELY SOLELY ON THOSE REPRESENTATIONS AND WARRANTIES THAT MAY BE MADE TO THE INVESTOR BY THE COMPANY IN ANY PURCHASE AGREEMENT OR SUBSCRIPTION DOCUMENTATION RELATING TO THE INVESTOR’S PURCHASE OF THE SECURITIES.

THIS MEMORANDUM INCLUDES CERTAIN STATEMENTS AND PROJECTIONS PROVIDED BY THE COMPANY WITH RESPECT TO THE ANTICIPATED FUTURE PERFORMANCE OF THE COMPANY. SUCH STATEMENTS AND PROJECTIONS REFLECT VARIOUS ASSUMPTIONS MADE BY THE COMPANY CONCERNING ANTICIPATED RESULTS. THESE ASSUMPTIONS ARE SUBJECT TO SIGNIFICANT UNCERTAINTIES AND MAY OR MAY NOT PROVE TO BE ACCURATE. ACCORDINGLY, THE COMPANY MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE STATEMENTS REGARDING THE COMPANY’S FUTURE PERFORMANCE OR THE ASSUMPTIONS UNDERLYING THEM. THE ACHIEVEMENT OF THE FORECASTS CONTAINED HEREIN DEPENDS UPON NUMEROUS FACTORS, MANY OF WHICH ARE BEYOND THE COMPANY’S CONTROL. THEREFORE, THERE CAN BE NO ASSURANCE THAT THE COMPANY’S FUTURE PERFORMANCE WILL BE CONSISTENT WITH THE FORECASTS SET FORTH IN THIS MEMORANDUM. THIS MEMORANDUM HAS BEEN PREPARED FOR THE PURPOSE OF INTRODUCING PROSPECTIVE INVESTORS TO THE COMPANY IN ORDER TO ENABLE THEM TO DETERMINE IF THEY HAVE SUFFICIENT INTEREST IN THE COMPANY, ITS BUSINESS, AND PROSPECTS TO JUSTIFY FURTHER ACTION ON THEIR PART. IT IS EXPECTED THAT ANY INVESTOR PURCHASING BONDS IN THE OFFERING WILL PURSUE ITS OWN INDEPENDENT INVESTIGATION AND ANALYSIS OF THE COMPANY AND ITS PROSPECTS. THE DELIVERY OF THIS MEMORANDUM WILL NOT UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE, OR THAT INFORMATION CONTAINED IN THIS MEMORANDUM IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM.

THE SEC GENERALLY PERMITS OIL AND GAS COMPANIES, IN FILINGS MADE WITH THE SEC, TO DISCLOSE PROVED RESERVES, WHICH ARE RESERVE ESTIMATES THAT GEOLOGICAL AND ENGINEERING DATA DEMONSTRATE WITH REASONABLE CERTAINTY TO BE RECOVERABLE IN FUTURE YEARS FROM KNOWN RESERVOIRS UNDER EXISTING ECONOMIC AND OPERATING CONDITIONS, AND CERTAIN PROBABLE AND POSSIBLE RESERVES THAT MEET THE SEC’S DEFINITIONS FOR SUCH TERMS. THE COMPANY DISCLOSES ESTIMATED PROVED RESERVES AND ESTIMATED PROBABLE RESERVES IN ITS FILINGS WITH THE SEC. THE COMPANY’S ESTIMATED RESERVES ARE PREPARED BY THE COMPANY’S INTERNAL RESERVOIR ENGINEER AND COMPLY WITH DEFINITIONS

PROMULGATED BY THE SEC. THESE ESTIMATED RESERVES ARE NOT AUDITED BY AN INDEPENDENT PETROLEUM ENGINEERING FIRM. ADDITIONAL INFORMATION ON THE COMPANY'S ESTIMATED RESERVES IS CONTAINED IN THE COMPANY'S FILINGS WITH THE SEC. ACTUAL QUANTITIES THAT MAY BE ULTIMATELY RECOVERED WILL DIFFER SUBSTANTIALLY. FACTORS AFFECTING ULTIMATE RECOVERY INCLUDE THE SCOPE OF DRILLING PROGRAMS, WHICH WILL BE DIRECTLY AFFECTED BY THE AVAILABILITY OF CAPITAL, DRILLING AND PRODUCTION COSTS, AVAILABILITY OF DRILLING SERVICES AND EQUIPMENT, DRILLING RESULTS, LEASE EXPIRATIONS, TRANSPORTATION CONSTRAINTS, REGULATORY APPROVALS AND OTHER FACTORS AND ACTUAL DRILLING RESULTS, INCLUDING GEOLOGICAL AND MECHANICAL FACTORS AFFECTING RECOVERY RATES. ESTIMATES MAY CHANGE SIGNIFICANTLY AS DEVELOPMENT OF PROPERTIES PROVIDE ADDITIONAL DATA. IN ADDITION, THE COMPANY'S PRODUCTION FORECASTS AND EXPECTATIONS FOR FUTURE PERIODS ARE DEPENDENT UPON MANY ASSUMPTIONS, INCLUDING ESTIMATES OF PRODUCTION, DECLINE RATES FROM EXISTING WELLS AND THE UNDERTAKING AND OUTCOME OF FUTURE DRILLING ACTIVITY, WHICH MAY BE AFFECTED BY SIGNIFICANT COMMODITY PRICE DECLINES OR DRILLING COST INCREASES. ESTIMATED PROVED RESERVES AND ESTIMATED PROBABLE RESERVES DO NOT REPRESENT OR MEASURE THE FAIR VALUE OF THE RESPECTIVE PROPERTIES OR THE FAIR MARKET VALUE AT WHICH A PROPERTY OR PROPERTIES COULD BE SOLD FOR. IN THE EVENT OF ANY SUCH SALE, PROCEEDS TO THE COMPANY MAY BE SIGNIFICANTLY LESS THAN THE VALUE OF THE ESTIMATED RESERVES.

THE STATEMENTS CONTAINED IN THIS MEMORANDUM AND ANY COMMUNICATIONS, WRITTEN OR ORAL, FROM THE COMPANY, OR ANY OF ITS EMPLOYEES OR AGENTS, SHOULD NOT BE CONSTRUED AS LEGAL, TAX, INVESTMENT, ACCOUNTING OR OTHER EXPERT ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS ON THE POTENTIAL TAX, LEGAL AND OTHER CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING OR SELLING THE BONDS AND RESTRICTIONS AND INVESTMENT RISKS ASSOCIATED THEREWITH. EACH PROSPECTIVE INVESTOR SHOULD CONSULT AND RELY ON THE PROSPECTIVE INVESTOR'S OWN EVALUATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE BONDS.

THIS MEMORANDUM CONTAINS CERTAIN INFORMATION REGARDING OTHER OFFERINGS OF SECURITIES BEING MADE BY THE COMPANY AND/OR ONE OR MORE OF ITS SUBSIDIARIES (A "SEPARATE OFFERING") THAT THE COMPANY HAS DETERMINED TO BE MATERIAL TO EVALUATING A POTENTIAL INVESTMENT IN THE BONDS. THIS MEMORANDUM IS NOT INTENDED TO BE AN OFFER OF SECURITIES IN ANY SEPARATE OFFERING NOR A SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY SEPARATE OFFERING. ANY OFFER OF SECURITIES OR SOLICITATION OF AN OFFER TO BUY SECURITIES IN A SEPARATE OFFERING MAY BE MADE SOLELY BY THE OFFERING CIRCULAR, PRIVATE PLACEMENT MEMORANDUM, OR OTHER OFFERING DOCUMENT (COLLECTIVELY, "SEPARATE OFFERING DOCUMENTS") WITH RESPECT TO SUCH SEPARATE OFFERING. THIS LINK ([HTTPS://PHOENIXENERGY.COM/INVEST/](https://phoenixenergy.com/invest/)) PROVIDES THE SEPARATE OFFERING DOCUMENTS OF ANY AND ALL OFFERINGS OF SECURITIES BEING GENERALLY SOLICITED BY THE COMPANY AND/OR ANY OF ITS SUBSIDIARIES.

INFORMATION TO RESIDENTS OF CERTAIN STATES

Each prospective investor should read the legend and state disclosure listed below applicable to the state in which he or she resides. The state disclosures and legends listed below do not in any way constitute or imply that offers or sales may be made in such states. Offers and/or sales may only be made in those states approved by the Company. If any prospective investor resides in a state not included below, such prospective investor should request the state legend applicable to such investor's state prior to making an investment in the Company.

FOR FLORIDA RESIDENTS

The securities referred to in this Memorandum have not been registered under the Florida Securities Act. Any Florida investor may, at his option, void any purchase hereunder within a period of three days after he (a) first tenders or pays to the Company, an agent of the Company, or an escrow agent the consideration required hereunder or (b) delivers his executed Subscription Agreement (as defined below), whichever occurs later. To accomplish this, it is sufficient for a Florida investor to send an e-mail to the issuer's e-mail address set forth in the disclosure document provided to the purchaser or purchaser's representative or by hand delivery, courier service, or other method by which written proof of delivery to the issuer of the purchaser's election to rescind the purchase is evidenced.

FOR PENNSYLVANIA RESIDENTS

These securities have not been registered under the Pennsylvania Securities Act of 1972 in reliance upon an exemption therefrom. Any sale made pursuant to such exemption is voidable by a Pennsylvania purchaser within two business days from the date of receipt by the issuer of his written binding contract of purchase or, in the case of a transaction in which there is not a written binding contract or purchase, within two business days after he or she makes the initial payment for the shares being offered. However, this right is not available to any purchaser who is a bank, trust company, savings institution, insurance company, securities dealer, investment company (as defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**")), pension or profit-sharing trust, any qualified institutional buyer as defined in 17 C.F.R. 230.144A(a), under the Securities Act, or such other financial institutions as defined by the Pennsylvania Securities Act of 1972 or regulation of the Pennsylvania Securities Commission.

SPECIAL NOTICE TO FOREIGN INVESTORS

If the investor lives outside the United States, it is the investor's responsibility to fully observe the laws of any relevant territory or jurisdiction outside the United States in connection with any purchase of the securities, including obtaining required governmental consents or observing any other required legal or other formalities. The Company reserves the right to deny the purchase of the securities by any foreign investor.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference into this Memorandum certain information that the Company files with the SEC, which means we disclose important information to you by referring you to those documents. All such information is considered to be part of this Memorandum. Any statement contained or incorporated by reference in this Memorandum shall be deemed to be modified or superseded for purposes of this Memorandum to the extent that a statement contained herein, or in any subsequently filed document that also is incorporated by reference herein, modifies or supersedes such earlier statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Memorandum. We incorporate by reference into this Memorandum the following documents that the Company has previously filed with the SEC:

- The Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 17, 2026 (the "**2025 Annual Report**").
- our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026, filed with the SEC on May 13, 2026.
- The Company's registration statement on Form S-1 (File No. 333-282862) filed with the SEC in October 2024, which was declared effective on May 14, 2025, and together with each prospectus supplement and post-effective amendment filed in connection therewith, including the post-effective amendments filed on April 2, 2026, which was declared effective May 4, 2026.
- The Company's offering statement on Form 1-A (File No. 024-12634) filed with the SEC in June 2025, which was qualified on September 22, 2025, together with the post-qualification offering circular dated September 12, 2025 filed in connection therewith, which was qualified on September 22, 2025.
- The Company's Current Reports on Form 8-K filed with the SEC, including those filed on January 21, 2026, February 13, 2026, and June 2, 2026.
- The Company's other filings with the SEC available on the SEC's website at www.sec.gov.

All reports and other documents we subsequently file pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") or Rule 25 of Regulation A prior to the termination of this offering, but excluding any information furnished to, rather than filed with, the SEC, will also be incorporated by reference into this Memorandum and deemed to be part of this Memorandum from the date of the filing of such reports and documents. Any of the foregoing reports and documents that are filed with the SEC are listed on the Company's latest filings on the SEC's EDGAR database.

Documents incorporated by reference are available from us without charge, excluding all exhibits, except that if we have specifically incorporated by reference an exhibit into this Memorandum, the exhibit will also be provided without charge. You may obtain documents incorporated by reference into this Memorandum by requesting them in writing or by calling us at the following address or telephone number, as applicable, attention Investor Relations:

Phoenix Energy One, LLC
18575 Jamboree Road, Suite 830
Irvine, CA 92612
(303)-376-9778

You should rely only upon the information contained or incorporated by reference in this Memorandum. We have not authorized anyone to provide you with different information. You should not assume that the information in this Memorandum is accurate as of any date other than the date of this Memorandum or the date of such incorporated document, as applicable.

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Exhibit A – Form of Subscription Agreement
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EXECUTIVE SUMMARY

This summary highlights information contained elsewhere in this Memorandum. This summary does not contain all of the information that you should consider before deciding whether to invest in the Bonds. You should carefully read this entire Memorandum, including the information under the heading “Risk Factors” and all information included and incorporated by reference in this Memorandum.

Our Company, Phoenix Energy One, LLC, a Delaware limited liability company, was formed on April 16, 2019, as Phoenix Capital Group Holdings, LLC, and we legally changed our name to Phoenix Energy One, LLC on January 23, 2025. We operate in the oil and gas industry and execute on a three-pronged strategy involving (i) direct drilling operations of operated working interests, (ii) the acquisition of royalty assets, and (iii) the acquisition of non-operated working interest assets for the purpose of exploration, development, production, and sale of crude oil, natural gas, natural gas liquids, and other byproducts through our subsidiaries Phoenix Operating LLC, a Delaware limited liability company (“**PhoenixOp**”), Firebird Services, and Firebird Marketing. Our direct drilling operations are currently primarily focused on development efforts in the Williston Basin in North Dakota and Montana and the Powder River and Denver-Julesburg Basins in Wyoming. Our royalty and working interest acquisitions center around a variety of assets, including mineral interests, leasehold interests, overriding royalty interests, and perpetual royalty interests. These efforts have historically targeted assets in the Williston, Permian, Powder River, Uinta, and Denver-Julesburg Basins. We are agnostic as to geography and prioritize operational and asset potential when executing on our strategy.

We leverage our specialized software system and experienced management team to identify asset opportunities that fit our desired criteria and potential for returns. The software system is designed to be scalable and process inputs from a variety of internal and external sources, and supports our ability to identify, analyze, underwrite, and formally transact in the purchasing of oil and gas assets. The software system operates across three key facets of our business:

1. **Asset Discovery** – The data-driven system has customized inputs that are selected by management to pull in and incorporate data sets from multiple third-party sources through custom application interfaces that automatically retrieve updated information on a regular basis. For example, the system retrieves detailed land and title data and well-level data including operator, production metrics, well status, dates of activities, well-specific activities and historical reporting. The software system compiles these inputs and creates dashboards that can be accessed by management to analyze and review granular data on an asset-by-asset level. These dashboards present certain key information, including, among others, the geography of the asset, the estimated probability of future oil wells, the estimated predictability of the timing and value of cash flows, and local and national oil prices. We believe this process provides us with key market intelligence and insights, tailored to prioritize asset traits curated and targeted by management, to identify and rank potential assets. We believe this provides us with a competitive advantage because we are able to identify potentially valuable assets, based on our own hierarchy and prioritization of asset traits and data inputs, which may otherwise be overlooked by other industry participants.
2. **Asset Grading and Estimates** – The outputs from the asset discovery process are then run through a discounted cash flow model, using management inputs for discount rate and the price of oil to generate asset value and pricing estimates. The software system grades these assets based on management’s desired target criteria for high probability of high near-term cash flow and generates a summary version of assets to prospect for acquisition for our sales team. The system also generates an acquisition price for each asset, which informs the sales team as to the maximum price that we may be willing to offer in any prospective transaction. This process is used to further characterize high-priority targets for sales and acquisition efforts.
3. **Asset Acquisition** – Based on management input, the software system then routes the pricing and asset information from the asset grading and estimates process through an automated document generator to create customized, asset-specific document packages for utilization and distribution by our sales team. The workflow for these document packages is then processed and monitored using our internally developed software, which distributes the documents to our operations team for the preparation of an

offering and sale package, which is then delivered to the prospective seller. Using relationship management features within our internally developed software, the sales team is able to record notes, and each opportunity can be tracked from its original data upload through the lifecycle of the sales process.

While the data inputs utilized by our software system are largely based on public information, considerable customization and coding has been undertaken to generate a system that we can successfully leverage in our business. This software was designed and built by us to address our specific needs, and we are not aware of a similar competitive product. We rely on trade secret laws to protect our software system and do not own any registered copyright, patent or other intellectual property rights regarding our software. However, we believe the investment of significant monetary and intellectual resources have created a system that would be difficult to replicate. We currently have no intention of licensing or selling our software. See *“Risk Factors—Risks Related to Legal, Regulatory, and Environmental Matters—We do not currently own any registered intellectual property rights relating to our software system and may be subject to competitors developing the same technology.”*

Following the acquisition of an asset, we typically share in the proceeds of the natural resources extracted and sold by a third-party oil and gas operator. For certain assets, we operate our own direct drilling operations through PhoenixOp. Throughout 2024 and 2025, we increased the extent to which we run our own direct drilling operations and expect to continue to grow our drilling activities going forward. We intend to actively drill and develop select assets in an effort to maximize value and resource potential, and we will generally seek to increase our production, reserves, and cash flow from operations over time. We have identified a number of potential drilling locations that we believe have the potential for attractive growth and opportunities. In accordance with that business plan, we acquired our third drilling rig in April 2025.

As we rely more on our own direct drilling operations, our capital expenditures and operating expenses have also increased significantly, and we expect this increase in capital and operating expenses to continue as compared to our previous business model, which relied heavily on royalty and working interest acquisitions. As such, in 2026, we expect to have increased needs for additional capital in excess of cash flows from operating activities in order to fund the growth of our business and the development of our reserves. We expect to supplement operating cash flow with external capital sources to fund the planned expansion of our operated drilling program. The pace of drilling activity is discretionary and may be adjusted based on commodity prices, capital market conditions, and internal rate-of-return thresholds. Although we believe that running our own direct drilling operations will require significantly greater funds than partnering with a third-party operator, we believe that this strategy will provide greater control of cash flow, increased revenue, and larger potential for shorter payback periods as compared to returns on royalty assets and working interest assets. We expect that this ongoing shift in our business model will allow us to capture more of the upside from the use of our specialized software system. As of March 31, 2026, we estimate that our direct drilling operations will require approximately \$147.3 million in additional capital throughout 2026 in order to achieve our intended business plan. We expect that these capital needs will be met in the near to medium term by capital contributions to PhoenixOp by us, which we expect to fund from time to time in varying amounts through a combination of cash from operations and the proceeds from loans and offerings of debt and equity securities. As of March 31, 2026, we had contributed approximately \$421.7 million in cash and \$64.4 million in lease assets to PhoenixOp. As of March 31, 2026, after giving effect to an increase in March 2026 in the amount permitted to be borrowed under the Adamantium Loan Agreement by \$200.0 million, we had \$201.2 million available for us to borrow under the Adamantium Loan Agreement (assuming Adamantium is able to issue the corresponding amount of Adamantium Securities). We also continue to issue Bonds and Registered Notes, and, as of March 31, 2026, after giving effect to an increase in March 2026 of the offering amount of the Bonds by \$500.0 million, we had \$859.9 million and \$693.3 million of additional headroom until we reach the announced target offering amounts of \$2.0 billion of Bonds and \$750.0 million of Registered Notes. Our funding of additional amounts to PhoenixOp will not be subject to specific milestones or triggering events, but instead will be guided by our business judgment in order to execute on our intended business plan. We intend to make such capital contributions to PhoenixOp until such time as PhoenixOp procures its own financing, if any, or has sufficient cash from operations to operate without supplemental financing from us. PhoenixOp is currently a borrower under certain of our loan agreements, including the Fortress Credit Agreement and Adamantium Loan Agreement, and could borrow amounts under such agreements directly. Although we have issued over \$408.1 million of Adamantium Securities as of March 31, 2026, there can be no assurance that we will be successful in issuing additional Adamantium Securities and utilizing then-available commitments under the Adamantium Loan Agreement. There is currently no committed amount of additional

financing available under the Fortress Credit Agreement.

As of March 31, 2026, we had 189 employees, all of whom were full-time employees and all of whom were located in the United States. Our Company's principal executive offices are located at 18575 Jamboree Road, Suite 830, Irvine, CA 92612, and its telephone number is (303) 376-9778. For more information about our Company, please visit its website at <https://phoenixenergy.com>. The information on, or otherwise accessible through, our website does not constitute a part of this Memorandum.

We began operations in 2019 with the development of our specialized software system, which we have designed and improved over time to support our ability to identify, analyze, underwrite, transact, and manage our oil and gas assets. In 2019, we acquired our first mineral interest asset and began to generate revenue. In 2020, we expanded our operations and team to include specialists across a variety of key focus areas. Since 2020, we experienced significant growth in our business and operations. For example, in 2020, the E&P operators of our properties operated 725 gross and 2.8 net productive development wells on the acreage underlying our mineral and royalty interests, and the total acreage underlying our gross and net royalty interests was 177,824 and 1,506, respectively. In the five years since then, the E&P operators of our properties have operated an additional 7,043 gross and 140.4 net productive development wells on the acreage underlying our mineral and royalty interests, of which approximately 508 gross and 62.9 net productive development wells were drilled in 2025 alone. As of March 31, 2026, we had 4,494,226 and 566,649 acres underlying our gross and net royalty interests, respectively, as compared to 177,824 and 1,506 acres underlying our gross and net royalty interests, respectively, at December 31, 2020. Furthermore, our total production for the year ended December 31, 2020 was under 0.2 million Boe as compared to over 9.9 million Boe for the year ended December 31, 2025. In the same period, our number of employees grew from 21 at December 31, 2020 to 189 at March 31, 2026. Additionally, beginning in mid-2023 we commenced direct drilling operations and we spudded our first wells in the third quarter of 2023; our first owned well commenced hydrocarbon production in January 2024 and, as of March 31, 2026, we have drilled a total of 135.0 gross and 123.2 net producing development and injection wells. We expect these direct drilling operations to be a core component of our business strategy going forward.

As of March 31, 2026, we have completed 5,903 acquisitions from landowners and other mineral interest owners since 2019 and currently retain approximately 566,649 NRAs in mineral holdings and 637,060 NMAs in leasehold assets. Over that same period, in addition to completing numerous small transactions, we completed more than 82 transactions larger than 1,000 NMAs that account for approximately 73% of our NMAs. We have acquired mineral, royalty, and leasehold interests from individuals, families, trusts, partnerships, small minerals aggregators, minerals brokers, large private minerals companies, private oil and gas E&P companies, and public minerals companies. We also actively manage our portfolio of assets and, as of December 31, 2025, have sold 3,152 NMAs since 2019.

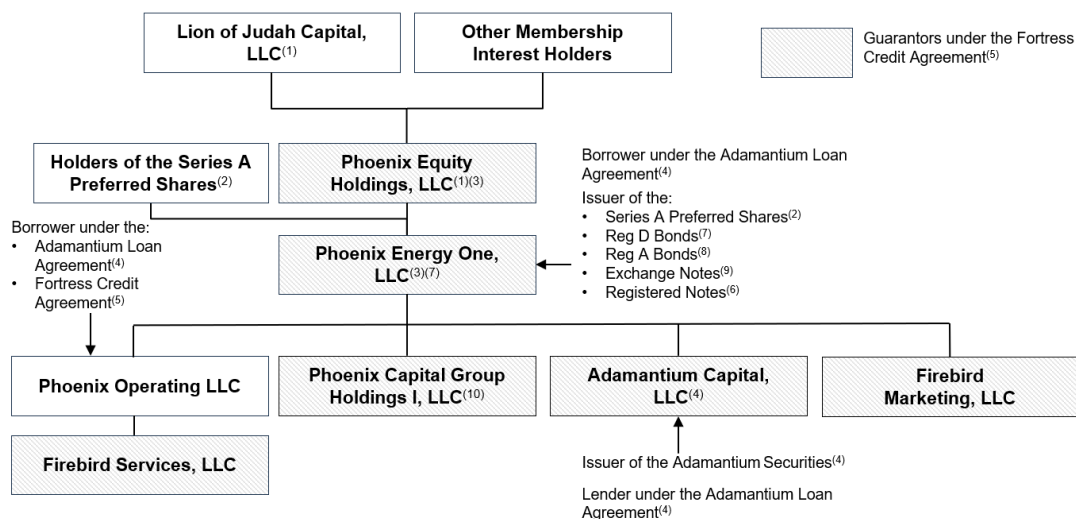
The Offering. All sales of the Bonds will be strictly limited to persons who (i) are “accredited investors,” as such term is defined in Rule 501 of Regulation D, and (ii) meet the requirements and make the representations set forth herein and in the subscription agreement in the form attached hereto as Exhibit A (the “**Subscription Agreement**”). See “*Plan of Distribution—Who May Invest*” for further information regarding your eligibility to purchase Bonds. This offering will terminate on the earliest of: (i) the date we sell the Maximum Offering Amount; (ii) the second anniversary of the date of this Memorandum, as may be extended by up to one year by us by supplement hereto and as may be further extended by amending and restating this Memorandum; and (iii) such date upon which we determine to terminate the offering in our sole discretion.

We will conduct closings, the “**closing dates**,” and each, a “**closing date**” (each being the date on which such closing occurs), in this offering to be scheduled at our discretion until the offering termination. Once a subscription has been submitted and accepted by us, an investor will not have the right to request the return of its subscription payment prior to the applicable closing date, unless as provided under applicable state laws. It is expected that settlement will occur on the same day as each closing date. On each closing date, offering proceeds for that closing will be disbursed to us and Bonds will be issued to investors, or the “**Bondholders**.” If our Company is dissolved or liquidated after the acceptance of a subscription, the respective subscription payment will be returned to the subscriber. For the avoidance of doubt and notwithstanding anything contained herein to the contrary, regardless of the closing date or closing dates, all Bonds will have a maturity date of the 10th of the calendar month in the month after the closing date of such Bond occurs, and such Bond will accrue interest for the entire month in which the

closing occurs, without any offset or pro-rata calculation.

Company Structure

The following chart summarizes our corporate structure and principal indebtedness, as of the date of this Memorandum. This chart is provided for illustrative purposes only and does not represent all legal entities affiliated with, or obligations of, us and our subsidiaries from time to time:



- (1) The Company is a manager-managed limited liability company. Phoenix Equity owns 100% of the Company's common equity interests and, other than under the limited circumstances described in the Third ARLICA in which holders of the Series A Preferred Shares have specific designation rights, has the right to appoint all members of the Company's board of directors. LJC controls Phoenix Equity and, therefore, indirectly has control over the Company's management. Daniel Ferrari and Charlene Ferrari each own 50% of the voting membership interests in, and are the managers of, LJC. Adam Ferrari, our Chief Executive Officer and the son of Daniel and Charlene Ferrari, owns 100% of the economic interests in LJC, but has no voting or managerial interest in LJC. Adam Ferrari is also the manager of Phoenix Equity. See the section of our 2025 Annual Report entitled "*Certain Relationships and Related-Party Transactions—Third Amended and Restated Limited Liability Company Agreement of Phoenix Energy One, LLC.*" Phoenix Equity was formed primarily to provide an entity to pledge the equity interests of the Company as collateral to secure the borrowings under the Fortress Credit Agreement. In connection with the consummation of that transaction, the equityholders in the Company immediately prior to the consummation of the transaction exchanged their limited liability company interests in the Company for limited liability company interests in Phoenix Equity. As a result, the beneficial ownership of Phoenix Equity immediately after the transaction substantially reflects the beneficial ownership of the Company immediately prior to the transaction. Furthermore, following the formation of Phoenix Equity and the exchange of equity interests of the Company for equity interests of Phoenix Equity, equity awards that had previously been granted or promised by the Company and/or PhoenixOp were converted into equity awards granted by Phoenix Equity. See the sections of our 2025 Annual Report entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Fortress Credit Agreement*" and "*Executive Compensation—Details of Our Compensation Program—Elements of Our Executive Compensation Program—Equity Compensation.*"
- (2) For a description of the terms of the Series A Preferred Shares, see the section of our 2025 Annual Report entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Preferred Equity.*"

- (3) See the sections of our 2025 Annual Report entitled “*Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*” and “*Management*” for a description of our ownership structure and management.
- (4) For a description of the terms of the Adamantium Debt, see the section of our 2025 Annual Report entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Adamantium Debt.*”
- (5) For a description of the terms of the Fortress Credit Agreement, see the section of our 2025 Annual Report entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Fortress Credit Agreement.*”
- (6) For a description of the terms of the Registered Notes, see the section of our 2025 Annual Report entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Registered Notes.*”
- (7) See the section of this Memorandum entitled “*Risk Factors*” and the section of our 2025 Annual Report entitled “*Risk Factors*” for a discussion of the risks related to our capital structure and your investment in the Bonds. The terms of the Bonds do not prohibit the Company or its subsidiaries from incurring additional indebtedness, which indebtedness may rank senior to the Bonds. Furthermore, the Bonds will not be guaranteed by any of the Company’s subsidiaries or affiliates or any other person. As a result, the Bonds will be structurally subordinated to claims of creditors (including trade creditors) and preferred stockholders (if any) of the Company’s subsidiaries. See “*Description of Bonds—Ranking.*”
- (8) For a description of the terms of the Reg A Bonds, see the section of our 2025 Annual Report entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Reg D/Reg A Bonds and Exchange Notes.*”
- (9) For a description of the terms of the Exchange Notes, see the section of our 2025 Annual Report entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Reg D/Reg A Bonds and Exchange Notes.*”
- (10) Our wholly owned subsidiary, Phoenix Capital Group Holdings I, LLC, previously filed an offering statement under Regulation A in connection with a potential offering of senior subordinated unsecured bonds in an amount not to exceed \$75 million annually in the aggregate, the proceeds of which would be loaned to us pursuant to an agreement secured by junior mortgages on certain properties. As of the date of this Memorandum, we do not intend to pursue this offering or the qualification of this offering statement.

SUMMARY OF OFFERING

Issuer	Phoenix Energy One, LLC, a Delaware limited liability company (formerly known as Phoenix Capital Group Holdings, LLC).
Securities Offered	Aggregate Maximum Offering Amount of \$2,000,000,000 principal amount of Bonds. The Company reserves the right to increase the Maximum Offering Amount by \$500,000,000 for a total of \$2,500,000,000 in the Company's sole discretion by supplement to this Memorandum.
Minimum Purchase	The Minimum Purchase is \$25,000 for the Series U Bonds, Series U-1 Bonds, Series V Bonds, Series V-1 Bonds, Series W Bonds, Series W-1 Bonds, Series X Bonds, Series X-1 Bonds, Series Z Bonds and Series Z-1 Bonds. The Minimum Purchase is \$500,000 for the Series AA Bonds, Series AA-1 Bonds, Series BB Bonds, Series BB-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series EE Bonds and Series EE-1 Bonds. The Minimum Purchase is \$1,000,000 for the Series FF Bonds, Series FF-1 Bonds, Series GG Bonds, Series GG-1 Bonds, Series HH Bonds, Series HH-1 Bonds, Series II Bonds, Series II-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds. The Company reserves the right to accept smaller purchase amounts in the Company's sole discretion and furthermore, we reserve the right, in our sole and absolute discretion, to allow Bondholders that are immediate family members to aggregate their principal amount of Bonds held to collectively meet the Minimum Purchase Amount for an applicable series of Bonds, provided that, in each case, each such person meets the suitability standards of this offering including accredited investor status.
Investor Suitability Requirement	You should purchase Bonds only if you have substantial financial means and you have no need for liquidity in your investment. The sale of Bonds in this offering is strictly limited to "accredited investors," as such term is defined in Rule 501 of Regulation D, and who meet certain minimum suitability and verification requirements. See " <i>Plan of Distribution—Who May Invest</i> " for more information.
Maturity Date	The Series U Bonds, Series U-1 Bonds, Series AA Bonds, Series AA-1 Bonds, Series FF Bonds and Series FF-1 Bonds will mature on the 10th of the calendar month on the first anniversary of the closing date. The Series V Bonds, Series V-1 Bonds, Series BB Bonds, Series BB-1 Bonds, Series GG Bonds and Series GG-1 Bonds will mature on the 10th of the calendar month on the third anniversary of the closing date. The Series W Bonds, Series W-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series HH Bonds and Series HH-1 Bonds will mature on the 10th of the calendar month on the fifth anniversary of the closing date. The Series X Bonds, Series X-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series II Bonds and Series II-1 Bonds will mature on the 10th of the calendar month on the seventh anniversary of the closing date. The Series Z Bonds, Series Z-1 Bonds, Series EE Bonds, Series EE-1 Bonds,

Series JJ Bonds and Series JJ-1 Bonds will mature on the 10th of the calendar month on the eleventh anniversary of the closing date.

For the avoidance of doubt and notwithstanding anything contained herein to the contrary, all Bonds will have a maturity date of the 10th of the calendar month in the month in which the settlement of such Bond occurs, and such Bond will accrue interest for the entire month in which the settlement occurs, without any offset or pro-rata calculation. The Company may elect to extend the maturity date of all or any portion of the Bonds, including all or any portion of any series, for up to two additional one-year periods in the Company's sole discretion.

Interest Rate

Series U Bonds and Series U-1 Bonds: 9.0% per year.

Series AA Bonds and Series AA-1 Bonds: 9.5% per year.

Series V Bonds, Series V-1 Bonds, Series FF Bonds and Series FF-1 Bonds: 10.0% per year.

Series BB Bonds and Series BB-1 Bonds: 10.5% per year.

Series W Bonds, Series W-1 Bonds, Series GG Bonds and Series GG-1 Bonds: 11.0% per year.

Series CC Bonds and Series CC-1 Bonds: 11.5% per year.

Series X Bonds, Series X-1 Bonds, Series HH Bonds and Series HH-1 Bonds: 12.0% per year.

Series DD Bonds and Series DD-1 Bonds: 12.5% per year.

Series Z Bonds, Series Z-1 Bonds, Series II Bonds and Series II-1 Bonds: 13.0% per year.

Series EE Bonds and Series EE-1 Bonds: 13.5% per year.

Series JJ Bonds and Series JJ-1 Bonds: 14.0% per year.

Interest Payments

The Series U Bonds, Series V Bonds, Series W Bonds, Series X Bonds, Series Z Bonds, Series AA Bonds, Series BB Bonds, Series CC Bonds, Series DD Bonds, Series EE Bonds, Series FF Bonds, Series GG Bonds, Series HH Bonds, Series II Bonds and Series JJ Bonds (such Bonds, "**Cash Interest Bonds**") will accrue simple interest, and interest payments will be paid monthly, in arrears, on the tenth day of each month for the prior calendar month. The Series U-1 Bonds, Series V-1 Bonds, Series W-1 Bonds, Series X-1 Bonds, Series Z-1 Bonds, Series AA-1 Bonds, Series BB-1 Bonds, Series CC-1 Bonds, Series DD-1 Bonds, Series EE-1 Bonds, Series FF-1 Bonds, Series GG-1 Bonds, Series HH-1 Bonds, Series II-1 Bonds and Series JJ-1 Bonds (such Bonds, "**Compound Interest Bonds**") will accrue interest compounded monthly on the tenth day of each prior calendar month, and no interest payments will be payable prior to the maturity date of the respective Compound Interest Bond. Interest for both the Cash Interest Bonds and the Compound Interest Bonds will accrue on the basis of a 360-day year consisting of twelve 30-day months. Upon maturity of each respective Bond, the Company will pay the principal plus all then-accrued and outstanding interest. For the avoidance of doubt and notwithstanding anything contained herein to the contrary, all Bonds will have a maturity date of the 10th of the

	calendar month in the month after the settlement of such Bond
Offering Price	\$1,000 per Bond.
Ranking	The Bonds will be the Company's subordinated unsecured obligations and will: • rank contractually senior in right of payment to all of the Company's existing and future indebtedness that is contractually subordinated to the Bonds; • without giving effect to collateral arrangements, rank equally in right of payment with the Subordinated Reg D Bonds (as defined below); • be contractually subordinated to any Senior Debt, including indebtedness under the Fortress Credit Agreement, the Adamantium Debt, the Reg A Bonds and the Senior Reg D Bonds, the Exchange Notes, and the Registered Notes (each of the foregoing, as defined below), which as of March 31, 2026, after giving effect to the borrowing of an additional \$75.0 million under the Fortress Credit Agreement in February 2026 and to the borrowing of an additional \$0.7 million under the Adamantium Secured Note in February 2026, totaled \$1,298.0 million; • be effectively subordinated to any of the Company's existing or future secured indebtedness and other obligations, including under the Fortress Credit Agreement and the Adamantium Loan Agreement, to the extent of the value of the assets securing such indebtedness, which as of March 31, 2026, after giving effect to the borrowing of an additional \$75.0 million under the Fortress Credit Agreement in February 2026 and to the borrowing of an additional \$0.7 million under the Adamantium Secured Note in February 2026, totaled \$812.3 million (all of which constitutes Senior Debt); and • be structurally subordinated to all of the existing and future liabilities (including trade payables) and preferred equity of each of the Company's subsidiaries, including Adamantium.
Outstanding Indebtedness	As of March 31, 2026, after giving effect to the borrowing of an additional \$75.0 million under the Fortress Credit Agreement in February 2026 and to the borrowing of an additional \$0.7 million under the Adamantium Secured Note in February 2026, approximately \$148.7 million of indebtedness was maturing within one year, and in 2028, all amounts under the Fortress Credit Agreement) will mature. We plan to repay our indebtedness with cash from operations, the proceeds of debt securities offerings, including the Bonds offered hereby, the Exchange Notes, the Registered Notes, and the Adamantium Securities (and the corresponding proceeds under the Adamantium Loan Agreement), and other financing sources. As of March 31, 2026, after giving effect to the borrowing of an additional \$75.0 million under the Fortress Credit Agreement in February 2026 and to the borrowing of an additional \$0.7 million under the Adamantium Secured Note in February 2026, the Company had \$812.3 million of secured indebtedness outstanding, consisting of (i) \$525.0 million aggregate

principal amount outstanding under that certain Amended and Restated Senior Secured Credit Agreement, dated as of August 12, 2024 (as amended and supplemented from time to time, the “**Fortress Credit Agreement**”), with PhoenixOp, as borrower, each of the lenders from time to time party thereto, and Fortress Credit Corp. (“**Fortress**”), as administrative agent for the lenders, which is secured by a senior security interest in all of the assets of Phoenix Equity and its subsidiaries, and (ii) (A) \$278.0 million aggregate principal amount outstanding under that certain Loan Agreement, dated as of September 14, 2023, by and among the Company and PhoenixOp, as borrowers, and Adamantium, as lender (as the same may be amended and supplemented from time to time, the “**Adamantium Loan Agreement**”), which provides for up to \$609.3 million in aggregate principal amount of borrowings in one or more advances and is secured by mortgages on certain of our properties, which mortgages are junior to the security interest of the Fortress Credit Agreement and other existing and future senior secured indebtedness, and (B) without duplication, \$9.3 million aggregate principal amount outstanding under the Adamantium Secured Note, which initially matures in November 2031, has an interest rate of 16.5% per annum, and is secured by Adamantium’s rights under the Adamantium Loan Agreement (as the same may be amended and supplemented from time to time, the “**Adamantium Secured Note**”). Borrowings under the Adamantium Loan Agreement correspond to amounts issued under the Adamantium Secured Note and receipt by Adamantium of proceeds from any Adamantium Bonds issued. The Fortress Credit Agreement, the Adamantium Loan Agreement, and the Adamantium Secured Note will constitute Senior Debt and will rank contractually senior to the Bonds. The Adamantium Secured Note will also be structurally senior to the Bonds to the extent of the value of Adamantium’s assets, including the collateral securing the Adamantium Loan Agreement.

The \$278.0 million aggregate principal amount outstanding under the Adamantium Loan Agreement, described above, relates to bonds issued pursuant to an offering under Rule 506(c) of Regulation D that commenced in September 2023 with maturity dates ranging from five to eleven years from the issue date and interest rates ranging from 13.0% to 16.0% per annum (the “**Adamantium Bonds**”). The Adamantium Bonds and the Adamantium Secured Note (collectively, the “**Adamantium Securities**”) will be structurally senior to the Bonds to the extent of the value of Adamantium’s assets, including the collateral securing the Adamantium Loan Agreement and the Adamantium Secured Note. Adamantium may, but is not guaranteed to, issue \$600.0 million in aggregate principal amount of Adamantium Bonds to fund advances to the Company and PhoenixOp pursuant to the Adamantium Loan Agreement. The Adamantium Bonds will also constitute Senior Debt and will rank contractually senior to the Bonds.

