UNITED STATES BANKRUPTCY COURT

DISTRICT OF New Jersey

Trenton Division

In Re. Lonestar Taproot, LLC	§	Case No. 26-18326
	§	
	§	Lead Case No. 26-18325
Debtor(s)	§	
		☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 09/30/2026

Petition Date: 07/22/2026

Months Pending: 2

Industry Classification: 7 3 7 9

Reporting Method: Accrual Basis ◉ Cash Basis ○

Debtor's Full-Time Employees (current): 0

Debtor's Full-Time Employees (as of date of order for relief): 0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☒ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Michael DuFrayne
Signature of Responsible Party

11/05/2026
Date

Michael DuFrayne
Printed Name of Responsible Party

2564 US Highway 1, Office 107
Lawrence, NJ 08648
Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefo
1320.4(a)(2) applies.

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Debtor's Name Lonestar Taproot, LLC Case No. 26-18326

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	$0	
b.	Total receipts (net of transfers between accounts)	$0	$0
c.	Total disbursements (net of transfers between accounts)	$0	$0
d.	Cash balance end of month (a+b-c)	$0	
e.	Disbursements made by third party for the benefit of the estate	$3,243	$75,468
f.	Total disbursements for quarterly fee calculation (c+e)	$3,243	$75,468

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)		Current Month
a.	Accounts receivable (total net of allowance)	$0
b.	Accounts receivable over 90 days outstanding (net of allowance)	$0
c.	Inventory (Book ○ Market ○ Other ◉ (attach explanation))	$0
d	Total current assets	$506,915
e.	Total assets	$41,530,361
f.	Postpetition payables (excluding taxes)	$8,687
g.	Postpetition payables past due (excluding taxes)	$0
h.	Postpetition taxes payable	$0
i.	Postpetition taxes past due	$0
j.	Total postpetition debt (f+h)	$8,687
k.	Prepetition secured debt	$0
l.	Prepetition priority debt	$0
m.	Prepetition unsecured debt	$188,624
n.	Total liabilities (debt) (j+k+l+m)	$197,311
o.	Ending equity/net worth (e-n)	$41,333,050

Part 3: Assets Sold or Transferred		Current Month	Cumulative
a.	Total cash sales price for assets sold/transferred outside the ordinary course of business	$0	$0
b.	Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	$0	$0
c.	Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	$0	$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)		Current Month	Cumulative
a.	Gross income/sales (net of returns and allowances)	$0	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	$0	
c.	Gross profit (a-b)	$0	
d.	Selling expenses	$0	
e.	General and administrative expenses	$7,000	
f.	Other expenses	$0	
g.	Depreciation and/or amortization (not included in 4b)	$0	
h.	Interest	$0	
i.	Taxes (local, state, and federal)	$0	
j.	Reorganization items	$263	
k.	Profit (loss)	$-7,263	$-85,457

Debtor's Name Lonestar Taproot, LLC Case No. 26-18326

Part 5: Professional Fees and Expenses

				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) *Aggregate Total*						
	Itemized Breakdown by Firm						
		Firm Name	Role				
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	iii						
	iv						
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	vii						
	viii						
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Debtor's Name Lonestar Taproot, LLC Case No. 26-18326

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Debtor's Name Lonestar Taproot, LLC Case No. 26-18326

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				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
b.	Debtor's professional fees & expenses (nonbankruptcy) *Aggregate Total*						
	Itemized Breakdown by Firm						
		Firm Name	Role				
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Debtor's Name Lonestar Taproot, LLC Case No. 26-18326

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Debtor's Name Lonestar Taproot, LLC Case No. 26-18326

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Debtor's Name Lonestar Taproot, LLC Case No. 26-18326

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	c						
c.	All professional fees and expenses (debtor & committees)			$0	$0	$0	$0

