

INVOICE

FROM:
 Chris Davis
 Cornerstone Appraisals, Inc.
 PO BOX 426
 Devine, TX 78016

 Telephone Number: 210-316-0542 Fax Number: 210-568-6845

INVOICE NUMBER
CS071001
DATE
10/3/2007
REFERENCE
Internal Order #: CS071001
Lender Case #: lucio
Client File #:
Main File # on form: CS071001
Other File # on form: lucio
Federal Tax ID: 20-1731114
Employer ID:

TO:
 Rachel Pena
 San Antonio Housing Authority
 818 S Flores St.
 San Antonio , TX 78204

 Telephone Number: (210) 477-6026 Fax Number: (210) 477-6015
 Alternate Number: E-Mail:

DESCRIPTION

Lender: San Antonio Housing Authority **Client:** San Antonio Housing Authority
Purchaser/Borrower:
Property Address: 1507 Villa Flores
City: San Antonio
County: Bexar **State:** TX **Zip:** 78237-2764
Legal Description: NCB 8981 BLK LOT 10 (Sunflower Subd.)

FEES	AMOUNT
Full Appraisal	350.00
SUBTOTAL	350.00

PAYMENTS	AMOUNT
Check #: Date: Description:	
Check #: Date: Description:	
Check #: Date: Description:	
SUBTOTAL	
TOTAL DUE	\$ 350.00

Please Return This Portion With Your Payment

FROM:
 Rachel Pena
 San Antonio Housing Authority
 818 S Flores St.
 San Antonio , TX 78204

 Telephone Number: (210) 477-6026 Fax Number: (210) 477-6015
 Alternate Number: E-Mail:

AMOUNT DUE: \$ 350.00
AMOUNT ENCLOSED: \$ _____

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TO:
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 Cornerstone Appraisals, Inc.
 PO BOX 426
 Devine, TX 78016



APPRAISAL OF REAL PROPERTY

LOCATED AT:

1507 Villa Flores
NCB 8981 BLK LOT 10 (Sunflower Subd.)
San Antonio , TX 78237-2764

FOR:

San Antonio Housing Authority
818 S Flores St.
San Antonio , TX 78204

AS OF:

October 2, 2007

BY:

Chris Davis
Cornerstone Appraisals, Inc.
PO BOX 426
Devine Texas 78016
210-316-0542

Uniform Residential Appraisal Report

Lucio
File # CS071001

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	1507 Villa Flores	City	San Antonio	State	TX	Zip Code	78237-2764
Borrower	Owner of Public Record Roger & Jacqueline Lucio			County	Bexar		
Legal Description	NCB 8981 BLK LOT 10 (Sunflower Subd.)						
Assessor's Parcel #	08981000160	Tax Year	2006	R.E. Taxes \$	2,641.86		
Neighborhood Name	Sunflower	Map Reference	615B6	Census Tract	1710.00		
Occupant	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	0	<input type="checkbox"/> PUD	HOA \$	0	<input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type	<input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) Possible mortgage transaction						
Lender/Client	San Antonio Housing Authority			Address	818 S Flores St., San Antonio, TX 78204		
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s). MLS/Owner							

I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. N/A
Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s) N/A
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, report the total dollar amount and describe the items to be paid. N/A

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE AGE	One-Unit 68 %
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000) (yrs)	2-4 Unit 6 %
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	60 Low New	Multi-Family 7 %
Neighborhood Boundaries	Boundaries are W. Commerce St. to the North, Cupples St. to the East, Hwy 90 to the South and SW 36th St. to the West.	120 High 65	Commercial 9 %
		70-85 Pred. 1-55	Other 10 %

Neighborhood Description This neighborhood is in the West side of San Antonio. There are shopping, restaurants and employment; predominantly in the medical, educational, and military fields. The desirability of this neighborhood is reflected by the fact that most homes are sold within 3-6 months of being listed on the market.

Market Conditions (including support for the above conclusions) Property values are steady. The area is in demand with a sufficient supply of housing to keep the market stable. Typical mortgage rates range from approximately 4.5% to 7.75% with typical discount of 1-5%.

Dimensions	No Survey Provided	Area	7,958 Sq.Ft.	Shape	Rectangle	View	Typical
Specific Zoning Classification	Residential	Zoning Description	Single Family Residential				
Zoning Compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area Yes No FEMA Flood Zone X FEMA Map # 48029C0437E FEMA Map Date 2/16/1996

Are the utilities and off-site improvements typical for the market area? Yes No If No, describe

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Good	Floors	Carpet/Vinyl/Good
# of Stories One	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Brick/Siding/Good	Walls	Drywall/Good
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area None sq.ft.	Roof Surface	Comp.Shing./Good	Trim/Finish	Paint/Trim/Good
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish %	Gutters & Downspouts	None	Bath Floor	Vinyl/Good
Design (Style) Traditional	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	Dbl.Hng.Almn./Good	Bath Wainscot	Tile/Good
Year Built 2000	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 5	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Almn./Good	<input checked="" type="checkbox"/> Driveway	# of Cars 1
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) #	Driveway Surface	Concrete
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Electric	Fireplace(s) #	<input checked="" type="checkbox"/> Fence Priv. Fence	<input checked="" type="checkbox"/> Garage	# of Cars Garage 1
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	Patio/Deck	<input checked="" type="checkbox"/> Porch Cvrd	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	Pool	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in	

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)

