TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.texas.gov

Greg Abbott
GOVERNOR

September 18, 2026

Writer's direct phone # (512) 475 -3907
Email: Christina.Thompson@tdhca.texas.gov

Lost Spurs Owner LLC, A Delaware limited liability Co
Manhattan Beach, CA
mwagner@magmaequities.com

RE: Lost Spurs Ranch

Dear Lost Spurs Owner LLC, A Delaware limited liability Co:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Kelly Prejean on July 31, 2026. This review was performed as required by Section 394.9027 (b) of Chapter 394, the Texas Administrative Code (TAC) Chapter 10, Subchapter J, for Lost Spurs Ranch Apartments. Enclosed is a copy of the Audit Report summary.

Events of noncompliance have been identified and detailed in the attached Findings Report with required corrective action. In accordance with TAC Section 394.9027(d) a copy of this notice will be sent to the Chief Appraiser of the appraisal district in which the development is located.

This notice begins the corrective action period. Supply all required documentation via Serv-U, no later than **March 17, 2027**, the last day of the corrective action period.

If you need a Serv-U account, email hfc@tdhca.texas.gov. Submissions must include a cover letter explaining, in detail, how each event of noncompliance was corrected.

Remaining uncorrected noncompliance after the corrective action period deadline will result in a referral to the Texas Comptroller and Chief Appraiser, with a recommendation for loss of ad valorem tax exemption under Section 394.905 of the Texas Local Government Code for the Tax Year being Audited.

If you have any questions about this monitoring report, please contact Christina Thompson toll free in Texas at (800) 643-8204, directly at (512) 475-3907, or email: christina.thompson@tdhca.texas.gov.

Sincerely,

Christina Thompson
Team Lead, HFC and PFC Monitoring

CC: Kelly.Prejean@auxanocompliance.com; Arudy@HighmarkRes.com; LostSpursRanch@HighmarkRes.com; marco.info@co.maverick.tx.us; commissioner.pct1@co.maverick.tx.us; commissionerpct2@co.maverick.tx.us; olgaramos@co.maverick.tx.us; roberto.ruiz@co.maverick.tx.us; econ.dev@cpa.texas.gov; chiefofstaff@co.maverick.tx.us

Audit Report

Lost Spurs Ranch

The Texas Department of Housing and Community Affairs provides the following Technical Assistance:

- TAC §10.1203(3)(B) requires that all Audit Reports include contact information for all Responsible Parties. To avoid noncompliance, ensure current contact information for all Responsible Parties are provided in the Audit Report.

Texas Department of Housing and Community Affairs

Housing Finance Corporation (HFC)

Preliminary Summary of Audit

This is a preliminary summary of the Audit Report. TDHCA's review is ongoing and not final. Findings and any required Corrective Action will be addressed in the official Monitoring Report Letter, if applicable.

Reporting Details

Report Due Date: 6/1/2026

Current Reporting Year: 2026

Occupancy Period Begin Date: 1/1/2025

Occupancy Period End Date: 12/31/2025

Development & Regulatory

HFC Property Name: Lost Spurs Ranch

HFC Property Street Address: 13450 Alta Vista Rd

HFC City, State Zip: Roanoke, TX 76262

Property County: Tarrant

HFC User Name: Lost Spurs Owner LLC, A Delaware limited liability Co

Is the Regulatory Agreement (RA) is properly recorded? Yes

Regulatory Agreement Effective Date: 4/30/2025

Does the development participate in other affordable programs? No

Jurisdictional Boundaries: Outside Sponsor Boundaries

If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025? Yes

If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period? In the Transition Period

PRE or POST May 28, 2025 Development? PRE

Development Type: Acquisition

Occupancy Type: General/Family

Total Number of Units in the Development (ALL Restricted & Unrestricted): 240

Affordability Requirements - AMI Percentage by Bedroom Size (Post Developments Only)

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Total
80% AMI Units	0	55	55	10	0	120
100% AMI Units	0	0	0	0	0	0
120% AMI Units	0	0	0	0	0	0
140% AMI Units	0	0	0	0	0	0
Other AMI Units: 160%	0	36	48	12	0	96
Market Units	0	5	17	2	0	24
Total Restricted Units	0	91	103	22	0	216
Total Units (Restricted + Market)	0	96	120	24	0	240