Part 6: Postpetition Taxes		Current Month	Cumulative
a.	Postpetition income taxes accrued (local, state, and federal)	$0	$0
b.	Postpetition income taxes paid (local, state, and federal)	$0	$0
c.	Postpetition employer payroll taxes accrued	$0	$0
d.	Postpetition employer payroll taxes paid	$0	$0
e.	Postpetition property taxes paid	$0	$0
f.	Postpetition other taxes accrued (local, state, and federal)	$0	$0
g.	Postpetition other taxes paid (local, state, and federal)	$0	$0

Part 7: Questionnaire - During this reporting period:

a.	Were any payments made on prepetition debt? (if yes, see Instructions)	Yes ○	No ◉
b.	Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions)	Yes ○	No ◉
c.	Were any payments made to or on behalf of insiders?	Yes ○	No ◉
d.	Are you current on postpetition tax return filings?	Yes ◉	No ○
e.	Are you current on postpetition estimated tax payments?	Yes ◉	No ○
f.	Were all trust fund taxes remitted on a current basis?	Yes ◉	No ○
g.	Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions)	Yes ○	No ◉
h.	Were all payments made to or on behalf of professionals approved by the court?	Yes ○	No ○ N/A ◉
i.	Do you have: Worker's compensation insurance?	Yes ◉	No ○
	If yes, are your premiums current?	Yes ◉	No ○ N/A ○ (if no, see Instructions)
	Casualty/property insurance?	Yes ◉	No ○
	If yes, are your premiums current?	Yes ◉	No ○ N/A ○ (if no, see Instructions)
	General liability insurance?	Yes ◉	No ○
	If yes, are your premiums current?	Yes ◉	No ○ N/A ○ (if no, see Instructions)
j.	Has a plan of reorganization been filed with the court?	Yes ○	No ◉
k.	Has a disclosure statement been filed with the court?	Yes ○	No ◉
l.	Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930?	Yes ◉	No ○

Debtor's Name Lonestar Taproot, LLC Case No. 26-18326

Part 8: Individual Chapter 11 Debtors (Only)

a.	Gross income (receipts) from salary and wages	$0
b.	Gross income (receipts) from self-employment	$0
c.	Gross income from all other sources	$0
d.	Total income in the reporting period (a+b+c)	$0
e.	Payroll deductions	$0
f.	Self-employment related expenses	$0
g.	Living expenses	$0
h.	All other expenses	$0
i.	Total expenses in the reporting period (e+f+g+h)	$0
j.	Difference between total income and total expenses (d-i)	$0
k.	List the total amount of all postpetition debts that are past due	$0
l.	Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)?	Yes ○ No ◉
m.	If yes, have you made all Domestic Support Obligation payments?	Yes ○ No ○ N/A ◉

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." *See* 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

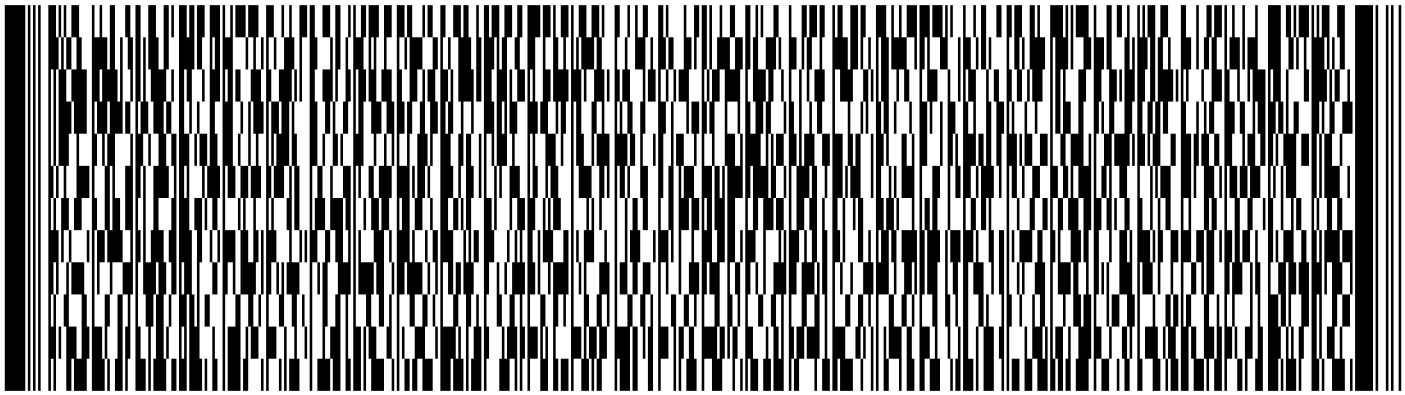
/s/ Michael DuFrayne
Signature of Responsible Party