As of March 31, 2026, we had \$834.9 million aggregate principal amount outstanding of unsecured bonds issued pursuant to Regulation D, Regulation A, and Section 3(a)(9) and/or 4(a)(2) of the Securities Act (other than the Adamantium Bonds), consisting of: (i) \$7.6 million aggregate principal amount outstanding of unsecured bonds offered and sold pursuant to an offering under Rule 506(c) of Regulation D that commenced in July 2022 and terminated in December 2022, with a maturity date of five years from the issue date and an interest rate of 11.0% per annum (the “**Senior Reg D Bonds**”); (ii) \$50.8 million aggregate principal amount outstanding of Series AAA through Series D-1 Bonds offered and sold pursuant to an offering

under Rule 506(c) of Regulation D that commenced in December 2022 and terminated in August 2023, with maturity dates ranging from three to seven years from the issue date and interest rates ranging from 10.0% to 12.0% per annum (the “**December 2022 506(c) Bonds**”); (iii) \$707.2 million aggregate principal amount outstanding of Bonds (Series U through Series JJ-1 Bonds) offered pursuant to this offering under Rule 506(c) of Regulation D that commenced in August 2023, with maturity dates ranging from one to eleven years from the issue date and interest rates ranging from 9.0% to 14.0% per annum (the “**Existing Bonds**” and, together with the December 2022 506(c) Bonds, the “**Subordinated Reg D Bonds**” and, together with the Senior Reg D Bonds, the “**Reg D Bonds**”); and (iv) \$33.8 million aggregate principal amount outstanding of unsecured bonds offered and sold pursuant to an offering under Regulation A, which commenced in December 2021 and terminated in December 2024, with a term of three years and an interest rate of 9.0% per annum (the “**Reg A Bonds**”). In addition, as of March 31, 2026, the Company had \$35.5 million aggregate principal amount outstanding of Exchange Notes, which are unsecured bonds issued to holders of the Reg A Bonds in exchange for their Reg A Bonds in offerings exempt from registration under Section 3(a)(9) and/or 4(a)(2) of the Securities Act, with maturity dates of three, five, seven, or eleven years from the issue date and interest rates ranging from 9.0% to 12.0% per annum (the “**Exchange Notes**”).

As of March 31, 2026, we had \$55.1 million aggregate principal amount outstanding of unsecured notes offered and sold on a continuous basis pursuant to a registration statement on Form S-1 (File No. 333-282862), with maturity dates ranging from three years to eleven years from the issue date and interest rates ranging from 9.0% to 12.0% per annum (the “**Registered Notes**”).

In June 2025, we filed a preliminary offering circular (File No. 024-12634) with the SEC to offer up to 3,750,000 shares of our 10.00% Series A Cumulative Redeemable Preferred Shares, representing limited liability company interests (the “**Preferred Shares**”). We offered the Preferred Shares at an offering price of \$20.00 per Preferred Share for a maximum offering amount of \$75,000,000. There was a minimum initial investment amount per investor of \$1,000.00 for the Preferred Shares and any additional purchases must be made in increments of at least \$20.00. We had applied to list the Preferred Shares on the NYSE American LLC (“**NYSE American**”) under the symbol “PHXE.P.” The Preferred Shares were listed on NYSE American following NYSE American’s certification of our Form 8-A filed with the following of the qualification of our offering circular. In September 2025, we completed its offering of Preferred Shares, and such shares were listed on the NYSE American under the ticker symbol PHXE.P and commenced trading on September 30, 2025. We sold an aggregate of 2,704,023 Preferred Shares at closing, which represented \$67.6 million in initial liquidation preference at a public offering price of \$20.00 per share for gross proceeds of \$54.1 million. Offering costs of \$6.2 million were recorded as a reduction of the gross proceeds. The Bonds also rank structurally senior to the Preferred Shares.

The Senior Reg D Bonds, the Reg A Bonds, the Exchange Notes, and the Registered Notes constitute Senior Debt and will be contractually senior to the Bonds. The Subordinated Reg D Bonds rank equally in right of payment with the Bonds.

The terms of the Bonds do not prohibit the Company or any current or future direct or indirect subsidiaries from issuing more debt securities or incurring any other indebtedness, and any such issuance or incurrence may rank senior to the Bonds. For example, the Company may issue additional Regulation A debt obligations as permitted by Regulation A that it designates as senior to the Bonds in its discretion, and Adamantium may issue additional senior debt obligations under Rule 506(c). Any such issuance would rank senior to the Bonds.

See “*Risk Factors—Risks Related to the Bonds and to this Offering*” for more information.

Securities Laws Matters and Restrictions on Transferability

The Bonds offered under this Memorandum have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction. The Bonds are subject to restrictions on transferability and may not be transferred except as permitted by the Securities Act and applicable state or other jurisdictions securities laws pursuant to registration or exemption therefrom. Before selling or transferring a Bond, an investor must obtain the written consent of the Company and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws and regulations. There is no public market for these securities and there is no assurance that a public market for these securities will develop in the foreseeable future or at all. Bondholders cannot expect to be able to liquidate their investment in case of an emergency. Bondholders may find it difficult or impossible to dispose of any of these securities and must be prepared to retain them for an indefinite period of time.

In addition, the Company does not intend to be registered as an investment company under the Investment Company Act, nor does the Company’s managers plan to register as an investment advisor under the Investment Advisers Act of 1940, as amended (the “*Investment Advisers Act*”).

Optional Redemption

The Bonds will be redeemable at our option, in whole or in part, at any time and from time to time, at a redemption price equal to the principal amount of such Bonds, plus any accrued and unpaid interest, if any, to, but excluding, the date of the redemption. For the specific terms of the Optional Redemption, please see “*Description of Bonds—Optional Redemption*” for more information.

Mandatory Redemption

A Bondholder may require us, at any time and from time to time prior to maturity, to redeem its Bonds at a price equal to 95% of the aggregate principal amount of such Bonds plus accrued and unpaid interest to, but excluding, the date of redemption, subject to certain exceptions and further subject to an annual cap of 10.0% of the aggregate principal amount of the Bonds issued and outstanding as of the first day of the calendar quarter in which such request is made (the “*10% Limit*”). We may not, however, be able to pay you the required price for Bonds you present to us at the time of a mandatory redemption because:

- we may not have enough funds at that time; or
- the terms of our indebtedness may prevent us from making such payment.

Redemption requests for the Bonds will be processed in the order they are received by the Company without regard to date of issuance, maturity date, interest payment method, or interest rates of the Bonds for which redemption has been requested. Except as set out in the preceding sentence with respect to redemption requests for the Bonds relative to other redemption requests for the Bonds, we intend to process redemption requests for any holder of our debt securities, regardless of which tranche of debt such holder holds, in the order in which such request is received, and do not intend to prioritize redemption requests under the Reg D/Reg A Bonds or the Adamantium Securities over redemption requests under the Bonds, or vice versa; however, we are not obligated to do so and may, in the future, determine to honor redemption requests as among the tranches of our debt securities under different criteria, whether prioritizing near-term maturities, higher interest rates, specific interest payment methods, or otherwise. Any such determination will be made in our sole discretion. As a result, redemption requests for the Bonds may receive lower priority as compared to redemption requests for our other debt securities. See *“Risk Factors—Risks Related to the Bonds and to this Offering—Holders of Bonds will have a limited right to require us to redeem their Bonds, and we may not be able to repurchase such Bonds when requested.”*

We will not otherwise be required to make any mandatory redemption or sinking fund payments with respect to the Bonds. We will also not be required to offer to purchase any Bonds with the proceeds of asset sales, in the event of a change of control, or otherwise. See *“Risk Factors—Risks Related to the Bonds and to this Offering”* and *“Description of Bonds—Mandatory Redemption; Repurchase at the Option of the Holders.”*

Redemption on Death or Disability

Upon the death or total permanent disability (as defined herein) of a Bondholder who is a natural person, the estate of such Bondholder, such Bondholder, or legal representative of such Bondholder may request that we repurchase, in whole but not in part, the Bonds held by such Bondholder by delivering to the Company a redemption request in conformity with the notice provisions of the Indenture or such other form of notice acceptable to the Company. Any such redemption request must include the facts supporting the right to be redeemed and include evidence thereof. Upon receipt of a redemption request, we will determine whether to approve the request, and acceptance of such redemption request shall be at our sole discretion, regardless of reason. If the request is approved, we will then designate a date for the redemption of such Bonds, notify the trustee, and pay out the Bond upon the surrender of the Bond to the trustee. No interest shall accrue on a Bond to be redeemed for any period of time on or after the redemption date for such Bond, provided that the Company has timely tendered the redemption price. See *“Description of Bonds—Redemption Upon Death or Disability”* for more information.

Conversion

Subject to our sole discretion, a Bondholder may request that the Company redeem all or a portion of such Bondholder’s outstanding Bonds and reinvest the proceeds into new Bonds with a longer maturity offered pursuant to this Memorandum or into other debt securities offered by us or our subsidiaries (such redemption and reinvestment, a **“Conversion”**). In connection with a Conversion, the Company will waive the 5% redemption penalty that would otherwise apply, provided that the Bondholder agrees to reinvest the full redemption proceeds. The principal amount and accrued interest, if any, on the Bonds being redeemed will be applied toward the purchase price of the

new Bonds or other securities being purchased by the Bondholder. There is no obligation on the part of the Company to accept any Conversion request, and the availability of Conversions may be suspended or terminated at any time. See “*Description of Bonds—Conversion*” for more information.

Default

The indenture governing the Bonds, attached hereto as Exhibit B, as may be amended or supplemented from time to time (the “*Indenture*”) contains events of default, the occurrence of which may result in the acceleration of the obligations under the Bonds in certain circumstances. Events of default will be subject to the Company’s right to cure within a certain number of days of such event of default. See “*Description of Bonds—Events of Default*” for more information.

Form

Bonds will be registered in book-entry form on the books and records of the Company. See “*Plan of Distribution—Book-Entry, Delivery and Form*” for more information.

Denominations

The Company will issue the Bonds only in denominations of \$1,000.

Payment of Principal and Interest

Principal and interest on the Bonds will be payable in U.S. dollars.

Future Issuances

The Company may, from time to time, without notice to or consent of the Bondholders, increase the aggregate principal amount of any series of the Bonds outstanding by issuing additional bonds in the future with the same terms of such series of Bonds, except for the issue date and offering price, and such additional bonds shall be consolidated with the applicable series of Bonds and form a single series. No consent of the Bondholders is required under the Bonds for the issuance of additional series of Bonds, including such additional series which may have payment priority superior to current Bonds.

Trustee, Registrar and Paying Agent

The Company is the registrar and designated paying agent with respect to the Bonds, and as such, will make payments on the Bonds. UMB Bank, N.A. acts as trustee under the Indenture. The Bonds will be issued in book-entry form only, evidenced by global certificates.

Governing Law

The Indenture is, and the Bonds will be, governed by the laws of the State of Delaware.

Material Tax Considerations

You should consult your tax advisors concerning the U.S. federal income tax consequences of owning the Bonds in light of your own specific situation, as well as consequences arising under the laws of any other taxing jurisdiction.

Risk Factors

An investment in the Bonds involves certain risks, including risks associated with our business, operating results, and financial condition. You should carefully consider the risks above, as well as the other risks described under “*Risk Factors*” beginning on page 16 of this Memorandum as well as the sections of our 2025 Annual Report entitled “*Risk Factors*” and “*Cautionary Statement Regarding Forward-Looking Statements*” below for an explanation of these risks before making an investment decision.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Memorandum contains certain forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements are generally identifiable by use of forward-looking terminology such as “may,” “will,” “should,” “potential,” “intend,” “expect,” “outlook,” “seek,” “anticipate,” “estimate,” “approximately,” “believe,” “could,” “project,” “predict,” “guidance,” “outlook,” “target,” “plan,” “would,” “continue,” “assume,” or other similar words or expressions. Forward-looking statements are based on our beliefs, assumptions, and expectations, taking into account currently known market conditions and other factors. Our ability to predict results or the actual effect of future events, actions, plans, or strategies is inherently uncertain and involves certain risks and uncertainties, many of which are beyond our control. Our actual results and performance could differ materially from those set forth or anticipated in our forward-looking statements. Factors that could cause our actual results to differ materially from the expectations we describe in our forward-looking statements include, but are not limited to, the factors listed below and in the section of this Memorandum entitled “*Risk Factors*.”

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this Memorandum. You are cautioned that the forward-looking statements contained in this Memorandum are not guarantees of future performance, and we cannot assure you that such statements will be realized or that the forward-looking events and circumstances will occur. All forward-looking statements in this Memorandum are made only as of the date of this Memorandum, based on information available to us as of the date of this Memorandum, and we caution you not to place undue reliance on forward-looking statements in light of the risks and uncertainties associated with them.

The matters summarized below and elsewhere in this Memorandum could cause our actual results and performance to differ materially from those set forth or anticipated in forward-looking statements:

- changes in the markets in which we compete;
- increasing costs of capital expenditures to acquire and develop properties;
- the continued success of our third-party operators;
- delays in development of and higher capital expenditures in our estimated proved and probable undeveloped reserves;
- developments in governmental regulations;
- deviations between the current market value of estimated proved reserves and the present value of future net revenues from our proved reserves;
- changes in current or future commodity prices;
- the fact that reserve estimates depend on many assumptions that may turn out to be inaccurate and that any material inaccuracies in reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves;
- our ability to replace reserves;
- cybersecurity attacks;
- the development of our software and its ability to continue identifying productive assets;
- our current or future levels of indebtedness;
- repayment of our current or future indebtedness;
- current and future litigation or other regulatory, administrative, or other legal proceedings;

- the restatement of our financial statements; and
- the other factors set forth in the section entitled “*Risk Factors*.”

Accordingly, we cannot guarantee future results or performance. Furthermore, except as required by law, we are under no duty to, and we do not intend to, update any of our forward-looking statements after the date of this Memorandum, whether as a result of new information, future events or otherwise.

RISK FACTORS

Investing in the Bonds involves significant risks. Before making an investment decision, you should carefully consider the specific risk factors set forth below, as well as in our 2025 Annual Report, together with the other information included elsewhere in this Memorandum or incorporated by reference into this Memorandum. If any of the risks discussed in this Memorandum or our 2025 Annual Report occur, our business, prospects, liquidity, financial condition, and results of operations could be materially impaired, in which case we may be unable to pay the principal of, and interest on, the Bonds, and you could lose all or part of your investment. Some statements in this Memorandum and in our 2025 Annual Report, including statements in the following risk factors and the risk factors contained in our 2025 Annual Report, constitute forward-looking statements. See “Cautionary Statement Regarding Forward-Looking Statements.”

Risks Related to the Bonds and to this Offering

Your right to receive payment under the Bonds is contractually subordinated to Senior Debt.

The Bonds will be the Company’s subordinated unsecured obligations and will:

- rank contractually senior in right of payment to all of the Company’s existing and future indebtedness that is contractually subordinated to the Bonds;
- without giving effect to collateral arrangements, rank equally in right of payment with the Subordinated Reg D Bonds;
- be contractually subordinated to any Senior Debt, including indebtedness under the Fortress Credit Agreement, the Adamantium Debt, the Senior Reg D Bonds, the Reg A Bonds, the Exchange Notes, and the Registered Notes;
- be effectively subordinated to any of the Company’s existing or future secured indebtedness and other obligations, including under the Fortress Credit Agreement and the Adamantium Loan Agreement, to the extent of the value of the assets securing such indebtedness; and
- be structurally subordinated to all of the existing and future liabilities (including trade payables) and preferred equity of each of the Company’s subsidiaries, including Adamantium.

Upon any payment or distribution to creditors of the Company in respect of an insolvency event, the holders of Senior Debt will be entitled to be paid in full from the assets of the Company before any payment may be made pursuant to the Bonds. Until the Senior Debt is paid in full, any distribution to which holders of the Bonds would be entitled shall instead be made to holders of Senior Debt. As a result, in the event of an insolvency of the Company, holders of Senior Debt may recover more, ratably, than the holders of Bonds.

As of March 31, 2026, after giving effect to the borrowing of an additional \$75.0 million under the Fortress Credit Agreement in February 2026 and to the borrowing of an additional \$0.7 million under the Adamantium Secured Note in February 2026, \$1,298.0 million of our outstanding indebtedness constituted Senior Debt. Furthermore, the Fortress Credit Agreement provides for a \$15.0 million tranche of loans that represents a contingent principal obligation that is only due and payable (together with accrued interest thereon) upon certain conditions occurring, including payment defaults under the Fortress Credit Agreement or a bankruptcy filing by the obligors thereunder.

The Bonds will be effectively subordinated to the indebtedness under the Fortress Credit Agreement, the Adamantium Loan Agreement, the Adamantium Secured Note, and any of our other secured indebtedness to the extent of the value of the assets securing that indebtedness.

The Bonds will not be secured by any of our or our subsidiaries’ assets. As a result, the Bonds will be effectively subordinated to the indebtedness under the Fortress Credit Agreement, the Adamantium Loan Agreement, the Adamantium Secured Note, and any of our other secured indebtedness with respect to the assets that secure that indebtedness. As of March 31, 2026, after giving effect to the borrowing of an additional \$75.0 million under the Fortress Credit Agreement in February 2026 and to the borrowing of an additional \$0.7 million under the Adamantium Secured Note in February 2026, we had \$812.3 million of outstanding secured indebtedness associated with our borrowings under the Fortress Credit Agreement and the Adamantium Loan Agreement. Furthermore, the Fortress

Credit Agreement provides for a \$15.0 million tranche of loans that represents a contingent principal obligation that is only due and payable (together with accrued interest thereon) upon certain conditions occurring, including payment defaults under the Fortress Credit Agreement or a bankruptcy filing by the obligors thereunder.

In addition, we may incur additional secured indebtedness in the future in our sole discretion. The effect of this subordination is that, upon a default in payment on, or the acceleration of, any of our secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution, or reorganization of the Company, the proceeds from the sale of such assets securing our secured indebtedness will be available to repay obligations on the Bonds only after all obligations under the Fortress Credit Agreement, the Adamantium Loan Agreement, and any of our other secured indebtedness (now or hereafter existing) have been paid in full, and holders of the Bonds will participate ratably in our remaining assets with all holders of our unsecured indebtedness that are deemed to be of the same class as the Bonds, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor. As a result, holders of the Bonds may receive less, ratably, than the holders of secured indebtedness in the event of our bankruptcy, insolvency, liquidation, dissolution, or reorganization.

The Bonds are the Company's obligations alone and will be structurally subordinated to all obligations of the Company's existing and future subsidiaries.

The Bonds are the Company's obligations alone, and not the obligation of any of its subsidiaries. None of the Company's existing or future subsidiaries will guarantee the Bonds, and therefore will have no obligation, contingent or otherwise, to pay amounts due under the Bonds or to make any funds available to pay those amounts, whether by dividend, distribution, loan, or other payment. The Bonds therefore will be structurally subordinated to all indebtedness and other obligations of any of the Company's subsidiaries such that, in the event of insolvency, liquidation, reorganization, dissolution, or other winding up of any such subsidiary, all of that subsidiary's creditors (including trade creditors) would be entitled to payment in full out of that subsidiary's assets before the Company would be entitled to any payment from that subsidiary (and, therefore, the Company's creditors, including holders of the Bonds, to participate in those assets).

In particular, Adamantium, the Company's wholly owned subsidiary, has issued \$398.8 million of Adamantium Securities as of March 31, 2026. The holders of the Adamantium Securities will therefore be entitled to payment in full out of Adamantium's assets in the event of an insolvency, liquidation, reorganization, dissolution, or other winding up of Adamantium, including Adamantium's primary asset—the Adamantium Loan Agreement. Borrowings under the Adamantium Loan Agreement are secured by mortgages on certain of our properties, which mortgages are junior to the security interest of the Fortress Credit Agreement and other existing and future senior secured indebtedness. The Adamantium Loan Agreement can be amended or waived without the consent of the holders of the Adamantium Securities or any other holders of our debt, including the Bonds. Any such amendment may be adverse to the interests of holders of Bonds.

The Indenture will not restrict the Company's subsidiaries from incurring additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, which may be incurred by these subsidiaries. Any additional indebtedness incurred by the Company's subsidiaries will increase the risks described above.

We conduct some or all of our operations through subsidiaries and may not have access to sufficient cash to make payments on the Bonds.

We are a holding company with limited direct operations. Substantially all of our operations are conducted through our subsidiaries. Our most significant assets are the equity interests we hold in our subsidiaries. Accordingly, our ability to meet outstanding debt service, including with respect to the Bonds, and satisfy other obligations is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, whether by dividend, debt repayment, or otherwise. Our subsidiaries do not have any obligation to pay amounts due on the Bonds or our other indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the Bonds. Each subsidiary is a separate and distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the Fortress Credit Agreement limits, and future indebtedness we incur may limit, the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject

to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Bonds.

The terms of the Indenture and the Bonds will not necessarily restrict our ability to take actions that may impair our ability to pay interest on and principal of the Bonds.

Although the Indenture will include covenants that will restrict us from taking certain actions, the terms of these covenants will include important exceptions that you should review carefully before investing in the Bonds. Among other things, the Indenture will not require us or any of our subsidiaries to maintain any financial ratios, maintain a sinking fund, or repurchase debt securities in the event of a change of control or asset sale, and will not limit our or our subsidiaries' ability to incur indebtedness, pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock, prepay, redeem, or repurchase indebtedness, issue preferred stock or similar equity securities, make loans and investments, sell or otherwise dispose of assets, incur liens, enter into transactions with affiliates, or enter into agreements restricting subsidiaries' ability to pay dividends. Such actions may adversely affect our ability to perform our obligations under the Indenture and the Bonds and could intensify the related risks that we face.

You will not have the benefit of an independent review of the terms of the Bonds, the Memorandum, or our company as would customarily be performed in underwritten securities offerings.

In a traditional underwritten securities offering, investment banks acting as underwriters or placement agents undertake a due diligence exercise with the issuer, including business, financial, legal, and accounting analysis, and review the Memorandum for material misstatements or omissions. The investment banks in an underwritten securities offering also assist with structuring the terms of the securities, including pricing, and engaging with investors.

We are offering the Bonds without an underwriter or placement agent. Therefore, you will not have the benefit of an independent review of the terms of the Bonds, the Memorandum, or our company. Accordingly, you should consult your own investment, tax, financial, and other professional advisors prior to deciding whether to invest in the Bonds.

We may redeem your Bonds at our option, which may adversely affect your return.

As described under "Description of Bonds —Optional Redemption," we have the right to redeem the Bonds in whole or in part at any time at a redemption price of 100% of the principal amount being redeemed, plus accrued and unpaid interest. We may choose to exercise these redemption rights when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Bonds.

Holders of Bonds will have a limited right to require us to redeem their Bonds, and we may not be able to repurchase such Bonds when requested.

A Bondholder may require us, at any time and from time to time prior to maturity, to redeem its Bonds at a price equal to 95% of the aggregate principal amount of such Bonds plus accrued and unpaid interest to, but excluding, the date of redemption, subject to certain exceptions and to the 10% Limit. Redemption requests for the Bonds will be processed in the order they are received by the Company without regard to date of issuance, maturity date, interest payment method, or interest rates of the Bonds for which redemption has been requested.

The terms of the Adamantium Securities, the Reg A Bonds, the Subordinated Reg D Bonds, and the July 2022 506(c) Bonds contain mandatory redemption provisions providing the holders thereof with the ability to request redemption of their bonds at any time prior to maturity at a price equal to 100% (with respect to the Adamantium Secured Note), 90% (with respect to the July 2022 506(c) Bonds), or 95% (with respect to the Adamantium Bonds, the Reg A Bonds, and the Subordinated Reg D Bonds) of the principal amount being redeemed. The amount of such redemption is limited (i) on an annual basis to 10% of the aggregate principal amount of Adamantium Bonds, Reg A Bonds, or Subordinated Reg D Bonds, as applicable, then issued and outstanding and (ii) \$5.0 million in aggregate principal amount of the Adamantium Secured Note in any 12-month period. No amounts redeemed under such debt will count towards the 10% Limit under the Bonds. Redemption requests for the Bonds will be processed in the order they are received by the Company without regard to date of issuance, maturity date, interest payment method, or interest rates of the Bonds for which redemption has been requested. Except as set out in the preceding sentence with

respect to redemption requests for the Bonds relative to other redemption requests for the Bonds, we intend to process redemption requests for any holder of our debt securities, regardless of which tranche of debt such holder holds, in the order in which such request is received, and do not intend to prioritize redemption requests under the Reg D/Reg A Bonds or Adamantium Securities over redemption requests under the Bonds, or vice versa; however, we are not obligated to do so and may, in the future, determine to honor redemption requests as among the tranches of our debt securities under different criteria, whether prioritizing near-term maturities, higher interest rates, specific interest payment methods, or otherwise. Any such determination will be made in our sole discretion. As a result, redemption requests for the Bonds may receive lower priority as compared to redemption requests for our other debt securities.

Our affiliates are not prohibited from owning the Bonds or our other indebtedness and may, from time to time, have their Bonds or other indebtedness redeemed by us in accordance with the terms of the applicable indebtedness or otherwise. The principal amount of any Bonds requested for redemption by, and redeemed from, our managers, executive officers, or their respective family members (an “**executive redemption request**”) during any calendar year will not be included in calculating the 10% Limit with respect to a redemption request made by any other holder (a “**non-executive redemption request**”) for such calendar year; however, such redemptions will be included in calculating the 10% Limit with respect to an executive redemption request. As a result, in no circumstance will an executive redemption request decrease the 10% Limit with respect to a non-executive redemption request, but a non-executive redemption request will decrease the 10% Limit with respect to an executive redemption request. For example, if the 10% Limit at the time of a redemption request is \$10.0 million, and an executive redemption request is made for \$7.5 million aggregate principal amount of Bonds and such Bonds are redeemed by the Company, the 10% Limit remains at \$10.0 million for any non-executive redemption requests; however, the 10% Limit for a subsequent executive redemption request would become \$2.5 million. Conversely, if the 10% Limit at the time of a redemption request is \$10.0 million, and a non-executive redemption request is made for \$7.5 million aggregate principal amount of Bonds and such Bonds are redeemed by the Company, the 10% Limit for a subsequent redemption request, whether an executive redemption request or a non-executive redemption request, would become \$2.5 million. Therefore, we may be required to purchase up to 20% of the then-outstanding Bonds pursuant to the 10% Limit in any calendar year to the extent that executive redemption requests made prior to any non-executive redemption request reach the 10% Limit in such calendar year and subsequent non-executive redemption requests also reach the 10% Limit in such calendar year.

The source of funds for any purchase of the Bonds would be our available cash or cash generated from our operations or other sources, including borrowings, sales of assets, or sales of equity. We may not be able to repurchase the Bonds upon a redemption request because we may not have sufficient financial resources to purchase all of the Bonds requested for redemption. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the Bonds may be limited or prohibited by contract or by law. In order to retain funds sufficient to satisfy redemption requests we may have to avoid taking certain actions that would otherwise be beneficial to us.

We will not otherwise be required to redeem the Bonds at the request of any holder, whether upon a change of control, in connection with an asset sale or casualty event, at the holder’s option, or otherwise. As a result, holders should expect to hold their Bonds until maturity. Although we will pay a fixed rate of interest on the Bonds, holders may have to forego opportunities to apply the amounts invested in the Bonds in other ways, including in a more lucrative investment.

Bonds may only be transferred with our consent. There is no established trading market for the Bonds and an active trading market for the Bonds is not expected to develop.

The Bonds will be a new issue of securities with no established trading market or trading platform. Bonds will be transferable by a holder only with our prior written consent, which we may provide at our sole discretion and determine on an ad hoc basis. We do not intend to apply to list the Bonds on any securities exchange or over-the-counter market, or to arrange for quotation on any automated dealer quotation system, and we do not expect an active trading market for the Bonds to develop.

Even if we permit transfers and obtain a listing or quotation in the future, we do not know the extent to which investor interest will lead to the development and maintenance of a liquid trading market. If a trading market were to develop, future trading prices of the Bonds may be volatile and will depend on many factors, including:

- the number of holders of Bonds;

- prevailing interest rates;
- our operating performance and financial conditions;
- the interest of securities dealers in the making a market for them; and
- the market for similar securities.

As a result, an active trading market may not develop for the Bonds. If no trading platform is established, or an active trading market does not develop or is not maintained, the market price and liquidity of the Bonds would be adversely affected. In that case, you may not be able to sell your Bonds at a particular time, at a favorable price, or at all. Therefore, you must be prepared to hold your Bonds to maturity and should not purchase Bonds unless you understand, and know you can bear, all of the investment risks involving the Bonds.

Even if an active trading market for the Bonds does develop, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the Bonds. The market, if any, for the Bonds may experience similar disruptions, and any such disruptions may adversely affect the liquidity in that market or the prices at which you may sell your Bonds. In addition, subsequent to their initial issuance, the Bonds may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar Bonds, our performance, and other factors.

Bonds with longer terms may expose holders to higher risk than those with shorter terms. Likewise, Compound Interest Bonds may expose holders to higher risk than Cash Interest Bonds.

We are offering Bonds with maturities ranging from one to eleven years, and we are offering Bonds for which we will pay interest in cash (*i.e.*, Cash Interest Bonds) and Bonds for which we will pay interest by adding such interest to the then-outstanding principal amount of the Bonds (*i.e.*, Compound Interest Bonds).

By necessity, a Bond with a longer term will be subject to and affected by the potential risks to our company, our significant indebtedness, the Bonds, and this offering (including those described in this “*Risk Factors*” section) for a longer period of time than a shorter-term Bond, resulting in a greater chance of an adverse event occurring prior to maturity of a longer-termed Bond.

Likewise, holders of Cash Interest Bonds will receive cash interest payments monthly, while holders of Compound Interest Bonds will not receive any payments on their Bonds until maturity or earlier redemption at the option of the Company. As a result, holders of Compound Interest Bonds will not gain any liquidity from their investment and will subject both the principal and interest on their Bonds to the increased risks described above.

Bondholders must rely on us as bond registrar and paying agent under the Indenture.

The Company will initially act as paying agent and registrar for the Bonds and will be responsible for making payments on the Bonds and maintaining an ownership register. We may have a conflict of interest in serving as the paying agent and registrar, and the absence of a third-party paying agent or registrar may result in less protection to bondholders. For example, if we suffer any successful cyberattacks on our systems, such attacks may affect our records of bondholders, resulting in unauthorized access to your information and even potential loss of records for your Bonds.

We may invest or spend the proceeds of this offering in ways with which you may not agree.

Although we intend to use the proceeds from this offering as described under “*Use of Proceeds*,” we will not be contractually obligated to do so and will retain broad discretion over the use of proceeds from this offering. You may not agree with the manner in which our management chooses to allocate and use the net proceeds. Our management may use the proceeds for purposes that may not increase our profitability or otherwise ensure our ability to pay interest on, and principal of, the Bonds. In addition, pending our use of the proceeds, we may invest the proceeds primarily in instruments that do not produce significant income or that may lose value.

Fraudulent transfer and conveyance laws may permit a court to void the Bonds and, if that occurs, you may not receive any payments on the Bonds.

Fraudulent transfer and conveyance laws may apply to the issuance of the Bonds. Under bankruptcy laws and other fraudulent transfer or conveyance laws, the Bonds could be avoided as a fraudulent transfer or conveyance

if the Company (a) issued the Bonds with the intent of hindering, delaying, or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for issuing the Bonds and, in the case of clause (b) only, one of the following is also true at the time thereof:

- the Company was insolvent or rendered insolvent by reason of the issuance of the Bonds;
- the issuance of the Bonds left the Company with an unreasonably small amount of capital or assets to carry on the business engaged in or contemplated;
- the Company intended to, or believed that the Company would, incur indebtedness beyond our ability to pay such indebtedness as it matures; or
- the Company was a defendant in an action for money damages or had a judgment for money damages docketed against the Company, if, in either case, the judgment is unsatisfied after final judgment.

The measures of insolvency for purposes of fraudulent conveyance or fraudulent transfer laws vary depending upon the law of the state or jurisdiction that is being applied, such that we cannot be certain as to: (1) the standards a court would use to determine whether or not the Company was insolvent at the relevant time, or, regardless of the standard that a court uses, that it would not determine that the Company was indeed insolvent on that date; (2) that any payments to the holders of the Bonds did not constitute preferences, fraudulent conveyances, or fraudulent transfers on other grounds; or (3) that the issuance of the Bonds would not be subordinated to the Company's other indebtedness. In general, however, a court would deem an entity insolvent if:

- the sum of its indebtedness, including contingent and unliquidated liabilities, was greater than the fair value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing indebtedness, including contingent liabilities, as they become absolutely or mature; or
- it could not pay its indebtedness as it became due.

If a court were to find that the issuance of the Bonds was a fraudulent transfer or conveyance, the court could void the payment obligations under the Bonds, subordinate the Bonds to presently existing and future indebtedness of the Company, or require the holders of the Bonds to repay any amounts received. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the Bonds. Further, the avoidance of the Bonds could result in an event of default with respect to our other indebtedness that could result in acceleration of that indebtedness.

In addition, any payment by the Company pursuant to the Bonds made at a time the Company was found to be insolvent could be voided and required to be returned to the Company or to a fund for the benefit of the Company's creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give such insider or outsider party more than such party would have received in a distribution under the Bankruptcy Code, in a hypothetical Chapter 7 case.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the Bonds to other claims against the Company under the principle of equitable subordination if the court determines that (1) the holder of the Bonds engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of the Bonds, and (3) equitable subordination is not inconsistent with the provisions of the Bankruptcy Code.

If a bankruptcy petition was filed by or against us, the allowed claim for the Bonds may be less than the principal amount of the Bonds stated in the Indenture.

If a bankruptcy petition was filed by or against us under the Bankruptcy Code after the issuance of the Bonds, the claim by any holder of the Bonds for the principal amount thereof may be allowed in an amount equal to the sum of:

- the original issue price of the Bonds; and
- that portion of the stated principal amount of the Bonds that exceeds the issue price thereof, if any, that does not constitute "unmatured interest" for the purposes of the Bankruptcy Code.

Any such discount that was not amortized as of the date of the bankruptcy filing would constitute unmatured interest, which is not allowable as part of a bankruptcy claim under the Bankruptcy Code. Accordingly, holders of the Bonds under these circumstances may receive an amount that is less than the principal amount thereof stated in the Indenture.

The Compound Interest Bonds will be, and the Cash Interest Bonds may be, issued with original issue discount for U.S. federal income tax purposes.

Because stated interests on the Compound Interest Bonds will be paid in the form of an increase in the principal amount of the Compound Interest Bonds, no stated interest payments on the Compound Interest Bonds will be treated as “qualified stated interests” for U.S. federal income tax purposes. As a result, the Compound Interest Bonds will be treated as having been issued with OID for U.S. federal income tax purposes in an amount in an amount equal to the excess of the total payments of principal and stated interest on the Compound Interest Bonds over their issue price. In addition, Cash Interest Bonds may be issued with OID for U.S. federal income tax purposes. In the event a Bond is issued with OID, U.S. holder of such Bond generally will be required to include OID in gross income (as ordinary income) on an annual basis under a constant yield accrual method, regardless of such U.S. holder’s regular method of accounting for U.S. federal income tax purposes. As a result, such U.S. holder will generally include any OID in income in advance of the receipt of cash attributable to such income. For more information, see “Certain Material U.S. Federal Income Tax Considerations.”

Bondholders will have a limited right to require us to redeem their Bonds, and we may not be able to repurchase such Bonds when requested.

A Bondholder may require us, at any time and from time to time prior to maturity, to redeem its Bonds at a price equal to 95% of the aggregate principal amount of such Bonds plus accrued and unpaid interest to, but excluding, the date of redemption, subject to certain exceptions and to an annual cap on all such redemptions of 10% of the aggregate principal amount of all Bonds issued and then outstanding. Redemption requests will be processed in the order they are received by the Company without regard to date of issuance, maturity date, interest payment method, or interest rates of the Bonds for which redemption has been requested.

The source of funds for any purchase of the Bonds would be our available cash or cash generated from our operations or other sources, including borrowings, sales of assets, or sales of equity. We may not be able to repurchase the Bonds upon a redemption request because we may not have sufficient financial resources to purchase all of the Bonds requested for redemption. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the Bonds may be limited or prohibited by contract or by law. In order to retain funds sufficient to satisfy redemption requests we may have to avoid taking certain actions that would otherwise be beneficial to us.

We will not otherwise be required to redeem the Bonds at the request of any Bondholder, whether upon a change of control, in connection with an asset sale or casualty event, at the holder’s option, or otherwise. As a result, holders should expect to hold their Bonds until maturity. Although we will pay a fixed rate of interest on the Bonds, holders may have to forego opportunities to apply the amounts invested in the Bonds in other ways, including in a more lucrative investment.

If we approval a request for a redemption due to death or total permanent disability, which we may accept in our sole discretion, we may have to liquidate some of our investments at inopportune times to make the requested redemption.

Investors who are natural persons may request an early redemption in the event of a Bondholder’s death or total permanent disability. As a result, one or more Bondholders may request to have their Bonds redeemed prior to maturity. If we accept such request, which is made in our sole discretion, we may not have access to the necessary cash to redeem such Bonds, and we may be required to liquidate certain assets in order to make such redemptions. Our assets are not intended to be liquid, and as a result any such liquidation may be at a price that represent a discount to the actual value of such investment.

USE OF PROCEEDS

Assuming we issue and sell all of the Bonds offered by this offering, we estimate that the net proceeds we will receive from this offering will be \$1.91 billion, after deducting the Broker-Dealer Fee. We have not made any arrangements to place any of the proceeds from this offering in an escrow, trust, or similar account.

We currently expect to use the net proceeds from this offering (i) to make investments in PhoenixOp or to otherwise finance potential drilling and exploration operations, (ii) for continued acquisitions of mineral rights and non-operated working interests, as well as additional asset acquisitions, and (iii) for other general working capital needs, such as the payment of executive and employee salaries, general overhead, and operating costs, including payments on our debt, and the acquisition of assets in the oil and gas space that are not mineral rights or non-operated working interests. Our actual use of offering proceeds will depend upon many considerations, including market conditions, but we currently expect to use the net proceeds from this offering as follows assuming we issue and sell all of the Bonds offered by this Memorandum:

<u>Expected Uses of Proceeds</u>	<u>Approximate Percentage of Proceeds Used</u>	<u>Approximate Amount of Proceeds Used</u>
Investments in PhoenixOp	70.0%	\$1,337,000,000
Acquisitions of mineral rights and non-operated working interests	20.0%	\$ 382,000,000
Working capital, other asset acquisition, and general corporate purposes	10.0%	\$ 191,000,000
Total	100.0%	<u>\$1,910,000,000</u>

As of March 31, 2026, we had approximately \$148.7 million of indebtedness maturing within one year, as described below:

<u>Series (as of December 31, 2025)</u>	<u>Interest Rate</u>	<u>Amount</u>
Reg A Bonds	9.0%	\$ 19,797,000
December 2022 506(c) Bonds—Series B	10.0%	8,321,000
Existing Bonds—Series U, AA, FF	9.0%-10.0%	102,472,000
Existing Bonds—Series V, BB, and GG	9.0%-10.0%	18,076,000
Total Maturing in 2026		<u>\$ 148,666,000</u>

We currently intend to utilize the net proceeds from this offering as set out above. However, the expected use of net proceeds from this offering represents our intentions based upon our present plans and business conditions, which could change in the future as our plans and business conditions evolve. In addition to the potential net proceeds from this offering of Bonds, we have cash flow from operations, as well as multiple current and potential sources of financing, including under the Fortress Credit Agreement, the Adamantium Loan Agreement, the Adamantium Secured Note and our other offerings of debt securities pursuant to Regulation D, that can be utilized for the purposes described above, and so we cannot accurately predict whether and in what amounts the net proceeds from this offering of the Bonds will be applied. In particular, to the extent we use any proceeds from this offering of the Bonds to repay outstanding indebtedness, we cannot accurately predict which indebtedness we may repay with such proceeds, and in what amounts. We may find it necessary or advisable to use the net proceeds of this offering for other purposes, and we will have broad discretion in the application and specific allocations of the net proceeds of this offering. See “*Risk Factors—Risks Related to the Bonds and to this Offering—We may invest or spend the proceeds of this offering in ways with which you may not agree.*”

Furthermore, we will receive cash proceeds from this offering in varying amounts from time to time as Bonds are sold, which makes it difficult for us to precisely calculate the allocation of net proceeds. Further, the Bonds will have varying lengths of maturity, interest rates, and interest payment methods as described elsewhere in this Memorandum, which makes it impossible to predict with any accuracy how much of the proceeds will be used to make payments of interest or principal on the Bonds in any given year.