Development Contacts

	Organization Name	City, State Zip
Property Name	Lost Spurs Ranch	Roanoke, TX 76262
Texas Comptroller	Not Provided	Austin, TX 78753
Appraisal District	Tarrant County	Fort Worth, TX 76118
Individual Auditor	Kelly Prejean	Rowlett, TX 75089
HFC User	Lost Spurs Owner LLC, A Delaware limited liabi	Manhattan Beach, CA 90266
HFC Management Company	Highmark Residential	Addison, TX 75001
HFC Sponsor	Maverick County, Texas	Maverick County, Texas
HFC Governing Body of Sponsor	Maverick County Commissioners Court	Not Provided

Auditor Qualifications & Affiliations

Does the Auditor have a current Certified Occupancy Specialist (COS) or equivalent certification? Yes

Has the Auditor provided a resume demonstrating housing compliance audit experience? Yes

Is the Auditor free from any financial, ownership, or management interest in the Development or any Responsible Party? Yes

Is the Auditor currently serving, or has the Auditor previously served, as the Management Agent for this Development? No

Has the HFC User complied with the three-year rotation and, if applicable, the two-year cooling-off requirement? Yes

Income & Rents Limits

Does the Regulatory Agreement specify income limits? Yes

Are the income limits adjusted for household size? No

Are the income limits based on HUD income limits? Yes

Did the Development comply with the Available Unit Rule when a household became over-income? Yes

Does the Regulatory Agreement specify rent limits for Restricted Units? Yes

Are the rent limits based on HUD rental limits? Yes

Are restricted unit rents ≤30% of the applicable income limit (adjusted for household size)? NA

Are rent limit adjusted for family size, as determined by HUD? No

What is the family-size adjustment specified by the Development's Regulatory Agreement? 1.5 Persons per Bedroom

Fees

Does Rent charged to income-restricted tenants include any recurring fees or charges? Yes

If "Yes", are any recurring fees or charges required as a condition of occupancy? Yes

Units & Occupancy

Restricted Units Occupied by Voucher Holders: 0

Total Units (ALL): 240

Restricted Occupied Units: 202

Restricted Vacant Units: 14

Total Restricted Units: 216

Non-Restricted Occupied Units: 21

Non-Restricted Vacant Units: 3

Total Non-Restricted Units: 24

Triggering Events: Acquisition and Ownership Transfer

Did a triggering event occur during the reporting period or any prior Tax Year? No

Set Asides

Date first occupied by one or more tenants? Unknown

Is the Development currently in lease up? No

Do Restricted Units have comparable square footage and floor plans as Non-Restricted Units? Yes

Are Restricted Units equal in finishes and equipment to Non-Restricted units? Yes

Do Restricted Units have equal amenity and program access as Non-Restricted Units? Yes

Are Restricted Units proportionally distributed by unit type and income category? Yes

Did the Auditor receive photographic evidence and written certification confirming unit comparability? Yes

Set-Aside - Select Only One Option

Option 1:

At Least 10% of units reserved for HH not earning more than 60% AMI: NA

At least 40% of units reserved for HH not earning more than 80% AMI: Yes

Option 2:

At Least 10% of units reserved for HH not earning more than 50% AMI: NA

At least 40% of units reserved for HH not earning more than 100% AMI: NA

Audit Sample Summary

Audit Sample	Item
Overall Sample meets minimum requirements?	No
Move-In Sample meets minimum requirements?	Yes
Recertification Sample meets minimum requirements?	NA
Is the Development currently in lease-up?	No

Texas Department of Housing and Community Affairs (TDHCA) Observations - DEPARTMENT USE ONLY

Preliminary summary. TDHCA review is ongoing and not final.