Michael DuFrayne
Printed Name of Responsible Party

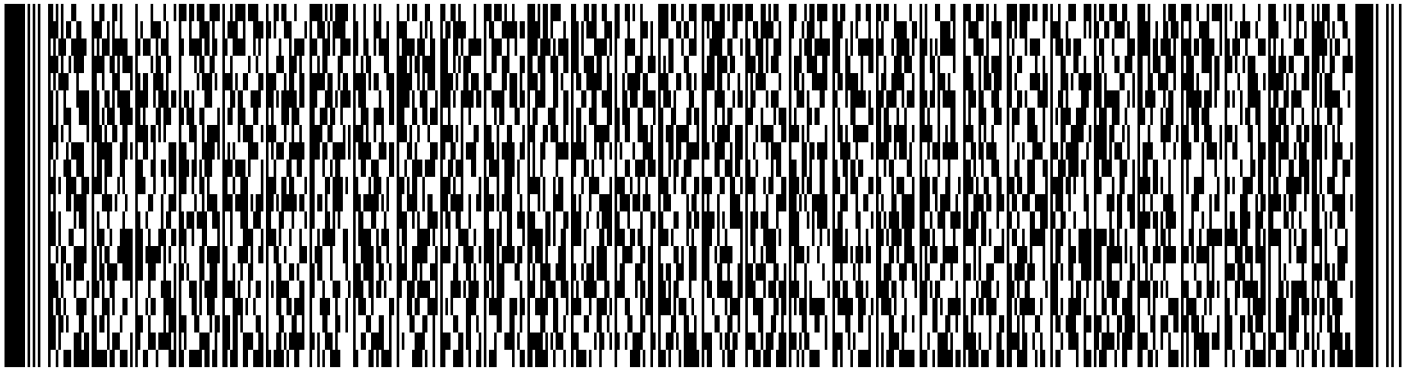
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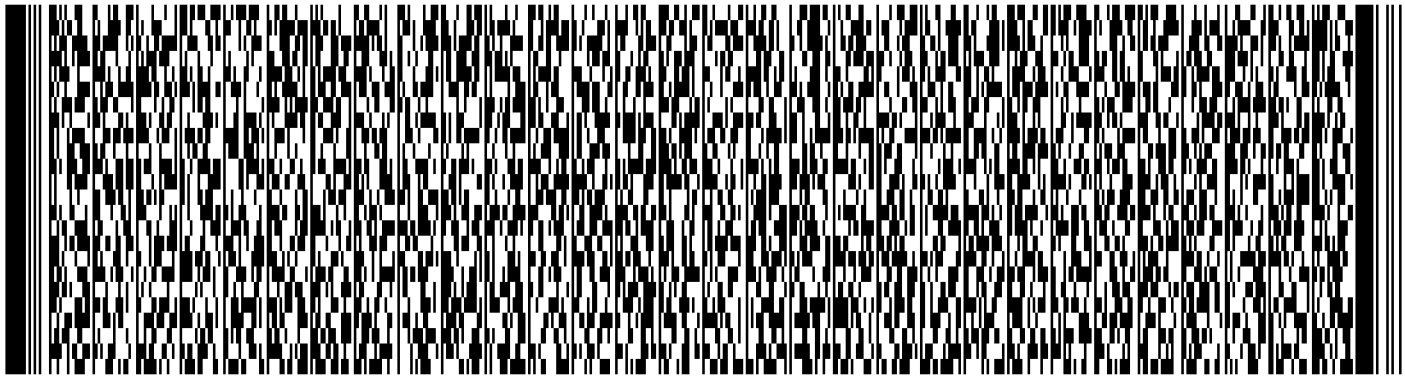
Debtor's Name Lonestar Taproot, LLC Case No. 26-18326