There is no minimum number or amount of Bonds that we must sell to receive and use the proceeds from this offering, and we cannot assure you that all or any portion of the Bonds will be sold. In the event that we do not raise sufficient proceeds from this offering, we may adjust our use of proceeds by limiting the speed of growth, delaying or canceling certain purchases or initiatives related to our drilling and production operations, and streamlining our operations, or we could terminate this offering and determine to pay back some or all of our debt, including the Bonds. This might result in the Bonds being repaid prior to maturity. See “*Risk Factors*.”

DESCRIPTION OF BONDS

This description sets forth certain terms of the Bonds that we are offering pursuant to this Memorandum. In this section we use capitalized words to signify terms that are specifically defined in the Indenture, by and between us and UMB Bank, N.A., as trustee. We refer you to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used in this Memorandum for which no definition is provided.

Ranking

The Bonds will be the Company's subordinated, unsecured obligations and will:

- rank contractually senior in right of payment to all of the Company's existing and future indebtedness that is contractually subordinated to the Bonds;
- without giving effect to collateral arrangements, rank equally in right of payment with the Subordinated Reg D Bonds;
- be contractually subordinated to any Senior Debt, including indebtedness under the Fortress Credit Agreement, the Adamantium Debt, the Reg A Bonds, the Senior Reg D Bonds, the Exchange Notes, and the Registered Notes;
- be effectively subordinated to any of the Company's existing or future secured indebtedness and other obligations, including under the Fortress Credit Agreement, the Adamantium Loan Agreement, and the Adamantium Secured Note to the extent of the value of the assets securing such indebtedness;
- be structurally subordinated to all of the existing and future liabilities (including trade payables) of each of the Company's subsidiaries, including Adamantium.

The Bonds will not be guaranteed by any of our subsidiaries or affiliates or any other Person. See “*Risk Factors—Risks Related to the Bonds and to this Offering—The Bonds are the Company's obligations alone and will be structurally subordinated to all obligations of the Company's existing and future subsidiaries.*” The Company is a holding company with limited direct operations. Substantially all of the operations of the Company are conducted through its subsidiaries, and our most significant assets are the equity interests we hold in our subsidiaries. As a result, the Company is dependent upon dividends and other payments from its subsidiaries to generate the funds necessary to meet its outstanding indebtedness service and other obligations, including with respect to the Bonds, and such dividends and other payments may be restricted by law or the instruments governing our indebtedness. The Company's subsidiaries may not generate sufficient cash from operations to enable it to make principal and interest payments on our indebtedness, including the Bonds. Claims of creditors of such subsidiaries (including trade creditors) and claims of preferred stockholders (if any) of such subsidiaries generally will have priority with respect to the assets and earnings of such subsidiaries over the claims of creditors of the Company, including holders of Bonds. The Bonds, therefore, will be structurally subordinated to claims of creditors (including trade creditors) and preferred stockholders (if any) of the Company's subsidiaries. See “*Risk Factors—Risks Related to the Bonds and to this Offering—The Bonds are the Company's obligations alone and will be structurally subordinated to all obligations of the Company's existing and future subsidiaries.*”

As of March 31, 2026, after giving effect to the borrowing of an additional \$75.0 million under the Fortress Credit Agreement in February 2026 and to the borrowing of an additional \$0.7 million under the Adamantium Secured Note in February 2026, we had approximately \$1,702.3 million of indebtedness outstanding, including \$812.3 million of secured indebtedness outstanding, consisting of (i) \$525.0 million aggregate principal amount outstanding under that certain Amended and Restated Senior Secured Credit Agreement (as the same may be amended and supplemented from time to time, the “**Fortress Credit Agreement**”) with PhoenixOp, as borrower, each of the lenders from time to time party thereto, and Fortress Credit Corp., as administrative agent for the lenders, which consists of a \$100.0 million term loan borrowed in full on August 12, 2024, a \$35.0 million delayed draw term loan facility, which was fully drawn in October 2024, a \$115.0 million term loan borrowed in full on December 18, 2024, a \$50.0 million term loan facility, of which \$25.0 million was borrowed on April 16, 2025 and \$25.0 million was borrowed on May 9, 2025, a \$100.0 million term loan borrowed in full on August 1, 2025, a \$50.0 million term loan borrowed on October 27, 2025, and a \$75.0 million term loan borrowed in full on February 12, 2026, and (ii) (A) \$278.0 million aggregate principal amount outstanding under that certain Loan Agreement, dated as of September 14, 2023, by and among the Company and PhoenixOp, as borrowers, and Adamantium, as lender (as the same may be

amended and supplemented from time to time, the “**Adamantium Loan Agreement**”), which provides for up to \$609.3 million in aggregate principal amount of borrowings in one or more advances and is secured by mortgages on certain of our properties, which mortgages are junior to the security interest of the Fortress Credit Agreement and other existing and future senior secured indebtedness, and (B) without duplication, \$9.3 million aggregate principal amount outstanding under the Adamantium Secured Note, which initially matures in November 2031, has an interest rate of 16.5% per annum, and is secured by Adamantium’s rights under the Adamantium Loan Agreement (as the same may be amended and supplemented from time to time, the “**Adamantium Secured Note**”). Borrowings under the Adamantium Loan Agreement correspond to the \$9.3 million issued under the Adamantium Secured Note and the receipt by Adamantium of proceeds from any Adamantium Bonds issued. The Fortress Credit Agreement also provides for a \$15.0 million tranche of loans that represents a contingent principal obligation that is only due and payable (together with accrued interest thereon) upon certain conditions occurring, including payment defaults under the Fortress Credit Agreement or a bankruptcy filing by the obligors thereunder. All obligations under the Fortress Credit Agreement are secured on a first-lien priority basis, subject to certain exceptions and excluded assets, by security interests in, and mortgages on, substantially all personal property and owned real property of Phoenix Equity and its subsidiaries. The Fortress Credit Agreement, the Adamantium Loan Agreement, and the Adamantium Secured Note will constitute Senior Debt and will rank contractually senior to the Bonds. See the sections of our 2025 Annual Report entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Adamantium Debt*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Fortress Credit Agreement*” for more information regarding the Adamantium Loan Agreement and the Fortress Credit Agreement, respectively.

As of March 31, 2026, we had \$278.0 million aggregate principal amount outstanding of unsecured bonds offered and sold by Adamantium pursuant to an offering under Rule 506(c) of Regulation D that commenced in September 2023 with maturity dates ranging from five to eleven years from the issue date and interest rates ranging from 13.0% to 16.0% per annum (the “**Adamantium Bonds**” and, together with the Adamantium Secured Note, the “**Adamantium Securities**”; the Adamantium Securities, together with the Adamantium Loan Agreement, the “**Adamantium Debt**”). The Adamantium Bonds and the Adamantium Secured Note will be structurally senior to the Bonds to the extent of the value of Adamantium’s assets, including the collateral securing the Adamantium Loan Agreement. Adamantium may, but is not guaranteed to, issue \$600.0 million in aggregate principal amount of Adamantium Bonds to fund advances to the Company and PhoenixOp pursuant to the Adamantium Loan Agreement. The Adamantium Bonds will also constitute Senior Debt and will rank contractually senior to the Bonds. See the section of our 2025 Annual Report entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—Adamantium Debt*” for more information regarding the Adamantium Bonds.

As of March 31, 2026, we had \$834.9 million aggregate principal amount outstanding of bonds issued pursuant to Regulation D, Regulation A, or Section 3(a)(9) or 4(a)(2) of the Securities Act consisting of: (i) \$7.6 million aggregate principal amount outstanding of unsecured bonds offered and sold pursuant to an offering under Rule 506(c) of Regulation D that commenced in July 2022 and terminated in December 2022, with a maturity date of five years from the issue date and an interest rate of 11.0% per annum (the “**Senior Reg D Bonds**”); (ii) \$50.8 million aggregate principal amount outstanding of Series AAA through Series D-1 Bonds offered and sold pursuant to an offering under Rule 506(c) of Regulation D that commenced in December 2022 and terminated in August 2023, with maturity dates ranging from three to seven years from the issue date and interest rates ranging from 10.0% to 12.0% per annum (the “**December 2022 506(c) Bonds**”); (iii) \$707.2 million aggregate principal amount outstanding of Series U through Series JJ-1 Bonds offered pursuant this offering (together with the December 2022 506(c) Bonds, the “**Subordinated Reg D Bonds**” and, together with the Senior Reg D Bonds, the “**Reg D Bonds**”); (iv) \$33.8 million aggregate principal amount outstanding of unsecured bonds offered and sold pursuant to an offering under Regulation A, which commenced in December 2021 and terminated in December 2024, with a term of three years and an interest rate of 9.0% per annum (the “**Reg A Bonds**” and, collectively with the Reg D Bonds, the “**Reg D/Reg A Bonds**”); and (v) \$35.5 million aggregate principal amount outstanding of unsecured bonds issued to holders of the Reg A Bonds in exchange for their Reg A Bonds in offerings exempt from registration under Section 3(a)(9) and/or 4(a)(2) of the Securities Act, with maturity dates of three, five, seven, or eleven years from the issue date and interest rates ranging from 9.0% to 12.0% per annum (the “**Exchange Notes**”). Additionally, as of March 31, 2026, we had \$55.1 million aggregate principal amount outstanding of unsecured notes offered and sold by the Company on a continuous basis pursuant to a registration statement on Form (File No. 333-282862), including the related prospectus (the “**Registered Notes**”). The Senior Reg D Bonds, the Reg A Bonds, the Exchange Notes, and the Registered Notes constitute Senior

Debt and will be contractually senior to the Bonds. The Subordinated Reg D Bonds rank equally in right of payment with the Bonds.

As indicated above and as discussed in detail below under the caption “—*Subordination*,” payments on the Bonds may be subordinated to the payment of Senior Debt. The Indenture will not restrict our ability to incur additional indebtedness, including additional Senior Debt, secured indebtedness, or other indebtedness that may rank effectively equal with, or senior to, the Bonds. See the section of our 2025 Annual Report entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness*”.

See “*Risk Factors—Risks Related to the Bonds and to this Offering*” for more information.

Interest and Maturity

The interest rate for a given Bond is based, in part, on the term of the respective Bond and, in part, on the number of Bonds purchased. The Series U and Series U-1 Bonds will bear interest at a rate equal to 9.0% per year. The Series AA Bonds and Series AA-1 Bonds will bear interest at a rate equal to 9.5% per year. The Series V Bonds, Series V-1 Bonds, Series FF Bonds and Series FF-1 Bonds will bear interest at a rate equal to 10.0% per year. The Series BB Bonds and Series BB-1 Bonds will bear interest at a rate equal to 10.5% per year. The Series W Bonds, Series W-1 Bonds, Series GG Bonds and Series GG-1 Bonds will bear interest at a rate equal to 11.0% per year. The Series CC Bonds and Series CC-1 Bonds will bear interest at a rate equal to 11.5% per year. The Series X Bonds, Series X-1 Bonds, Series HH Bonds and Series HH-1 Bonds will bear interest at a rate equal to 12.0% per year. The Series DD Bonds and Series DD-1 Bonds will bear interest at a rate equal to 12.5% per year. The Series Z Bonds, Series Z-1 Bonds, Series II Bonds and Series II-1 Bonds will bear interest at a rate equal to 13.0% per year. The Series EE Bonds and Series EE-1 Bonds will bear interest at a rate equal to 13.5% per year. The Series JJ Bonds and Series JJ-1 Bonds will bear interest at a rate equal to 14.0% per year.

The two forms of Bonds per series differ only in how and when interest is calculated and becomes payable. The Series U Bonds, Series V Bonds, Series W Bonds, Series X Bonds, Series Z Bonds, Series AA Bonds, Series BB Bonds, Series CC Bonds, Series DD Bonds, Series EE Bonds, Series FF Bonds, Series GG Bonds, Series HH Bonds, Series II Bonds and Series JJ Bonds (such Bonds, “**Cash Interest Bonds**”) will accrue simple interest, and interest payments will be paid monthly, in arrears, on the tenth day of each month for the prior calendar month. The Series U-1 Bonds, Series V-1 Bonds, Series W-1 Bonds, Series X-1 Bonds, Series Z-1 Bonds, Series AA-1 Bonds, Series BB-1 Bonds, Series CC-1 Bonds, Series DD-1 Bonds, Series EE-1 Bonds, Series FF-1 Bonds, Series GG-1 Bonds, Series HH-1 Bonds, Series II-1 Bonds and Series JJ-1 Bonds (such Bonds, “**Compound Interest Bonds**”) will accrue interest compounded monthly on the tenth day of the month for the prior calendar month, and no interest payments will be payable prior to the maturity date of the respective Compound Interest Bond. Interest for both the Cash Interest Bonds and the Compound Interest Bonds will accrue on the basis of a 360-day year consisting of twelve 30-day months. Upon maturity of each respective Bond, the Company will pay the principal plus all then-accrued and outstanding interest.

The Series U Bonds, Series U-1 Bonds, Series AA Bonds, Series AA-1 Bonds, Series FF Bonds and Series FF-1 Bonds will mature on the 10th of the calendar month on the first anniversary of the closing date. The Series V Bonds, Series V-1 Bonds, Series BB Bonds, Series BB-1 Bonds, Series GG Bonds and Series GG-1 Bonds will mature on the 10th of the calendar month on the third anniversary of the closing date. The Series W Bonds, Series W-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series HH Bonds and Series HH-1 Bonds will mature on the 10th of the calendar month on the fifth anniversary of the closing date. The Series X Bonds, Series X-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series II Bonds and Series II-1 Bonds will mature on the seventh anniversary of the issuance date. The Series Z Bonds, Series Z-1 Bonds, Series EE Bonds, Series EE-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds will mature on the 10th of the calendar month on the eleventh anniversary of the closing date. We may elect to extend the maturity date of all or any portion of the Bonds, including all or any portion of any series, for up to two additional one-year periods in our sole discretion. We will send written notice to each Bondholder, no more than 210 days and no less than 60 days prior to the maturity date of such Bonds, of the pending maturity of such Bonds and notifying the Bondholder whether the maturity of such Bonds will be extended; *provided* that, notwithstanding any election contained in a prior notice to any Bondholder, we may elect to extend or elect to not extend the maturity of any Bonds at any time prior to the date that is 60 days prior to the maturity date of such Bonds (as may have been previously extended).

THE REQUIRED INTEREST PAYMENTS AND PRINCIPAL PAYMENT ARE NOT A GUARANTY OF ANY RETURN TO YOU NOR ARE THEY A GUARANTY OF THE RETURN OF YOUR INVESTED CAPITAL. While our Company is required to make interest payments and principal payment as described in the Indenture above, we do not intend to establish a sinking fund to fund such payments. Therefore, our ability to honor these obligations will be subject to our ability to generate sufficient cash flow or procure additional financing in order to fund those payments. If we cannot generate sufficient cash flow or procure additional financing to honor these obligations, we may be forced to sell some or all of the Company's assets to fund the payments. We cannot guarantee that the proceeds from any such sale will be sufficient to make the payments in their entirety or at all. If we cannot fund the above payments, Bondholders will have claims against us with respect to such violation as further described under the Indenture.

Optional Redemption

We may redeem the Bonds, at our option, in whole at any time or in part from time to time, upon notice as described below, at a redemption price equal to the principal amount of such Bonds, plus accrued and unpaid interest, if any, to, but excluding, the date of the redemption. If we plan to redeem the Bonds, we are required to give notice of redemption not less than 5 days nor more than 60 days prior to any redemption date to each Bondholder subject to redemption at such Bondholder's address appearing in the securities register maintained by the Registrar. In the event we elect to redeem less than all of any class or series of the Bonds, the particular Bonds to be redeemed will be selected by us, in our sole discretion.

In the case of any partial redemption of the Bonds, selection of the Bonds for redemption will be made by the Company in its sole discretion, in which case the Company may determine to redeem some or all of certain Bonds with specific maturities, interest payment methods, or interest rates, and may not redeem Bonds *pro rata*. If any Bond is to be purchased or redeemed in part only, the notice of purchase or redemption relating to such Bond shall state the portion of the principal amount thereof that has been or is to be purchased or redeemed. A new Bond in a principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original Bond. On and after the redemption date, interest will cease to accrue on Bonds or portions thereof called for redemption so long as, (x) at all times when the Company is the paying agent, the Company has paid the redemption price to the relevant holders, or (y) at all times when the Company is not the paying agent, the Company has deposited with the paying agent funds sufficient to pay the principal of and accrued and unpaid interest, if any, on the Bonds to be redeemed.

Notices of redemption will be delivered at least five but not more than 60 days before the redemption date to each holder to be redeemed at its registered address or otherwise in accordance with the terms of the Indenture.

Any redemption of the Bonds may, at the Company's discretion, be subject to one or more conditions precedent. The redemption date of any redemption that is subject to satisfaction of one or more conditions precedent may, in the Company's discretion, be delayed until such time as any or all such conditions shall be satisfied (or waived by the Company in its sole discretion), or such redemption may not occur and any notice with respect to such redemption may be modified or rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Company in its sole discretion) by the redemption date, or by the redemption date so delayed (which may exceed 60 days from the date of the redemption notice in such case). In addition, such notice of redemption may be extended, if such conditions precedent have not been satisfied or waived by the Company, by providing notice to the holders.

The Company or its affiliates may at any time and from time to time purchase Bonds. Any such purchases may be made through open-market or privately negotiated transactions with third parties or pursuant to one or more tender or exchange offers or otherwise, upon such terms and at such prices, as well as with such consideration, as the Company or any such affiliates may determine.

Mandatory Redemption; Repurchase at the Option of the Holders

Subject to the provisions described below under "*Subordination*," each Bondholder may request, in whole at any time and in part from time to time, by written notice to the Company, that the Company redeem such holder's Bonds at a redemption price equal to 95.0% of the principal amount of such Bonds, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption; *provided* that the Company will not be required to redeem any Bonds at any time when the Company or any of its subsidiaries or affiliates is prohibited by law or contract from doing so;

provided further that the Company will not be required to redeem Bonds in an amount that exceeds, in any calendar year, 10.0% of the aggregate principal amount of the Bonds issued and outstanding as of the first day of the calendar quarter in which such request is made (the “**10% Limit**”). Each tranche of Reg D/Reg A Bonds and Adamantium Securities have similar mandatory redemption rights, and amounts redeemed under such debt will not count towards the 10% Limit under the Bonds. Furthermore, an **executive redemption request** during any calendar year will not be included in calculating the 10% Limit with respect to a **non-executive redemption request** for such calendar year; however, such redemptions will be included in calculating the 10% Limit with respect to an executive redemption request. As a result, in no circumstance will an executive redemption request decrease the 10% Limit with respect to a non-executive redemption request, but a non-executive redemption request will decrease the 10% Limit with respect to an executive redemption request. For example, if the 10% Limit at the time of a redemption request is \$10.0 million, and an executive redemption request is made for \$7.5 million aggregate principal amount of Bonds and such Bonds are redeemed by the Company, the 10% Limit remains at \$10.0 million for any non-executive redemption requests; however, the 10% Limit for a subsequent executive redemption request would become \$2.5 million. Conversely, if the 10% Limit at the time of a redemption request is \$10.0 million, and a non-executive redemption request is made for \$7.5 million aggregate principal amount of Bonds and such Bonds are redeemed by the Company, the 10% Limit for a subsequent redemption request, whether an executive redemption request or a non-executive redemption request, would become \$2.5 million. Therefore, we may be required to purchase up to 20.0% of the then-outstanding Bonds pursuant to the 10% Limit in any calendar year to the extent that executive redemption requests made prior to any non-executive redemption request reach the 10% Limit in such calendar year and subsequent non-executive redemption requests also reach the 10% Limit in such calendar year.

If required by the foregoing or otherwise permitted by the Company, in its sole discretion, the Company will redeem such Bonds on a date to be determined by the Company that is no earlier than one and no later than 120 days from the date the Company receives written notice from the holder.

If the Company is prohibited by law or contract (including the terms of our indebtedness) from redeeming Bonds, or the 10.0% Limit limits a holder’s ability to have its Bonds redeemed, the holder may have to hold its Bonds to maturity. Redemption requests for the Bonds will be processed in the order they are received by the Company without regard to date of issuance, maturity date, interest payment method, or interest rates of the Bonds for which redemption has been requested. Except as set out in the preceding sentence with respect to redemption requests for the Bonds relative to other redemption requests for the Bonds, we intend to process redemption requests for any holder of our debt securities, regardless of which tranche of debt such holder holds, in the order in which such request is received, and do not intend to prioritize redemption requests under the Reg D/Reg A Bonds or Adamantium Securities over redemption requests under the Bonds, and vice versa; however, we are not obligated to do so and may, in the future, determine to honor redemption requests as among the tranches of our debt securities under different criteria, whether prioritizing near-term maturities, higher interest rates, specific interest payment methods, or otherwise. Any such determination will be made in our sole discretion. As a result, redemption requests for the Bonds may receive lower priority as compared to redemption requests for our other debt securities. The Company’s ability to redeem Bonds may also be limited by the Company’s then-existing financial resources. We cannot assure you that sufficient funds will be available when necessary to make any required purchases.

We will not otherwise be required to make any mandatory redemption or sinking fund payments with respect to the Bonds. We will also not be required to offer to purchase any Bonds with the proceeds of asset sales, in the event of a change of control, or otherwise. See “*Risk Factors—Risks Related to the Bonds and to this Offering—Holders of bonds will have a limited right to require us to redeem their Bonds, and we may not be able to repurchase such Bonds when requested.*”

Redemption Upon Death or Disability

Upon the death or total permanent disability (as defined below) of a Bondholder who is a natural person, the estate of such Bondholder, such Bondholder, or legal representative of such Bondholder may request that we repurchase, in whole but not in part, the Bonds held or beneficially held by such Bondholder (including Bonds of such Bondholder held or beneficially held in his or her individual retirement accounts as the case may be) by delivering to the Company a redemption request in conformity with the notice provisions of the Indenture or such other form of notice acceptable to the Company. Any such redemption request must include the facts or certifications supporting the right to be redeemed and include evidence thereof (such as a copy of a death certificate).

Upon receipt of a redemption request, we will determine whether to approve the request, and acceptance of

such redemption request shall be at our sole discretion, regardless of reason. If the request is approved, we will then designate a date for the redemption of such Bonds, notify the trustee, and pay out the Bond upon the surrender of the Bond to the trustee. No interest shall accrue on a Bond to be redeemed for any period of time on or after the redemption date for such Bond, provided that the Company has timely tendered the redemption price.

If the Bonds are purchased by joint owners with a right of survivorship or if the Bonds are purchased with a ‘transfer on death’ beneficiary so that a transfer of ownership occurs as a matter of law, no redemption due to death will be available. If the Bonds are purchased by joint owners with no rights of survivorship (such as tenants in common), a redemption will be considered when the first owner dies. A holder or beneficial holder that is not an individual natural person does not have the right to request redemption upon death or disability, except that if a Bond is purchased by an entity, a redemption due to death will only be considered upon termination of the entity as a result of the death of a majority owner of such entity with direct voting control of such entity.

For purposes herein, a “total permanent disability” means a medically determinable physical or mental impairment that renders an individual unable to perform the substantial and material duties of the individual’s occupation, or any comparable occupation for which the individual is reasonably suited by education, training, or experience, and that is reasonably expected to continue indefinitely or result in death.

Conversion

Subject to our sole discretion and the terms described herein, a Bondholder may request that the Company redeem all or a portion of such Bondholder’s outstanding Bonds prior to maturity and reinvest the proceeds from such redemption into new Bonds with a longer maturity offered pursuant to this Memorandum or into other debt securities offered by us or our subsidiaries (each such redemption and reinvestment, a “**Conversion**”). A Conversion involves the simultaneous redemption of the Bondholder’s existing securities (the “**Current Securities**”) and the reinvestment of the proceeds related thereto in the purchase of new securities (the “**New Securities**”) using the proceeds of such redemption.

In connection with a Conversion, the Company may, in its sole and absolute discretion, waive the 5% redemption penalty that would otherwise apply to the redemption of the Current Securities, provided that the Bondholder agrees to reinvest the full redemption proceeds into New Securities with a longer maturity. The principal amount and accrued interest, if any, on the Current Securities being redeemed will be applied toward the purchase price of the New Securities. The New Securities must be acquired in \$1,000 increments, and any amount in excess of the nearest \$1,000 increment will be distributed to the Bondholder in cash. The Bondholder will be required to complete and execute a new subscription agreement in connection with the purchase of the New Securities.

A Bondholder requesting a Conversion must satisfy all applicable investor suitability requirements and minimum purchase amounts for the New Securities, including the accredited investor verification requirements described under “Plan of Distribution—Who May Invest.” Title to the New Securities must be held in the same form as the Current Securities being redeemed. Once a Conversion request has been accepted by the Company and the related subscription agreement has been executed, the Bondholder will not have the right to request that the redemption proceeds be paid to the Bondholder in cash instead of being applied to the purchase of the New Securities.

The following types of Conversions are currently permitted, subject in each case to our sole discretion: (i) conversions of Adamantium Bonds into other Adamantium Bonds pursuant to Rule 506(c) of Regulation D (for example, to change the series, maturity, or interest payment method of a bondholder’s investment); (ii) conversions of bonds previously offered by us pursuant to Rule 506(c) of Regulation D or Regulation A (including Bonds offered pursuant to this Memorandum) into Adamantium Bonds pursuant to Rule 506(c) of Regulation D; (iii) conversions of Registered Notes into Bonds offered by us pursuant to this Memorandum; and (iv) conversions of bonds offered by us pursuant to Rule 506(c) of Regulation D or Regulation A (including Bonds offered pursuant to this Memorandum) into other bonds offered by us pursuant to Rule 506(c) of Regulation D. Conversions involving securities issued by Adamantium (rather than the Company) will be processed by Adamantium in accordance with the terms of the applicable offering documents for such securities.

Conversions are entirely discretionary on our part, and may be suspended, modified, or terminated at any time without notice. There is no obligation on for us to accept any Conversion request. The availability and terms of Conversions may change from time to time, and prospective investors should not purchase Bonds in reliance on the ability to effect a Conversion in the future. For Conversions into Bonds offered pursuant to this Memorandum, it is

anticipated that the closing of the purchase of the New Securities will occur promptly after acceptance of the related subscription agreement. The maturity date of the New Securities will be determined in accordance with the terms of the applicable offering, and the New Securities will accrue interest from the settlement date in accordance with their terms; provided, however, the maturity date of the New Securities will be measured from the 10th of the calendar month in the month after the Conversion is completed.

Merger, Consolidation or Sale

We may not consolidate or merge with or into, or convey, transfer, or lease all or substantially all of our properties and assets to any Person (a “successor person”) unless:

- the Company is the surviving entity or the successor person (if other than the Company) is a corporation, partnership, trust, or other entity organized and validly existing under the laws of any U.S. domestic jurisdiction and expressly assumes the Company’s obligations on the Bonds and under the Indenture; and
- immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and be continuing.

Notwithstanding the above, any of our subsidiaries or affiliates may consolidate with, merge into, or transfer all or part of its properties to the Company.

Restrictions on Transferability

There are substantial restrictions on the transferability of the Bonds under the terms of the Indenture, the Subscription Agreement and applicable state and federal securities laws. Before selling or transferring a Bond, a Bondholder must obtain the written consent of the Company and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws and regulations. There is no market for the Bonds, and it is highly unlikely that any market for the Bonds will develop, and investors should view the Bonds as solely a long-term investment.

The Bonds offered under this Memorandum have not been registered under the Securities Act nor by the securities regulatory authority of any state. The Bonds may not be resold unless they are registered under the Securities Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and qualification are available and such transfer fully complies with the terms of the Bond and the Indenture.

Future Issuances

The Indenture will not limit the amount of other indebtedness that we or our subsidiaries may incur. Such indebtedness may be secured indebtedness, be Senior Debt, or otherwise rank senior to the Bonds. We reserve the right, from time to time and without the consent of any holders of the Bonds, to re-open any series of the Bonds on terms identical in all respects to the outstanding Bonds of such series (except for the date of issuance, the date interest begins to accrue, and, in certain circumstances, the first interest payment date), so that such additional Bonds will be consolidated with, form a single series with, and increase the aggregate principal amount of the Bonds of such series. See “*Risk Factors—Risks Related to the Bonds and to this Offering.*”

We may, from time to time, without notice to or consent of the Bondholders, increase the aggregate principal amount of any series of the Bonds outstanding by issuing additional bonds in the future with the same terms of such series of Bonds, except for the issue date and offering price, and such additional bonds shall be consolidated with the applicable series of Bonds and form a single series. No consent of the Bondholders is required under the Bonds for the issuance of additional series of Bonds, including such additional series which may have payment priority superior to current Bonds.

Payment of Taxes and Other Claims

We intend to pay or discharge or cause to be paid or discharged, before the same shall become delinquent: (i) all taxes, assessments and governmental charges levied or imposed upon us or upon our income, profits or assets; and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon our

property; provided, however, that we will not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings or for which we have set apart and maintain an adequate reserve.

Events of Default

The following are events of default under the Indenture with respect to the Bonds:

- default in the payment of any interest on the Bonds when due and payable, which default continues for 60 days;
- default in the payment of any principal of or premium on the Bonds when due, which default continues for 60 days;
- default in the performance of any other obligation or covenant contained in the Indenture or the Bonds, which default continues for 120 days after written notice from the trustee or the holders of a majority in principal amount of the Bonds then outstanding;
- entry by any court having jurisdiction over the Company of a final and non-appealable judgment or order for the payment of money in excess of \$75.0 million (before the application of any pre-judgment interest), singly or in the aggregate for all such final judgments or orders against the Company; and
- specified events of bankruptcy, insolvency or reorganization involving the Company.

We are required to give prompt written notice to the trustee of any fact known to us that would prohibit us from making any payment to or by the trustee in respect of the Bonds. Moreover, within 120 days after the end of each fiscal year, we are required to deliver a certificate to the trustee stating whether or not, to the signatory's best knowledge, we are in default in the performance and observance of any of the terms, provisions and conditions of the Indenture and, if we are in default, specifying all such defaults and the nature and status thereof of which the signatory may have knowledge. The trustee will promptly deliver to the Bondholders a written notification of any event of default; *provided, however*, that in the case of a default in the performance of any other obligation or covenant contained in the Indenture or the Bonds, the trustee will not deliver to the Bondholders a written notification until at least 30 days after the occurrence thereof.

Remedies if an Event of Default Occurs

Subject to any respective cure period, if an event of default occurs and is continuing, either the Trustee or the Bondholders of not less than a majority in aggregate principal amount of the Bonds outstanding may declare the principal thereof, premium, if any, and all unpaid interest thereon to be due and payable immediately.

At any time after the Trustee or Bondholders have accelerated the repayment of the principal, premium, if any, and all unpaid interest on the Bonds, but before the Trustee or Bondholders, as the case may be, have obtained a judgment or decree for payment of money due, the Bondholders of a majority in aggregate principal amount of outstanding Bonds may rescind and annul that acceleration and its consequences, provided that all payments and/or deliveries due, other than those due as a result of acceleration, have been made and all events of default have been remedied or waived.

The Bondholders of a majority in principal amount of the outstanding Bonds may waive any default, except a default:

- in the payment of any amounts due and payable or deliverable under the Bonds; or
- in an obligation which cannot be modified without the consent of each Bondholder.

The Bondholders of a majority in principal amount of the outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available with respect to the Bonds, provided that such direction is not in conflict with any rule of law or the Indenture. The Bondholder has the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Bond on the respective due dates (or any redemption date, subject to certain discounts) and to institute suit for the enforcement of any such payment and such

rights shall not be impaired without the consent of such Bondholder.

A Bondholder will have the right to institute a proceeding with respect to the Indenture or for any remedy under the Indenture, if:

- the Bondholder previously has given to the trustee written notice of an event of default and of the continuance of such event of default;
- the Bondholders of not less than a majority in principal amount of the outstanding Bonds have made written request to the trustee to institute such action, suit or proceeding in its own name as trustee;
- such Bondholder or Bondholders have offered to reasonably indemnify the trustee against the costs, expenses and liabilities incurred in connection with such request; and
- the trustee fails to institute the proceeding within 60 days.

However, the Bondholder has the right, which is absolute and unconditional, to receive payment of the principal of and interest on such Bond on the respective due dates (or any redemption date, subject to certain discounts) and to institute suit for the enforcement of any such payment and such rights shall not be impaired without the consent of such Bondholder. It also being understood, intended and covenanted by each Bondholder and the trustee, that no one or more Bondholders shall have any right in any manner whatsoever by virtue or by availing of any provision of the Indenture to affect, disturb or prejudice the rights of any other Bondholders, or to obtain or seek to obtain priority over or preference to any other such Bondholder, or to enforce any right under the Indenture, except in the manner provided in the Indenture and for the equal, ratable and common benefit of all Bondholders.

Subordination

The payment of principal of and interest, if any, on, the Bonds will be subordinated to the prior payment in full of all Senior Debt including Senior Debt created, incurred, assumed, or guaranteed after the date of the Indenture, in the manner described below. As of March 31, 2026, after giving effect to the borrowing of an additional \$75.0 million under the Fortress Credit Agreement in February 2026 and to the borrowing of an additional \$0.7 million under the Adamantium Secured Note in February 2026, we had approximately \$1,298.0 million of indebtedness that will rank contractually senior to the Bonds.

“Senior Debt” is defined under the term “Senior Indebtedness” in the Indenture as (1) the Company’s secured indebtedness and (2) any other current or future indebtedness of the Company that the Company agrees, in its sole discretion, is expressly superior in rank to the Bonds.

Upon any distribution of the assets of the Company upon any dissolution or winding-up or total liquidation of the Company (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors of the Company or otherwise), all Senior Debt must be paid in full prior to Bondholders being entitled to receive any payment.

Upon demand for payment being made on any Senior Debt or upon maturity of any Senior Debt, all principal and premium, if any, and interest and related fees and expenses associated with all such Senior Debt must first be paid in full before any payment may be made on account of the Bonds unless and until such default is cured or waived or ceases to exist. Furthermore, in the case of a default with respect to any Senior Debt permitting the holders thereof to accelerate maturity thereof or demand payment thereof or in the case of any default in making payment on demand of any Senior Debt, no payment may be made on account of the Bonds unless and until such default is cured or waived or ceases to exist, and any payment or distribution of assets of the Company received by the Bondholders before all Senior Debt is paid in full must be held in trust for the benefit of, and shall be paid over or delivered to, the holders of such Senior Debt or their representatives for application to the payment of all Senior Debt remaining unpaid.

Moreover, as long as any Senior Debt remains outstanding, the trustee shall not, without prior written consent of the holder of the Senior Debt, including Fortress:

- exercise or seek to exercise any right or remedy with respect to an event of default including any collection or enforcement right or remedy; or
- institute any action or proceeding against the Company or any of its assets including without limitation

any possession, sale or foreclosure action or proceeding; or

- contest, protest or object to any enforcement proceeding or other action commenced under the Senior Debt

for a period of 90 days after delivery of notice of an event of default to the holder of the Senior Debt, including under the Fortress Credit Agreement (the “**Standstill Period**”). The trustee will only be permitted to commence such enforcement proceedings upon the receipt of written consent from the holder of the Senior Debt or upon the following of the expiration of the Standstill Period.

PLAN OF DISTRIBUTION

The Offering

We are offering a Maximum Offering Amount of \$2,000,000,000 aggregate principal amount of the Bonds at a price of \$1,000 per Bond. We reserve the right to increase the Maximum Offering Amount by \$500,000,000 for a total maximum amount of \$2,500,000,000. The Minimum Purchase is \$25,000 for the Series U Bonds, Series U-1 Bonds, Series V Bonds, Series V-1 Bonds, Series W Bonds, Series W-1 Bonds, Series X Bonds, Series X-1 Bonds, Series Z Bonds and Series Z-1 Bonds. The Minimum Purchase is \$500,000 for the Series AA Bonds, Series AA-1 Bonds, Series BB Bonds, Series BB-1 Bonds, Series CC Bonds, Series CC-1 Bonds, Series DD Bonds, Series DD-1 Bonds, Series EE Bonds and Series EE-1 Bonds. The Minimum Purchase is \$1,000,000 for the Series FF Bonds, Series FF-1 Bonds, Series GG Bonds, Series GG-1 Bonds, Series HH Bonds, Series HH-1 Bonds, Series II Bonds, Series II-1 Bonds, Series JJ Bonds and Series JJ-1 Bonds. We reserve the right to accept smaller purchase amounts in the Company's sole discretion. This offering will terminate on the earliest of: (i) the date we sell the Maximum Offering Amount; (ii) the second anniversary of the date of this Memorandum, as may be extended by up to one year by us by supplement hereto and as may be further extended by amending and restating this Memorandum; or (iii) such date upon which we determine to terminate the offering in our sole discretion.

We have arbitrarily determined the selling price of the Bonds and such price bears no relationship to our book or asset values, or to any other established criteria for valuing issued or outstanding Bonds.

The Bonds are being offered on a "commercially reasonable efforts" basis, which means generally that our Managing Broker-Dealer is required to use only its commercially reasonable efforts to sell the Bonds and it has no firm commitment or obligation to purchase any of the Bonds. The offering will continue until the offering termination. We will conduct closings to be scheduled at our discretion assuming there are funds to close, until the offering termination. If either day falls on a weekend or holiday, the closing will be conducted on the next business day. Once a subscription has been submitted and accepted by us, an investor will not have the right to request the return of its subscription payment prior to the next closing date. If subscriptions are received on a closing date but not accepted by us prior to such closing, any such subscriptions will be closed on the next closing date. It is expected that settlement will occur two business days following each closing date. Two business days after the closing date, offering proceeds for that closing will be disbursed to us and the Bonds purchased will be issued to the investors in the offering. If the Company is dissolved or liquidated after the acceptance of a subscription, the respective subscription payment will be returned to the subscriber.

Broker-Dealer Compensation and Expenses

Our Managing Broker-Dealer shall receive a fee of 0.4% of the gross proceeds of the offering (provided that a minimum monthly fee of \$50,000 shall be payable to the Managing Broker-Dealer notwithstanding the amount of gross proceeds raised in a given month), and registered representatives of the Managing Broker-Dealer shall receive variable sales compensation of up to 4.0% of the gross proceeds with respect to sales of the Bonds (collectively, the "**Broker-Dealer Fee**"). Accordingly, if the Maximum Offering Amount of Bonds is sold, the maximum aggregate Broker-Dealer Fee paid by the Company will be approximately \$94,840,426. Certain of our employees are registered as associated persons of our Managing Broker-Dealer and will be paid up to 4.0% of the gross proceeds of the offering as sales compensation with respect to the sales of the Bonds. Prior to April 1, 2026, Dalmore Group, LLC, a New York limited liability company and a member of FINRA, served as the Managing Broker-Dealer for the Bonds.

The following table sets forth the estimated compensation and expenses that have been or may be paid in connection with the offering to our broker-dealers.

Offering:	Per Bond	Maximum Offering Amount
Price to investor:	\$ 1,000	\$ 2,000,000,000
Less Broker-Dealer Fee (weighted average) ⁽¹⁾ :	\$ 47.42	\$ 94,840,426
Remaining Proceeds:	\$ 952.58	\$ 1,905,159,574

- (1) The foregoing assumes the Broker-Dealer Fee was 5.0% of the gross proceeds for all sales prior to April 1, 2026; but the Broker-Dealer Fee may have been less. The maximum Broker-Dealer Fee was modified effective April 1, 2026, from 5.0% of the gross proceeds (a portion of which had been reallocated to registered representatives as sales compensation) to two separate fees including (i) variable sales compensation of up to 4.0% of the gross proceeds payable to registered representatives of the Managing Broker-Dealer that are non-executive personnel of the Company and (ii) 0.4% of the gross proceeds to be retained by the Managing Broker-Dealer, provided that a minimum monthly fee of \$50,000 shall be payable to the Managing Broker-Dealer notwithstanding the amount of gross proceeds raised in a given month. The foregoing assumes the Broker-Dealer Fee will be equal to 0.4% of the gross proceeds plus sales compensation payable to registered representatives of the Managing Broker-Dealer of up to 4.0% of the gross proceeds, for all sales after April 1, 2026, but the Broker-Dealer Fee may be less.