Report Due Date: 6/1/2026

Current Reporting Year: 2026

Audit Received Date: 7/31/2026

PRELIMINARY COMPLIANCE INDICATORS

Reporting

Is the Development required to submit an Audit Report? Yes

Did the Development submit an Audit Report by the deadline, with approved extensions? Yes

Does the Audit Report cover the full prior reporting year ending December 31 and include a rent roll for the same period? Yes

Does the Audit Report include contact information for all Responsible Parties? No

Was the Audit Report submitted in the Department-prescribed manner through the Department's file transfer system (Serv-U/File Serve)? Yes

Was the annual service fee ($35 per Restricted Unit in the sample or $500 minimum) submitted with the Audit Report? Yes

Did the Audit Report include a one-time exemption application submitted to the Texas Comptroller's Office? No

Did the first Audit Report include all required supporting documentation? No

Auditor

Does the Auditor meet independence and qualification standards? Yes

Geographic Boundaries

Is the Development within sponsor boundaries, or—if outside those boundaries—has required approval been obtained or is the Development within the applicable transition period? In the Transition Period

Overall Chapter 394 Status: Noncompliant: See Detail Findings Report

TDHCA Notes/Notations: None

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

HFC ID: AA26-220-0051
HFC User: Lost Spurs Owner LLC, A Delaware limited liability Co
Property Name: Lost Spurs Ranch
Address: 13450 Alta Vista Rd Roanoke, TX 76262

Regulatory Agreement Date: 4/30/2025
Audit Report Received Date: 7/31/2026
Corrective Action Due Date: 3/17/2027

Audit Report Review Date: 9/17/2026

PROGRAM: HFC

PROPERTY FINDINGS

Finding:	Failure to comply with §10.1203(1)(C)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	7/31/2026	TAC §10.1203(1)(C) requires the HFC User to provide the Auditor with all required documents prior to submission of the first Audit Report, including the underwriting assessment, applicable resolutions, board meeting minutes, the Regulatory Agreement, and the one-time exemption application submitted to the Texas Comptroller's office. These documents must be submitted to the Department with the first Audit Report. The Audit Report submitted to the Department did not contain the one-time exemption application submitted to the Texas Comptroller's office.	Submit to the Department a copy of the one-time exemption application submitted to the Texas Comptroller's office.	

Finding:	Failure to comply with §10.1203(4)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	7/31/2026	TAC §10.1203(4) requires the HFC User to submit an annual service fee to the Department by June 1 of each year, in the amount of the greater of $35 per Restricted Unit included in the audit sample or $500, tendered by check, money order, payable to the Texas Department of Housing and Community Affairs. The annual service fee received by the Department for this property was $1,225. The amount is incorrect as the sample size submitted to the Department was incorrect. The correct annual fee amount is $1,540.	To correct, submit the remaining balance of $315 toward the $1,540 annual fee to the Department, in accordance with TAC §10.1203(4). Payments must be paid by check or money order payable to the Texas Department of Housing and Community Affairs and either delivered to 221 E. 11th St., Austin, TX 78701, or mailed to PO Box 13941, Austin, TX 78711-3941. Payment must include the completed HFC Annual Service Fee Form, available on the Deparment's website: https://www.tdhca.texas.gov/housing-finance-corporation-compliance-monitoring	

Finding:	Failure to comply with §10.1204(2)			
Unit #	Non-Compliance Date	Reason	Corrective Action	Correction Date
Property Wide	7/31/2026	TAC §10.1204(2) requires the file sample must contain at least 20% of the total number of Restricted Units, not to exceed 50 household files, with at least 75% of files from newly moved-in households and at least 10% from households that have recertified. The audit file sample in the Audit Report did not meet the minimum threshold. Auditor reports the property has a total of two hundred sixteen (216) restricted units, requiring a sample size of forty-four (44) household files. The audit sample submitted contained thirty (35) household files.	Submit to the Department for review: copies of the application(s), income and asset verifications, executed Income Certification, lease contract, and applicable lease addendums for nine (9) households that moved into income-restricted units during 2025, in accordance with TAC §10.1204(2). The owner may complete a retroactive income certification that completely and clearly documents the sources of income and assets for all household members that were in place at the time of the initial occupancy and apply income limits in effect on the move-in date. Submit to Department for review documentation to evidence the income from the assets have been verified and included in the total household eligibility, application, executed Income Certification and lease contract. Or the owner has the option to complete a new current certification using current income and assets sources and current income limits. Submit for Department review a copy of the application(s), income and evidence the income from the assets have been verified and included in the total household eligibility, and a new Income Certification form. If the household has moved out or is not income eligible, occupy the unit or another comparable unit on the property with a new qualified household.	