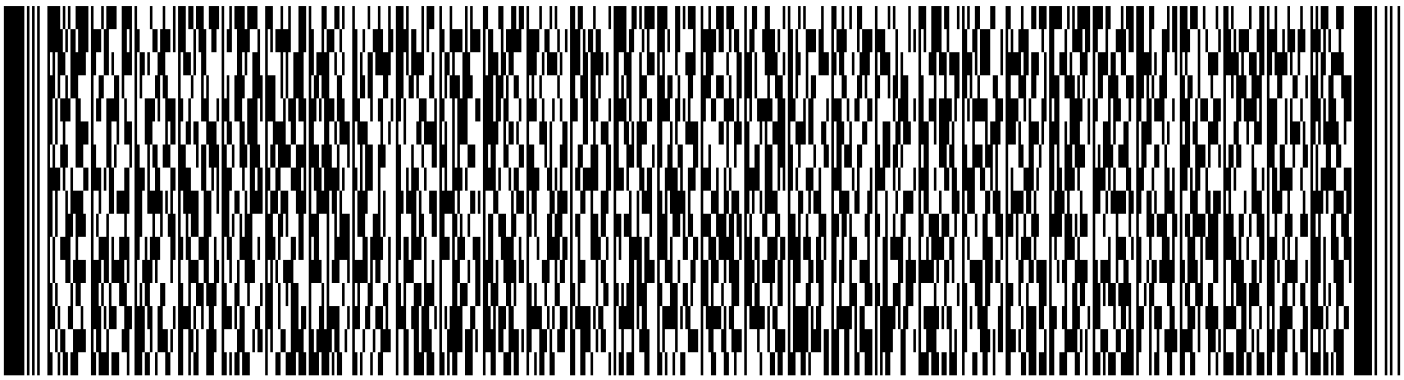
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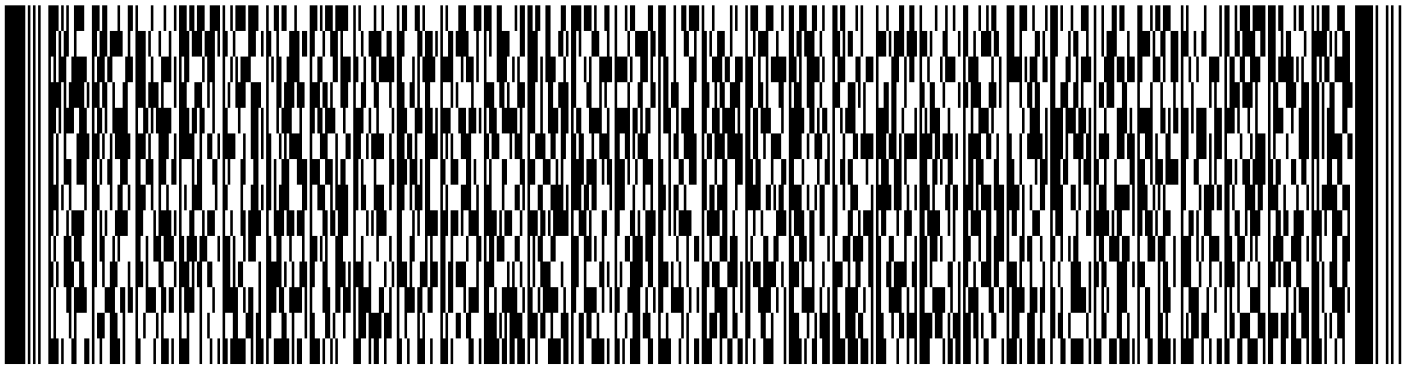