We have agreed to indemnify our Managing Broker-Dealer and selected registered investment advisors, against certain liabilities arising under the Securities Act. However, the SEC takes the position that indemnification against liabilities arising under the Securities Act is against public policy and is unenforceable.

In accordance with the rules of FINRA, the table above sets forth the nature and estimated amount of all items that will be viewed as “underwriting compensation” by FINRA that are anticipated to be paid by us in connection with the offering. The amounts shown assume we sell all the Bonds offered hereby.

It is illegal for us to pay or award any commissions or other compensation to any person engaged by you for investment advice as an inducement to such advisor to advise you to purchase the Bonds; however, nothing herein will prohibit a registered broker-dealer or other properly licensed person from earning a sales commission in connection with a sale of the Bonds.

Discounts for Bonds Purchased by Certain Persons

We may forego paying the Broker-Dealer Fee, or pay a reduced Broker-Dealer Fee in connection with the sale of Bonds in this offering to:

- registered principals or representatives of our dealer-manager or a participating broker (and immediate family members of any of the foregoing persons);
- our employees, officers and directors (and the immediate family members of any of the foregoing persons), any benefit plan established exclusively for the benefit of such persons or entities, and, if approved by our board of directors, joint venture partners, consultants and other service providers;
- clients of an investment advisor registered under the Investment Advisers Act or under applicable state securities laws (other than any registered investment advisor that is also registered as a broker-dealer, with the exception of clients who have “wrap” accounts which have asset-based fees with such dually registered investment advisor/broker-dealer); or
- persons investing in a bank trust account with respect to which the authority for investment decisions made has been delegated to the bank trust department.

For purposes of the foregoing, “immediate family members” means such person’s spouse, parents, children, brothers, sisters, grandparents, grandchildren and any such person who is so related by marriage such that this includes “step-” and “-in-law” relations as well as such persons so related by adoption.

In addition, participating brokers contractually obligated to their clients for the payment of fees on terms inconsistent with the terms of acceptance of all or a portion of the Broker-Dealer Fees may elect not to accept all or a portion of such compensation. In that event, such Bonds will be sold to the investor at a per Bond purchase price, net

of all or a portion of selling commissions. The net proceeds to us will not be affected by reducing or eliminating Broker-Dealer Fees payable in connection with sales to or through the persons described above. Purchasers purchasing net of some or all of the Broker-Dealer Fees will receive Bonds in principal amount of \$1,000 per Bond purchased.

Either through this offering or subsequently on any secondary market, affiliates of our Company may buy Bonds if and when they choose. There are no restrictions to these purchases. Affiliates that become Bondholders will have rights on parity with all other Bondholders.

Who May Invest

We will offer and sell the Bonds in reliance on an exemption from the registration requirements of the Securities Act and state securities laws pursuant to Rule 506(c) of Regulation D of the Securities Act. Accordingly, sales of the Bonds will be strictly limited to persons who (i) are verified to be “accredited investors” as defined pursuant to Rule 501(a) of Regulation D and (ii) meet the requirements and make the representations set forth below and in the Subscription Agreement. We reserve the right, in our sole discretion, to reject any subscription based on any information that may become known or available to us about the suitability of a prospective investor (an “**Investor**”) or for any other reason.

An investment in the Bonds involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. Only Investors who (i) are verified to be “accredited investors” and (ii) meet the requirements and make the representations set forth below and in the Subscription Agreement may acquire Bonds. The written representations you make will be reviewed to determine your suitability.

The Investor Suitability Requirements stated below represent minimum suitability requirements established for investors in Bonds. However, your satisfaction of these requirements will not necessarily mean that the Bonds are a suitable investment for you, or that we will accept you as a Bondholder. Furthermore, we may modify such requirements in our sole discretion, and such modifications may raise the suitability requirements for Investors.

You must represent in writing that you meet, among others, all of the following requirements (the “**Investor Suitability Requirements**”):

(a) You have received, read and fully understand the Memorandum and are basing your decision to invest solely on the information contained in the Memorandum. You have relied only on the information contained in the Memorandum and have not relied on any representations made by any other person.

(b) You have such knowledge of, and experience in, financial and business matters as to be capable of:

- (i) evaluating the merits and risks of, and bearing the economic risks entailed by, an investment in the Company; and
- (ii) protecting his, her or its interests in connection with that investment. You acknowledge that an investment in the Company involves a high degree of risk.

(c) You may be required to hold the Bonds indefinitely or to transfer the Bonds in “private placements” that are exempt from registration under the Securities Act, in which event the transferee will acquire “restricted securities” subject to the same limitations as in the hands of an Investor. You acknowledge that, as a consequence, you must bear the economic risks of the investment in the Bonds for an indefinite period of time.

(d) You understand that the Bonds are, and will remain, illiquid. You have reviewed your financial condition and commitments and discussed those matters with advisors to the extent that you consider necessary. Based on that review, you are satisfied that you (A) have adequate means of providing for your financial needs without selling, transferring or otherwise disposing of any the Bonds and (B) are capable of bearing the economic risk of (y) investing in the Bonds for an indefinite period of time and (z) the possible loss of all or part of your investment in the Bonds.

(e) You are acquiring the Bonds for your own account, and not with a view to, or for, resale or distribution in violation of the Securities Act, the securities laws of any U.S. state or the securities Laws of any other

applicable jurisdiction. No individual, corporation, association, partnership, estate, trust or any other entity or organization (a “**Person**”) has a direct or indirect beneficial interest in the Bonds to be issued to you under our operating agreement and, other than our operating agreement, you do not have any contract, understanding, agreement or arrangement with any Person to sell, assign, transfer or otherwise dispose of any the Bonds to any Person.

(f) You are an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act if you meet one of the following tests you qualify as an Accredited Investor:

- (i) you are a natural person who has had individual income in excess of \$200,000 in each of the two most recent years, or joint income with your spouse (or spousal equivalent) in excess of \$300,000 in each of these years, and have a reasonable expectation of reaching the same income level in the current year;
- (ii) you are a natural person and your individual net worth, or joint net worth with your spouse (or spousal equivalent), exceeds \$1,000,000 at the time you purchase the Bonds (please see below on how to calculate your net worth);
- (iii) you are an executive officer, director, trustee, general partner or advisory board member of the issuer or a person serving in a similar capacity as defined in the Investment Company Act, or a manager or executive officer of the general partner of the issuer;
- (iv) you are an investment adviser registered pursuant to Section 203 of the Investment Advisers Act or an exempt reporting adviser as defined in Section 203(1) or Section 203(m) of that act, or an investment adviser registered under applicable state law;
- (v) you are an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the Code, a corporation, a Massachusetts or similar business trust or a partnership or a limited liability company, not formed for the specific purpose of acquiring the Bonds, with total assets in excess of \$5,000,000;
- (vi) you are an entity, with investments, as defined under the Investment Company Act, exceeding \$5,000,000, and you were not formed for the specific purpose of acquiring the Bonds;
- (vii) you are a bank or a savings and loan association or other institution as defined in the Securities Act, a broker or dealer registered pursuant to Section 15 of the Exchange Act, an insurance company as defined by the Securities Act, an investment company registered under the Investment Company Act, or a business development company as defined in that act, any Small Business Investment Company licensed by the Small Business Investment Act of 1958, any Rural Business Investment Company as defined in the Consolidated Farm and Rural Development Act of 1961 or a Private Business Development Company as defined in the Investment Advisers Act;
- (viii) you are an entity with investments of not less than \$5,000,000 (including an Individual Retirement Account trust) in which each equity owner is an accredited investor;
- (ix) you are a trust with total assets in excess of \$5,000,000, your purchase of the Bonds is directed by a person who either alone or with his purchaser representative(s) (as defined in Regulation D promulgated under the Securities Act) has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment, and you were not formed for the specific purpose of investing in the Bonds;
- (x) you are a family client of a family office, as defined in the Investment Advisers Act, with total assets not less than \$5,000,000, your purchase of the Bonds is directed by a person who has such knowledge and experience in financial and business matters that the family office is capable of evaluating the merits and risks of the prospective investment, and the family office was not formed for the specific purpose of investing in the Bonds;

- (xi) you are a “family office,” as defined in Rule 202(a)(11)(G)-1 of the Investment Advisers Act, with (i) assets under management in excess of \$5.0 million, (ii) that is not formed for the specific purpose of acquiring the securities offered and (iii) whose prospective investment is directed by a person who has the knowledge and experience capable of evaluating the merits and risks of the prospective investment will now qualify as an accredited investor; or
 - (xii) you are a holder in good standing of certain professional certifications or designations, including the Financial Industry Regulatory Authority, Inc. Licensed General Securities Representative (Series 7), Licensed Investment Adviser Representative (Series 65), or Licensed Private Securities Offerings Representative (Series 82) certifications.
- (g) You also certify that neither you nor any subsidiary, affiliate, owner, shareholder, partner, member, indemnitor, guarantor or related person or entity:
- (i) is a Sanctioned Person (as defined below);
 - (ii) has more than 15% of its assets in Sanctioned Countries (as defined below); or
 - (iii) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries.

For purposes of the foregoing, a “**Sanctioned Person**” means: (a) a person named on the list of “specially designated nationals” or “blocked persons” maintained by the U.S. Office of Foreign Assets Control (“**OFAC**”) at <https://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>, or as otherwise published from time to time; or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country or (iii) a person residing in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

A “**Sanctioned Country**” shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at <https://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>, or as otherwise published from time to time.

NOTE: For the purposes of calculating your net worth, Net Worth is defined as the difference between total assets and total liabilities. This calculation must exclude the value of your primary residence and may exclude any indebtedness secured by your primary residence (up to an amount equal to the value of your primary residence). In the case of fiduciary accounts, net worth and/or income suitability requirements may be satisfied by the beneficiary of the account or by the fiduciary, if the donor or grantor is the fiduciary and the fiduciary directly or indirectly provides funds for the purchase of the Bonds.

SEC Rule 506(c) of Regulation D requires an issuer to take “reasonable steps” to verify that each investor in this offering is an accredited investor as defined by Rule 501(a) of Regulation D. If an investor does not provide information reasonably required by the Company to verify the accredited status of the Investor, or if the Company does not believe an investor’s accredited status has been verified, then the investor will not be permitted to invest, regardless of whether the investor is actually accredited. The Subscription Agreement requires a prospective investor to submit such verification information to the Company, our Managing Broker-Dealer, or any third party verification service selected by the Company.

IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, IMMEDIATELY RETURN THIS MEMORANDUM TO US OR THE APPLICABLE SELLING GROUP MEMBER. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM WILL NOT CONSTITUTE AN OFFER TO SELL BONDS TO YOU.

Discretion of the Company. The Investor Suitability Requirements stated above represent minimum suitability requirements, as established by the Company, for the Bondholders. Accordingly, the satisfaction of applicable requirements by an Investor will not necessarily mean that the Bonds are a suitable investment for such Investor, or that the Company will accept the Investor as a subscriber. Furthermore, the Company may modify such requirements at its sole and absolute discretion for all or certain Investors, and any such modification may raise the suitability requirements for Investors; provided, however that no modification will permit a non-accredited investor,

or an Accredited Investor for whom the Company has not taken reasonable steps to verify accredited status, to invest in this offering.

The written representations you make will be reviewed to determine your suitability. The Company may, in its sole and absolute discretion, refuse a subscription for Bonds if it believes that an Investor does not meet the applicable Investor Suitability Requirements, the Bonds otherwise constitute an unsuitable investment for the Investor, or for any other reason.

How to Invest

Subscription Agreement

If, after carefully reading this entire Memorandum, including the information incorporated by reference herein, obtaining any other information available hereby and being fully satisfied with the results of pre-investment due diligence activities, you would like to purchase Bonds, you should complete and sign the Subscription Agreement as attached hereto as Exhibit A. All investors will be required to complete and execute a Subscription Agreement. The Subscription Agreement may be submitted in paper form or electronically. Paper subscriptions should be delivered to Phoenix Energy One, LLC, Attn: Investor Relations, 18575 Jamboree Road, Suite 830, Irvine, CA 92612. Subscriptions may also be submitted electronically at invest.phoenixenergy.com.

Generally, when submitting a subscription agreement electronically, a prospective investor will be required to agree to various terms and conditions by checking boxes and to review and electronically sign any necessary documents. You may pay the purchase price for your bonds by check, ACH or wire of your subscription purchase price in accordance with the instructions in the subscription agreement. ACH payments are the Company's preferred method of subscription payment delivery. An investor must purchase at least the Minimum Purchase. However, the Company, in its sole discretion, reserves the right to accept smaller purchase amounts. All checks should be made payable to "Phoenix Energy One, LLC."

You will be required to represent and warrant in your Subscription Agreement or order form that you are an "accredited investor" as defined under Rule 501 of Regulation D. We are required as an issuer under SEC Rule 506(c) to take "reasonable steps" to verify that each investor in this offering is an accredited investor. Our Company, the Managing Broker-Dealer or our affiliates will perform the accredited investor verification required by SEC Rule 506(c) for this offering, using verification methods deemed to be reasonable and satisfactory under Rule 506(c), and will provide a certificate prior to each closing certifying the accredited investor status of each investor. See "*Who May Invest*" for more information. By completing and executing your Subscription Agreement or order form you will also acknowledge and represent that you have received a copy of this Memorandum, you are acquiring the Bonds for your own account and that your rights and responsibilities regarding your Bonds will be governed by the Indenture (attached hereto as Exhibit B) and the Form of Bond (attached hereto as Exhibit C).

Upon receipt of the signed Subscription Agreement and full payment for the Bonds to be purchased, verification of your investment qualifications by the Company, and acceptance of the Investor's purchase by the Company (in our sole and absolute discretion), the Company will notify each Investor of receipt and acceptance of the purchase and issue a Bond in appropriate form. In the event the Company does not accept an Investor's purchase of the Bonds for any reason, the Company will promptly return the payment to such subscriber.

The Company will conduct closings, the "closing dates," and each, a "closing date" (each being the date on which such closing occurs), in this offering to be scheduled at our discretion until the offering termination. Once a subscription has been submitted and accepted by us, an investor will not have the right to request the return of its subscription payment prior to the closing date. It is expected that settlement will occur on the same day as each closing date. If we are dissolved or liquidated after the acceptance of a subscription, the respective subscription payment will be returned to the subscriber.

Instructions for subscribing for the Bonds are in the Subscription Agreement. All subscription payments should be payable and completed as follows:

Wire or ACH:

Receiving Financial Institution:

Amarillo National Bank

Routing Number:	111300958
Beneficiary:	Phoenix Energy One, LLC
Beneficiary Address:	18575 Jamboree Road, Suite 830, Irvine, CA 92612
Account Number:	319279

Mail:

All checks should be made payable to “Phoenix Energy One, LLC” and sent to Phoenix Energy One, LLC, Attn: Investor Relations, 18575 Jamboree Road, Suite 830, Irvine, CA 92612.

Book-Entry, Delivery and Form

The Bonds purchased will be registered in book entry form on our books and records. The ownership of Bonds will be reflected on our books and records.

Book-Entry Format

Under the book entry format, we, as paying agent, will pay interest or principal payments directly to beneficial owners of Bonds.

Registrar and Paying Agent

We are the designated paying agent with respect to the Bonds, and as such, will make payments on the Bonds. The Bonds will be issued in book entry form only, evidenced by global certificates.

The Trustee

UMB Bank, N.A. has agreed to be the trustee under the Indenture. The Indenture contains certain limitations on the rights of the trustee, should it become one of our creditors, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any claim as security or otherwise. The trustee will be permitted to engage in other transactions with us and our affiliates.

The Indenture provides that in case an event of default specified in the Indenture shall occur and not be cured, the trustee will be required, in the exercise of its power, to use the degree of care of a reasonable person in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Bondholder, unless the Bondholder has offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Resignation or Removal of the Trustee.

The trustee may resign at any time or may be removed by the holders of a majority of the principal amount of then-outstanding Bonds. In addition, upon the occurrence of contingencies relating generally to the insolvency of the trustee, we may remove the trustee, or a court of competent jurisdiction may remove the trustee, upon petition of a holder of certificates. However, no resignation or removal of the trustee may become effective until a successor trustee has been appointed.

We are offering the Bonds pursuant to an exemption to the Trust Indenture Act of 1939, or the Trust Indenture Act. As a result, investors in the Bonds will not be afforded the benefits and protections of the Trust Indenture Act. However, in certain circumstances, the Indenture makes reference to the substantive provisions of the Trust Indenture Act.

Registrar and Paying Agent

We are the designated paying agent with respect to the Bonds, and as such, will make payments on the Bonds. The Bonds will be issued in book-entry form only, evidenced by global certificates.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE COMPANY

The following summary highlights information contained in more detail elsewhere in this Memorandum or in documents incorporated herein by reference, including our 2025 Annual Report. This summary is not complete and does not contain all of the information that may be important to you in making an investment decision. Before making an investment decision, you should read this entire Memorandum and the information incorporated by reference herein carefully, including the sections of this prospectus entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" and the sections of our 2025 Annual Report entitled "Risk Factors," "Cautionary Statement Regarding Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as our consolidated financial statements and the notes thereto included in our 2025 Annual Report.

Overview

The Company operates in the oil and gas industry and executes on a three-pronged strategy involving (i) direct drilling operations of operated working interests (ii) the acquisition of royalty assets, and (iii) the acquisition of non-operated working interest assets. Our direct drilling operations are currently primarily focused on development efforts in the Williston Basin in North Dakota and Montana and the Powder River and Denver Julesburg Basins in Wyoming. Our royalty and working interest acquisitions center around a variety of assets, including mineral interests, leasehold interests, overriding royalty interests, and perpetual royalty interests. These efforts have historically targeted assets in the Williston, Permian, Powder River, Uinta, and Denver-Julesburg Basins. The Company is agnostic as to geography and prioritizes operational and asset potential when executing on its strategy.

The Company began operations in 2019 with the development of its specialized software system, which we have designed and improved over time to support our ability to identify, analyze, underwrite, transact, and manage our oil and gas assets. In 2019, we acquired our first mineral interest asset and began to generate revenue. In 2020, we expanded our operations and team to include specialists across a variety of key focus areas. From 2020 to 2025, the Company experienced significant growth in operations. For example, in 2020, the E&P operators of our properties operated 725 gross and 2.8 net productive development wells on the acreage underlying our mineral and royalty interests, and the total acreage underlying our gross and net royalty interests was 177,824 and 1,506, respectively. In the five years since then, the E&P operators of our properties have operated additional gross and net productive development wells on the acreage underlying our mineral and royalty interests, of which approximately 508 gross and 62.9 net productive development wells were drilled during the year ended December 31, 2025 alone. Furthermore, our total production for the year ended December 31, 2020 was under 0.2 million Boe as compared to approximately 9.9 million Boe for the year ended December 31, 2025. In the same period, our number of employees grew from 21 at December 31, 2020 to 189 at March 31, 2026. Additionally, we commenced direct drilling operations and spudded our first wells in the third quarter of 2023; our first owned well commenced hydrocarbon production in January 2024 and, as of March 31, 2026, we have drilled a total of 135 gross and 123.2 net producing development and injection wells. We expect these direct drilling operations to be a core component of our business strategy going forward.

Since our initial mineral interest asset acquisition in 2019, we have leveraged our specialized software system and experienced management team to identify asset opportunities that fit our desired criteria and potential for returns. While we evaluate and acquire a wide variety of assets, we have historically prioritized assets with potential for high monthly recurring cashflows and primarily target assets that have a potential payback within the short to medium term and long-term cashflows.

Since 2019, we have completed over 3,500 mineral, royalty, and leasehold interest acquisitions from landowners and other mineral interest owners. Over that period, in addition to completing numerous small transactions, we completed more than 56 transactions larger than 1,000 NMAs that account for a significant portion of our NMAs. We have acquired mineral, royalty, and leasehold interests from individuals, families, trusts, partnerships, small minerals aggregators, minerals brokers, large private minerals companies, private oil and gas E&P companies, and public minerals companies. We also actively manage our portfolio of assets.

Following the acquisition of an asset, we typically share in the proceeds of the natural resources extracted and sold by a third-party E&P operator. For certain assets, we operate our own direct drilling operations through PhoenixOp.

For the years ended December 31, 2023, 2024, and 2025, we had revenue of \$118.1 million, \$281.2 million, and \$687.2 million, respectively, net income (loss) of \$(16.2) million, \$(24.8) million, and \$66.1 million, respectively, and EBITDA of \$65.9 million, \$150.7 million, and \$403.6 million, respectively. As of December 31, 2023, 2024, and 2025, we had total assets of \$493.2 million, \$1,029.1 million, and \$1,806.8 million, respectively, total liabilities of \$498.0 million, \$1,063.1 million, and \$1,728.6 million, respectively (inclusive of total indebtedness of \$447.9 million, \$987.9 million, and \$1,529.9 million, respectively), and retained earnings (accumulated deficit) of \$(9.7) million, \$(34.5) million, and \$29.7 million, respectively. Through 2025, we incurred a significant amount of debt in order to accelerate the growth of our business by acquiring additional assets and establishing our direct drilling operations. As a result, our cash flows from operations alone would not have been sufficient to service required cash interest and principal payment obligations under our then-existing debt and cash distributions on our preferred equity in 2025. Furthermore, as of December 31, 2025, we estimate that we will need to make approximately \$1,064.1 million and \$2,167.3 million in capital expenditures to develop all our proved and probable undeveloped reserves, respectively, and that we will need to raise approximately \$669.8 million in additional capital through the end of 2028 to fund such development. Although we expect our cash flows from operations to be sufficient to service cash interest and principal payment obligations under our debt arrangements and cash distributions on our preferred equity for the foreseeable future, there can be no assurance as to the sufficiency of our cash flows for that purpose, and our current development plan contemplates capital expenditures in excess of operating cash flow in certain periods, and we do not expect such cash flows alone to be adequate to fund both our debt service obligations and the development of our reserves. Therefore, we expect to require additional capital to fund our growth and may require additional liquidity to service our debt. We regularly evaluate our capital structure and liquidity profile to maintain appropriate financial flexibility while executing our development plan. As a result, we may use the proceeds of additional debt, including the Bonds offered hereby and loaned to us through the Adamantium Loan Agreement, to make interest and principal payments on our existing debt. See “*Risk Factors—Risks Related to the Bonds and this Offering*” and “*Use of Proceeds*.”

GENERAL INFORMATION ABOUT OUR COMPANY

The Company

Phoenix Energy One, LLC, a Delaware limited liability company, was formed on April 16, 2019, as Phoenix Capital Group Holdings, LLC, and the Company legally changed its name to Phoenix Energy One, LLC on January 23, 2025. The Company is focused on oil and gas operations and executing on a three prong strategy involving the acquisition of royalty assets, acquisition of non-operated working interest assets, and direct drilling operations conducted through our wholly owned subsidiary, PhoenixOp. Pursuant to this strategy, we purchase a variety of assets, including mineral interests, leasehold interests, overriding royalty interests, and perpetual royalty interests. While we have primarily targeted assets in the Williston Basin, Permian Basin, Powder River, and the Denver-Julesburg Basin, we are agnostic to geography and prioritize asset potential in executing on our acquisition strategy.

The Company leverages its specialized software system and experienced management team to identify asset opportunities that fit our desired criteria and potential for returns. We prioritize assets with potential for high monthly recurring cashflows and primarily target assets that have a potential payback period of 12-48 months and long-term (often more than 20 years) lifetime cashflows. To help identify and prioritize assets with such potential, we developed a software system in 2019. The software system is designed to be scalable and process inputs from a variety of internal and external sources, and supports our ability to identify, analyze, underwrite, and formally transact in the purchasing of oil and gas assets. The software system operates across three key facets of our business:

1. Asset Discovery – The data-driven system has customized inputs that are selected by management to pull in and incorporate data sets from multiple third-party sources through custom application interfaces (“**APIs**”) that automatically retrieve updated information on a regular basis. For example, the system retrieves detailed land and title data and well-level data including operator, production metrics, well status, dates of activities, well-specific activities and historical reporting. The software system compiles these inputs and creates dashboards that can be accessed by management to analyze and review granular data on an asset-by-asset level. These dashboards present certain key information, including, among others, the geography of the asset, the estimated probability of future oil wells, the estimated predictability of the timing and value of cashflows, and local and national oil prices. We believe this process provides us with key market intelligence and insights, tailored to prioritize asset traits curated and targeted by management, to identify and rank potential assets. We believe this provides us with a competitive advantage because we are able to identify potentially valuable assets, based on our own hierarchy and prioritization of asset traits and data inputs, which may otherwise be overlooked by other industry participants.

2. Asset Grading and Estimates – The outputs from the asset discovery process are then run through a discounted cash flow model, using management inputs for discount rate and the price of oil to generate asset value and pricing estimates. The software system grades these assets based on our management’s desired target criteria for high probability of high near-term cash flow and generates a summary version of assets to prospect for acquisition for our sales team. The system also generates an acquisition price for each asset, which informs the sales team as to the maximum price that we may be willing to offer in any prospective transaction. This process is used to further characterize high-priority targets for sales and acquisition efforts.

3. Asset Acquisition – Based on our management input, the software system then routes the pricing and asset information from the asset grading and estimates process through an automated document generator to create customized, asset-specific document packages for utilization and distribution by our sales team. The workflow for these document packages is then processed and monitored using our internally developed software, which distributes the documents to our operations team for the preparation of an offering and sale package, which is then delivered to the prospective seller. Using relationship management features within our internally developed software, our sales team is able to record notes and each opportunity can be tracked from its original data upload through the lifecycle of the sales process.

While the data inputs utilized by our software system are largely based on public information, considerable customization and coding has been undertaken to generate a system that we can successfully leverage in our business. This software was designed and built by us to address our specific needs, and we are not aware of a similar competitive product. We rely on trade secret laws to protect our software system and do not own any registered copyright, patent or other intellectual property rights regarding our software. However, we believe the investment of significant monetary and intellectual resources have created a system that would be difficult to replicate. We currently have no intention of licensing or selling the software. See “*Risk Factors – Risks Related to Legal, Regulatory, and*

Environmental Matters—We do not currently own any registered intellectual property rights relating to our software system and may be subject to competitors developing the same technology.”

Following the acquisition of an asset, we typically share in the proceeds of the natural resources extracted and sold by a third-party oil and gas operator. For certain assets, we operate our own direct drilling operations through PhoenixOp. Throughout 2024 and 2025, we increased the extent to which we run our own direct drilling operations and expect to continue to grow our drilling activities going forward. We intend to actively drill and develop select assets in an effort to maximize value and resource potential, and we will generally seek to increase our production, reserves, and cash flow from operations over time. We have identified a number of potential drilling locations that we believe have the potential for attractive growth and opportunities. In accordance with that business plan, we acquired our second drilling rig in October 2024 and acquired our third drilling rig in April 2025. As we rely more on our own direct drilling operations, our capital expenditures and operating expenses have also increased significantly, and we expect this increase in capital and operating expenses to continue as compared to our previous business model, which relied heavily on royalty and working interest acquisitions. As such, we expect to have increased needs for additional capital in excess of cash flows from operating activities in order to fund the growth of our business and the development of our reserves. We expect to require additional outside funding, including through the Adamantium Loan Agreement, to successfully execute this business strategy. Although we believe that running our own direct drilling operations will require significantly greater funds than partnering with a third-party operator, we believe that this strategy will provide greater control of cashflow, increased revenue, and larger potential for shorter payback periods as compared to returns on royalty assets and working interest assets. We expect that this shift in our business model will allow us to capture more of the upside from the use of our specialized software system. We expect that capital needs will be met in the near to medium term by capital contributions to PhoenixOp by us, which we expect to fund from time to time in varying amounts through a combination of assets, cash from operations, and the proceeds from unregistered debt offerings, the proceeds of the Adamantium Loan Agreement, the proceeds of debt procured by any future subsidiary lender to us, and the Fortress Credit Agreement. The funding of additional amounts to PhoenixOp by us is not subject to specific milestones or triggering events, but instead will be guided by our business judgment in order to execute on our intended business plan. We intend to make such capital contributions to PhoenixOp until such time as PhoenixOp procures its own financing, if any, or has sufficient cash from operations to operate without supplemental financing from us. As of March 31, 2026, we had contributed approximately \$421.7 million in cash and \$64.4 million in lease assets to PhoenixOp. Leases are contributed to PhoenixOp at a value equal to our cost of acquisition of the contributed asset, and we anticipate contributing additional oil and gas properties to PhoenixOp in the future. Leases are generally contributed in order for PhoenixOp to operate extraction activities on such assets with the requisite title and permissions. We expect to only contribute oil and gas properties to PhoenixOp that are located in an area where we own or lease enough continuous productive acreage to support meaningful mineral extraction activities. Whether and when we have properties we decide to contribute to PhoenixOp will depend on, among other things, our ability to acquire properties from multiple owners, the amount and quality of mineral reserves discovered on such properties, the presence of or proximity to third-party operators with existing extraction activities and the suitability of the area’s topography for drilling and operating producing wells. PhoenixOp is currently a borrower under certain of our loan agreements, including the Fortress Credit Agreement and the Adamantium Loan Agreement, and could borrow amounts under such agreements directly.

Our Current Indebtedness

Summary of the Fortress Credit Agreement

The Company and PhoenixOp, as borrower, entered into the Fortress Credit Agreement with Fortress on August 12, 2024. The Fortress Credit Agreement provides for a \$100.0 million term loan facility (the “**Fortress Term Loan**”), borrowed in full on August 12, 2024, and a \$35.0 million delayed draw term loan facility, which was borrowed in full on October 11, 2024 (any loans thereunder, together with the Fortress Term Loan, the “**Fortress Tranche A Loans**”). On December 18, 2024, the Fortress Credit Agreement was amended to, among other things, provide for a new tranche of term loans (the “**Fortress Tranche C Loan**”) in an aggregate principal amount of \$115.0 million that was borrowed in full on December 18, 2024. On April 16, 2025, the Fortress Credit Agreement was further amended to, among other things, establish a new tranche of term loans (the “**Fortress Tranche D Loans**”) in an aggregate principal amount of \$50.0 million, with \$25.0 million aggregate principal amount borrowed on April 16, 2025 and \$25.0 million aggregate principal amount funded on a delayed draw basis in full on May 9, 2025. On August 1, 2025, the Fortress Credit Agreement was further amended to, among other things, establish a new tranche of term loans (the “**Fortress Tranche E Loans**”) in an aggregate principal amount of \$100.0 million that was borrowed in full on August 1, 2025. The Fortress Credit Agreement also includes a \$15.0 million tranche of loans (the

“**Fortress Tranche B Loan**”) and a \$6.5 million tranche of loans (the “**Fortress Tranche F Loan**”). On October 27, 2025, the Fortress Credit Agreement was further amended to, among other things, establish a new tranche of term loans in an aggregate principal amount of \$350.0 million, with \$50.0 million aggregate principal amount borrowed on October 27, 2025 and \$300.0 million aggregate principal amount funded on a delayed draw basis that is uncommitted and undrawn (the “**Fortress Tranche G Loan**”). On February 12, 2026, the Fortress Credit Agreement was further amended to, among other things, provide for a new \$75.0 million facility (together with the Fortress Tranche A Loans, Fortress Tranche B Loan, the Fortress Tranche C Loan, the Fortress Tranche D Loans, the Fortress Tranche E Loans, the Fortress Tranche F Loan, and the Fortress Tranche G Loan, the “**Fortress Loans**”), which was borrowed in full on February 12, 2026, subsequently reducing the amount available under the Fortress Tranche G Loan to \$225.0 million. The Fortress Tranche B Loan and Fortress Tranche F Loan each represent a contingent principal obligation that is only due and payable (together with accrued interest thereon) if subject to certain exceptions, either (a) we have not paid in full all outstanding principal and accrued interest on the Fortress Loans in cash by December 18, 2027 or (b) an Event of Default (as defined in the Fortress Credit Agreement) has occurred resulting from the failure to pay principal or interest when due under the terms and conditions of the Fortress Credit Agreement.

Borrowings under the Fortress Credit Agreement bear interest at a rate *per annum* equal to Term SOFR (as defined in the Fortress Credit Agreement) plus 0.10% plus 7.00%. Interest on the Fortress Tranche A Loan, Fortress Tranche C Loan, Fortress Tranche D Loan, Fortress Tranche E Loan, and the \$75.0 million term loan borrowed in February 2026, is payable quarterly in arrears. The outstanding principal amount of the Fortress Loans (including, if applicable, the Fortress Tranche B Loan and the Fortress Tranche F Loan) must be repaid as follows: (i) on October 31, 2027, \$262.5 million plus 50.0% of the aggregate principal amount of loans borrowed after February 2026 pursuant to the October 2025 Amendment, less the aggregate amount of all voluntary prepayments and mandatory prepayments made as of October 31, 2027; and (ii) the remaining aggregate outstanding principal amount on October 27, 2028. Obligations under the Fortress Credit Agreement are secured by substantially all of the assets of the Sponsor and its subsidiaries that have guaranteed the obligations of the obligors under the Fortress Credit Agreement, subject to certain exceptions.

Summary of the Adamantium Loan Agreement

On September 14, 2023, the Company entered into the Adamantium Loan Agreement with Adamantium. On October 30, 2023, Adamantium, the Company, and PhoenixOp entered into an amendment to the Adamantium Loan Agreement to add PhoenixOp as a borrower, on December 12, 2024 entered into another amendment to increase the loan amount thereunder, on January 3, 2025 entered into another amendment to redefine the “Senior Debt” therein, on January 24, 2025 entered into another amendment to modify the name of the Company, on October 6, 2025 entered into another amendment to increase the loan amount thereunder, on February 12, 2026 entered into another amendment to increase the loan amount thereunder, and on March 16, 2026 entered into another amendment to increase the loan amount thereunder. Pursuant to the Adamantium Loan Agreement, Adamantium will loan up to an aggregate principal amount of \$609,300,000 to the Company and PhoenixOp. There is no guarantee that Adamantium will raise \$600,000,000 of Bonds to fund advances to the Company and PhoenixOp pursuant to the Adamantium Loan Agreement. Amounts loaned under the Adamantium Loan Agreement are secured by certain junior mortgage interests in various oil and gas properties owned by the Company and PhoenixOp. Such junior mortgage interests are and will be junior to the Fortress Credit Agreement and other senior secured indebtedness.

In November 2024, Adamantium issued a \$7.0 million seven-year promissory note to an investor bearing interest at 16.5% per annum, which was subsequently amended on October 6, 2025 to increase the principal amount to \$8.6 million, and further amended on February 12, 2026 to increase the principal amount to \$9.3 million (the “**Adamantium Secured Note**,” and together with the Adamantium Bonds, the “**Adamantium Securities**”). The holder of the Adamantium Secured Note has the right to request redemption of its note at par, subject to a limit of \$5.0 million in aggregate principal amount of the Adamantium Secured Note in any 12-month period.

Unsecured Debt Obligations

This offering relates to up to a maximum of \$2.0 billion in the aggregate of bonds, which represent unsecured indebtedness, in an offering exempt from registration under the Securities Act pursuant to Rule 506(c) of Regulation D. As of March 31, 2026, we had approximately \$1.7 billion of Existing Bonds outstanding, and we are hereby offering an additional amount of Bonds up to the maximum amount of \$2.0 billion in the aggregate.

As of March 31, 2026, we had \$33.8 million in unsecured Regulation A debt obligations (the “**Reg A Bonds**”), \$35.5 million in unsecured Exchange Note debt obligations (the “**Exchange Notes**”), \$55.1 million in outstanding Registered Notes, and \$765.6 million in outstanding unsecured Regulation D debt obligations. The Reg A Bonds have maturity dates of three years from the issue date and an interest rate of 9.0% *per annum*. The Exchange Notes have maturity dates ranging from three to eleven years from the issue date and interest rates ranging from 9.0% to 12.0% *per annum*. The Senior Reg D Bonds (consisting of \$7.6 million aggregate principal amount outstanding of bonds offered pursuant to an offering that commenced in July 2022 and terminated in December 2022 as of March 31, 2026) have a maturity date of five years from the issue date and an interest rate of 11.0% *per annum*. The December 2022 506(c) Bonds (consisting of \$50.8 million aggregate principal amount outstanding of Series AAA through Series D-1 Bonds as of March 31, 2026) have maturity dates ranging from three to seven years from the issue date and interest rates ranging from 10.0% to 12.0% *per annum*. The Bonds offered pursuant to this offering (consisting of \$707.2 million aggregate principal amount outstanding of Series U through Series JJ-1 Bonds as of March 31, 2026) have maturity dates ranging from one to eleven years from the issue date and interest rates ranging from 9.0% to 14.0% *per annum*. The Registered Notes have maturity dates ranging from three to eleven years from the issue date and interest rates ranging from 9.0% to 12.0% *per annum*. The Reg A Bonds, the Senior Reg D Bonds, the Exchange Notes, and the Registered Notes constitute Senior Debt and are contractually senior to the Bonds. The December 2022 506(c) Bonds rank equally in right of payment with the Bonds offered pursuant to this offering. See “*Company Structure*.”

Our Market Opportunity

Our royalty and working interest acquisitions generally focus on specific subsets of mineral and leasehold assets in the United States. From a market perspective, we focus on highly attractive and defined basins, currently serviced by top-tier operators, with assets that we believe will generate high near-term cash flow. All the assets we seek to acquire are purchased at what our management believes are attractive price points and have a liquidity profile that is desirable in the secondary market. We generally seek to acquire assets that have a near-term payback and long-term residual cash flow upside.

Our Business Strategy

Our three-pronged strategy centers around (i) direct drilling operations of operated working interests, (ii) the acquisition of royalty assets, and (iii) the acquisition of non-operated working interest assets.

Direct Drilling Operations

We currently run our own direct drilling activities through PhoenixOp. Throughout 2024 and 2025, we increased the extent to which we run our own direct drilling operations and expect to continue to grow our drilling activities going forward. We intend to actively drill and develop select assets in an effort to maximize value and resource potential, and we will generally seek to increase our production, reserves, and cash flow from operations over time. We have identified a number of potential drilling locations that we believe have the potential for attractive growth and opportunities. In accordance with that business plan, we acquired our second drilling rig in October 2024 and our third drilling rig in April 2025.

As we rely more on our own direct drilling operations, our capital expenditures and operating expenses have also increased significantly, and we expect this increase in capital and operating expenses to continue as compared to our previous business model, which relied heavily on royalty and working interest acquisitions. As such, we expect to have increased needs for additional capital in excess of cash flows from operating activities in order to fund the growth of our business and the development of our reserves. The pace of drilling activity is discretionary and may be adjusted based on commodity prices, capital market conditions, and internal rate-of-return thresholds. We expect to supplement operating cash flow with external capital sources, including through sales of the Bonds offered hereby and borrowing a corresponding amount under the Adamantium Loan Agreement, to successfully execute this business strategy. Although we believe that running our own direct drilling operations will require significantly greater funds than partnering with a third-party operator, we believe that this strategy will provide greater control of cashflow, increased revenue, and larger potential for shorter payback periods as compared to returns on royalty assets and working interest assets. We expect that these capital needs will be met in the near to medium term by capital contributions to PhoenixOp by us, which we expect to fund from time to time in varying amounts through a combination of cash from operations and the proceeds from loans and offerings of debt and equity securities. As of March 31, 2026, we had contributed approximately \$421.7 million in cash and \$64.4 million in lease assets to

PhoenixOp. As of March 31, 2026, after giving effect to an increase in March 2026 in the amount permitted to be borrowed under the Adamantium Loan Agreement by \$200.0 million, we had \$201.2 million available for us to borrow under the Adamantium Loan Agreement (assuming we are able to issue the corresponding amount of Adamantium Securities). We also continue to issue August 2023 506(c) Bonds and, as of December 31, after giving effect to an increase in March 2026 of the offering amount of the August 2023 506(c) Bonds by \$500.0 million, we had \$859.9 million of additional headroom until we reach the announced target offering amount of \$2.0 billion. Furthermore, the Registration Statement related to our continuous offering of up to \$750.0 million aggregate principal amount of Sponsor Registered Notes was declared effective on May 14, 2025, and as of March 31, 2026, we had \$693.3 million of additional headroom. Our funding of additional amounts to PhoenixOp will not be subject to specific milestones or triggering events, but instead will be guided by our business judgment in order to execute on our intended business plan. We intend to make such capital contributions to PhoenixOp until such time as PhoenixOp procures its own financing, if any, or has sufficient cash from operations to operate without supplemental financing from us. PhoenixOp is currently a borrower under certain of our loan agreements, including the Fortress Credit Agreement and Adamantium Loan Agreement, and could borrow amounts under such agreements directly. There is currently no committed amount of additional financing available under the Fortress Credit Agreement. Although, as of March 31, 2026, we have issued over \$408.1 million of Adamantium Securities to date, there can be no assurance that we will be successful in issuing additional Adamantium Securities and utilizing then-available commitments under the Adamantium Loan Agreement.