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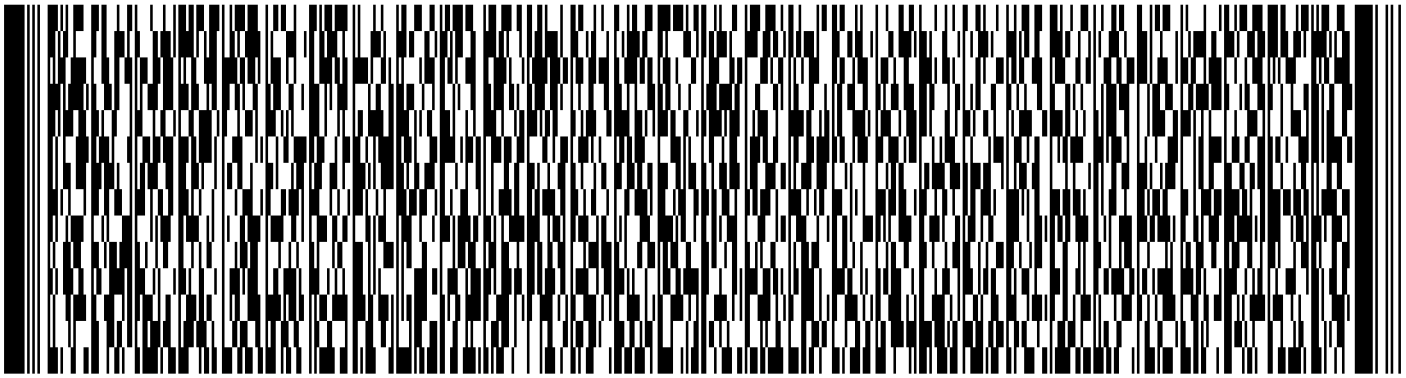


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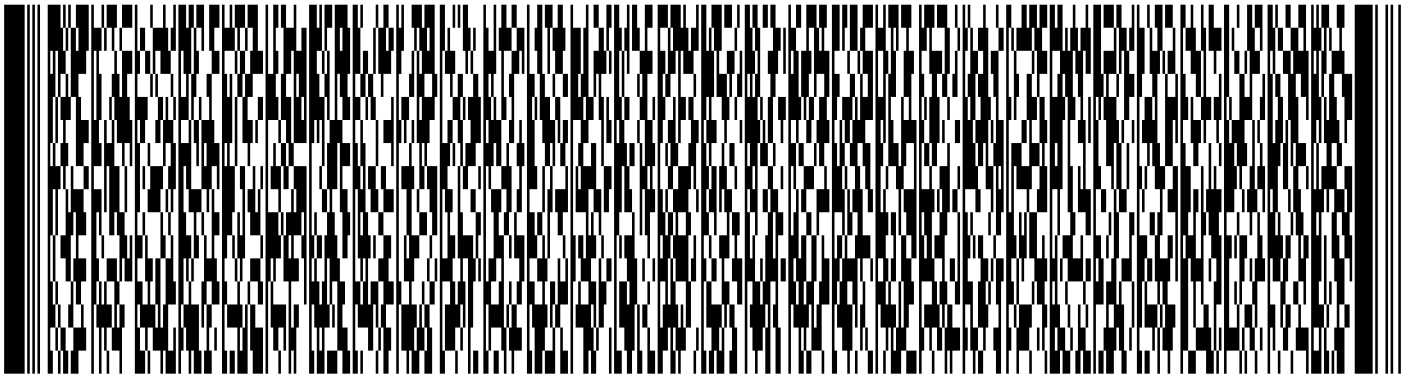
Debtor's Name Lonestar Taproot, LLC Case No. 26-18326



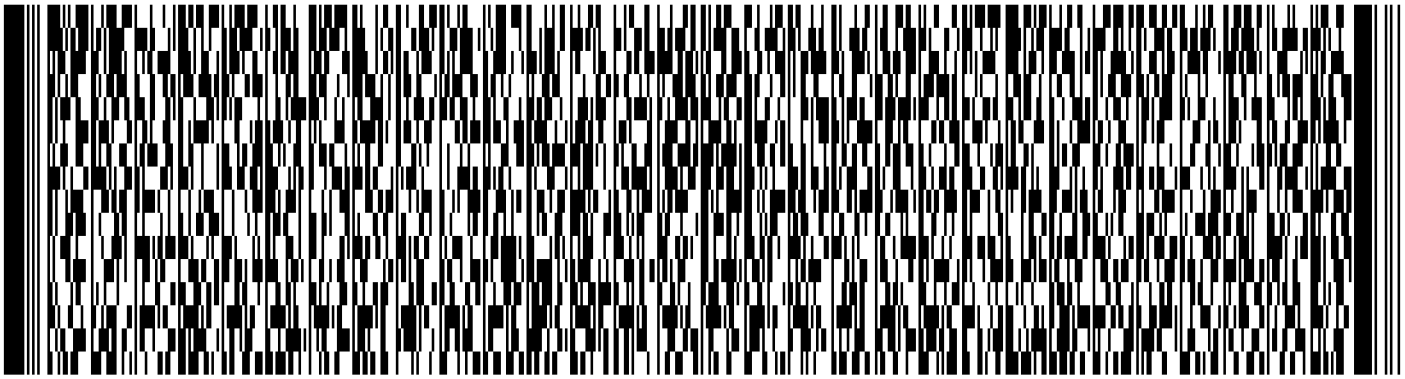
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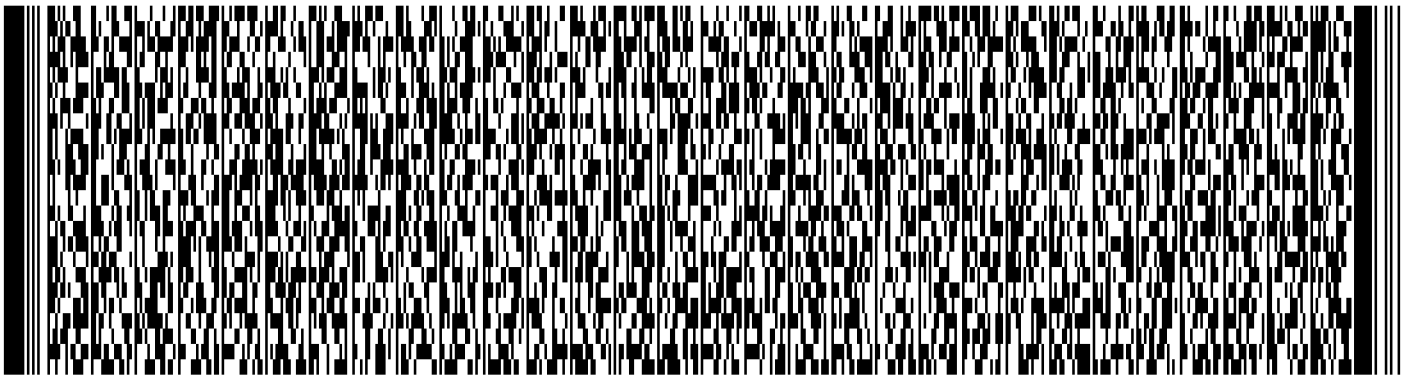


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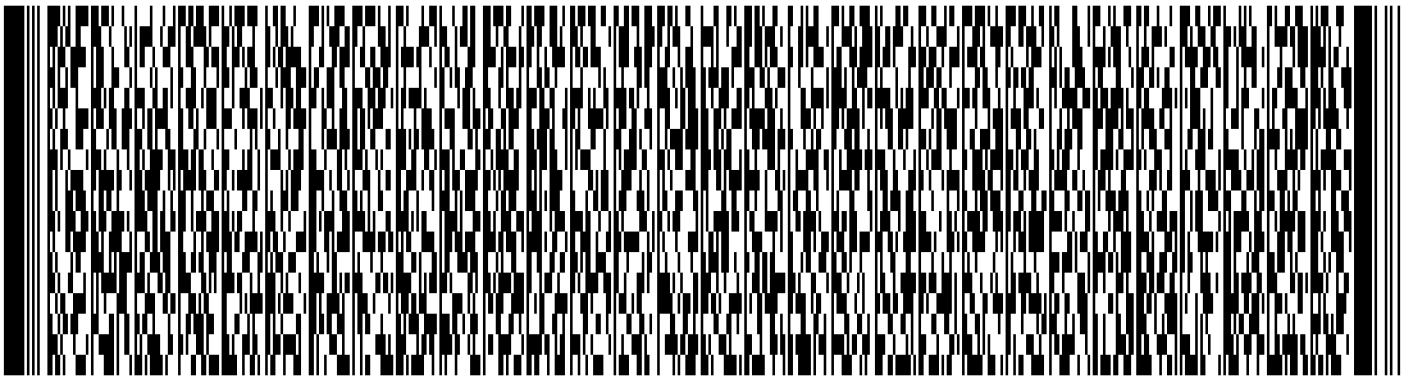