Leases are contributed to PhoenixOp at a value equal to our cost of acquisition of the contributed asset, and we anticipate contributing additional oil and gas properties to PhoenixOp in the future. Leases are generally contributed in order for PhoenixOp to operate extraction activities on such assets with the requisite title and permissions. We expect to only contribute oil and gas properties to PhoenixOp that are located in an area where we own or lease enough continuous productive acreage to support meaningful mineral extraction activities. Whether and when we have properties we decide to contribute to PhoenixOp will depend on, among other things, our ability to acquire properties from multiple owners, the amount and quality of mineral reserves discovered on such properties, the presence of or proximity to third-party operators with existing extraction activities, and the suitability of the area's topography for drilling and operating producing wells.

Royalty and Working Interest Acquisitions

For our royalty and working interest acquisitions, we have developed a process for the identification, acquisition and monetization of our assets. Below is a general illustration of our process:

1. Our specialized software provides market intelligence to identify and rank potential assets and support our acquisition strategy and functions.
2. We make contact with the owner of the asset and begin the conversation on how we can increase the value of the property for the owner.
3. We provide the potential seller with a packet detailing the Company, industry data, property valuation, and an all-cash offer based on the valuation.
4. Our sales team engages the potential seller to discuss the terms of the sale and the value of the property.
5. We handle the closing of the property and the property is migrated to our portfolio.
6. We utilize our land rights to extract natural resources from the property through third-party operators or determine to proceed with our own direct drilling operations.

7. We collect a portion of the revenue generated from the natural resources extracted and sold by a third-party operator. Our share of the revenue depends on the type of asset, either mineral rights or non-operated working interests, and the underlying contract with the third-party operator.

8. We continue to operate the property to extract the minerals through third-party operators or PhoenixOp until we decide to sell the property rights.

Separate from the ordinary royalty income assets, we maintain a structural discipline to participate in non-operated working interests, in part for their tax benefits. Due to favorable U.S. Internal Revenue Service (the “**IRS**”) treatment, marrying this asset class to our pure royalty income creates an augmented “write off” strategy whereby the balanced portfolio effectively creates little to no annual taxable income. Functionally, the transactions we enter into are very similar to traditional real estate transactions with respect to the mechanics. A seller agrees to sell to us, a purchase and sale agreement is executed, earnest money is conveyed, and manual diligence and title review is conducted as an audit function prior to closing. Upon closing, the funds are conveyed to the seller and the title is recorded by us in the applicable jurisdiction. Assets can produce for upwards of 20 years; however, there is a considerable regression/depletion curve over the life of the asset. As such, we tend to focus on wells that have recently begun producing or are likely to have new production in the near term. We focus on a closed-loop process from discovery to acquisition to long-term balance sheet ownership. We believe the recurring nature of these cash flows will allow for considerable scale without material increases in fixed overhead.

Phoenix Operating

We currently run our direct drilling activities through PhoenixOp. Throughout 2024 and 2025, we increased the extent to which we run our own direct drilling operations and expect to continue to grow our drilling activities going forward. We intend to actively drill and develop select assets in an effort to maximize value and resource potential, and we will generally seek to increase our production, reserves, and cash flow from operations over time. We have identified a number of potential drilling locations that we believe have the potential for attractive growth and opportunities. In accordance with that business plan, we acquired our second drilling rig in October 2024 and our third drilling rig in April 2025.

Although we believe that running our own direct drilling operations will require significantly greater funds than partnering with a third-party operator, we believe that this strategy will provide greater control of cashflow, increased revenue, and larger potential for shorter payback periods as compared to returns on royalty assets and working interest assets. We expect that this shift in our business model will allow us to capture more of the upside from the use of our specialized software system. As of December 31, 2025, we estimate that we will need to raise approximately \$669.8 million in additional capital through the end of 2028 to fund the development of our reserves.

We expect that such capital needs will be met in the near to medium term by capital contributions to PhoenixOp by us, which we expect to fund from time to time in varying amounts through a combination of cash from operations, the proceeds from unregistered debt offerings, the proceeds of the Adamantium Loan Agreement, the proceeds of debt procured by any future subsidiary lender to us, and the Fortress Credit Agreement.

Our funding of additional amounts to PhoenixOp will not be subject to specific milestones or triggering events, but instead will be guided by our business judgment in order to execute on our intended business plan. We intend to make such capital contributions to PhoenixOp until such time as PhoenixOp procures its own financing, if any, or has sufficient cash from operations to operate without supplemental financing from us. PhoenixOp is currently a borrower under certain of our loan agreements, including the Fortress Credit Agreement and Adamantium Loan Agreement, and could borrow amounts under such agreements directly.

Leases are contributed to PhoenixOp at a value equal to our cost of acquisition of the contributed asset, and we anticipate contributing additional oil and gas properties to PhoenixOp in the future. Leases are generally contributed in order for PhoenixOp to operate extraction activities on such assets with the requisite title and permissions. We expect to only contribute oil and gas properties to PhoenixOp that are located in an area where we own or lease enough continuous productive acreage to support meaningful mineral extraction activities. Whether and when we have properties we decide to contribute to PhoenixOp will depend on, among other things, our ability to

acquire properties from multiple owners, the amount and quality of mineral reserves discovered on such properties, the presence of or proximity to third-party operators with existing extraction activities, and the suitability of the area's topography for drilling and operating producing wells.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of certain material U.S. federal income tax consequences relevant to the purchase, ownership and disposition of the Bonds issued pursuant to this offering but does not purport to be a complete analysis of all potential tax consequences. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or foreign tax laws are not discussed. The discussion is based upon the Internal Revenue Code of 1986, as amended (the “**Code**”), current, temporary and proposed U.S. Treasury regulations issued under the Code, or collectively the Treasury Regulations, the legislative history of the Code, Internal Revenue Service (the “**IRS**”) rulings, pronouncements, interpretations and practices, and judicial decisions now in effect, all of which are subject to change at any time. Any such change may be applied retroactively in a manner that could adversely affect a Bondholder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership, and disposition of the Bonds.

This discussion is limited to holders who hold the Bonds as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment). In addition, this discussion is limited to persons purchasing the Bonds for cash at original issue and at their original “issue price” within the meaning of Section 1273 of the Code (*i.e.*, the first price at which a substantial amount of the Bonds is sold to the public for cash). This discussion does not address all U.S. federal income tax consequences relevant to a holder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such Bondholder’s particular circumstances or to Bondholders subject to special rules, including, without limitation:

- a broker-dealer or a dealer in securities or currencies;
- an S corporation;
- a bank, thrift or other financial institution;
- a regulated investment company or a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person subject to the alternative minimum tax provisions of the Code;
- a person holding the Bonds as part of a hedge, straddle, conversion, integrated or other risk reduction or constructive sale transaction;
- a partnership or other pass-through entity;
- a person deemed to sell the Bonds under the constructive sale provisions of the Code;
- a “controlled foreign corporation,” “passive foreign investment company” and corporations that accumulate earnings to avoid U.S. federal income tax;
- a person subject to special tax accounting rules as a result of any item of gross income with respect to the Bonds being taken into account in an applicable financial statement;
- a U.S. person whose “functional currency” is not the U.S. dollar; or
- a U.S. expatriate or former long-term resident.

As used herein, “**U.S. Holder**” means a beneficial owner of the Bonds that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or

- organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons that have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes holds the Bonds, the tax treatment of an owner of the entity generally will depend upon the status of the particular owner and the activities of the entity. If you are an owner of an entity treated as a partnership for U.S. federal income tax purposes, you should consult your tax advisor regarding the tax consequences of the purchase, ownership and disposition of the Bonds.

THIS SUMMARY OF MATERIAL FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE TAX CONSIDERATIONS DISCUSSED BELOW TO THEIR PARTICULAR SITUATIONS, POTENTIAL CHANGES IN APPLICABLE TAX LAWS AND THE APPLICATION OF ANY STATE, LOCAL, FOREIGN OR OTHER TAX LAWS, INCLUDING GIFT AND ESTATE TAX LAWS, AND ANY TAX TREATIES.

Tax Considerations Applicable to U.S. Holders

Interest

A U.S. Holder generally will be required to recognize and include in gross income any stated interest as ordinary income at the time it is paid or accrued on the Bonds in accordance with such holder's method of accounting for U.S. federal income tax purposes.

The Company may elect to extend the maturity date of the Bonds for up to two additional one-year periods, and the Bonds will bear interest at a rate 1.0% more than the original interest rate during the first one-year extension period and will bear interest at a rate 2.0% more than the original interest rate during the second one-year extension period. See "*Description of Bonds—Interest and Maturity.*" A Bond may be treated as issued with original issue discount ("**OID**") for U.S. federal income tax purposes if there are payments on the Bond which are not unconditionally payable in cash or in property, such as the additional interests payable during the extension periods. If a Bond is issued with OID, the U.S. Holder generally will be required to include OID in gross income (as ordinary income) on an annual basis under a constant yield accrual method, regardless of the regular method of accounting for U.S. federal income tax purposes, and as a result the U.S. Holder generally will include any OID in income in advance of the receipt of cash attributable to such income. However, solely for purposes of determining whether a Bond has OID, the Company will generally be deemed to exercise (or not exercise) any unconditional call option, such as the Company's option to extend the maturity of the Bond, in a way that minimizes the yield on the Bond. We intend to take the position that, for purposes of determining whether the Bonds have OID, the Company will be deemed not to extend the maturity of the Bonds and, that, as a result, there will be no additional interest or OID on the Bonds. The reference to "stated interest" refers to the original stated interest. The remainder of this discussion assumes that the Bonds will not be treated as issued with OID. U.S. Holders are urged to consult their tax advisors regarding the application of the aforementioned rules to the Bonds and the consequences thereof.

Sale or Other Taxable Disposition of the Bonds

A U.S. Holder will recognize gain or loss on the sale, exchange, redemption (including a partial redemption), retirement or other taxable disposition of a Bond equal to the difference between the sum of the cash and the fair market value of any property received in exchange therefore (less a portion allocable to any accrued and unpaid stated interest, which generally will be taxable as ordinary income if not previously included in such holder's income) and the U.S. Holder's adjusted tax basis in the Bond. A U.S. Holder's adjusted tax basis in a Bond (or a portion thereof) generally will be the U.S. Holder's cost therefore decreased by any payment on the Bond other than a payment of qualified stated interest. This gain or loss will generally constitute capital gain or loss. In the case of a non-corporate U.S. Holder, including an individual, if the Bond has been held for more than one year, such capital gain may be subject to reduced federal income tax rates. The deductibility of capital losses is subject to certain limitations.

Information Reporting and Backup Withholding

A U.S. Holder may be subject to information reporting and backup withholding when such holder receives interest and principal payments on the Bonds or proceeds upon the sale or other disposition of such Bonds (including a redemption or retirement of the Bonds). Certain holders (including, among others, corporations and certain tax-exempt organizations) generally are not subject to information reporting or backup withholding. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and:

- such holder fails to furnish its taxpayer identification number, or TIN, which, for an individual is ordinarily his or her social security number;
- the IRS notifies the payor that such holder furnished an incorrect TIN;
- in the case of interest payments such holder is notified by the IRS of a failure to properly report payments of interest or dividends;
- in the case of interest payments, such holder fails to certify, under penalties of perjury, that such holder has furnished a correct TIN and that the IRS has not notified such holder that it is subject to backup withholding; or
- such holder does not otherwise establish an exemption from backup withholding.

A U.S. Holder should consult its tax advisor regarding its qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability or may be refunded, provided the required information is furnished in a timely manner to the IRS.

Tax Considerations Applicable to Non-U.S. Holders

For purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of the Bonds that is neither a U.S. Holder nor an entity treated as a partnership for U.S. federal income tax purposes.

Interest

Interest paid on a Bond to a Non-U.S. Holder that is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States generally will not be subject to U.S. federal income tax, or withholding tax of 30% (or such lower rate specified by an applicable income tax treaty), provided that:

- the Non-U.S. Holder does not, actually or constructively, own 10% or more of our capital or profits;
- the Non-U.S. Holder is not a controlled foreign corporation related to us through actual or constructive stock ownership; and
- either (1) the Non-U.S. Holder certifies in a statement provided to us or other applicable withholding agent under penalties of perjury that it is not a United States person and provides its name and address; (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the Bond on behalf of the Non-U.S. Holder certifies to us or other applicable withholding agent under penalties of perjury that it, or the financial institution between it and the Non-U.S. Holder, has received from the Non-U.S. Holder a statement under penalties of perjury that such holder is not a United States person and provides a copy of such statement to us or other applicable withholding agent; or (3) the Non-U.S. Holder holds its Bond directly through a "qualified intermediary" (within the meaning of applicable Treasury Regulations) and certain conditions are satisfied.

If a Non-U.S. Holder does not satisfy the requirements above, such Non-U.S. Holder may be entitled to a reduction in or an exemption from withholding on such interest as a result of an applicable tax treaty. To claim such entitlement, the Non-U.S. Holder must provide us or other applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming a reduction in or exemption from

withholding tax under the benefit of an income tax treaty between the United States and the country in which the Non-U.S. Holder resides or is established.

If interest paid to a Non-U.S. Holder is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such interest is attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to us or other applicable withholding agent a valid IRS Form W-8ECI, certifying that interest paid on a Bond is not subject to withholding tax because it is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States.

Any such effectively connected interest generally will be subject to U.S. federal income tax at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected interest, as adjusted for certain items.

The certifications described above must be provided to us or other applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Taxable Disposition

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale, exchange, redemption, retirement or other taxable disposition of a Bond (such amount excludes any amount allocable to accrued and unpaid interest, which generally will be treated as interest and may be subject to the rules discussed above in “—**Interest**”) unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable); or
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a foreign corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of interest generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder certifies its non-U.S. status as described above under “—**Interest**.” However, information returns are required to be filed with the IRS in connection with any interest paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of a Bond (including a retirement or redemption of the Bond) within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the

statement described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Proceeds of a disposition of a Bond paid outside the United States and conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "**FATCA**") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on payments of interest on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, a Bond paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of interest on a Bond. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of a Bond on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in the Bonds.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and, in certain instances, holding of the Bonds, or any interest therein, by (i) employee benefit plans subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), (ii) plans described in Section 4975 of the Code which are subject to Section 4975 of the Code (including an individual retirement account (“**IRA**”)) or provisions under other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code (collectively, “**Similar Laws**”), and (iii) entities whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each of clauses (i), (ii) and (iii), a “**Plan**”).

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (each, a “**Covered Plan**”) and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises discretionary authority or control over the administration of a Covered Plan or the management or disposition of the assets of a Covered Plan, or who renders investment advice for a fee or other compensation to a Covered Plan, is generally considered to be a fiduciary of the Covered Plan.

When considering an investment in the Bonds, or any interest therein, with the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code and any Similar Laws relating to a fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any applicable Similar Laws.

Plan fiduciaries should consider the fact that neither we nor any of our affiliates (the “**Transaction Parties**”) is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase and/or hold the Bonds, or any interest therein. The Transaction Parties are not undertaking to provide impartial investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to such decision to purchase the Bonds, or any interest therein.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of Section 406 of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and may result in the disqualification of an IRA. In addition, the fiduciary of the Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code.

The acquisition and/or holding of the Bonds, or any interest therein, by a Covered Plan with respect to which a Transaction Party is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. Included among these statutory exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code, which exempt certain transactions (including, without limitation, a sale and purchase of securities) between a Covered Plan and a party in interest so long as (i) such party in interest is treated as such solely by reason of providing services to the Covered Plan, (ii) such party in interest is not a fiduciary that renders investment advice, or has or exercises discretionary authority or control, with respect to the plan assets involved in such transaction, or an affiliate of any such person and (iii) the Covered Plan neither receives less than nor pays more than “adequate consideration” (as defined in such Sections) in connection with such transaction. In addition, the U.S. Department of Labor has issued prohibited transaction class exemptions (“**PTCEs**”) that may apply to the acquisition and holding of the Bonds. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. Each of the above-noted exemptions contains conditions and limitations on its application. Fiduciaries of Covered Plans considering

acquiring and/or holding the Bonds in reliance on these or any other exemption should carefully review the exemption to assure it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Government plans, foreign plans and certain church plans, while not subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, may nevertheless be subject to Similar Laws. Fiduciaries of such Plans should consult with their counsel before acquiring the Bonds, or any interest in the Bonds.

Because of the foregoing, the Bonds, or any interest in the Bonds, should not be purchased or held by any person investing “plan assets” of any Plan, unless such purchase and holding will not constitute a nonexempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

Representations

Accordingly, by its acceptance of a Bond, or any interest therein, each purchaser and holder of a Bond, or interest therein, and any subsequent transferee of a Bond, or any interest therein, will be deemed to have represented and warranted that (a) either (i) such purchaser or subsequent transferee is not, and is not using the assets of, a Plan to acquire or hold the Bond, or any interest therein, or (ii) the purchase and holding of a Bond, or any interest therein, by such purchaser or transferee does not, and will not, constitute a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code or a similar violation under any applicable Similar Laws and (b) none of the Transaction Parties is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase or hold the Bonds or is undertaking to provide impartial investment advice or give advice in a fiduciary capacity with respect to the decision to purchase or hold the Bonds.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing and/or holding of the Bonds, or any interest therein, on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code or any Similar Law and whether an exemption would be required. Neither this discussion nor anything provided in this offering circular is, or is intended to be, investment advice directed at any potential Plan purchasers, or at Plan purchasers generally, and such purchasers of the Bonds should consult and rely on their own counsel and advisers as to whether an investment in the Bonds, or any interest therein, is suitable for the Plan.

ADDITIONAL INFORMATION

We will answer inquiries from prospective subscribers concerning the Company and other matters relating to the offer and sale of the Bonds, and we will afford prospective subscribers the opportunity to obtain any additional information to the extent we possesses such information or can acquire such information without unreasonable effort or expense.

SECOND AMENDED AND RESTATED PRIVATE PLACEMENT MEMORANDUM



**PHOENIX
ENERGY**

PHOENIX ENERGY ONE, LLC

F/K/A PHOENIX CAPITAL GROUP HOLDINGS, LLC

June 30, 2026

This Second Amended and Restated Private Placement Memorandum (as may be supplemented and including any exhibits hereto, this “Memorandum”) of Phoenix Energy One, LLC, formerly known as Phoenix Capital Group Holdings, LLC, (the “Company”) was prepared solely for use in connection with the offering. Recipients of this Memorandum may not distribute it or disclose the contents of it to anyone without the prior written consent of the Company, other than to persons who advise potential investors in connection with the offering, or otherwise use the same for any purpose other than evaluation by such prospective investor of the offering. The recipient, by accepting delivery of this Memorandum, agrees to return this Memorandum and all documents furnished herewith to the Company or its representatives upon request if the recipient does not purchase any of the securities offered hereby or if the offering is withdrawn or terminated.

This Memorandum supersedes in its entirety that certain Amended and Restated Private Placement Memorandum of the Company, dated May 14, 2025 (including any supplement thereto), any prior private placement memorandum or other investment information (including any offering document, marketing information or supplement to any of the foregoing) provided by the Company and its representatives and agents.

The information in this Memorandum is current only as of the above date (unless such earlier date is referenced herein, then the information is as of such date) and may change after that date.

Exhibit A

Form of Subscription Agreement

PHOENIX ENERGY ONE, LLC

SUBSCRIPTION AGREEMENT INSTRUCTION PAGE

We, Phoenix Energy One, LLC (“we,” “our,” “us,” or the “Company”), are offering a maximum of \$2,000,000,000 in the aggregate of its Series U–Z, Series U-1 – Z-1, Series AA – EE, Series AA-1 – EE-1, Series FF – JJ and Series FF-1 – JJ-1 Bonds (the “Bonds”) pursuant to the Confidential Private Placement Memorandum (as supplemented or amended, the “Memorandum”) dated June 30, 2026 (the “Offering”). Each Bond will be sold at a public offering price of \$1,000 per Bond. The minimum purchase amount (the “Minimum Purchase”) is: \$25,000 for Series U–Z and U-1 – Z-1 Bonds; (ii) \$500,000 for Series AA – EE and AA-1 – EE-1 Bonds; \$1,000,000 for Series FF – JJ and FF-1 – JJ-1 Bonds. All capitalized terms not otherwise defined shall have the meanings ascribed to such terms in the Memorandum.

The Company will conduct closings at its own discretion until the offering termination. Once a subscription has been submitted and accepted by the Company, an investor will not have the right to request the return of its subscription payment prior to the closing date. It is expected that settlement will occur on the same day as each closing date. On each closing date, offering proceeds for that closing will be disbursed to us and Bonds will be issued to investors, or the “Bondholders.”

Subscription Agreement Instructions to Subscribers

- 1) Section 1 - Indicate investment amount for Bonds.
- 2) Section 2 - Select Bond Series
- 3) Section 3 - Indicate your method of payment. Please reference the table titled Funding Options on page 2.
- 4) Section 4 - Indicate type of ownership.
- 5) Section 5 - Provide all names, addresses, dates of birth, Social Security or Tax ID numbers of all investors or trustees.
- 6) Section 6 - Select distribution option.
- 7) Section 7 - Consent to the electronic delivery of documents.
- 8) Section 8 - Read each of the acknowledgements and representations. Your signature in Section 9 indicates that you have read Section 8, in its entirety, and the Company may rely on your signature that you understand and/or meet the acknowledgements and representations contained therein.
- 9) Section 9 - Execute the Subscription Agreement.

Non-custodial Ownership

- Accounts with more than one owner must have ALL PARTIES SIGN in Section 9.
- Be sure to attach copies of all requested documents for Pension Plans, Trusts, or Corporate Partnerships required in Section 4.

Custodial Ownership

- For new IRA / Qualified Plan Accounts, please complete the form / application provided by your custodian of choice in addition to this Subscription Agreement and forward to the custodian for processing.
- For existing IRA Accounts and other Custodial Accounts, information must be completed BY THE CUSTODIAN.
- Have all documents signed by the appropriate officers as indicated in the Corporate Resolution.

Funding Options:

Options Number	Funding Source	Funding Instructions
Method 1	Check	MAIL TO: Phoenix Energy One, LLC Attn: Investor Relations 18575 Jamboree Rd, Suite 830, Irvine, CA 92612
Method 2	ACH <i>*Preferred Method*</i>	Complete Information on Page 3
Method 3	Wire	Amarillo National Bank ABA No.: 111300958 Acct No.: 319279 Acct Name: Phoenix Energy One, LLC Ref: [Investor Name] Address: 18575 Jamboree Rd, Suite 830, Irvine, CA 92612

Phone: (303) 376-9778 | For IRA Accounts, mail investor signed documents to the IRA Custodian for signatures

(REMAINDER OF PAGE LEFT BLANK – SUBSCRIPTION AGREEMENT FOLLOWS)

SUBSCRIPTION AGREEMENT

Series U – Z and Series U-1 – Z-1 Bonds
Series AA – EE and Series AA-1 – EE-1 Bonds
Series FF – JJ and Series FF-1 – JJ-1 Bonds

Issued by:

PHOENIX ENERGY ONE, LLC

1. Investment

☐ **Initial Investment** (minimum initial investment of \$25,000)

☐ **Additional Investment in this Offering** (minimum of \$1,000 up to any multiple of \$1,000)

Bonds Subscription Amount: \$ _____ **# of Bonds:** _____

2. Bond Series (Select only one)

Series U-Z and Series U1-Z1 Bonds: (minimum initial investment of \$25,000)

1 Year (9.00% Bonds):

☐ Series **U** (Simple Interest)

☐ Series **U-1** (Compound Interest)

3 Years (10.00% Bonds):

☐ Series **V** (Simple Interest)

☐ Series **V-1** (Compound Interest)

5 Years (11.00% Bonds):

☐ Series **W** (Simple Interest)

☐ Series **W-1** (Compound Interest)

7 Years (12.00% Bonds):

☐ Series **X** (Simple Interest)

☐ Series **X-1** (Compound Interest)

11 Years (13.00% Bonds):

☐ Series **Z** (Simple Interest)

☐ Series **Z-1** (Compound Interest)

Series AA-EE and Series AA1-EE1 Bonds: (minimum initial investment of \$500,000)

1 Year (9.50% Bonds):

☐ Series **AA** (Simple Interest)

☐ Series **AA-1** (Compound Interest)

3 Years (10.50% Bonds):

☐ Series **BB** (Simple Interest)

☐ Series **BB-1** (Compound Interest)

5 Years (11.50% Bonds):

☐ Series **CC** (Simple Interest)

☐ Series **CC-1** (Compound Interest)

7 Years (12.50% Bonds):

☐ Series **DD** (Simple Interest)

☐ Series **DD-1** (Compound Interest)

11 Years (13.50% Bonds):

☐ Series **EE** (Simple Interest)

☐ Series **EE-1** (Compound Interest)

Series FF-JJ and Series FF1-JJ1 Bonds: (minimum initial investment of \$1,000,000)

1 Year (10.00% Bonds):

☐ Series **FF** (Simple Interest)

☐ Series **FF-1** (Compound Interest)

3 Years (11.00% Bonds):

☐ Series **GG** (Simple Interest)

☐ Series **GG-1** (Compound Interest)

5 Years (12.00% Bonds):

☐ Series **HH** (Simple Interest)

☐ Series **HH-1** (Compound Interest)

7 Years (13.00% Bonds):

☐ Series **II** (Simple Interest)

☐ Series **II-1** (Compound Interest)

11 Years (14.00% Bonds):

☐ Series **JJ** (Simple Interest)

☐ Series **JJ-1** (Compound Interest)

If you are making your investment through a broker-dealer or registered investment advisor, please provide the following Information related to such broker-dealer or registered investment advisor:

Name of Firm: _____ CRD/Branch Number: _____

Name of individual: _____

Phone #: _____

Email: _____

3. Investment Funding Instructions

- ☐ **By Check**– Submit check with your signed subscription agreement.
- ☐ **By ACH (*preferred method*)** – Complete your banking information below.

By checking the box above, I authorize the Company to pull the investment amount on this subscription agreement from the account indicated below:

Name of Financial Institution:	Your Bank's ABA Routing #:
Your Account #:	Name on Account or FBO:
Mailing Address:	City, State, Zip Code:
Account Type: ☐ Checking ☐ Savings	

Please attach a pre-printed, voided check or account statement.

The withdrawal services above cannot be established without a pre-printed, voided check or account statement.
For Electronic Funds Transfers, the signatures of the bank account owner(s) must appear exactly as they appear on the bank registration.

- ☐ **By Wire Transfer** — Forward this Subscription Agreement to the address listed above. Wiring instructions are as set forth on page 1 of the subscription agreement.
- ☐ **Custodial Accounts** — Forward this Subscription Agreement directly to the custodian

4. **Type of Ownership** (Select only one.)

Non-Custodial Ownership	Custodial Ownership
☐ Individual — One signature required. ☐ Joint Tenants with Rights of Survivorship — All parties must sign. ☐ Community Property — All parties must sign. ☐ Tenants in Common — All parties must sign. ☐ Uniform Gift to Minors Act — State of _____ Custodian signature required. ☐ Uniform Transfer to Minors Act — State of _____ Custodian signature required. ☐ Qualified Pension or Profit Sharing Plan — Include plan documents. ☐ Trust — Include title, signature and “Powers of the Trustees” pages. ☐ Corporation — Include corporate resolution, articles of incorporation and bylaws. Authorized signature required. ☐ Partnership — Include partnership agreement. Authorized signature(s) required. ☐ Limited Liability Company – Include operating agreement. Authorized signature(s) required. ☐ Other (Specify) — _____ Include title and signature pages.	☐ Traditional IRA — Owner and custodian signatures required. ☐ Roth IRA — Owner and custodian signatures required. ☐ Simplified Employee Pension/Trust (SEP) — Owner and custodian signatures required. ☐ KEOGH — Owner and custodian signatures required. ☐ Other — _____ Owner and custodian signatures required. Custodian Information (To be completed by custodian.) Name of Custodian: Mailing Address: City, State, Zip Code: Custodian Tax ID #: Custodian Account #: Custodian Phone #:

5. **Investor Information** (You must include a permanent street address even if your mailing address is a P.O. Box.)

Individual/Beneficial Owner: (Please print name(s) to whom Bonds are to be registered.)

First, Middle, Last Name:	Social Security #:
Street Address:	City, State, Zip Code:
Daytime Phone #:	Date of Birth:
Citizenship (If Not a US Citizen, Specify Country):	E-mail Address:

Joint Owner: *(If applicable)*

First, Middle, Last Name:	Social Security #:
Street Address:	City, State, Zip Code:
Daytime Phone #:	Date of Birth:
Citizenship <i>(If Not a US Citizen, Specify Country):</i>	E-mail Address:

Trust: *(Exactly as registered with the IRS)*

Name of Trust:	Tax ID #: Date of Trust:
Name(s) of Trustee(s)*:	Name(s) of Beneficial Owner(s)*:
Beneficial Owner(s) Street Address:	City, State, Zip Code:
Social Security #:	Date of Birth:
Occupation:	E-mail Address:

Corporation/Partnership/Other: *(Exactly as registered with the IRS)*

Name of Entity:	Tax ID #: Date of Entity Formation:
Name(s) of Officer(s), General Partner or Authorized:	Additional Name of Authorized Person <i>(if any)</i> :
Legal Street Address:	City, State, Zip Code:

*If there is more than one trustee or beneficial owner, we will require documents for the requested information for each additional trustee and/or beneficial owner.

6. Distribution Options for Non-Qualified Accounts (Select only one.)

I (we) hereby subscribe for the Bond(s) of Phoenix Energy One, LLC and elect the distribution option indicated below (*choose one of the three options*):

- ☐ **I have chosen a compounding bond offering. I understand that interest will be compounded monthly and will be paid upon maturity of the bond.**
- ☐ **I choose to have payments of interest and principal mailed to me at the address listed in Section 5.**
- ☐ **I choose to have payments of interest and principal deposited in a checking, savings or brokerage account.**

I authorize the Company or its agent to deposit my payment to the account indicated below. This authority will remain in force until I notify the Company to cancel it. In the event that the Company deposits funds erroneously into my account, the Company is authorized to debit my account for the amount of the erroneous deposit.

Name of Financial Institution:	Your Bank's ABA Routing #:
Your Account #:	Name on Account or FBO:
Mailing Address:	City, State, Zip Code:
Account Type: ☐ Checking ☐ Savings ☐ Brokerage	

Please attach a pre-printed, voided check.

The deposit services above cannot be established without a pre-printed, voided check or account statement. For Electronic Funds Transfers, the signatures of the bank account owner(s) must appear exactly as they appear on the bank registration. If the registration at the bank differs from that on this Subscription Agreement, all parties must sign below.

Signature of individual / Trustee/ Beneficial Owner

Date

Printed Name

Signature of individual / Trustee/ Beneficial Owner

Date

Printer Name

7. Electronic Delivery of Documents

In lieu of receiving documents by mail, I authorize the company to send electronically any reports required to be delivered to me, as well as any investment or marketing updates, and to notify me via e-mail when such reports or updates are available. Any investor who elects this option must provide an e-mail address below. Please carefully read the following representations before consenting to receive documents electronically. If you check this box, you represent the following:

- (a) I acknowledge that access to the internet, email and the World Wide Web is required in order to access documents electronically. I may receive by email notification the availability of a document in electronic format. The notification e-mail will contain a web address (or hyperlink) where the document can be found. By entering this address into my web browser, I can view, download and print the document from my computer. I acknowledge that there may be costs associated with the electronic access, such as usage charges from my internet provider and telephone provider, and that these costs are my responsibility.
- (b) I acknowledge that documents distributed electronically may be provided in Adobe's Portable Document Format (PDF). The Adobe Reader software is required to view documents in PDF. The reader software is available free of charge from Adobe's web site at www.adobe.com. The Adobe Reader software must be correctly installed on my system before I will be able to view documents in PDF. Electronic delivery also involves risks related to system or network outage that could impair my timely receipt of or access to bond holder communications.
- (c) I acknowledge that I may receive at no cost from the Company a paper copy of any documents delivered electronically by contacting the Company.
- (d) I understand that if the e-mail notification is returned to the Company as "undeliverable," a letter will be mailed to me with instructions on how to update my e-mail address to begin receiving communications via electronic delivery. I further understand that if the Company is unable to obtain a valid e-mail address for me, the Company will resume sending a paper copy of its filings by U.S. mail to my address of record.
- (e) I understand that my consent may be updated, including any updates in e-mail address to which documents are delivered, at any time by contacting the Company.

E-mail Address: _____

8. Investor Acknowledgements and Representations

All capitalized terms not otherwise defined shall have the meanings ascribed to such terms in the Memorandum:

- (a) I am acquiring the Bonds for my own account, and not with a view to, or for, resale or distribution in violation of the Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any U.S. state or the securities laws of any other applicable jurisdiction. No person has a direct or indirect beneficial interest in the Bonds to be issued to me under this Agreement and I do not have any contract, understanding, agreement or arrangement with any person to sell, assign, transfer or otherwise dispose of any the Bonds to any person.
- (b) I am an "accredited investor," as that term is defined in Rule 501(a) of Regulation D under the Securities Act.
- (c) If a natural person, I hereby represent and warrant that I am an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended (initial as appropriate):

Primary Investor: Additional Investor:

_____ (a) I have an individual net worth, or joint net worth with my spouse (or spousal equivalent), of more than \$1,000,000 *excluding primary residence* (see the Memorandum under “WHO MAY INVEST”) but including home furnishings and personal automobiles.

_____ (b) I have individual income in excess of \$200,000 or joint income with my spouse (or spousal equivalent) in excess of \$300,000, in each of the two most recent years and I have a reasonable expectation of reaching the same income level in the current year.

_____ (c) I am a holder in good standing of one or more of certain professional certifications or designations, including the Financial Industry Regulatory Authority, Inc. Licensed General Securities Representative (Series 7), Licensed Investment Adviser Representative (Series 65), or Licensed Private Securities Offerings Representative (Series 82) certifications.

_____ (d) I am one or more of the following: director, officer, or general partner of the Company or person serving in a similar capacity, or any director, officer, general partner, or person serving in a similar capacity of the general partner of the Company.

(d) If other than a natural person, such entity represents and warrants that (initial as appropriate):

It is an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended, which includes:

- _____ any entity in which all of the equity owners are accredited investors;
- _____ any entity with investments (as defined in Section 2a51-1(b) of the Investment Company Act) exceeding \$5,000,000, not formed for the specific purpose of acquiring Bonds;
- _____ any investment adviser registered under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), or an exempt reporting adviser (as defined in Section 203(l) or Section 203(m) of the Advisers Act), or a state-registered investment adviser;
- _____ any trust, with total assets over \$5,000,000, not formed for the specific purpose of acquiring Bonds and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Bonds as described in Rule 506(b)(2)(ii) under the Securities Act;
- _____ any family client of a family office with total assets of at least \$5,000,000, not formed for the specific purpose of acquiring Bonds and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that the family office is capable of evaluating the merits and risks of an investment in Bonds as described in Section 202(a)(11)(G)-1(b) under the Advisers Act;
- _____ any broker-dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended;
- _____ any investment company registered under the Investment Company Act or a business development company (as defined in Section 2(a)(48) of the Investment Company Act);
- _____ any small business investment company licensed by the Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958, as amended;
- _____ any rural business investment company (as defined in Section 384A of the Consolidated Farm and Rural Development Act);

- any employee benefit plan within the meaning of ERISA, if the investment decision is made by a plan fiduciary (as defined in Section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if such employee benefit plan has total assets over \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors;
- any private business development company (as defined in Section 202(a)(22) of the Advisers Act);
- any bank as defined in Section 3(a)(2) of the Securities Act, any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity, or any insurance company as defined in Section 2(13) of the Securities Act;
- any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets of more than \$5,000,000.
- any organization described in Code Section 501(c)(3), corporation, Massachusetts or similar business trust, partnership, or limited liability company, not formed for the specific purpose of acquiring Bonds, with total assets over \$5,000,000.

Furthermore, if other than a natural person, such entity represents and warrants that it meets the requirements of the initialed category: **(INITIAL AND COMPLETE THE APPLICABLE CATEGORY)**

- (a) The entity is purchasing the Bonds with funds that constitute, directly or indirectly, the assets of a Benefit Plan Investor (defined below). The entity hereby represents and warrants that its investment in the Company: (i) does not violate and is not otherwise inconsistent with the terms of any legal document constituting or governing the employee benefit plan; (ii) has been duly authorized and approved by all necessary parties; and (iii) is in compliance with all applicable laws.
- (b) The entity is not purchasing the Bonds with funds that constitute, directly or indirectly, the assets of a “Benefit Plan Investor” (defined below).

The term “*Benefit Plan Investor*” means a benefit plan investor within the meaning of U.S. Department of Labor Regulation 29 C.F.R. Section 2510.3-101, which includes (i) any employee benefit plan (as defined in Section 3(3) of ERISA), whether or not such plan is subject to Title I of ERISA (which includes both U.S. and Non-U.S. plans, plans of governmental entities as well as private employers, church plans and certain assets held in connection with nonqualified deferred compensation plans); (ii) any plan described in Code Section 4975(e)(1) (which includes a trust described in Code Section 401(a) which forms a part of a plan, which trust or plan is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account described in Code Sections 408(a) or 408A, an individual retirement annuity described in Code Section 408(b), a medical savings account described in Code Section 220(d), and an education individual retirement account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because twenty-five percent (25%) or more of a class of interests in the entity is owned by plans). Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered “plan assets” and the assets of any insurance company separate account or bank common or collective trust in which plans invest. 100% of an investor's interests whose underlying assets include “plan assets,” such as a fund investor, shall be treated as “plan assets” by the Trustees for purposes of meeting an exemption under the Department of Labor regulation.

- (e) I understand that no governmental entity, including the U.S. Securities and Exchange Commission (the “Commission”) or the securities commission or authorities of any other jurisdiction, has approved or disapproved the Bonds, passed upon or endorsed the merits of the offering of the Bonds, or made any finding or determination as to the fairness of the Bonds to investors.
- (f) I have full power and authority to enter into, execute, deliver, and perform my obligations under this Agreement, and when signed and delivered by or on behalf of myself, are or will be my legal and binding obligations, enforceable against me in accordance with their terms.