NonBankruptcy51to100

Debtor's Name Lonestar Taproot, LLC Case No. 26-18326



PageThree



PageFour

Lonestar Taproot LLC

Statement of Cash Receipts and Disbursements

September 1 - September 30, 2026 | USD

MOR line	Cash activity	September	Cumulative
1a	Beginning cash	0.00	
1b	Total receipts	0.00	0.00
1c	Disbursements from own accounts	0.00	0.00
1d	Ending cash	0.00	
1e	Payments made by Lonestar Dream	3,242.73	75,467.62
1f	Disbursements for quarterly fee calculation	3,242.73	75,467.62

September payments made by Lonestar Dream

Date	Paid to / invoice	Amount
09/03/2026	Youngs Homes - 13065	428.23
09/03/2026	Youngs Homes - 13099	2,814.50
	Total	3,242.73

Cumulative payments

Description	Amount
Payments through August 31	72,224.89
September payments	3,242.73
Cumulative through September 30	75,467.62

Intercompany balance

Due from Lonestar Dream	Amount
August 31 balance	416,234.01
Less: September payments made for Taproot	(3,242.73)
September 30 balance	412,991.28

These payments are included in Taproot's Part 1(f) and excluded from Dream's fee base. Taproot has no bank account. MOR amounts are rounded to whole dollars.

1:56 AM
10/29/26
Accrual Basis

Lonestar Taproot LLC
Balance Sheet
As of September 30, 2026

	Sep 30, 26	
ASSETS		
Current Assets		
Other Current Assets		
1021 · Due from/to Lonestar Dream		412,991.28
1040 · Prepaid Expenses		93,924.00
Total Other Current Assets		506,915.28
Total Current Assets		506,915.28
Fixed Assets		
1107 · Assets Held for Sales		10,316,373.45
1108 · Land		459.56
1109 · Land Improvements		2,011,689.85
1110 · Right Of Use Asset		1,004,000.00
1111 · Buildings		2,415,940.50
1113 · Transformers		4,457,894.17
1114 · Substations Infrastructure		
Others	2,677,142.30	
PPM	6,814,813.45	
Total 1114 · Substations Infrastructure		9,491,955.75
1116 · Furniture & Fixtures		54,184.80
1118 · Computer & Network Equipment		265,554.23
1121 · Tools, Machinery & Equipment		517,519.21
1122 · Vehicles		137,904.96
1123 · Cooling System - Hydro		4,139,964.31
1124 · Cooling System - Immersion		3,006,595.10
1125 · Cooling System - Air		9,371,715.34
1126 · Electrical Systems		3,811,857.05
1128 · Construction in Progress		1,054,222.87
1131 · Containers		101,182.02
1135 · Fixed Asset Clearing		505,234.20
1140 · Accum Depr - Land Improvement		-547,976.75
1141 · Accum Depr - Buildings		-577,668.10
1142 · Accum Depr - Transformers		-596,317.94
1143 · Accum Depr - Substations		-873,792.69
1145 · Accum Depr - Comp & NW Equip		-265,554.24
1146 · Accum Depr - Tools Mach & Equip		-502,576.16
1147 · Accum Depr - Cooling Sys Hydro		-1,828,687.96
1148 · Accum Depr - Cooling Sys Immers		-998,244.20
1149 · Accum Depr - Cooling Sys Air		-3,808,272.27
1150 · Accum Depr - Right of Use Asset		-199,585.82
1152 · Accum Depr - Vehicles		-137,904.94
1154 · Accum Depr - Container		-31,455.11
1156 · Accum Depr - Electrical Sys		-1,427,256.58
1157 · Accum Depr - F&F		-20,508.66
Total Fixed Assets		40,848,445.95
Other Assets		
1074 · Security Deposits		175,000.00
Total Other Assets		175,000.00
TOTAL ASSETS		**41,530,361.23**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable		8,385.12
Total Accounts Payable		8,385.12

1:56 AM
10/29/26
Accrual Basis

Lonestar Taproot LLC
Balance Sheet
As of September 30, 2026

	Sep 30, 26	
Other Current Liabilities		
2001 · Accrued Liabilities - Pre		188,623.50
2002 · Accrued Liabilities - Post		301.87
Total Other Current Liabilities		188,925.37
Total Current Liabilities		197,310.49
Total Liabilities		197,310.49
Equity		
3004 · Equity		
Lonestar Dream	94,561,388.08	
Total 3004 · Equity		94,561,388.08
32000 · *Retained Earnings		-49,754,841.49
Net Income		-3,473,495.85
Total Equity		41,333,050.74
TOTAL LIABILITIES & EQUITY		**41,530,361.23**

10:08 PM
10/28/26
Accrual Basis

Lonestar Taproot LLC
Profit & Loss
September 2026

	Sep 26
Ordinary Income/Expense	
Expense	
G&A	
6030 · Insurance	
Auto	654.00
Total 6030 · Insurance	654.00
6040 · Professional Srv - Legal	262.97
6059 · Leases - Other	1,136.02
6081 · Network & Internet	5,209.81
Total G&A	7,262.80
Total Expense	7,262.80
Net Ordinary Income	-7,262.80
Net Income	**-7,262.80**

10:09 PM
10/28/26
Accrual Basis

Lonestar Taproot LLC
Profit & Loss
July 23 through September 30, 2026

	Jul 23 - Sep 30, 26
Ordinary Income/Expense	
Expense	
G&A	
6030 · Insurance	
Auto	1,308.00
Total 6030 · Insurance	1,308.00
6037 · Outsourced Services	57,158.43
6040 · Professional Srv - Legal	301.87
6059 · Leases - Other	10,856.51
6080 · Utilities	-5.86
6081 · Network & Internet	10,439.62
6083 · Security Services	5,398.18
Total G&A	85,456.75
Total Expense	85,456.75
Net Ordinary Income	-85,456.75
Net Income	**-85,456.75**

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10/29/26

Lonestar Taproot LLC

A/P Aging Summary

As of September 30, 2026

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
FiberLight, LLC	5,209.81	0.00	0.00	0.00	0.00	5,209.81
R&R Construction Inc.	3,175.31	0.00	0.00	0.00	0.00	3,175.31
TOTAL	**8,385.12**	**0.00**	**0.00**	**0.00**	**0.00**	**8,385.12**

Lonestar Taproot LLC

Postpetition Liabilities and Rollforward

As of September 30, 2026 | USD

Postpetition liabilities	Amount
Trade accounts payable per attached QB aging	8,385.12
Accrued U.S. Trustee Q3 fee	301.87
Total postpetition debt	8,686.99

The prepetition accrued liability is 188,623.50. Total liabilities are 197,310.49; assets are 41,530,361.23 and equity is 41,333,050.74. The property-insurance financing loan is recorded only in Lonestar Dream.

Profit and loss rollforward

Description	Amount
Filed July 23-August 31 profit / (loss)	(78,443.95)
September profit / (loss)	(7,262.80)
Prior July UST accrual removed in current QB reports	250.00
July 23-September 30 profit / (loss)	(85,456.75)

September UST expense is 262.97: closing Q3 fee 301.87 less the August accrual 38.90 reversed in September. No UST fee was paid in September.