- (g) No person acting on behalf of or under my authority is or will be entitled to any broker's, finder's, or similar fee or commission in connection with the purchase of the Bonds.
- (h) I have been encouraged to rely upon the advice of my own legal counsel and accountants or other financial advisors with respect to the tax and other considerations relating to my acquisition of the Bonds and the other transactions contemplated by this Agreement. I have been offered, during the course of discussions concerning the transactions contemplated by this Agreement, the opportunity to ask such questions and inspect such documents concerning the Company and its business and affairs as I have requested, so as to understand more fully the nature of my purchase of the Bonds and to verify the accuracy of the information supplied.
- (i) I have such knowledge of, and experience in, financial and business matters as to be capable of (A) evaluating the merits and risks of, and bearing the economic risks entailed by, an investment in the Bonds and (B) protecting my interests in connection with that investment. I acknowledge that an investment in the Bonds involves a high degree of risk.
- (j) I understand that the Bonds are, and will remain, illiquid. I have reviewed my financial condition and commitments, and discussed those matters with advisors to the extent that I consider necessary. Based on that review, I am satisfied that I (A) have adequate means of providing for my financial needs without selling, transferring or otherwise disposing of any the Bonds and (B) am capable of bearing the economic risk of (y) investing in the Bonds for an indefinite period of time and (z) the possible loss of all or part of my investment in the Bonds.
- (k) I represent that I have delivered or will deliver to the Company and any third party identified by the Company, including the Dealer Manager, that certain information and due diligence reasonably requested to verify my status as an accredited investor, as required by Rule 506(c) of Regulation D. I acknowledge that I will not be permitted to subscribe until the Company has received certification of my accredited investor status.
- (l) I understand that the Company may engage an independent third-party verification provider to perform such verifications or utilize other methods pursuant to Rule 506(c) of Regulation D. Such independent third-party verification provider may contact me directly, and I must promptly work with the verification provider to complete the verification process. The cost of such verification will be paid by the Company.
- (m) I have received, read and fully understand the Memorandum and am basing my decision to invest solely on the information contained in the Memorandum. I have relied only on the information contained in the Memorandum and has not relied on any representations made by any other person.
- (n) I represent that neither, myself nor any subsidiary, affiliate, owner, shareholder, partner, indemnitor, guarantor or related person or entity: (a) is a Sanctioned Person (as defined below); (b) has more than 15% of its assets in Sanctioned Countries (as defined below); or (c) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. For purposes of the foregoing, a "Sanctioned Person" means: (a) a person named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("OFAC") at <http://www.treas.gov/offices/eotffc/ofac/>, or as otherwise published from time to time, or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country, or (iii) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A "Sanctioned Country" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at <http://www.treas.gov/offices/eotffc/ofac/>, or as otherwise published from time to time.
- (o) I represent that I understand that the Bonds are "restricted securities" under applicable federal securities laws and that the Securities Act and the rules of the Commission provide in substance that the undersigned may dispose of the Bonds only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act, and the undersigned understands that the Company has no obligation or intention to register any of the Bonds or the offering or sale thereof, or to take action so as to permit offers or sales pursuant to the Securities Act or an exemption from registration thereunder (including pursuant to Rule 144 thereunder). Accordingly, the undersigned understands that under the Commission's rules, the undersigned may dispose of the Bonds only with the written consent of the Company and only in "private placements" which are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities," subject to the same limitations that apply to the Bonds in the hands of the undersigned. Furthermore, I represent that:

(A) I will not sell, assign, pledge, give, transfer or otherwise dispose of the Bonds or any interest therein, or make any offer or attempt to do any of the foregoing, unless the transaction is (i) expressly consented to by the Company in writing; and (ii) is registered under the Securities Act and complies with the requirements of all applicable state securities laws or is exempt from the registration provisions of the Securities Act and all applicable requirements of state securities laws;

(B) that the Bonds will bear a legend making reference to the foregoing restrictions; and (C) that the Company and its affiliates shall not be required to give effect to any purported transfer of such Bonds.

- (p) I understand that the Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgements and understandings set out in this Agreement in order to determine the suitability of myself to acquire the Bonds.
- (q) The foregoing representations, warranties and agreements shall survive my signing of this Agreement and the issuance of the Bonds to me.
- (r) Any notices shall be deemed to have been received by you upon electronic delivery to your e-mail address provided to the Company in this Agreement or otherwise.

By making the foregoing representations you have not waived any right of action you may have under federal or state securities law. Any such waiver would be unenforceable. The company will assert your representations as a defense in any subsequent litigation where such assertion would be relevant. This Subscription Agreement and all rights hereunder shall be governed by, and interpreted in accordance with, the laws of the State of Delaware without giving effect to the principles of conflict of laws.

9. Investor Signatures

Digital (“electronic”) signatures, often referred to as an “e-signature”, enable paperless contracts and expedite business transactions. The 2001 E-Sign Act was meant to ease the adoption of electronic signatures. The mechanics of this Subscription Agreement’s electronic signature include your signing this Agreement below by typing in your name, with the underlying software recording your IP address, your browser identification, the timestamp, and a securities hash within an SSL encrypted environment. This electronically signed Subscription Agreement will be available to both, you and the Company, as well as any associated brokers, so they can store and access it at any time, and it will be stored and accessible on www.rocxplatform.com. You and the Company each hereby consents and agrees that electronically signing this Subscription Agreement constitutes your signature, acceptance and agreement as if actually signed by you in writing. Further, all parties agree that no certification authority or other third-party verification is necessary to validate any electronic signature; and that the lack of such certification or third-party verification will not in any way affect the enforceability of your signature or resulting contract between you and the Company. You understand and agree that your e-signature executed in conjunction with the electronic submission of this Subscription Agreement shall be legally binding and such transaction shall be considered authorized by you. You agree your electronic signature is the legal equivalent of your manual signature on this Subscription Agreement. You consent to be legally bound by this Subscription Agreement’s terms and conditions. Furthermore, you and the Company, each hereby agrees that all current and future notices, confirmations and other communications regarding this Subscription Agreement specifically, and future communications in general between the parties, may be made by email, sent to the email address of record as set forth in this Subscription Agreement or as otherwise from time to time changed or updated and disclosed to the other party, without necessity of confirmation of receipt, delivery or reading, and such form of electronic communication is sufficient for all matters regarding the relationship between the parties. If any such electronically sent communication fails to be received for any reason, including but not limited to such communications being diverted to the recipients spam filters by the recipients email service provider, or due to a recipient’s change of address, or due to technology issues by the recipients service provider, the parties agree that the burden of such failure to receive is on the recipient and not the sender, and that the sender is under no obligation to resend communications via any other means, including but not limited to postal service or overnight courier, and that such communications shall for all purposes, including legal and regulatory, be deemed to have

been delivered and received. No physical, paper documents will be sent to you, and if you desire physical documents then you agree to be satisfied by directly and personally printing, at your own expense, the electronically sent communication(s) and maintaining such physical records in any manner or form that you desire.

Your Consent is Hereby Given: By signing this Subscription Agreement electronically, you are explicitly agreeing to receive documents electronically including your copy of this signed Subscription Agreement as well as ongoing disclosures, communications and notices.

(SIGNATURE PAGE FOLLOWS)

SIGNATURES:

THE UNDERSIGNED HAS THE AUTHORITY TO ENTER INTO THIS PURCHASER QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT ON BEHALF OF THE PERSON(S) OR ENTITY REGISTERED ABOVE.

Signature of Individual/Trustee/Beneficial Owner/Custodian

Date

Printed Name

Signature of Joint Owner/Co-trustee

Date

Printed Name

FIRM ACKNOWLEDGMENT:

Signature – Firm Principal

Date

Printed Name

Signature – Authorized Representative

Date

Printed Name

SUBSCRIPTION ACCEPTED:

PHOENIX ENERGY ONE, LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____ Date: _____

Addendum A

BROKER-DEALER REPRESENTATIONS AND WARRANTIES

Investor suitability requirements have been established by the Company and are in the Memorandum. Before recommending the purchase of Bonds, we have reasonable grounds to believe, on the basis of information supplied by the Investor concerning his or her investment objectives, other investments, financial situation and needs, and other pertinent information that: (i) the Investor is an “accredited investor” as defined in Section 501(a) of Regulation D of the Securities Act of 1933; (ii) the Investor meets the investor suitability requirements established by the Company; (iii) the acquisition of Bonds is a suitable investment for such Investor, as may be required by the Memorandum and all applicable laws, rules, and regulations; (iv) the Investor is or will be in a financial position appropriate to enable such Investor to realize to a significant extent the benefits described in the Memorandum; (v) the Investor has a fair market net worth and income sufficient to sustain the risks inherent in the Investor’s acquisition of the Bonds, including loss of investment and lack of liquidity; and (vi) the Bonds are otherwise a suitable investment for the Investor. We will maintain in our files documents disclosing the basis upon which the suitability of this Investor was determined as well as documents establishing a pre-existing relationship with the Investor.

We verify that the above subscription either does not involve a discretionary account or, if so, that the Investor’s prior written approval was obtained relating to the liquidity and marketability of the Bonds during the term of the investment.

Purchaser Name: _____

Broker-Dealer Firm Name: _____

Registered Representative: _____

(Please Print)

Registered Representative’s BRANCH ADDRESS, City, State, Zip:

Registered Representative CRD # _____

Branch Phone Number (_____) _____

E-mail address: _____

I certify that I am registered to sell securities in the state in which this investor(s) reside(s).

INITIAL _____ Reg. Rep.

I certify that I am currently licensed with the FINRA and all necessary state regulatory agencies to sell the security which is the subject of this document.

INITIAL _____ Reg. Rep.

Each of the undersigned hereby certifies that the registered representative identified herein is the only person who will receive any compensation, directly or indirectly, for the solicitation of this/these investor’s/s’ subscription for Bonds and is not subject to any disqualifying event. The Broker- Dealer reaffirms the representations and warranties in Section 2 of the Managing Broker-Dealer Agreement and/or Section 1 of the Soliciting Dealer Agreement with respect to the offering of the Bonds to which the Broker-Dealer is a party.

Signature of Registered Representative (Required)

Signature of Broker Dealer Principal (Required)

Exhibit B

Indenture (as supplemented)

Indenture dated as of August 25, 2023, as amended by the First Supplemental Indenture dated as of August 20, 2024, the Second Supplemental Indenture dated as of October 17, 2024, the Third Supplemental Indenture dated as of May 14, 2025, the Fourth Supplemental Indenture dated as of March 16, 2026, and the Fifth Supplemental Indenture dated as of June 30, 2026

PHOENIX CAPITAL GROUP HOLDINGS LLC

a Delaware limited liability company

Issuer

AND

UMB Bank, N.A.

Trustee

INDENTURE

Dated as of August 25, 2023

Unsecured Subordinated Debt Securities

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⁽¹⁾This Table of Contents does not constitute part of the Indenture and shall not have any bearing on the interpretation of any of its terms or provisions.

INDENTURE

INDENTURE, dated as of August 28, 2023, between PHOENIX CAPITAL GROUP HOLDINGS LLC, a Delaware limited liability company (the “Company” or the “Issuer”), and UMB BANK, N.A. as trustee (the “Trustee”):

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of subordinated unsecured debt securities (hereinafter referred to as the “Bonds”), in initial maximum aggregate principal amount of Seven Hundred Fifty Million Dollars (\$750,000,000.00) as such maximum aggregate amount of Bonds may be increased by \$250,000,000, up to \$1,000,000,000 in the Company’s sole discretion under Rule 506(c) of Regulation D, to be issued as Bonds, to be authenticated by the certificate of the Trustee;

WHEREAS, to provide the terms and conditions upon which the Bonds are to be authenticated, issued and delivered, the Company has duly authorized the execution of this Indenture; and

WHEREAS, all things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

NOW, THEREFORE, in consideration of the premises and the purchase of the Bonds by the holders thereof, it is mutually covenanted and agreed as follows for the equal and ratable benefit of the holders of Bonds.

ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions of Terms.

The terms defined in this Section (except as in this Indenture otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section and shall include the plural as well as the singular. All other terms used in this Indenture that are defined in the Trust Indenture Act of 1939, as amended, or that are by reference in said Trust Indenture Act defined in the Securities Act of 1933, as amended (except as herein otherwise expressly provided or unless the context otherwise requires), shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of the execution of this instrument.

“Affiliate” as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Applicable Governmental Agency” means any of: (1) the Social Security Administration; (2) the U.S. Office of Personnel Management; or (3) the Veteran’s Benefits Administration.

“Authenticating Agent” means an authenticating agent with respect to the Bonds appointed by the Trustee pursuant to Section 2.09.

“Bankruptcy” means, with respect to any Bondholder the final adjudication related to (i) the filing of any petition seeking to adjudicate the Bondholder bankrupt or insolvent, or seeking for itself any liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of such Bondholder or such Bondholder’s debts under any law relating to bankruptcy, insolvency, or reorganization or relief of debtors, or seeking, consenting to, or acquiescing in the entry of an order for relief or the appointment of a receiver, trustee, custodian, or other similar official for such Person or for any substantial part of its property, or (ii) without the consent or acquiescence of such Bondholder, the entering of an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or other similar relief under any bankruptcy, liquidation, dissolution, or other similar statute, law, or regulation, or, without the consent or acquiescence of such Bondholder, the entering of an order appointing a trustee, custodian, receiver, or liquidator of such Bondholder or of all or any substantial part of the property of such Bondholder which order shall not be dismissed within ninety (90) days.

“Bankruptcy Law” means Title 11, U.S. Code, or any similar federal or state law for the relief of debtors.

“Bonds” means any debt security authorized, authenticated and delivered under this Indenture, together with all classes, sub-classes, series and sub-series of any such securities. As of the date of this Indenture, the only Bonds available for issuance hereunder were U Bonds, V Bonds, W Bonds, X Bonds, Y Bonds, Z Bonds, U-1 Bonds, V-1 Bonds, W-1 Bonds, X-1 Bonds, Y-1 Bonds and Z-1 Bonds.

“Bondholder”, **“holder of Bonds”**, **“registered holder”**, or other similar term, means the Person or Persons in whose name or names a particular Bond shall be registered on the books of the Company kept for that purpose in accordance with the terms of this Indenture.

“Bond Register” has the meaning given in Section 2.04.

“Bond Registrar” has the meaning given in Section 2.04.

“Bond Service Obligation” means the amount payable by the Company in principal and interest due on the Bonds each Interest Accrual Period.

“Business Day” means any day other than a day on which Federal or State banking institutions in the City of New York, New York, are authorized or obligated by law, executive order or regulation to close.

“Certificate” means a certificate signed by the principal executive officer, the principal financial officer or the principal accounting officer of the Company. The Certificate need not comply with the provisions of Section 13.07.

“Company” means Phoenix Capital Group Holdings, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware, and, subject to the provisions of Article X, shall also include its successors and assigns.

“Corporate Trust Office” means the principal office of the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 928 Grand Blvd., 12th Floor, Kansas City, Missouri 64106, or such other address as the Trustee may designate from

time to time by notice to the Bondholders and the Company, or the principal corporate trust office of any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Bondholders and the Company).

“Custodian” means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

“Default” means any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

“Defaulted Interest” has the meaning given in Section 2.02.

“Depository” means, with respect to the Bonds, the Company and any and all successors thereto appointed as Depository hereunder and having become such pursuant to the applicable provision of this Indenture.

“Event of Default” means any event specified in Section 6.01, continued for the period of time, if any, therein designated.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

“Governmental Obligations” means securities that are (i) direct obligations (other than obligations subject to variation in principal repayment) of the United States of America for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America that, in either case, are not callable or redeemable prior to maturity at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such Governmental Obligation or a specific payment of principal of or interest on any such Governmental Obligation held by such custodian for the account of the holder of such depository receipt; *provided, however*, that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Governmental Obligation or the specific payment of principal of or interest on the Governmental Obligation evidenced by such depository receipt.

“Herein”, “hereof” and “hereunder”, and other words of similar import, refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

“Indenture” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into in accordance with the terms hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are specifically referenced and incorporated herein or in any such supplemental indenture, respectively.

“Initial Interest Payment Date” means the initial date for payment of interest as set forth in the applicable Bond.

“Interest Accrual Period” means the period beginning on any Interest Payment Date and continuing up to but not including the next Interest Payment Date, or if interest has not been paid, from the date of issuance up to but not including the Initial Interest Payment Date.

“Interest Payment Date” means any Initial Interest Payment Date and the 10th day of each month, or if any such day is not a Business Day, the next Business Day, thereafter until the Bonds have been repaid in full or are otherwise no longer outstanding.

“Maturity Date” means, with respect to any Bond, the date on which the principal of such Bond becomes due and payable as therein provided.

“Maturity Record Date” means, with respect to any Bond, as of the close of business on the first Business Day that is at least 31 days prior to the Maturity Date.

“Notice of Maturity” means a notice from the Company to a Bondholder that the Bondholder’s Bonds will be maturing on the related Maturity Date.

“Opinion of Counsel” means an opinion in writing of legal counsel, who may be an employee of or counsel for the Company that is delivered to the Trustee in accordance with the terms hereof. Each such opinion shall include the statements provided for in Section 13.07, if and to the extent required by the provisions thereof.

“Outstanding” means, subject to the provisions of Section 8.04, as of any particular time, all Bonds theretofore authenticated and delivered by the Trustee under this Indenture, except (a) Bonds theretofore canceled by the Trustee or any paying agent, or delivered to the Trustee or any paying agent for cancellation or that have previously been canceled; (b) Bonds or portions thereof for the payment or prepayment of which moneys or Governmental Obligations in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company) or shall have been irrevocably set aside and segregated in trust by the Company (if the Company shall act as its own paying agent); *provided, however*, that if such Bonds or portions of such Bonds are to be prepaid prior to the maturity thereof, notice of such prepayment shall have been given as in Article III or provision satisfactory to the Trustee shall have been made for giving such notice; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the terms of Section 2.06.

“Paying Agent” has the meaning given in Section 4.03.

“Person” means any individual, corporation, limited liability company, partnership, joint-venture, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Predecessor Bond” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for the purposes of this definition, any Bond authenticated and delivered under Section 2.06 in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

“Disability” means, with respect to any Bondholder or beneficial holder, a determination of disability based upon a physical or mental condition or impairment arising after the date such Bondholder or beneficial holder first acquired Bonds. Any such determination of disability must be made by any of: (1) the Social Security Administration; (2) the U.S. Office of Personnel Management; or (3) the Veteran’s Benefits Administration, or the Applicable Governmental Agency, responsible for reviewing the

disability retirement benefits that the applicable Bondholder or beneficial holder could be eligible to receive.

“Repayment Election” means a written notice from a Bondholder to the Company stating that repayment of the Bondholder’s Bonds is required in connection with the maturity of such Bonds.

“Record Date” means the last day of each month pertaining to an Interest Accrual Period.

“Repurchase Date” shall have the meaning set forth in Section 3.04(b).

“Repurchase Price” means, with respect to any Bond to be repurchased, \$950 plus the interest accrued but unpaid during the Interest Accrual Period up to but not including the Repurchase Date for such Bond.

“Responsible Officer” when used with respect to the Trustee means the Chairman of the Board of Directors, the President, any Vice President, the Secretary, the Treasurer, any trust officer, any corporate trust officer or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

“SEC” means the U.S. Securities and Exchange Commission.

“Senior Indebtedness” means shall mean: (1) the Company’s secured indebtedness, including, but not limited to, the indebtedness outstanding under the Commercial Credit Agreement by and among Amarillo National Bank, a national association (**“ANB”**), and the Company and Phoenix Operating LLC, as borrower, and guaranteed by that certain Commercial Guaranty by Phoenix Capital Group Holdings, I LLC in favor of ANB; and (2) any other current or future indebtedness of the Company that the Company agrees, in its sole discretion, is expressly superior in rank to the Bonds.

“Trustee” means UMB Bank, and, subject to the provisions of Article VII, shall also include its successors and assigns, and, if at any time there is more than one Person acting in such capacity hereunder, **“Trustee”** shall mean each such Person.

“U Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit A.

“U-1 Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit B.

“V Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit C.

“V-1 Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit D.

“W Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit E.

“W-1 Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit F.

“X Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit G.

“X-1 Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit H.

“Y Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit I.

“Y-1 Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit J.

“Z Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit K.

“Z-1 Bonds” are a series of Bonds authorized for issuance under the Indenture, the form of which is attached to this Indenture as Exhibit L.

Section 1.02 Rules of Construction

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States of America, and, except as otherwise herein expressly provided, the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States of America at the date of such computation;

(4) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(5) the word “or” is always used inclusively (for example, the phrase “A or B” means “A or B or both”, not “either A or B but not both”);

(6) the masculine gender includes the feminine and the neuter; and

(7) references to agreements and other instruments include subsequent amendments and supplements thereto.

Section 1.03 Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, unless such officer knows, or in the exercise of reasonable care should know, that the opinion with respect to the matters upon which his certificate or opinion is based is erroneous. Any such Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company, a governmental official or officers or any other Person or Persons, stating that the information with respect to such factual matters is in the possession of the Company unless such counsel knows, or in the exercise of reasonable care should know, that the certificate, opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture or any Bond, they may, but need not, be consolidated and form one instrument.

ARTICLE II ISSUE, DESCRIPTION, TERMS, EXECUTION, REGISTRATION AND EXCHANGE OF SECURITIES

Section 2.01 Form of Bonds and Trustee's Certificate.

The Bonds may be issued in book-entry, uncertificated form, or certificated form. Except for Bonds held by a Depositary through a global Bond, Bonds will only be certificated in the Company's sole discretion. In the event the Bonds are issued in certificated form, the Bonds and the Trustee's certificate of authentication shall be substantially in the forms of Exhibit A - H hereto. Uncertificated Bonds will be governed by the terms of the applicable Bond form, including the forms attached as Exhibit A - H hereto. The Bonds may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Bonds may be listed, or to conform to usage. The terms and conditions contained in the Bonds shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Bond conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

The aggregate principal amount of Bonds that may be issued under this Indenture is unlimited. Bonds shall be issued from time to time upon receipt by the Trustee of a written order of the Company stating the terms and conditions of the Bonds and principal amount of Bonds to be issued and that it has delivered to the Trustee the items required by Section 2.03. All Bonds issued under this Indenture shall rank *pari passu*. For Bonds issued, at the request of the Trustee, the Company shall deliver prior to issuance of such Bonds a Form W-9 for each registered holder of such Bonds and any other information required by law or as reasonable requested by the Bond Registrar to maintain the Bond Register and make the payments to the registered holders. The Trustee, Paying Agent and Bond Registrar may conclusively rely upon such information provided by the Company.

Section 2.02 Denominations; Provisions for Payment; Maturity.

(a) The Bonds shall be issuable as Bonds in certificated, uncertificated or global form and in the denominations of One Thousand U.S. Dollars (\$1,000) or any integral multiple thereof. Each Bond issued hereunder will mature on the date set forth on such Bond (the “**Maturity Date**”), subject to any extension of the Maturity Date permitted under such Bond. The Bonds shall bear interest from the date of issuance at the rate prescribed on the Bond, payable monthly in arrears on each Interest Payment Date. Interest payable shall be calculated using the Interest Accrual Period immediately preceding such Interest Payment Date.

The principal of and the interest on the Bonds, as well as any premium thereon in case of prepayment thereof prior to maturity, shall be payable in the coin or currency of the United States of America that at the time is legal tender for public and private debt, at the Corporate Trust Office or agency of the Paying Agent (as defined herein); *provided, however*, that at the option of the Company and with prior consent of the Bondholder and prior written notice to the Trustee and Paying Agent thereof, payment of interest, may be made by check mailed by the Company directly to the address of the Person entitled thereto as such address shall appear in the Bond Register instead of first being deposited with the Paying Agent. In such case, the Trustee and the Paying Agent shall be entitled to rely conclusively upon the records of the Company in determining the amount of Bonds Outstanding. Each Bond shall be dated the date of its authentication by the Trustee. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The interest installment on any Bond that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name said Bond (or one or more Predecessor Bonds) is registered at the close of business on the Record Date for such interest installment.

(b) Any interest on any Bond that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called “**Defaulted Interest**”) shall forthwith cease to be payable to the registered holder on the relevant Record Date by virtue of having been such holder; and such Defaulted Interest shall be paid by the Company, at its election, as provided in clause (1) or clause (2) below:

(1) The Company may make payment of any Defaulted Interest on Bonds to the Persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each such Bond and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed

payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a special record date for the payment of such Defaulted Interest which shall not be more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such special record date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first class postage prepaid, to each Bondholder at his or her address as it appears in the Bond Register (as hereinafter defined), not less than 10 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names such Bonds (or their respective Predecessor Bonds) are registered on such special record date.

(2) The Company may make payment of any Defaulted Interest on any Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee. Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, that were carried by such other Bond.

(c) Unless otherwise provided in the applicable form of Bond, no later than 60 days prior to the Maturity Date of a Bond the Company shall send to each holder of such Bond as of its Maturity Record Date a Notice of Maturity (via first class U.S. mail, facsimile or electronic transmission) stating the Maturity Date and whether the Company intends to elect any rights of extension as may be set forth in the applicable form of Bond.

Section 2.03 Execution and Authentication.

If certificated, the Bonds shall be signed on behalf of the Company or another authorized signatory. Signatures may be in the form of a manual, or facsimile signature. The Company may use the manual or facsimile signature of any Person who is authorized by the Company, notwithstanding the fact that at the time the Bonds shall be authenticated and delivered or disposed of such Person shall have ceased to be authorized by the Company. The Bonds may contain such notations, legends or endorsements required by law, stock exchange rule or usage. If certificated, a Bond shall not be valid until authenticated manually or facsimile by an authorized signatory of the Trustee, or by an Authenticating Agent. Such signature shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture. At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Bonds executed by the Company to the Trustee for authentication, together with a written order of the Company for the authentication and delivery of such Bonds, signed by the Company, and the Trustee in accordance with such written order shall authenticate and deliver such Bonds.

Prior to the initial issuance of the Bonds, in accepting the additional responsibilities under this Indenture in relation to such Bonds, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Opinion of Counsel stating that (1) the Company is permitted by law to enter into this Indenture, (2) the form and terms of the Bonds have been established in conformity with the provisions of this Indenture, all SEC requirements, and other applicable laws and

regulations, and (3) that such Bonds, when authenticated and delivered by the Trustee and issued by the Company will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject to any Bankruptcy Law or other insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (regardless of whether enforcement is sought in a proceeding in equity or at law); and a Company's certificate stating that all conditions precedent provided for in this Indenture relating to the issuance of the Bonds have been complied with and that, to the best of the knowledge of the signers of the Company certificate, no Event of Default with respect to any of the Bonds shall have occurred and be continuing. Additionally, prior to the issuance of any Bonds after the initial issuance, the Company shall deliver to the Trustee a Company certificate stating that all conditions precedent provided for in this Indenture relating to the issuance of the Bonds have been complied with and that, to the best of the knowledge of the signers of such Company certificate, no Event of Default with respect to any of the Bonds shall have occurred and be continuing. The Trustee may conclusively rely upon the Opinion of Counsel and Company certificate in authenticating the Bonds and accepting the responsibility under this Indenture. The Trustee shall not be required to authenticate such Bonds if the issue of such Bonds pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Bonds and this Indenture or otherwise in a manner that is not reasonably acceptable to the Trustee.

Section 2.04 Registration of Transfer and Exchange.

(a) Bonds may be exchanged upon presentation thereof at the office or agency of the Bond Registrar (as defined herein), for other Bonds of authorized denominations, and for a like aggregate principal amount, upon payment of a sum sufficient to cover any tax or other governmental charge in relation thereto, all as provided in this Section. In respect of any Bonds so surrendered for exchange, the Company shall execute, the Trustee shall authenticate, and such office or agency shall deliver in exchange therefor the Bond or Bonds that the Bondholder making the exchange shall be entitled to receive, bearing numbers not contemporaneously outstanding. Bonds may not be transferred without the consent of the Company.

(b) The Company shall keep, or cause to be kept, at its office or agency designated for such purpose by the Company, a register or registers (herein referred to as the "**Bond Register**") in which, subject to such reasonable regulations as it may prescribe, the Company shall register the Bonds and the transfers of Bonds as in this Article provided and which at all reasonable times shall be open for inspection by the Trustee. The registrar for the purpose of registering Bonds and transfer of Bonds as herein provided shall be appointed as authorized by the Company (the "**Bond Registrar**"). The initial Bond Registrar shall be the Company. Upon surrender for transfer of any certificated or global Bond at the office or agency of the Bond Registrar or upon receipt of the written request of the registered holder of any uncertificated Bonds together with all documentation required by law or a reasonably requested by the Bond Registrar, the Company shall execute, the Trustee shall authenticate and such office or agency shall deliver in the name of the transferee or transferees a new Bonds the Bond presented for a like aggregate principal amount. All uncertificated and certificated Bonds presented or surrendered for exchange or registration of transfer (or with respect to uncertificated Bonds, requested to be transferred), as provided in this Section, shall be accompanied (if so required by the Company or the Bond Registrar) by a written instrument or instruments of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered holder or by such holder's duly authorized attorney in writing. For the avoidance of doubt, in purchasing any uncertificated Bonds, the bondholders of such uncertificated Bonds and the Company expressly acknowledge and agree that the transfer requirements with respect to certificated Bonds may be imposed for the transfer of any uncertificated Bonds and the transfer of any uncertificated Bonds shall be in accordance with any SEC regulations or other applicable laws, if any.

(c) No service charge shall be made for any exchange or registration of transfer of Bonds, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge in relation thereto, other than exchanges pursuant to Section 2.04, Section 3.03(b) and Section 9.04 not involving any transfer.

(d) The transfer and exchange of beneficial interests in the Bonds will be effected through the respective Depositary, in accordance with the provisions of this Indenture.

(e) If applicable, upon notification from the Depositary, the Trustee shall adjust the principal amount of the relevant Bond(s) pursuant to Section 2.04(e) in accordance with the procedures of the Depositary.

(f) At any time prior to cancellation of a Bond, if any beneficial interest in such a Bond held in global form is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Bond held in global form issued under this Indenture, the principal amount represented by such Bond will be reduced accordingly in accordance with the procedures of the Depositary; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Bond held in global form issued under this Indenture, such other Bond will be increased accordingly in accordance with the procedures of the Depositary. The Trustee may conclusively rely upon any written direction from the Depositary received in accordance with this Section.

Section 2.05 [Intentionally deleted]

Section 2.06 Mutilated, Destroyed, Lost or Stolen Bonds.

In case any Bond shall become mutilated or be destroyed, lost or stolen, the Company (subject to the next succeeding sentence) shall execute, and upon the Company's request the Trustee (subject as aforesaid) shall authenticate and deliver, a new Bond bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, lost or stolen. In every case the applicant for a substituted Bond shall furnish to the Company and the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and the Trustee evidence to their satisfaction of the destruction, loss or theft of the applicant's Bond and of the ownership thereof. The Trustee may authenticate any such substituted Bond and deliver the same upon the written request or authorization of any officer of the Company. Upon the issuance of any substituted Bond, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Bond that has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Bond, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Company and the Trustee such security or indemnity as they may require to save them harmless, and, in case of destruction, loss or theft, evidence to the satisfaction of the Company and the Trustee of the destruction, loss or theft of such Bond and of the ownership thereof. Every replacement Bond issued pursuant to the provisions of this Section shall constitute an additional contractual obligation of the Company whether or not the mutilated, destroyed, lost or stolen Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen

Bonds, and shall preclude (to the extent lawful) any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.07 Cancellation.

All Bonds surrendered for the purpose of payment, exchange or registration of transfer shall, if surrendered to the Company or any paying agent, be delivered to the Trustee for cancellation, or, if surrendered to the Trustee, shall be cancelled by it, and no Bonds shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Indenture. The Trustee may dispose of canceled Bonds in accordance with its standard procedures and deliver a certificate of disposition to the Company. If the Company shall otherwise acquire any of the Bonds, however, such acquisition shall not operate as a prepayment or satisfaction of the indebtedness represented by such Bonds unless and until the same are delivered to the Trustee for cancellation.

Section 2.08 Benefits of Indenture.

Nothing in this Indenture or in the Bonds, express or implied, shall give or be construed to give to any Person, other than the parties hereto and the holders of the Bonds any legal or equitable right, remedy or claim under or in respect of this Indenture, or under any covenant, condition or provision herein contained; all such covenants, conditions and provisions being for the sole benefit of the parties hereto and of the holders of the Bonds.

Section 2.09 Authenticating Agent.

So long as any of the Bonds remain Outstanding there may be an Authenticating Agent for any or all Bonds which the Trustee shall have the right to appoint. Said Authenticating Agent shall be authorized to act on behalf of the Trustee to authenticate Bonds issued upon exchange or transfer thereof, and Bonds so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Each Authenticating Agent shall be acceptable to the Company and shall be a corporation that has a combined capital and surplus, as most recently reported or determined by it, sufficient under the laws of any jurisdiction under which it is organized or in which it is doing business to conduct a trust business, and that is otherwise authorized under such laws to conduct such business and is subject to supervision or examination by Federal or State authorities. If at any time any Authenticating Agent shall cease to be eligible in accordance with these provisions, it shall resign immediately. Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time (and upon request by the Company shall) terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and to the Company. Upon resignation, termination or cessation of eligibility of any Authenticating Agent, the Trustee may appoint an eligible successor Authenticating Agent acceptable to the Company. Any successor Authenticating Agent, upon acceptance of its appointment hereunder, shall become vested with all the rights, powers and duties of its predecessor hereunder as if originally named as an Authenticating Agent pursuant hereto.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent,

provided that such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

Section 2.10 Global Form of Bonds.

If the Company issues the Bonds, or any of them, in global form, the Company may issue a global Bond certificate only to a Depositary. A Depositary may transfer a Bond only to its nominee or to a successor Depositary. A Bond shall represent the amount of the securities specified therein. A Bond may have variations that the Depositary requires or that the Company considers appropriate for such a security.

Prior to due presentment of the Bond(s) for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the person in whose name such Bond(s) is registered as the owner of such Bonds for the purpose of receiving payment of principal of and interest on such Bond(s) and for all other purposes whatsoever, whether or not such Bond(s) be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

Beneficial owners of part or all of a Bond are subject to the rules of the Depositary as in effect from time to time. The Company, the Trustee and any agent of the Company or Trustee shall not be responsible for any acts or omissions of a Depositary, for any Depositary records of beneficial ownership interests or for any transactions between the Depositary and beneficial owners.

Section 2.11 Book-Entry Registration for Uncertificated Bonds.

Except for certificated Bonds or bonds held with a Depositary, the Bond Registrar for uncertificated Bonds shall maintain a book-entry registration and transfer system through the establishment and maintenance of the Bond Register for the benefit of Bondholders as the sole method of recording the ownership and transfer of ownership interests in such Bonds. The registered owners established by the Bond Registrar in connection with the purchase or transfer of the Bonds shall be deemed to be the Bondholders of the Bonds outstanding for all purposes under this Indenture. The Company (or its duly authorized Agent) shall promptly notify the Bond Registrar of the acceptance of a subscriber's purchase of a Bond and, upon receipt of such notice, the Bond Registrar shall establish an account for such Bond by recording a credit to its book-entry registration and transfer system to the account of the related Bondholder for the principal amount of such Bond owned by such Bondholder and issue a confirmation to the Bondholder, with a copy being delivered to the Trustee, on behalf of the Company. The Bond Registrar shall make appropriate credit and debit entries within each account to record all of the applicable actions under this Indenture that relate to the ownership of the related Bonds and issue confirmations to the related Bondholders as set forth herein, with copies being delivered to the Trustee, on behalf of the Company. For example, the total amount of any principal or interest due and payable to the Bondholders of the accounts maintained by the Bond Registrar as provided in this Indenture shall be credited to such accounts by the Bond Registrar within the time frames provided in this Indenture, and the amount of any payments of principal and/or interest distributed to the Bondholders of the accounts as provided in this Indenture shall be debited to such accounts by the Bond Registrar. The Trustee may review the book-entry registration and transfer system upon request.

ARTICLE III PREPAYMENT OF SECURITIES

Section 3.01 Prepayment.

If the Company elects to prepay Bonds pursuant to this Article III, it shall notify the Trustee in writing of the prepayment date, the prepayment price and the principal amount of Bonds to be prepaid. The Company shall give notice of prepayment to the Trustee not less than ten (10) days nor more than sixty (60) days before the prepayment date, together with such documentation and records as shall enable the Trustee to select the Bonds to be prepaid.

Section 3.02 Notice of Prepayment.

(a) In case the Company shall desire to exercise any right to prepay all or, as the case may be, a portion of the Bonds in accordance with any right reserved so to do, the Company shall, or shall cause the Trustee to, give notice of such prepayment to holders of the Bonds to be prepaid by mailing, first class postage prepaid, a notice of such prepayment not less than five (5) days and not more than sixty (60) days before the date fixed for prepayment to such holders at their last addresses as they shall appear upon the Bond Register unless a shorter period is specified in the Bonds to be prepaid. Any notice that is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the registered holder receives the notice. In any case, failure duly to give such notice to the holder of any Bond designated for prepayment in whole or in part, or any defect in the notice, shall not affect the validity of the proceedings for the prepayment of any other Bonds. In the case of any prepayment of Bonds prior to the expiration of any restriction on such prepayment provided in the terms of such Bonds or elsewhere in this Indenture, the Company shall furnish the Trustee with a Company certificate evidencing compliance with any such restriction. Each such notice of prepayment shall specify the date fixed for prepayment and the prepayment price at which Bonds are to be prepaid, and shall state that payment of the prepayment price of such Bonds to be prepaid will be made at the office or agency of the Company at 18575 Jamboree Road, Suite 830, Irvine, CA 92612, or such other location designated by the Company, upon presentation and surrender of such Bonds, that interest accrued to the date fixed for prepayment will be paid as specified in said notice, and that from and after said date interest will cease to accrue. If less than all the Bonds are to be prepaid, the notice to the holders of Bonds to be prepaid in whole or in part shall specify the particular Bonds to be so prepaid. In case any Bond is to be prepaid in part only, the notice that relates to such Bond shall state the portion of the principal amount thereof to be prepaid and shall state that on and after the prepayment date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the non-prepaid portion thereof will be issued.

(b) If less than all of any class or series of the Bonds are to be prepaid, the Company shall give the Trustee at least fifteen (15) days' notice (unless a shorter period is satisfactory to the Trustee) in advance of the date fixed for prepayment as to the aggregate principal amount of Bonds to be prepaid, and the Company's selection of the specific Bonds to be repaid in accordance with the terms of the applicable Bond form. The Company may, if and whenever it shall so elect, by delivery of instructions signed by the Company, instruct the Trustee or any paying agent to call all or any part of the Bonds for prepayment and to give notice of prepayment in the manner set forth in this Section, such notice to be in the name of the Company or its own name as the Trustee or such paying agent as it may deem advisable. In any case in which notice of prepayment is to be given by the Trustee or any such paying agent, the Company shall deliver or cause to be delivered to, or permit to remain with, the Trustee or such paying agent, as the case may be, such Bond Register, transfer books or other records, or suitable copies or extracts therefrom, sufficient to enable the Trustee or such paying agent to give any notice by mail that may be required under the provisions of this Section.

Section 3.03 Payment Upon Prepayment by the Company.

(a) If the giving of notice of prepayment shall have been completed as above provided, the Bonds or portions of Bonds to be prepaid specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable prepayment price, together with interest accrued to the date fixed for prepayment and interest on such Bonds or portions of Bonds shall cease to accrue on and after the date fixed for prepayment, unless the Company shall default in the payment of such prepayment price and accrued interest with respect to any such Bond or portion thereof. On presentation and surrender of such Bonds on or after the date fixed for prepayment at the place of payment specified in the notice, said Bonds shall be prepaid at the applicable prepayment price, together with interest accrued thereon to the date fixed for prepayment (but if the date fixed for prepayment is an Interest Payment Date, the interest installment payable on such date shall be payable to the registered holder at the close of business on the applicable record date pursuant to Section 2.02).

(b) Upon presentation of any Bond that is to be prepaid in part only, the Company shall execute and the Trustee shall authenticate and the office or agency where the Bond is presented shall deliver to the holder thereof, at the expense of the Company, a new Bond of authorized denominations in principal amount equal to the non-prepaid portion of the Bond so presented.

ARTICLE IV COVENANTS

Section 4.01 Payment of Principal, Premium and Interest.

The Company will duly and punctually pay or cause to be paid the principal of (and premium, if any) and interest, on the Bonds at the time and place and in the manner provided herein and established with respect to such Bonds.

Section 4.02 Maintenance of Office or Agency.

So long as the Bonds remain Outstanding, the Company agrees to cause to be maintained an office of the Bond Registrar, where (i) Bonds may be presented for payment, (ii) Bonds may be presented as herein above authorized for registration of transfer and exchange, and (iii) notices and demands to or upon the Company in respect of the Bonds and this Indenture may be given or served, such designation to continue with respect to such office or agency until the Company shall, by written notice signed by the Company and delivered to the Trustee, designate some other office or agency in the City of Irvine, California for such purposes or any of them. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations of Bonds may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations.

Section 4.03 Paying Agents.

(a) The Company will be the initial paying agent (the “**Paying Agent**”). If the Company shall appoint one or more paying agents for the Bonds, other than the Trustee, the Company will cause each such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section:

(1) that it will hold all sums held by it as such agent for the payment of the principal of (and premium, if any) or interest on the Bonds (whether such sums have been paid to it by the Company or by any other obligor of such Bonds) in trust for the benefit of the Persons entitled thereto;

(2) that it will give the Trustee notice of any failure by the Company (or by any other obligor of such Bonds) to make any payment of the principal of (and premium, if any) or interest on the Bonds when the same shall be due and payable;

(3) that it will, at any time during the continuance of any failure referred to in the preceding paragraph (a)(2) above, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such paying agent; and

(4) that it will perform all other duties of paying agent as set forth in this Indenture.

(b) As the Paying Agent, the Company will on or before each due date of the principal of (and premium, if any) or interest on Bonds, set aside, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay such principal (and premium, if any) or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of such action, or any failure (by it or any other obligor on such Bonds) to take such action. Whenever the Company shall have one or more paying agents, it will, prior to each due date of the principal of (and premium, if any) or interest deposit with the paying agent a sum sufficient to pay the principal (and premium, if any) or interest, so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such paying agent is the Trustee) the Company will promptly notify the Trustee of this action or failure so to act.

(c) Notwithstanding anything in this Section to the contrary,

(1) the agreement to hold sums in trust as provided in this Section is subject to the provisions of Section 11.05, and

(2) the Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or direct any paying agent to pay, to the Trustee all sums held in trust by the Company or such paying agent, such sums to be held by the Trustee upon the same terms and conditions as those upon which such sums were held by the Company or such paying agent; and, upon such payment by any paying agent to the Trustee, such paying agent shall be released from all further liability with respect to such money.

Section 4.04 Appointment to Fill Vacancy in Office of Trustee.

The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.11, a Trustee, so that there shall at all times be a Trustee hereunder.

Section 4.05 Compliance with Consolidation Provisions.

The Company will not, while any of the Bonds remain Outstanding, consolidate with or merge into any other Person, or sell, convey, transfer or otherwise dispose of its property as an entirety or substantially as an entirety to any other Person unless the provisions of Article X hereof are complied with.

Section 4.06 Statement by Officers as to Default.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company, a Certificate, stating whether or not to the best knowledge of the signer thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Company shall be in default, specifying all such defaults and the nature and status thereof of which such signer may have knowledge.

ARTICLE V BONDHOLDERS' LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE

Section 5.01 Company to Furnish Trustee Names and Addresses of Bondholders.

The Company will furnish or cause to be furnished to the Trustee

(1) not more than 15 days after each Record Date a list, in such form as the Trustee may reasonably require, of the names and addresses of the holders of the Bonds as of such Record Date, provided that the Company shall not be obligated to furnish or cause to furnish such list at any time that the list shall not differ in any respect from the most recent list furnished to the Trustee by the Company and

(2) at such other times as the Trustee may request in writing within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that, in either case, no such list need be furnished for any Bonds for which the Trustee shall be the Bond Registrar.

Section 5.02 Preservation of Information; Communications With Bondholders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of Bonds contained in the most recent list furnished to it as provided in Section 5.01 and as to the names and addresses of holders of Bonds received by the Trustee in its capacity as Bond Registrar (if acting in such capacity).

(b) The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

(c) Bondholders may communicate as provided in Section 312(b) of the Trust Indenture Act with other Bondholders with respect to their rights under this Indenture or under the Bonds.

Section 5.03 Reports by the Company.

The Company covenants and agrees to provide (which delivery may be via electronic mail) to the Trustee, (i) annually, within one hundred twenty (120) days following December 31st, a written statement certifying that to the knowledge of the Company's officers the Company is in compliance with this Indenture, or specifying any Event of Default hereunder; and (ii) within 15 days after the Company files the same with the SEC, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) that the Company files with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act or Rule 257 of Regulation A; *provided, however*, the Company shall not be required to deliver to the Trustee any materials for which the Company has sought and received confidential treatment by the SEC; and *provided further*, so long as such filings by the Company are available on the SEC's Electronic Data Gathering, Analysis and Retrieval System (EDGAR), such filings shall be deemed to have been filed with the Trustee for purposes of this Section 5.03 without any further action required by the Company, *provided, however*, that the Trustee shall have no obligation whatsoever to determine if such filing has been so made and shall have no obligation to review any of the reports or other documentation delivered to it under this Section 5.03.

ARTICLE VI

REMEDIES OF THE TRUSTEE AND BONDHOLDERS ON EVENT OF DEFAULT

Section 6.01 Events of Default.

(a) Whenever used herein, "Event of Default" means any one or more of the following events that has occurred and is continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) the Company defaults in the payment of any installment of interest, upon any of the Bonds as and when the same shall become due and payable, and continuance of such default for a period of 60 days; *provided, however*, that a valid extension of an interest payment period by the Trustee (at the direction of holders of the Bonds at the time Outstanding) or in accordance with the terms of any indenture supplemental hereto shall not constitute a default in the payment of interest for this purpose;

(2) the Company defaults in the payment of the principal of (or premium, if any, on) any of the Bonds as and when the same shall become due and payable, and continuance of such default for a period of 60 days, whether at maturity, upon prepayment, by declaration or otherwise; *provided, however*, that a valid extension of the maturity of such Bonds by the Trustee (at the direction of holders of the Bonds at the time Outstanding) or in accordance with the terms of any indenture supplemental hereto shall not constitute a default in the payment of principal or premium, if any;

(3) the Company fails to observe or perform any other of its covenants or agreements contained in this Indenture or the Bonds for a period of 120 days after the date on which written notice of such failure, requiring the same to be remedied and stating that such notice is a "Notice

of Default” hereunder, shall have been given to the Company by the Trustee, by registered or certified mail, or to the Company and the Trustee by the holders of at least a majority in principal amount of the Bonds at the time Outstanding;

(4) the Company pursuant to or within the meaning of any Bankruptcy Law

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a Custodian of it or for all or substantially all of its property, or

(iv) makes a general assignment for the benefit of its creditors;

(5) a court of competent jurisdiction enters an order under any Bankruptcy Law that

(i) is for relief against the Company in an involuntary case,

(ii) appoints a Custodian of the Company or for all or substantially all of its property, or

(iii) orders the liquidation of the Company, and the orders remain unstayed and in effect for 90 days; or

(6) entry by any court having jurisdiction over the Company of a final and non-appealable judgment or order for the payment of money in excess of \$75,000,000.00 (before the application of any pre-judgment interest), singly or in the aggregate for all such final judgments or orders against the Company.

(b) In each and every such case, unless the principal of all the Bonds shall have already become due and payable, either the Trustee or the holders of a majority in aggregate principal amount of the Bonds then Outstanding hereunder, by notice in writing to the Company (and to the Trustee if given by such Bondholders), may declare the principal of (and premium, if any, on) and accrued and unpaid interest, on all the Bonds to be due and payable immediately, and subject to Article 13 hereof, upon any such declaration the same shall become and shall be immediately due and payable.

(c) At any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the holders of a majority in aggregate principal amount of the Bonds then Outstanding hereunder, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all the Bonds and the principal of (and premium, if any, on) any and all Bonds that shall have become due otherwise than by acceleration (with interest upon such principal and premium, if any, and, to the extent that such payment is enforceable under applicable law, upon overdue installments of interest, at the rate per annum expressed in the Bonds to the date of such payment or deposit) and the amount payable to the Trustee under Section 7.07, and

(2) any and all Events of Default under the Indenture, other than the nonpayment of principal on Bonds that shall not have become due by their terms, shall have been remedied or waived as provided in Section 6.06. No such rescission and annulment shall extend to or shall affect any subsequent default or impair any right consequent thereon.

(d) In case the Trustee shall have proceeded to enforce any right with respect to Bonds under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case, subject to any determination in such proceedings, the Company, and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Company and the Trustee shall continue as though no such proceedings had been taken.

Section 6.02 Collection of Indebtedness and Suits for Enforcement by Trustee.

(a) The Company covenants that

(1) in case it shall default in the payment of any installment of interest on any of the Bonds, as and when the same shall have become due and payable, and such default shall have continued for a period of 60 days, or

(2) in case it shall default in the payment of the principal of (or premium, if any, on) any of the Bonds when the same shall have become due and payable, whether upon maturity or upon prepayment, and such default shall have continued for a period of 60 days,

then, upon demand of the Trustee or the Bondholders of a majority in aggregate principal amount of the Bonds, the Company will pay to the Trustee, for the benefit of the holders of the Bonds, the whole amount that then shall have become due and payable on all such Bonds for principal (and premium, if any) or interest, or both, as the case may be, with interest upon the overdue principal (and premium, if any) and (to the extent that payment of such interest is enforceable under applicable law) upon overdue installments of interest at the rate per annum expressed in the Bonds; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, and the amount payable to the Trustee under Section 7.07.

(b) If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or other obligor upon the Bonds and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or other obligor upon the Bonds, wherever situated. In addition to any action or proceeding at law or in equity, the Trustee shall have the right to cause the Company to cause the sale of all Properties then held by the Company or its Subsidiaries and may collect the moneys received from such sales, following the payment of any fees, costs or expenses of such sales.

(c) In case of any receivership, insolvency, liquidation, bankruptcy, reorganization, readjustment, arrangement, composition or judicial proceedings affecting the Company, or its creditors or property, the Trustee shall have power to intervene in such proceedings and take any action therein that may be permitted by the court and shall (except as may be otherwise provided by law) be entitled to file such proofs of claim and other papers and documents as may be necessary or advisable in order to have the

claims of the Trustee and of the holders of Bonds allowed for the entire amount due and payable by the Company under the Indenture at the date of institution of such proceedings and for any additional amount that may become due and payable by the Company after such date, and to collect and receive any moneys or other property payable or deliverable on any such claim, and to distribute the same after the deduction of the amount payable to the Trustee under Section 7.07; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the holders of Bonds to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to such Bondholders, to pay to the Trustee any amount due it under Section 7.07.

(d) All rights of action and of asserting claims under this Indenture, or under any of the terms established with respect to the Bonds, may be enforced by the Trustee without the possession of any of such Bonds, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for payment to the Trustee of any amounts due under Section 7.07, be for the ratable benefit of the holders of the Bonds. In case of an Event of Default hereunder, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law. Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any holder thereof or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding.

Section 6.03 Application of Moneys Collected.

Any moneys collected by the Trustee pursuant to this Article together with any funds held by the Trustee shall be applied in the following order, at the date or dates fixed by the Trustee:

FIRST: To the payment of costs and expenses of collection and of all amounts payable to the Trustee under Section 7.07;

SECOND: To the payment of the amounts then due and unpaid upon Bonds of for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Bonds for principal (and premium, if any) and interest, respectively;

THIRD: Upon written direction of the Company, to the payment of the remainder, if any, to the Company or any other Person lawfully entitled thereto as directed by the Company.

Section 6.04 Limitation on Suits.

No holder of any Bond shall have any right by virtue or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof specifying such Event of Default, as hereinbefore provided;

(2) the holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as trustee hereunder;

(3) such holder or holders shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity, shall have failed to institute any such action, suit or proceeding; and

(5) notwithstanding anything contained herein to the contrary, the right of any holder of any Bond to receive payment of the principal of (and premium, if any) and interest, on such Bond, as therein provided, on the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder and by accepting a Bond hereunder it is expressly understood, intended and covenanted by the taker and holder of every Bond with every other such taker and holder and the Trustee, that no one or more holders shall have any right in any manner whatsoever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of the holders of any other of such Bonds, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Bonds. For the protection and enforcement of the provisions of this Section, each and every Bondholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 6.05 Rights and Remedies Cumulative; Delay or Omission Not Waiver.

(a) Except as otherwise provided in Section 2.06, all powers and remedies given by this Article to the Trustee or to the Bondholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any other powers and remedies available to the Trustee or the holders of the Bonds, by judicial proceedings, or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture or otherwise established with respect to such Bonds.

(b) No delay or omission of the Trustee or of any holder of any of the Bonds to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or on acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article or by law to the Trustee or the Bondholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Bondholders.

Section 6.06 Control by Bondholders.

The holders of a majority in aggregate principal amount of the Bonds at the time Outstanding, determined in accordance with Section 8.01, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that such direction shall not be in conflict with any rule of law or with this Indenture. Subject to the provisions of Section 7.01, the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall, by a Responsible Officer or Officers

of the Trustee or its counsel, determine that the proceeding so directed would involve the Trustee in personal liability. The holders of a majority in aggregate principal amount of the Bonds at the time Outstanding affected thereby, determined in accordance with Section 8.01, may on behalf of the holders of all of the Bonds waive any past default in the performance of any of the covenants contained herein and its consequences, except a default in the payment of the principal of (or premium, if any) or interest on any of the Bonds as and when the same shall become due by the terms of such Bonds otherwise than by acceleration (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal and any premium has been deposited with the Trustee (in accordance with Section 6.01(c)) or in respect of a covenant or provision hereof which under Article IX cannot be modified or amended without the consent of the holder of each Outstanding Bond affected. Upon any such waiver, the default covered thereby shall be deemed to be cured for all purposes of this Indenture and the Company, the Trustee and the holders of the Bonds shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 6.07 Undertaking to Pay Costs.

All parties to this Indenture agree, and each holder of any Bonds by such holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding more than 10% in aggregate principal amount of the Outstanding Bonds, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Bond, on or after the respective due dates expressed in such Bond or established pursuant to this Indenture.

ARTICLE VII CONCERNING THE TRUSTEE

Section 7.01 Certain Duties and Responsibilities of Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (that has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(1) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default that may have occurred: the duties and obligations of the Trustee shall be

determined solely by the express provisions of this Indenture, and the Trustee shall be responsible only for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture with respect to the Bonds; and

(4) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Indenture or adequate indemnity against such risk is not reasonably assured to it.

Section 7.02 Notice of Defaults.

(a) The Trustee shall not be required to take notice or be deemed to have notice of any Default or Event of Default hereunder, unless a Responsible Officer of the Trustee shall be specifically notified in writing of such default by the Company, or the Owners of at least 25% in principal amount of all Outstanding Bonds, and in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid.

(b) If an Event of Default occurs hereunder of which the Trustee has notice or is deemed to have notice in accordance with Section 7.02(a), the Trustee shall promptly give the holders notice of such Event of Default; provided, however, that in the case of any Event of Default of the character specified in clause (3) of Section 6.01(a), no such notice to holders shall be given until at least 30 days after the occurrence thereof.

Section 7.03 Certain Rights of Trustee.

Except as otherwise provided in Section 7.01:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) Any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an instrument signed by the Company, (unless other evidence in respect thereof is specifically prescribed herein);

(c) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted hereunder in good faith and in reliance thereon;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondholders, pursuant to the provisions of this Indenture, unless such Bondholders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby;

(e) The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, security, or other papers or documents, unless requested in writing so to do by the holders of not less than a majority in principal amount of the Outstanding Bonds (determined as provided in Section 8.04); provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such costs, expenses or liabilities as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand; and

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it;

(i) In no event shall the Trustee, including its Responsible Officers, be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(j) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder should it act as Paying Agent or Bond Registrar at any time and each agent, custodian and other person employed by the Trustee to act hereunder

(k) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the Certificate of Authentication of the Trustee endorsed on the Bonds), or for the recording or rerecording, filing or refiling of this Indenture or any financing statement or security agreement in connection therewith or for the validity of the execution by the Company of this Indenture or of any supplemental indentures or instruments of further assurance.

Section 7.04 Trustee Not Responsible for Recitals or Issuance or Bonds.

(a) The recitals contained herein and in the Bonds shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same.

(b) The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds.

(c) The Trustee shall not be accountable for the use or application by the Company of any of the Bonds or of the proceeds of such Bonds, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture, or for the use or application of any moneys received by any paying agent other than the Trustee.

Section 7.05 May Hold Bonds.

The Trustee or any paying agent or Bond Registrar, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not Trustee, paying agent or Bond Registrar.

Section 7.06 Moneys Held in Trust.

Subject to the provisions of Section 11.05, all moneys received by the Trustee shall, until used or applied as herein provided, be held un-invested in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any moneys received by it hereunder except such as it may agree with the Company to pay thereon.

Section 7.07 Compensation and Reimbursement.

(a) The Company covenants and agrees to pay to the Trustee, and the Trustee shall be entitled to, such reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), as the Company, and the Trustee may from time to time agree in writing, for all services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee (including, without limitation, fees for extraordinary services rendered), and, except as otherwise expressly provided herein, the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ and the reimbursement of all extraordinary expenses incurred) except any such expense, disbursement or advance as may arise from its gross negligence or bad faith. The fees, charges and expenses specified herein are for the typical and customary services as trustee. Fees for additional or extraordinary services not now part of the customary services provided,

such as special services during default or additional government reporting requirements will be charged at the then current rates for such services.

The Company also covenants to indemnify the Trustee (and its officers, agents, directors and employees) for, and to hold it harmless against, any loss, liability or expense incurred without gross negligence or bad faith on the part of the Trustee and arising out of or in connection with the acceptance or administration of this trust and the performance of its duties and the taking of any enforcement actions hereunder, including the costs and expenses of defending itself against any claim of liability in the premises.

(b) The obligations of the Company under this Section to compensate and indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder. Such additional indebtedness shall be secured by a lien prior to that of the Bonds upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Bonds. The obligations of the Company under this Section 7.07 shall survive the satisfaction and discharge of this Indenture or the earlier resignation or removal of the Trustee.

Section 7.08 Reliance on Officer's Certificate.

Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting to take any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Company certificate delivered to the Trustee and such certificate, in the absence of gross negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted to be taken by it under the provisions of this Indenture upon the faith thereof.

Section 7.09 Disqualification; Conflicting Interests.

If the Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, it shall, within 90 days after ascertaining that it has a conflicting interest, or within 30 days after receiving written notice from the Company that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in Section 7.11.

Section 7.10 Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee with respect to the Bonds issued hereunder which shall at all times be a corporation organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a corporation or other Person permitted to act as trustee by the SEC, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least One Hundred Million U.S. Dollars (\$100,000,000), and subject to supervision or examination by Federal, State, Territorial, or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Company may not, nor may any Person directly or indirectly controlling, controlled by, or under common control with the Company, serve as Trustee. In

case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 7.11.

Section 7.11 Resignation and Removal; Appointment of Successor.

(a) The Trustee or any successor hereafter appointed, may at any time resign by giving written notice thereof to the Company and by transmitting notice of resignation by mail, first class postage prepaid, to the Bondholders, as their names and addresses appear upon the Bond Register. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument, in duplicate, executed by order of the Company, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months may on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any one of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of Section 7.09 after written request therefor by the Company or by any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months; or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.10 and shall fail to resign after written request therefor by the Company or by any such Bondholder; or

(3) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or commence a voluntary bankruptcy proceeding, or a receiver of the Trustee or of its property shall be appointed or consented to, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Company may remove the Trustee with respect to all Bonds and appoint a successor trustee by written instrument, in duplicate, executed by order of the Company, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, unless, in the case of a failure to comply with Section 7.09, any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months may, on behalf of that holder and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Bonds at the time Outstanding may at any time remove the Trustee by so notifying the Trustee and the Company and may appoint a successor Trustee with the consent of the Company.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee with respect to the Bonds pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.12.

Section 7.12 Acceptance of Appointment By Successor.

(a) In case of the appointment hereunder of a successor trustee with respect to all Bonds, every such successor trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor trustee all the rights, powers, and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor trustee all property and money held by such retiring Trustee hereunder.

(b) Upon request of any such successor trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor trustee all such rights, powers and trusts referred to in paragraph (a) of this Section.

(c) No successor trustee shall accept its appointment unless at the time of such acceptance such successor trustee shall be qualified and eligible under this Article.

(d) Upon acceptance of appointment by a successor trustee as provided in this Section, the Company shall transmit notice of the succession of such trustee hereunder by mail, first class postage prepaid, to the Bondholders, as their names and addresses appear upon the Bond Register. If the Company fails to transmit such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be transmitted at the expense of the Company.

Section 7.13 Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be qualified under the provisions of Section 7.09 and eligible under the provisions of Section 7.10, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

ARTICLE VIII CONCERNING THE BONDHOLDERS

Section 8.01 Evidence of Action by Bondholders.

Whenever in this Indenture it is provided that the holders of a majority or specified percentage in aggregate principal amount of the Bonds may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such majority or specified percentage have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by such holders in Person or by agent or proxy appointed in writing. If the Company shall solicit from the

Bondholders any request, demand, authorization, direction, notice, consent, waiver or other action, the Company may, at its option, as evidenced by a Company certificate, fix in advance a record date for the determination of Bondholders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other action, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other action may be given before or after the record date, but only the Bondholders of record at the close of business on the record date shall be deemed to be Bondholders for the purposes of determining whether Bondholders of the requisite proportion of Outstanding Bonds have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other action, and for that purpose the Outstanding Bonds shall be computed as of the record date; provided, however, that no such authorization, agreement or consent by such Bondholders on the record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

Section 8.02 Proof of Execution by Bondholders.

Subject to the provisions of Section 7.01, proof of the execution of any instrument by a Bondholder (such proof will not require notarization) or his agent or proxy and proof of the holding by any Person of any of the Bonds shall be sufficient if made in the following manner:

(a) The fact and date of the execution by any such Person of any instrument may be proved in any reasonable manner acceptable to the Trustee.

(b) The ownership of Bonds shall be proved by the Bond Register of such Bonds or by a certificate of the Bond Registrar thereof.

(c) The Trustee may require such additional proof of any matter referred to in this Section as it shall deem necessary.

Section 8.03 Who May be Deemed Owners.

Prior to the due presentment for registration of transfer of any Bond, the Company, the Trustee, any paying agent and any Bond Registrar may deem and treat the Person in whose name such Bond shall be registered upon the books of the Company as the absolute owner of such Bond (whether or not such Bond shall be overdue and notwithstanding any notice of ownership or writing thereon made by anyone other than the Bond Registrar) for the purpose of receiving payment of or on account of the principal of (and premium, if any) and (subject to Section 2.02) interest on such Bond and for all other purposes; and neither the Company nor the Trustee nor any paying agent nor any Bond Registrar shall be affected by any notice to the contrary.

Section 8.04 Certain Bonds Owned by Company Disregarded.

In determining whether the holders of the requisite aggregate principal amount of Bonds have concurred in any direction, consent or waiver under this Indenture, the Bonds that are owned by the Company or any other obligor or by any Person directly or indirectly controlling or controlled by or under common control with the Company or any other obligor shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Bonds that the Trustee actually knows are so owned shall be so disregarded. The Bonds so owned that have been

pledged in good faith may be regarded as Outstanding for the purposes of this Section, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 8.05 Actions Binding on Future Bondholders.

At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the holders of the majority or percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action, any holder of a Bond that is shown by the evidence to be included in the Bonds the holders of which have consented to such action may, by filing written notice with the Trustee, and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Bond. Except as aforesaid any such action taken by the holder of any Bond shall be conclusive and binding upon such holder and upon all future holders and owners of such Bond, and of any Bond issued in exchange therefor, on registration of transfer thereof or in place thereof, irrespective of whether or not any notation in regard thereto is made upon such Bond. Any action taken by the holders of the majority or percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action shall be conclusively binding upon the Company, the Trustee and the holders of all the Bonds.

ARTICLE IX SUPPLEMENTAL INDENTURES

Section 9.01 Supplemental Indentures Without the Consent of Bondholders.

In addition to any supplemental indenture otherwise authorized by this Indenture, the Company and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto, without the consent of the Bondholders, for one or more of the following purposes:

- (1) to cure any ambiguity, defect, or inconsistency herein or in the Bonds;
- (2) to provide for uncertificated Bonds in addition to or in place of certificated Bonds;
- (3) to add to the covenants, restrictions, conditions or provisions relating to the Company for the benefit of the holders of all of the Bonds, to make the occurrence, or the occurrence and the continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default, or to surrender any right or power herein conferred upon the Company;
- (4) to add to, delete from, or revise the conditions, limitations, and restrictions on the authorized amount, terms, or purposes of issue, authentication, and delivery of Bonds (prior to the issuance thereof), as herein set forth;
- (5) to make any change that does not adversely affect the rights of any Bondholder in any material respect;

(6) to provide for the issuance of and establish the form and terms and conditions of the Bonds, to establish the form of any certifications required to be furnished pursuant to the terms of this Indenture or Bonds, or to add to the rights of the holders of any Bonds;

(7) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 7.12; or

(8) to comply with any requirements of the SEC or any successor.]

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed by the Company and the Trustee without the consent of the holders of any of the Bonds at the time Outstanding, notwithstanding any of the provisions of Section 9.02.

Section 9.02 Supplemental Indentures With Consent of Bondholders.

With the consent (evidenced as provided in Section 8.01) of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the Company and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner not covered by Section 9.01 the rights of the holders of the Bonds under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the holders of each Bond then Outstanding and affected thereby:

(1) extend the maturity of the principal of, or any installment of principal of or interest on, any Bond, or reduce the principal amount thereof, or reduce the rate of interest or extend the time of payment of interest thereon, or reduce the amount of the principal of any other Bond which would be due and payable upon a declaration of acceleration of the maturity thereof pursuant to Section 6.01 or change the coin or currency in which any Bond or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof, or

(2) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver of certain defaults hereunder and their consequences provided for in this Indenture, or

(3) modify any of the provisions of this Section or Section 6.06 relating to waivers of default, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the holder of each Outstanding Bond affected thereby; provided, however, that this clause shall not be deemed to require the consent of any holder with respect to changes in the references to "the Trustee" and concomitant

changes in this Section, or the deletion of this proviso, in accordance with the requirements of Sections 7.12 and 9.01(8).

Section 9.03 Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.04 Bonds Affected by Supplemental Indentures.

Bonds affected by a supplemental indenture, authenticated and delivered after the execution of such supplemental indenture pursuant to the provisions of this Article, may bear a notation in form approved by the Company, provided such form meets the requirements of any exchange upon the Bonds may be listed, as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Bonds so modified as to conform, in the opinion of the Company, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Company, authenticated by the Trustee and delivered in exchange for the Bonds then Outstanding.

Section 9.05 Execution of Supplemental Indentures.

Upon the request of the Company and upon the filing with the Trustee of evidence of the consent of Bondholders required to consent thereto as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion but shall not be obligated to enter into such supplemental indenture. The Trustee, subject to the provisions of Section 7.01, may receive a Company certificate or an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to this Article is authorized or permitted by, and conforms to, the terms of this Article and that it is proper for the Trustee under the provisions of this Article to join in the execution thereof.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall transmit by mail, first class postage prepaid, a notice, setting forth in general terms the substance of such supplemental indenture, to the Bondholders as their names and addresses appear upon the Bond Register. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

ARTICLE X SUCCESSOR ENTITY

Section 10.01 Company May Consolidate, Etc.

The Company may consolidate or merge with or into any other corporation or entity, and may sell, lease or convey all or substantially all of our assets to any corporation or entity, provided that the successor entity, if other than the Company:

- (1) is organized and existing under the laws of the United States of America or any United States, or U.S., state or the District of Columbia; and
- (2) assumes in a written instrument between the Company and the successor entity (a copy of which shall be provided to the Trustee) all of the Company's obligations to perform and observe all of the Company's obligations under the Bonds and the Indenture;
- (3) and provided further that no event of default under the Indenture shall have occurred and be continuing.

ARTICLE XI SATISFACTION AND DISCHARGE; REDEMPTION

Section 11.01 Satisfaction and Discharge.

This Indenture will be discharged and will cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Bonds herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when:

(1) either (A) all Bonds theretofore authenticated and delivered (other than (i) any Bonds that shall have been destroyed, lost or stolen and that shall have been replaced or paid as provided in Section 2.06 and (ii) Bonds for whose payment money or noncallable Governmental Obligations have theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 11.05) have been delivered to the Trustee for cancellation; or (B) all Bonds not theretofore delivered to the Trustee for cancellation (i) have become due and payable, or (ii) will by their terms become due and payable within one year, and the Company shall deposit or cause to be deposited with the Trustee as trust funds in trust for the purpose (x) moneys in an amount, or (y) noncallable Governmental Obligations the scheduled principal of and interest on which in accordance with their terms will provide, not later than the due date of any payment, money in an amount, or (z) a combination thereof, sufficient, in the case of (y) or (z), in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, at maturity, all Bonds not theretofore delivered to the Trustee for cancellation, including principal (and premium, if any) and interest due or to become due to such date of maturity;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(3) the Company has delivered to the Trustee a Company certificate and an Opinion of Counsel, each stating that all the conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Trustee under Section 7.07 and, if money shall have been deposited with the Trustee pursuant to subclause (y) of clause (1) of this Section, the obligations of the Trustee under Sections 11.03 and 11.05 shall survive.

Section 11.02 Deposited Moneys to be Held in Trust.

All moneys or Governmental Obligations deposited with the Trustee pursuant to Section 11.01 shall be held in trust and shall be available for payment as due, either directly or through any paying agent (including the Company acting as its own paying agent), to the holders of the Bonds for the payment of which such moneys or Governmental Obligations have been deposited with the Trustee.

Section 11.03 Payment of Moneys Held by Paying Agents.

In connection with the satisfaction and discharge of this Indenture all moneys or Governmental Obligations then held by any paying agent under the provisions of this Indenture shall, upon demand of the Company, be paid to the Trustee and thereupon such paying agent shall be released from all further liability with respect to such moneys or Governmental Obligations.

Section 11.04 Repayment to Company.

Any moneys or Governmental Obligations deposited with any paying agent or the Trustee, or then held by the Company, in trust for payment of principal of (or premium, if any) or interest on the Bonds that are not applied but remain unclaimed by the holders of such Bonds for at least two years after the date upon which the principal of (and premium, if any) or interest on such Bonds shall have respectively become due and payable, or such other shorter period set forth in applicable escheat or abandoned property law, shall be repaid to the Company on May 31 of each year or (if then held by the Company) shall be discharged from such trust; and thereupon the paying agent and the Trustee shall be released from all further liability with respect to such moneys or Governmental Obligations, and the holder of any of the Bonds entitled to receive such payment shall thereafter, as an unsecured general creditor, look only to the Company for the payment thereof as an unsecured general creditor, unless an abandoned property law designates another Person.

Section 11.05 Reinstatement.

If the Trustee (or other qualifying trustee or any paying agent appointed as provided herein) is unable to apply any moneys or Government Obligations in accordance with this Article 11 by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Bonds shall be revived and reinstated as though no such deposit had occurred, until such time as the Trustee (or other qualifying trustee or paying agent) is permitted to apply all such moneys and Government Obligations in accordance with this Article 11; *provided, however*, that if the Company makes any payment of the principal of or premium, if any, or interest, if any, on the Bonds following the reinstatement of its obligations as aforesaid, the Company shall be subrogated to the rights of the Bondholders to receive such payment from the funds held by the Trustee (or other qualifying trustee or paying agent).

ARTICLE XII
IMMUNITY OF ORGANIZERS, MEMBERS, OFFICERS
AND MANAGERS

Section 12.01 No Recourse.

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Bond, or for any claim based thereon or otherwise in respect thereof, shall be had against any organizer, member, officer or manager, past, present or future as such, of the Company or of any predecessor or successor entity, either directly or through the Company or any such predecessor or successor entity, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the organizers, members, officers or managers as such, of the Company or of any predecessor or successor entity, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Bonds or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such organizer, member, officer or manager as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Bonds or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issuance of such Bonds.

ARTICLE XIII
SUBORDINATION

Section 13.01 Agreement to Subordinate.

The indebtedness evidenced by the Bonds including the principal amount thereof shall be unsecured, and is hereby made, subordinate and subject in right of payment, to the extent and in the manner hereinafter set forth in the following sections of this Article, to the prior payment in full of all Senior Indebtedness of the Company, whether now outstanding or hereafter incurred. Each Bondholder, by the acceptance thereof, agrees to and shall be bound by the provisions of this Article.

Section 13.02 Distribution on Dissolution, etc.

Upon any distribution of the assets of the Issuer upon any dissolution or winding-up or total liquidation of the Issuer (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors of the Issuer or otherwise):

- (1) all indebtedness for Senior Indebtedness shall first be paid in full, or provision made for such payment, before any payment is made on account of the principal amount or interest accrued on the indebtedness evidenced by in this Indenture or in any of the Bonds;

(2) any payment or distribution of assets of the Issuer, whether in cash, property or securities, to which Bondholders would be entitled except for the provisions of this Article, shall be paid or delivered by the trustee in bankruptcy, receiver, assignee for benefit of creditors or other liquidating agent making such payment or distribution, directly to the holders of Senior Indebtedness or their representative or representatives, to the extent necessary to pay all Senior Indebtedness in full after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness;

(3) in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Issuer, whether in cash, property or securities, shall be received by Bondholders before all Senior Indebtedness is paid in full or provision made for its payment, such payments or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to the holders of such Senior Indebtedness or their representative or representatives, for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all such Senior Indebtedness after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness; and

(4) any payments or distributions paid over to the holders of the Senior Indebtedness pursuant to this section and not applied in reduction of the amounts owing to Bondholders shall be deemed not to have discharged any of the obligations of the Issuer hereunder (and, to the extent that by operation of applicable law they are treated as doing so, the Issuer hereby agrees to indemnify the Bondholder on demand from and against any loss suffered or incurred by it in consequence thereof.

Upon any payment or distribution of assets of the Issuer referred to in this section, the Bondholder and the Trustee shall be entitled to rely upon a certificate of the trustee in bankruptcy, receiver, assignee for benefit of creditors or other liquidating agent making such payment for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Issuer, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this section.

Section 13.03 Subrogation of Indenture and Bonds.

Subject to the payment in full of all Senior Indebtedness, to the extent that the Issuer has made payment or distribution of assets to holders of Senior Indebtedness pursuant to section 13.02 or 13.04 hereof, Bondholder shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Issuer made on the Senior Indebtedness, until the principal and interest on the Bond shall be paid in full and no such payments or distributions to the holder of cash, property or securities which otherwise would be payable or distributable to the holders of Senior Indebtedness shall, as between the Issuer, its creditors other than the holders of Senior Indebtedness, and the Bondholders be deemed to be a payment by the Issuer to or on account of the Senior Indebtedness, it being understood that the provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Bondholders on the one hand, and the holders of Senior Indebtedness, on the other hand. Nothing contained in this Article XIII or elsewhere in this Indenture is intended to or shall impair, as between the Issuer and its creditors (other than the holders of Senior Indebtedness and the Bondholders) the obligation of the Issuer, which is unconditional and absolute, to pay to the Bondholders the principal of the Bonds and the interest accrued thereon, as and when the same shall become due and payable in accordance with its terms, or affect the relative rights of the Bondholders and creditors of the Issuer other than the holders of the Senior Indebtedness, nor shall anything herein or therein prevent the holder from exercising all remedies otherwise permitted by applicable law upon default under this

Indenture subject to the rights, if any, under this Article of the holders of Senior Indebtedness in respect of cash, property or securities of the Issuer received upon the exercise of any such remedy. For greater certainty, the fact that payment hereunder is prohibited by section 13.02 or 13.04 shall not prevent the failure to make such payment from being an Event of Default.

Section 13.04 No Payment if Senior Indebtedness in Default.

Upon demand for payment being made on the Senior Indebtedness or upon maturity of any Senior Indebtedness by lapse of time, acceleration or otherwise, then all principal and premium, if any, and interest and related fees and expenses associated with all such Senior Indebtedness shall first be paid in full, or shall first have been duly provided for, before any payment on account of principal of the Bond or any interest accrued thereon is made unless and until such default shall have been cured or waived or shall cease to exist. In the case of default with respect to any Senior Indebtedness permitting the holders thereof to accelerate maturity thereof or demand payment thereof or in the case of any default in making payment on demand of any Senior Indebtedness which is payable on demand, then unless and until such default shall have been cured or waived or shall cease to exist:

(a) no payment or distribution of assets of the Issuer (whether in cash, property or securities) shall be made by the Issuer with respect to the principal of the Bonds or any interest accrued thereon after the happening and during the continuance of such a default;

(b) any payment or distribution of assets of the Issuer, (whether in cash, property or securities) to which the Bondholders would be entitled except for the provisions of this Article XIII, shall be paid or delivered directly to the holders of such Senior Indebtedness or their representative or, to the extent necessary to pay all Senior Indebtedness which is the subject of default in full after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness;

(c) in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Issuer, whether in cash, property or securities, shall be received by the Bondholders before all Senior Indebtedness is paid in full or provision made for its payment, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Indebtedness may have been issued, for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all such Senior Indebtedness after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness; and

(d) any payments or distributions paid over to the holders of the Senior Indebtedness pursuant to this section and not applied in reduction of the amounts owing to the Bondholders shall be deemed not to have discharged any of the obligations of the Issuer hereunder (and, to the extent that by operation of applicable law they are treated as doing so, the Issuer hereby agrees to indemnify the Bondholders on demand from and against any loss suffered or incurred by them it consequence thereof).

Upon any payment or distribution of assets of the Issuer referred to in this section, the Bondholders and the Trustee shall be entitled to rely upon a certificate of the trustee in bankruptcy, receiver, assignee for benefit of creditors or other liquidating agent making such payment or distribution, delivered to the Bondholders, for the purpose of ascertaining the persons entitled to participate in such distribution, the

holders of the Senior Indebtedness and other indebtedness of the Issuer, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this section.

Section 13.05 Standstill.

As long as any Senior Indebtedness remains outstanding, the Trustee shall not, without prior written consent of the holder of the Senior Indebtedness :

- (a) exercise or seek to exercise any right or remedy with respect to an Event of Default including any collection or enforcement right or remedy; or
- (b) institute any action or proceeding against the Issuer or any of its assets including without limitation any possession, sale or foreclosure action or proceeding; or
- (c) contest, protest or object to any enforcement proceeding or other action commenced under the Senior Indebtedness.

for a period of 90 days after delivery of notice of an Event of Default to the holder of the Senior Indebtedness (the “**Standstill Period**”). The Trustee shall only be permitted to commence such enforcement proceedings upon the receipt of written consent from the holder of the Senior Indebtedness or upon the following of the expiration of the Standstill Period.

Section 13.06 Rights of Bondholder Reserved.

Nothing contained in this Article or elsewhere in this Indenture is intended to or shall impair, as between the Issuer and the Bondholders, the obligation of the Issuer, which is absolute and unconditional, to pay to the holder of the Bond the principal amount of the Bond and interest accrued thereon as and when the same shall become due and payable in accordance with its terms, nor shall anything herein prevent the Bondholders from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article XIII of the holders of Senior Indebtedness in respect of cash, property or securities of the Issuer received upon the exercise of any such remedy.

Nothing contained in this Article or elsewhere in this Indenture, shall affect the obligation of the Issuer to make, or prevent the Issuer from making, at any time payment of principal of the Bond, except (i) during the pendency of any dissolution, winding-up or liquidation of the Issuer or reorganization proceedings specified in section 13.02 hereof affecting the affairs of the Issuer and (ii) if it is in default with respect to any Senior Indebtedness or if such payment would result in a default under any Senior Indebtedness.

Section 13.07 Subrogation Not to be Impaired.

No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any act or failure to act, in good faith, by any such holder, or by any non-compliance by the Issuer with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

Section 13.08 Notice to the Trustee.

The Company will give prompt written notice to the Trustee of any fact known to the Company that would prohibit the Company from making any payment to or by the Trustee in respect of the Bonds in accordance with the provisions of this Article XIII. The Trustee will not be charged with the knowledge of the existence of any Senior Indebtedness or an event that would prohibit the making of any payment to or by the Trustee or any Paying Agent unless and until a Responsible Officer of the Trustee has received a written notice specifying such signed by the Company, or by a holder of Senior Indebtedness; and prior to the receipt of any such written notice, the Trustee will be entitled to assume that no such facts exist; provided that, if the Trustee will not have received the notice of any event that would prohibit the making of any payment to or by the Trustee or any Paying Agent provided for in this Section 13.07 at least five Business Days prior to the date upon which, by the terms of the Indenture, any monies will become payable for any purpose (including, without limitation, the payment of the principal of or interest on any Bond), then, notwithstanding anything herein to the contrary, the Trustee will have full power and authority to receive any monies from the Company and to apply the same to the purpose for which they were received, and will not be affected by any notice to the contrary that may be received by it on or after such prior date except for an acceleration of the Bonds prior to such application. The foregoing will not apply if the Paying Agent is the Company. The Trustee will be entitled to conclusively rely on the delivery to it of a written notice by a Person representing himself or itself to be a holder of any Senior Indebtedness (or a trustee on behalf of, or agent of, such holder) to establish that such notice has been given by a holder of such Senior Indebtedness or a trustee or agent on behalf of any such holder.

In the event that the Trustee determines in good faith that any evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payment or distribution in accordance with this Article XIII, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article XIII and, if such evidence is not furnished to the Trustee, the Trustee may defer any payment to such Person pending such evidence being furnished to the Trustee or a judicial determination that such Person has the right to receive such payment.

Section 13.08 Senior Indebtedness to Trustee.

The Trustee, will not be deemed to owe any duty to the holders of Senior Indebtedness by reason of the execution of this Indenture, or any other supplemental indenture entered into in accordance with this Indenture, and will not be liable to any such holders if it will in good faith mistakenly pay over or distribute to or on behalf of the Holders or the Company moneys or assets to which any holders of Senior Indebtedness will be entitled by virtue of this Article XIII or otherwise.

ARTICLE XIV MISCELLANEOUS PROVISIONS

Section 14.01 Effect on Successors and Assigns.

All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

Section 14.02 Actions by Successor.

Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the corresponding board, committee or officer of any corporation that shall at the time be the lawful successor of the Company.

Section 14.03 Surrender of Company Powers.

The Company by instrument in writing executed and delivered to the Trustee may surrender any of the powers reserved to the Company, and thereupon such power so surrendered shall terminate both as to the Company and as to any successor corporation.

Section 14.04 Notices.

Except as otherwise expressly provided herein any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Bonds to or on the Company may be given or served by being deposited first class postage prepaid in a post-office letterbox addressed (until another address is filed in writing by the Company with the Trustee), as follows: c/o Phoenix Capital Group Holdings, LLC, 18575 Jamboree Road, Suite 830, Irvine, CA 92612. Any notice, election, request or demand by the Company or any Bondholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the Corporate Trust Office of the Trustee.

Section 14.05 Governing Law.

This Indenture and each Bond shall be deemed to be a contract made under the internal laws of the State of Delaware, and for all purposes shall be construed in accordance with the laws of said State.

Section 14.06 Treatment of Bonds as Debt.

It is intended that the Bonds will be treated as indebtedness and not as equity for federal income tax purposes. The provisions of this Indenture shall be interpreted to further this intention.

Section 14.07 Compliance Certificates and Opinions.

(a) Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company, shall furnish to the Trustee a Company certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

(b) Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant in this Indenture shall include

(1) a statement that the Person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

Section 14.08 Payments on Business Days.

Except as set forth in a Company certificate, or established in one or more indentures supplemental to this Indenture, in any case where the date of maturity of interest or principal of any Bond shall not be a Business Day, then payment of interest or principal (and premium, if any) may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of maturity, and no interest shall accrue for the period after such nominal date.

Section 14.09 Counterparts.

This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 14.10 Separability.

In case any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture or of such Bonds, but this Indenture and such Bonds shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

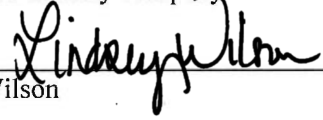
Section 14.11 Electronic Storage.

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed all as of the day and year first above written.

PHOENIX CAPITAL GROUP HOLDINGS, LLC
a Delaware limited liability company

By: 
Name: Lindsey Wilson
Its: Manager

UMB BANK, as Trustee

By: 
Name: LAURA L. STEVENS
Title: Vice President

PHOENIX CAPITAL GROUP HOLDINGS, LLC,
AS ISSUER

AND

UMB BANK, N.A.,
AS TRUSTEE

UNSECURED SUBORDINATED DEBT SECURITIES

FIRST SUPPLEMENTAL INDENTURE

Dated as of August 20, 2024

to

INDENTURE

Dated as of August 25, 2023

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This FIRST SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”), dated as of August 20, 2024, between Phoenix Capital Group Holdings, LLC, a Delaware limited liability company (the “**Company**”), and UMB Bank, N.A., as trustee (the “**Trustee**”).

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture, dated as of August 25, 2023 (as amended or supplemented to the date hereof, the “**Base Indenture**” and, together with this Supplemental Indenture, the “**Indenture**”), between the Company and the Trustee, providing for the issuance by the Company from time to time of one or more series of Bonds (as defined in the Base Indenture);

WHEREAS, the Company has duly authorized the execution and delivery of this Supplemental Indenture to provide for the issuance of the (i) Series AA Bonds, (ii) Series AA-1 Bonds, (iii) Series BB Bonds, (iv) Series BB-1 Bonds, (v) Series CC Bonds, (vi) Series CC-1 Bonds, (vii) Series DD Bonds, (viii) Series DD-1 Bonds, (ix) Series EE Bonds, (x) Series EE-1 Bonds, (xi) Series FF Bonds, (xii) Series FF-1 Bonds, (xiii) Series GG Bonds, (xiv) Series GG-1 Bonds, (xv) Series HH Bonds, (xvi) Series HH-1 Bonds, (xvii) Series II Bonds, (xviii) Series II-1 Bonds, (xix) Series JJ Bonds and (xx) Series JJ-1 Bonds (each as defined below and, collectively, the “**First Supplemental Indenture Bonds**”);

WHEREAS, the Company desires and has requested the Trustee to join with it in the execution and delivery of this Supplemental Indenture in order to supplement the Base Indenture to the extent set forth herein to provide for the issuance and the terms of the First Supplemental Indenture Bonds; and

WHEREAS, all things necessary to make this Supplemental Indenture a valid indenture and agreement of the Company according to its terms have been done.

NOW, THEREFORE:

In consideration of the premises and the purchase of the First Supplemental Indenture Bonds by the Bondholders thereof, the Company and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Bondholders from time to time of the First Supplemental Indenture Bonds as follows.

ARTICLE 1

DEFINITIONS AND RELATIONSHIP WITH BASE INDENTURE

Section 1.01 *Definitions.*

Certain terms used principally in certain Articles hereof are defined in those Articles. Capitalized terms used but not defined in this Supplemental Indenture shall have the meaning ascribed to them in the Base Indenture. In the event of any conflict between any term defined in the Base Indenture and this Supplemental Indenture, the defined terms in this Supplemental Indenture shall govern and control.

“**AA Bonds**” and “**AA-1 Bonds**” are 9.5% one-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**Base Indenture**” has the meaning assigned to it in the recitals hereto, as amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**BB Bonds**” and “**BB-1 Bonds**” are 10.5% three-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**CC Bonds**” and “**CC-1 Bonds**” are 11.5% five-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**DD Bonds**” and “**DD-1 Bonds**” are 12.5% seven-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**EE Bonds**” and “**EE-1 Bonds**” are 13.5% eleven-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**FF Bonds**” and “**FF-1 Bonds**” are 10.0% one-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**First Supplemental Indenture Bonds**” has the meaning assigned to it in the recitals hereto. For purposes of the Indenture, all references to the bonds to be issued or authenticated upon transfer or replacement of or in exchange for First Supplemental Indenture Bonds shall be deemed to refer to First Supplemental Indenture Bonds.

“**GG Bonds**” and “**GG-1 Bonds**” are 11.0% three-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**HH Bonds**” and “**HH-1 Bonds**” are 12.0% five-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**II Bonds**” and “**II-1 Bonds**” are 13.0% seven-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**Indenture**” has the meaning assigned to it in the recitals hereto.

“**JJ Bonds**” and “**JJ-1 Bonds**” are 14.0% eleven-year unsecured bonds authorized for issuance under the Indenture, the form of which is attached as Exhibit A hereto.

“**Supplemental Indenture**” has the meaning assigned to it in the preamble hereto.

“**Trustee**” has the meaning assigned to it in the recitals hereto, until a successor replaces it in accordance with the applicable provisions of this Indenture, and thereafter means the successor serving thereunder.

Section 1.02 *Relationship with Base Indenture.*

The terms and provisions contained in the Base Indenture shall constitute, and are hereby expressly made, a part of this Supplemental Indenture, and the Company and the Trustee, by their execution and delivery of this Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of the Base Indenture conflicts with the express provisions of this Supplemental Indenture, the provisions of this Supplemental Indenture shall govern and be controlling. Except as supplemented hereby, all other terms of the Base Indenture will apply to the First Supplemental Indenture Bonds.

ARTICLE 2

THE BONDS

Section 2.01 *Establishment and Form.*

(a) There is hereby established twenty new series of Bonds (*i.e.*, the First Supplemental Indenture Bonds) to be issued under the Base Indenture, to be designated as the (i) Series AA Bonds, (ii) Series AA-1 Bonds, (iii) Series BB Bonds, (iv) Series BB-1 Bonds, (v) Series CC Bonds, (vi) Series CC-1 Bonds, (vii) Series DD Bonds, (viii) Series DD-1 Bonds, (ix) Series EE Bonds, (x) Series EE-1 Bonds, (xi) Series FF Bonds, (xii) Series FF-1 Bonds, (xiii) Series GG Bonds, (xiv) Series GG-1 Bonds, (xv) Series HH Bonds, (xvi) Series HH-1 Bonds, (xvii) Series II Bonds, (xviii) Series II-1 Bonds, (xix) Series JJ Bonds and (xx) Series JJ-1 Bonds. The First Supplemental Indenture Bonds shall be deemed “Bonds” for all purposes under the Indenture.

(b) The First Supplemental Indenture Bonds and the Trustee’s certificate of authentication with respect thereto will be substantially in the form of Exhibit A hereto. The Bonds may have notations, legends

or endorsements required by law, stock exchange rule or usage. Each Note will be dated the date of its authentication.

(c) The terms and provisions contained in the First Supplemental Indenture Bonds will constitute, and are hereby expressly made, a part of the Indenture, and the Company and the Trustee, by their execution and delivery of this Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby.

ARTICLE 3

REDEMPTION OF BONDS

Section 3.01 *Optional Redemption.*

The Company may elect to prepay First Supplemental Indenture Bonds as provided for in Article III of the Base Indenture.

Section 3.02 *Redemption at Option of Holder.*

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Bonds.

ARTICLE 4

COVENANTS

The First Supplemental Indenture Bonds shall be subject to the covenants included in Article IV and Article X of the Base Indenture.

ARTICLE 5

SUBORDINATION

The First Supplemental Indenture Bonds shall be subject to the subordination provisions contained in Article XIII of the Base Indenture.

ARTICLE 6

MISCELLANEOUS

Section 6.01 *Governing Law.*

THE INTERNAL LAW OF THE STATE OF DELAWARE WILL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE AND THE FIRST SUPPLEMENTAL INDENTURE BONDS WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 6.02 *Successors.*

All agreements of the Company in this Supplemental Indenture and the First Supplemental Indenture Bonds will bind its successors. All agreements of the Trustee in this Supplemental Indenture will bind its successors.

Section 6.03 *Severability.*

In case any provision in this Supplemental Indenture or in the First Supplemental Indenture Bonds is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 6.04 *Counterpart Originals.*

The parties may sign any number of copies of this Supplemental Indenture. Each signed copy will be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or .pdf transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or .pdf shall be deemed to be their original signatures for all purposes. This Supplemental Indenture shall be valid, binding and enforceable against a party only when executed and delivered by an authorized individual on behalf of the party by means of (i) any electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including relevant provisions of the Uniform Commercial Code/UCC (collectively, “**Signature Law**”); (ii) an original manual signature; or (iii) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument. For avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the UCC or other Signature Law due to the character or intended character of the writings.

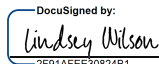
Section 6.05 *Table of Contents, Headings, Etc.*

The Table of Contents and headings of the Articles and Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and will in no way modify or restrict any of the terms or provisions hereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date set forth above.

PHOENIX CAPITAL GROUP HOLDINGS, LLC
as Issuer

By: 
Name: Lindsey Wilson
Its: Manager

UMB BANK, N.A.
as Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date set forth above.

PHOENIX CAPITAL GROUP HOLDINGS, LLC
as Issuer

By: _____
Name: Lindsey Wilson
Its: Manager

UMB BANK, N.A.
as Trustee

By: 
Name: Lara L. Stevens
Title: Vice President

PHOENIX CAPITAL GROUP HOLDINGS, LLC,
AS ISSUER

AND

UMB BANK, N.A.,
AS TRUSTEE

UNSECURED SUBORDINATED DEBT SECURITIES

SECOND SUPPLEMENTAL INDENTURE

Dated as of October 17, 2024

to

INDENTURE

Dated as of August 25, 2023

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This SECOND SUPPLEMENTAL INDENTURE (this “**Supplemental Indenture**”), dated as of October 17, 2024, between Phoenix Capital Group Holdings, LLC, a Delaware limited liability company (the “**Company**”), and UMB Bank, N.A., as trustee (the “**Trustee**”).

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture, dated as of August 25, 2023 (as amended or supplemented to the date hereof, the “**Base Indenture**”), between the Company and the Trustee, providing for the issuance by the Company from time to time of one or more series of Bonds (as defined in the Base Indenture);

WHEREAS, the Company has heretofore executed and delivered to the Trustee that certain First Supplemental Indenture, dated August 20, 2024 (the “**First Supplemental Indenture**” and, together with the Base Indenture and this Supplemental Indenture, the “**Indenture**”), providing for the issuance by the Company from time to time of the First Supplemental Indenture Bonds (as defined in the First Supplemental Indenture);

WHEREAS, the Company has duly authorized the execution and delivery of this Supplemental Indenture to provide for the amendments to the Indenture set forth herein;

WHEREAS, the Company desires and has requested the Trustee to join with it in the execution and delivery of this Supplemental Indenture in order to amend the Indenture to the extent set forth herein; and

WHEREAS, all things necessary to make this Supplemental Indenture a valid indenture and agreement of the Company according to its terms have been done.

NOW, THEREFORE:

In consideration of the premises and mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Bondholders as follows.

ARTICLE 1

DEFINITIONS AND RELATIONSHIP WITH INDENTURE

Section 1.01 *Definitions.*

Certain terms used principally in certain Articles hereof are defined in those Articles. Capitalized terms used but not defined in this Supplemental Indenture shall have the meaning ascribed to them in the Base Indenture or the First Supplemental Indenture, as applicable.

Section 1.01 *Relationship with Base Indenture and First Supplemental Indenture.*

The terms and provisions contained in the Base Indenture and First Supplemental Indenture shall constitute, and are hereby expressly made, a part of this Supplemental Indenture, and the Company and the Trustee, by their execution and delivery of this Supplemental Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of the Base Indenture and First Supplemental Indenture conflicts with the express provisions of this Supplemental Indenture, the provisions of this Supplemental Indenture shall govern and be controlling. Except as specifically modified by this Supplemental Indenture, the Base Indenture, the First Supplemental Indenture, and the Bonds are in all respects ratified and confirmed and will remain in full force and effect in accordance with their terms.

ARTICLE 2

AMENDMENT OF INDENTURE

Section 2.01 *Amendment of Section 1.01 of the Indenture.*

Section 1.01 of the Base Indenture is hereby amended to remove the defined terms “Repurchase Date” and “Repurchase Price,” and any references thereto in the Indenture or the Bonds are interpreted accordingly.

Section 2.02 *Amendment of Article III of the Indenture.*

Article III of the Base Indenture is hereby amended to add the following as Section 3.04 immediately following Section 3.03, and any references thereto in the Indenture or the Bonds are interpreted accordingly:

Section 3.04. Mandatory Redemption; Repurchase at the Option of the Bondholders.

(a) Subject to the provisions of Article XIII, each Bondholder may request, in whole at any time and in part from time to time, by written notice to the Company, that the Company redeem such Bondholders' Bonds at a redemption price equal to 95.0% of the principal amount of such Bonds, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption; *provided* that the Company will not be required to redeem any Bonds at any time when the Company or any of its subsidiaries or Affiliates is prohibited by law or contract from doing so; *provided further* that the Company will not be required to redeem Bonds in an amount that exceeds, in any calendar year, 10.0% of the aggregate principal amount of the Bonds issued and outstanding as of the first day of the calendar quarter in which such request is made.

(b) Such notice will set forth the maturity date, interest payment method, and interest rate on the Bonds to be redeemed, the principal amount of Bonds to be redeemed, and relevant payment information for receipt of funds.

(c) If required by the foregoing or otherwise permitted by the Company, in its sole discretion, the Company will redeem such Bonds on a date to be determined by the Company that is no earlier than one and no later than 120 days from the date the Company receives written notice from the Bondholder.

(d) Redemptions pursuant to the foregoing provisions will be processed in the order that requests for redemption are received by the Company.

(e) The Company is not otherwise required to make mandatory redemption or sinking fund payments with respect to the Bonds. The Company will also not be required to offer to purchase any Bonds with the proceeds of asset sales, in the event of a change of control, or otherwise.

ARTICLE 3

MISCELLANEOUS

Section 3.01 *Governing Law.*

THE INTERNAL LAW OF THE STATE OF DELAWARE WILL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE

APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 3.02 *Successors.*

All agreements of the Company in this Supplemental Indenture will bind its successors. All agreements of the Trustee in this Supplemental Indenture will bind its successors.

Section 3.03 *Severability.*

In case any provision in this Supplemental Indenture is invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 3.04 *Counterpart Originals.*

The parties may sign any number of copies of this Supplemental Indenture. Each signed copy will be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or .pdf transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or .pdf shall be deemed to be their original signatures for all purposes. This Supplemental Indenture shall be valid, binding and enforceable against a party only when executed and delivered by an authorized individual on behalf of the party by means of (i) any electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including relevant provisions of the Uniform Commercial Code/UCC (collectively, “**Signature Law**”); (ii) an original manual signature; or (iii) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument. For avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the UCC or other Signature Law due to the character or intended character of the writings.

Section 3.05 *Table of Contents, Headings, Etc.*

The Table of Contents and headings of the Articles and Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and will in no way modify or restrict any of the terms or provisions hereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date set forth above.

PHOENIX CAPITAL GROUP HOLDINGS, LLC
as Issuer

By: /s/ Lindsey Wilson
Name: Lindsey Wilson
Its: Manager

UMB BANK, N.A.
as Trustee

By: /s/ Lara L. Stevens
Name: Lara L. Stevens
Title: Vice President

THIRD SUPPLEMENTAL INDENTURE

This THIRD SUPPLEMENTAL INDENTURE (this “*Supplemental Indenture*”), dated as of May 14, 2025, is between Phoenix Energy One, LLC (formerly known as Phoenix Capital Group Holdings, LLC), a Delaware limited liability company (the “*Company*”), and UMB Bank, N.A., as trustee (the “*Trustee*”).

WHEREAS, the Company and the Trustee entered into that certain Indenture dated as of August 25, 2023 and further supplemented by that certain First Supplemental Indenture dated August 20, 2024 and that Second Supplemental Indenture dated October 17, 2024 (collectively, the “*Indenture*”) pursuant to which the Trustee agreed to serve as trustee under the Indenture, as more particularly described in the Indenture for the consideration specified therein.

WHEREAS, the Company desires to amend the Indenture as set forth herein and requests that the Trustee join with the Company in the execution and delivery of this Supplemental Indenture. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Indenture.

WHEREAS, the Company has duly authorized the execution and delivery of this Supplemental Indenture to provide for the amendments to the Indenture set forth herein;

WHEREAS, all things necessary to make this Supplemental Indenture a valid indenture and agreement of the Company according to its terms have been done.

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Trustee agree for the equal and proportionate benefit of all Bondholders as follows:

1. The recitals and introductory paragraphs hereof form a part of this Supplemental Indenture as if fully set forth herein.
2. Recitals. The first recital of the Indenture is hereby amended to modify the maximum aggregate principal amount of the Bonds that may be issued by the Company to \$1,500,000,000, with a right to increase such maximum aggregate principal amount by an additional \$500,000,000, up to \$2,000,000,000 in the Company’s sole discretion.
3. Entire Agreement. The Indenture, as modified by this Supplemental Indenture, constitutes the entire agreement between the parties hereto with respect to the transactions contemplated therein. Except as modified by this Supplemental Indenture, the Indenture, including without limitation all exhibits and supplements thereto, remains unchanged and unmodified and in full force and effect, and the parties hereto hereby ratify and affirm the same.

4. Counterparts. This Supplemental Indenture may be executed in any number of counterparts and it shall be sufficient that the signature of each party appear on one or more such counterparts. All counterparts shall collectively constitute a single agreement. Signatures to this Supplemental Indenture transmitted by facsimile or electronic mail shall be treated as originals in all respects.
5. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity, sufficiency or adequacy of this Supplemental Indenture or for or in respect of the statements or recitals contained herein, all of which recitals are made solely by the Company, and the Trustee assumes no responsibility for their correctness.

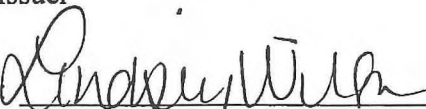
[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date set forth above.

PHOENIX ENERGY ONE, LLC

(formerly known as Phoenix Capital Group Holdings, LLC)

as Issuer

By: 

Name: Lindsey Wilson

Its: Chief Business Officer

UMB BANK, N.A.

as Trustee

By: 

Name: LARA L. STEVENS

Title: Vice President

[Signature Page to Third Supplemental Indenture]

FOURTH SUPPLEMENTAL INDENTURE

This FOURTH SUPPLEMENTAL INDENTURE (this “*Supplemental Indenture*”), dated as of March 16, 2026, is between Phoenix Energy One, LLC (formerly known as Phoenix Capital Group Holdings, LLC), a Delaware limited liability company (the “*Company*”), and UMB Bank, N.A., as trustee (the “*Trustee*”).

WHEREAS, the Company and the Trustee entered into that certain Indenture dated as of August 25, 2023, as amended by that certain First Supplemental Indenture dated as of August 20, 2024, and as further amended by that certain Second Supplemental Indenture dated as of October 17, 2024, and as further amended by that certain Third Supplemental Indenture dated as of May 14, 2025 (collectively, the “*Indenture*”) pursuant to which the Trustee agreed to serve as trustee under the Indenture, as more particularly described in the Indenture for the consideration specified therein;

WHEREAS, the Company desires to amend the Indenture as set forth herein and requests that the Trustee join with the Company in the execution and delivery of this Supplemental Indenture. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Indenture;

WHEREAS, the Company has duly authorized the execution and delivery of this Supplemental Indenture to provide for the amendments to the Indenture set forth herein; and

WHEREAS, all things necessary to make this Supplemental Indenture a valid indenture and agreement of the Company according to its terms have been done.

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Trustee agree for the equal and proportionate benefit of all Bondholders as follows:

1. The recitals and introductory paragraphs hereof form a part of this Supplemental Indenture as if fully set forth herein.
2. Recitals. The first recital of the Indenture is hereby amended to modify the maximum aggregate principal amount of the Bonds that may be issued by the Company to \$2,000,000,000.
3. Entire Agreement. The Indenture, as modified by this Supplemental Indenture, constitutes the entire agreement between the parties hereto with respect to the transactions contemplated therein. Except as modified by this Supplemental Indenture, the Indenture, including without limitation all exhibits and supplements thereto, remains unchanged and unmodified and in full force and effect, and the parties hereto hereby ratify and affirm the same.

4. Counterparts. This Supplemental Indenture may be executed in any number of counterparts and it shall be sufficient that the signature of each party appear on one or more such counterparts. All counterparts shall collectively constitute a single agreement. Signatures to this Supplemental Indenture transmitted by facsimile or electronic mail shall be treated as originals in all respects.
5. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity, sufficiency or adequacy of this Supplemental Indenture or for or in respect of the statements or recitals contained herein, all of which recitals are made solely by the Company, and the Trustee assumes no responsibility for their correctness.

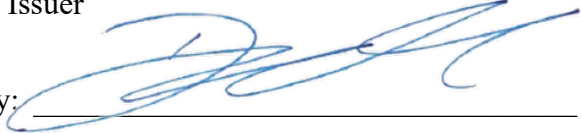
[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date set forth above.

PHOENIX ENERGY ONE, LLC

(formerly known as Phoenix Capital Group Holdings, LLC)

as Issuer

By: _____

Name: David Wheeler

Its: Chief Legal Officer

UMB BANK, N.A.

as Trustee

By: _____

Name: _____

Title: _____

[Signature Page to Fourth Supplemental Indenture]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date set forth above.

PHOENIX ENERGY ONE, LLC

(formerly known as Phoenix Capital Group Holdings, LLC)

as Issuer

By: _____

Name: _____

Its: _____

UMB BANK, N.A.

as Trustee

By: 

Name: LARA L. STEVENS

Title: Vice President

[Signature Page to Fourth Supplemental Indenture]

FIFTH SUPPLEMENTAL INDENTURE

This FIFTH SUPPLEMENTAL INDENTURE (this “*Supplemental Indenture*”), dated as of June 30, 2026, is between Phoenix Energy One, LLC (formerly known as Phoenix Capital Group Holdings, LLC), a Delaware limited liability company (the “*Company*”), and UMB Bank, N.A., as trustee (the “*Trustee*”).

WHEREAS, the Company and the Trustee entered into that certain Indenture dated as of August 25, 2023, as amended by that certain First Supplemental Indenture dated as of August 20, 2024, and as further amended by that certain Second Supplemental Indenture dated as of October 17, 2024, and as further amended by that certain Third Supplemental Indenture dated as of May 14, 2025, and as further amended by that certain Fourth Supplemental Indenture dated as of March 16, 2026 (collectively, the “*Indenture*”) pursuant to which the Trustee agreed to serve as trustee under the Indenture, as more particularly described in the Indenture for the consideration specified therein;

WHEREAS, the Company desires to amend the Indenture as set forth herein and requests that the Trustee join with the Company in the execution and delivery of this Supplemental Indenture. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture;

WHEREAS, the Company has duly authorized the execution and delivery of this Supplemental Indenture to provide for the amendments to the Indenture set forth herein; and

WHEREAS, all things necessary to make this Supplemental Indenture a valid indenture and agreement of the Company according to its terms have been done.

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Trustee agree for the equal and proportionate benefit of all Bondholders as follows:

1. The recitals and introductory paragraphs hereof form a part of this Supplemental Indenture as if fully set forth herein.
2. Article III Amendment. Article III of the Indenture is hereby amended to add the following as Section 3.05 immediately following Section 3.04, and any references thereto in the Indenture or the Bonds are interpreted accordingly:

3.05. Redemption Upon Death or Disability.

(a) Upon the death or total permanent disability (as defined below) of a Bondholder who is a natural person, the estate of such Bondholder, such Bondholder, or the legal

representative of such Bondholder may request that we repurchase, in whole but not in part, the Bonds held or beneficially held by such Bondholder (including Bonds of such Bondholder held or beneficially held in his or her individual retirement accounts as the case may be) by delivering to the Company a redemption request in conformity with the notice provisions herein or such other form of notice acceptable to the Company. Any such redemption request must include the facts or certifications supporting the right to be redeemed and include evidence thereof (such as a copy of a death certificate).

(b) Upon receipt of a redemption request, the Company will determine whether to approve the request, and acceptance of such redemption request shall be at the Company's sole discretion, regardless of reason. If the request is approved, the Company will then designate a date for the redemption of such Bonds, notify the trustee, and pay out the Bond upon the surrender of the Bond to the trustee. No interest shall accrue on a Bond to be redeemed for any period of time on or after the redemption date for such Bond, provided that the Company has timely tendered the redemption price.

(c) If the Bonds are purchased by joint owners with a right of survivorship or if the Bonds are purchased with a 'transfer on death' beneficiary so that a transfer of ownership occurs as a matter of law, no redemption due to death will be available. If the Bonds are purchased by joint owners with no rights of survivorship (such as tenants in common), a redemption will be considered when the first owner dies. A holder or beneficial holder that is not an individual natural person does not have the right to request redemption upon death or disability, except that if a Bond is purchased by an entity, a redemption due to death will only be considered upon termination of the entity as a result of the death of a majority owner of such entity with direct voting control of such entity.

(d) For purposes herein, a "total permanent disability" means a medically determinable physical or mental impairment that renders an individual unable to perform the substantial and material duties of the individual's occupation, or any comparable occupation for which the individual is reasonably suited by education, training, or experience, and that is reasonably expected to continue indefinitely or result in death.

3. Entire Agreement. The Indenture, as modified by this Supplemental Indenture, constitutes the entire agreement between the parties hereto with respect to the transactions contemplated therein. Except as modified by this Supplemental Indenture, the Indenture, including without limitation all exhibits and supplements thereto, remains unchanged and unmodified and in full force and effect, and the parties hereto hereby ratify and affirm the same.
4. Counterparts. This Supplemental Indenture may be executed in any number of counterparts and it shall be sufficient that the signature of each party appear on one or more such

counterparts. All counterparts shall collectively constitute a single agreement. Signatures to this Supplemental Indenture transmitted by facsimile or electronic mail shall be treated as originals in all respects.

5. The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity, sufficiency, or adequacy of this Supplemental Indenture or for or in respect of the statements or recitals contained herein, all of which recitals are made solely by the Company, and the Trustee assumes no responsibility for their correctness.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date set forth above.

PHOENIX ENERGY ONE, LLC

(formerly known as Phoenix Capital Group Holdings, LLC)

as Issuer

By: Robert R. Kaplan, Jr.

Name: Robert R. Kaplan, Jr.

Its: Chief Legal Officer & Secretary

UMB BANK, N.A.

as Trustee

By: Lara L. Stevens

Name: LARA L. STEVENS

Title: Vice President

[Signature Page to Fifth Supplemental Indenture]

Exhibit C

Form of Bonds

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND THIS BOND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

PHOENIX ENERGY ONE, LLC
[●]% Unsecured Series [●] Bond¹

No. of Bonds: [●]
Principal Amount of Bonds: \$[●]

PHOENIX ENERGY ONE, LLC, a Delaware limited liability company (the “**Company**”), for value received, promises to pay to [●] (the “**Bondholder**”), the principal sum of up to \$[●] on the Maturity Date (as defined herein).

Interest Payment Dates: Monthly payments occurring on the 10th day of each month, or if any such day is not a business day, the next business day, until the Series [●] Bonds (the “[●] Bonds”) represented by this Certificate of bond are no longer outstanding.

Interest Distribution: The [Company will pay simple interest to the Bondholder monthly through cash distributions. At the Maturity Date, the Bondholder will receive the principal]²/ [[●]-1 Bonds will earn interest compounded monthly and not pay monthly cash distributions. At maturity, the Company will pay the entirety of accrued interest and principal to the Bondholder]³. The Company shall pay interest on overdue interest, principal and premium, if any, from time to time on demand to the extent lawful at the interest rate applicable to the Bonds.

Record Dates: The last day of each month.

Maturity Date: The [●] anniversary of the date of issuance.

Reference is made to the further provisions of this Certificate contained herein, which will for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Certificate to be signed manually or by facsimile by its duly authorized officer.

Dated: _____

PHOENIX ENERGY ONE, LLC,
a Delaware limited liability company

By: _____
Name: Lindsey Wilson
Its: Authorized Signatory

¹ Series AA and AA-1 Bonds to reflect 9.5% interest rate and one-year maturity. Series BB and BB-1 Bonds to reflect 10.5% interest rate and three-year maturity. Series CC and CC-1 Bonds to reflect 11.5% interest rate and five-year maturity. Series DD and DD-1 Bonds to reflect 12.5% interest rate and seven-year maturity. Series EE and EE-1 Bonds to reflect 13.5% interest rate and eleven-year maturity. Series FF and FF-1 Bonds to reflect 10.0% interest rate and one-year maturity. Series GG and GG-1 Bonds to reflect 11.0% interest rate and three-year maturity. Series HH and HH-1 Bonds to reflect 12.0% interest rate and five-year maturity. Series II and II-1 Bonds to reflect 13.0% interest rate and seven-year maturity. Series JJ and JJ-1 Bonds to reflect 14.0% interest rate and eleven-year maturity.

² Series AA, BB, CC, DD, EE, FF, GG, HH, II and JJ Bonds only.

³ Series AA-1, BB-1, CC-1, DD-1, EE-1, FF-1, GG-1, HH-1, II-1 and JJ-1 Bonds only.

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

The Bonds are [☐]% Unsecured Series [☐] Bonds described in the within-mentioned Indenture.

Dated: _____

UMB Bank, N.A., as Trustee

By: _____

Name:

Its: Authorized Signatory

(Reverse of Bond)
[●] % Unsecured Series [●] Bonds due _____

This Certificate of Bond is governed by that certain indenture by and between UMB Bank, N.A. (the “**Trustee**”) and the Company, dated as of August 25, 2023 (as amended or supplemented from time to time, the “**Indenture**”), relating to the offer of the bonds governed thereby by the Company. Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to above, unless otherwise indicated.

SECTION 1. Interest. [The Company promises to pay]²/[In accordance with the second paragraph of this Section 1,]³ interest on the principal amount of the [●] Bonds represented by this certificate [at]²/[shall accrue and compound at a rate of]³ [●] % per annum from the date of issuance, up to but not including the last day of the [●] anniversary of the issuance date (the “**Maturity Date**”) subject to the Company’s option to extend the maturity date of all or any portion of the [●] Bonds, including all or any portion of any series thereof, for up to two additional one-year periods in the Company’s sole discretion. With respect to the maturity or extension thereof of the [●] Bonds, the Company will send to the Bondholder, the Trustee and the Paying Agent (if not the Company) written notice, no more than 210 days and no less than 60 days prior to the Maturity Date for the [●] Bonds, notifying the Bondholder of the [●] Bonds’ pending maturity and that the maturity of the Bonds will or will not be extended, as applicable; provided, that the Company may elect to extend or not extend the [●] Bonds by providing notice as described above at any time prior to the date that is 60 days prior to the Maturity Date (as may have been previously extended) regardless of any election contained in a prior notice to the Bondholder. For the avoidance of doubt, to the extent the Company fails to provide the Bondholder, the Trustee and the Paying Agent (if not the Company) written notice of its election to extend the Maturity Date as described above prior to the date that is 60 days prior to the Maturity Date (as may have been previously extended), the Company shall pay all amounts due under the [●] Bonds represented by this certificate on the Maturity Date (as may have been previously extended).

[For [●]]²/ [The [●]-1]³ Bonds [will earn interest compounded monthly and not pay monthly cash distributions. At maturity]³, the Company will pay [interest due on the Bonds in equal monthly installments on the Interest Payment Dates, or if any such day is not a business day, the next business day]²/ [the entirety of accrued interest and principal to the Bondholder]³. The Company shall pay interest on overdue [interest,]² principal and premium, if any, from time to time on demand to the extent lawful at the interest rate applicable to the Bonds.

SECTION 2. Method of Payment. The Company will pay [the principal and]³ interest on the [●]/²[Series [●]-1]³ Bonds to the Persons who are Bondholders at the close of the [Record Date, even if such [●] Bonds are canceled after such Record Date and on or before such Interest Payment]²/[Maturity]³ Date. The [●] Bonds will be issued in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The Company shall pay principal, premium, if any, and interest on the [●] Bonds in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Principal, premium, if any, and interest on the [●] Bonds will be payable at the office or agency of the Company maintained for such purpose except that, at the option of the Company, the payment of interest may be made by check mailed to the Bondholders at their respective addresses set forth in the Bond Register. Until otherwise designated by the Company, the Company’s office or agency will be the Company’s principal place of business.

SECTION 3. Paying Agent and Registrar. Initially, the Company will act as paying agent and registrar. The Company may change the paying agent or registrar without notice to the Bondholders but with written notice to the Trustee. Except as provided in the Indenture, the Company or any of its Subsidiaries may act in any such capacity.

SECTION 4. Indenture. The Company has issued the [●] Bonds under the Indenture. The terms of the [●] Bonds include those stated in the Indenture. The [●] Bonds and Bondholders are subject to all such terms. To the extent any provision of this Certificate conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

SECTION 5. Prepayment at Option of the Company. The Company may prepay the [●] Bonds, in whole or in part, at any time without penalty. Any prepayment of [●] Bonds will be in an amount equal to the then outstanding principal on the [●] Bonds being prepaid, plus any accrued but unpaid interest on such [●] Bonds. If the Company elects to prepay the [●] Bonds, the Company will, or cause the Paying Agent to, give notice of prepayment not less than 5 days nor more than 60 days prior to any prepayment date to each Bondholder being prepaid at such Bondholder’s address appearing in the Bond Register. In the event the Company elects to prepay less than all of the [●] Bonds, the particular [●] Bonds to be prepaid will be selected by the Company in its sole discretion.

SECTION 6. Denominations, Transfer Exchange. The Bonds are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. The Bonds may not be transferred without the Company’s written consent. be registered and Bonds may be exchanged as provided in the Indenture. The Bond Registrar and

² Series AA, BB, CC, DD, EE, FF, GG, HH, II and JJ Bonds only.

³ Series AA-1, BB-1, CC-1, DD-1, EE-1, FF-1, GG-1, HH-1, II-1 and JJ-1 Bonds only.

the Trustee may require a holder of Bonds, among other things, to furnish appropriate endorsements and transfer documents, and the Company may require a holder of Bonds to pay any taxes and fees required by law or permitted by the Indenture. The Company and the Bond Registrar are not required to transfer or exchange any Bonds selected for redemption. Also, the Company and the Bond Registrar are not required to transfer or exchange any Bonds for a period of 15 days before a selection of Bonds to be redeemed.

SECTION 7. Persons Deemed Owners. The registered holder of a Bond may be treated as its owner for all purposes.

SECTION 8. Amendment, Supplement and Waiver. Any amendment, supplement or waiver of the terms of the Indenture or the Bonds will be provided in accordance with Articles VI, VIII and IX of the Indenture, as applicable.

SECTION 9. Successor Entity. Except with respect to those mergers and sales expressly permitted by Article X of the Indenture, nothing contained in this [●] Bond shall permit any consolidation or merger of the Company with or into any other Person (whether or not affiliated with the Company) or successive consolidations or mergers in which the Company or its successor or successors shall be a party or parties, or shall permit any sale, conveyance, transfer or other disposition of the property of the Company or its successor or successors as an entirety, or substantially as an entirety, to any other Person or entity (whether or not affiliated with the Company or its successor or successors) authorized to acquire and operate the same.

SECTION 10. Defaults and Remedies. If an Event of Default occurs and is continuing, the Trustee or the holders of not less than a majority of the then outstanding Bonds may declare the principal of, premium, if any, and accrued interest on the Bonds to be due and payable immediately in accordance with the provisions of Section 6 of the Indenture. If an Event of Default occurs and is continuing, the Bonds will continue to accrue interest at the applicable rate for the Bonds. Holders of Bonds may not enforce the Indenture or the Bonds except as provided in the Indenture. Subject to certain limitations in the Indenture, holders of a majority of the then outstanding Bonds may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Bonds notice of any continuing Default if it determines that withholding notice is in their best interest. The holders of a majority of the Bonds then outstanding by notice to the Trustee may on behalf of the holders of all of the Bonds waive any existing Default and its consequences under the Indenture except a Default in the payment of principal of, or interest on, any Bond as specified in Section 6.

SECTION 11. No Recourse Against Others. No recourse for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company in the Indenture, or in any of the Bonds or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company or of any successor Person thereof. Each Holder, by accepting the Bonds, waives and releases all such liability. Such waiver and release are part of the consideration for issuance of the Bonds.

SECTION 12. Subordination. This [●] Bond is subordinated in right of payment, in the manner and to the extent set forth in the Indenture, to the prior payment in full of all Senior Indebtedness. Each Bondholder by accepting a [●] Bond agrees to such subordination and authorizes the Trustee to give it effect.

SECTION 13. Miscellaneous Provisions.

- (a) Governing Law. This [●] Bond shall be governed by, and construed in accordance with, the laws of the State of Delaware.
- (b) Effect on Successors and Assigns. All the covenants, stipulations, promises and agreements in this Bond contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.
- (c) Acts by Successor. Any act or proceeding by any provision of this [●] Bond authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the corresponding board, committee or officer of any corporation that shall at the time be the lawful successor of the Company.
- (d) Notices. Except as otherwise expressly provided herein any notice or demand that by any provision of this Bond is required or permitted to be given or served by the Bondholders to or on the Company may be given or served by being deposited first class postage prepaid in a post-office letterbox addressed (until another address is filed in writing by the Company with the Trustee), as follows: c/o 18575 Jamboree Road, Suite 830, Irvine, CA 92612.
- (e) Treatment of Bonds as Debt. It is intended that the [●] Bonds will be treated as indebtedness and not as equity for federal income tax purposes. The provisions of this [●] Bond shall be interpreted to further this intention.

[Remainder of page intentionally left blank.]