Finished area above grade contains: 6 Rooms 3 Bedrooms 2 Bath(s) 1,128 Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.). Ceiling fans, window coverings and other typical features.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject property is in good condition and does not demonstrate typical wear and tear of for its age. No external nor functional obsolescence was charged.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

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There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 97,000 to \$ 97,000		There are 6 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 71,000 to \$ 105,000					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address	1507 Villa Flores San Antonio, TX 78237-2764	306 S. San Dario Ave. San Antonio TX	507 Randall Ave. San Antonio TX	202 Joe Blanks Ave. San Antonio TX			
Proximity to Subject		0.62 miles NE	0.9 miles NE	0.99 miles NW			
Sale Price	\$ N/A	\$ 84,900	\$ 94,000	\$ 105,000			
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 83.40 sq.ft.	\$ 87.04 sq.ft.	\$ 72.41 sq.ft.			
Data Source(s)		MLS #629606	MLS #624334	MLS #642800			
Verification Source(s)		Sales Agent	Sales Agent	Sales Agent			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		FHA 4/07CD		Conventional 7/07CD		Conventional 6/07 CD	
Date of Sale/Time		5/2/2007		8/1/2007		6/27/2007	
Location	Suburban	Suburban		Suburban		Suburban	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	7,958 Sq.Ft.	6,098 Sq.Ft.		7,000 Sq.Ft.		6,969 Sq.Ft.	
View	Typical	Typical		Typical		Typical	
Design (Style)	Traditional	Traditional		Traditional		Traditional	
Quality of Construction	Average	Average		Average		Average	
Actual Age	7	1		1		1	
Condition	Good	Good		Good		Good	
Above Grade Room Count	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
	6 3 2	6 3 2		6 3 2		6 3 2	
Gross Living Area	1,128 sq.ft.	1,018 sq.ft.	+3,300	1,080 sq.ft.	+1,440	1,450 sq.ft.	-9,660
Basement & Finished Rooms Below Grade	None	None		None		None	
Functional Utility	Adequate	Adequate		Adequate		Adequate	
Heating/Cooling	FA/Central	FA/Central		FA/Central		FA/Central	
Energy Efficient Items	Typical	Typical		Typical		Typical	
Garage/Carport	Garage 1	Pad	+2,000	Pad	+2,000	Pad	+2,000
Porch/Patio/Deck	Cvrd	Cvrd		Cvrd		Cvrd	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 5,300	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 3,440	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -7,660
Adjusted Sale Price of Comparables		Net Adj. 6.2 % Gross Adj. 6.2 %	\$ 90,200	Net Adj. 3.7 % Gross Adj. 3.7 %	\$ 97,440	Net Adj. 7.3 % Gross Adj. 11.1 %	\$ 97,340

SALES COMPARISON APPROACH

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) Local MLS/Owner

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) Local MLS

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	June 2006	None	None	None
Price of Prior Sale/Transfer	\$77,000			
Data Source(s)	Owner	MLS	MLS	MLS
Effective Date of Data Source(s)	10/2007	10/2007	10/2007	10/2007

Analysis of prior sale or transfer history of the subject property and comparable sales According to the current owner the subject property was purchased in June 2006 for \$77,000. No documents were provided to this appraiser that would verify the sales price or if there were any sales concessions involved.

Summary of Sales Comparison Approach All sales are similar to the subject and are in the same or a similar market area. Small to medium net adjustments are applied to the comparables to simulate the subject. Market data did not warrant adjustments made for location, age, lot size, financing or date of sales. Regarding physical characteristics, all Sales are 1 year old. Small to medium adjustments are made for unit area and parking. Unit area is adjusted at \$30 per square foot. After adjustment, Sales range from \$90,200 to \$97,440.

Indicated Value by Sales Comparison Approach \$ 94,000
Indicated Value by: Sales Comparison Approach \$ 94,000 Cost Approach (if developed) \$ 86,370 Income Approach (if developed) \$ Not Dev.

Consideration was given to the Cost Analysis and the Sales Comparison Analysis. The income approach was not performed. Most homes in this neighborhood are not used as income producing vehicles.

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: No repairs were noted at the time of the site visit. Therefore no subject to value is needed.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 94,000, as of October 2, 2007, which is the date of inspection and the effective date of this appraisal.

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ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) _____, This appraiser used land sales for the opinion of site value.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	=\$	6,800
Source of cost data Marshall Swift	DWELLING 1,128 Sq.Ft. @ \$ 62.90	= \$	70,951
Quality rating from cost service Average Effective date of cost data 10/1007	None Sq.Ft. @ \$	= \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Porch area 144 Sq.Ft.	= \$	1,728
The floor area estimate for the subject should be considered an approximation only with some deviation is square footage, if any, being of little or no consequence in the valuation indication.	Garage/Carport 270 Sq.Ft. @ \$ 22.00	= \$	5,940
	Total Estimate of Cost-New	= \$	78,619
	Less Physical Functional External		
	Depreciation 6,549	= \$(6,549)
	Depreciated Cost of Improvements	= \$	72,070
	"As-is" Value of Site Improvements	= \$	7,500
Estimated Remaining Economic Life (HUD and VA only) 55 Years	INDICATED VALUE BY COST APPROACH	= \$	86,370

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) N/a

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project _____

Total number of phases _____	Total number of units _____	Total number of units sold _____
Total number of units rented _____	Total number of units for sale _____	Data source(s) _____

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion. _____

Does the project contain any multi-dwelling units? Yes No Data Source _____

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion. _____

Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options. _____

Describe common elements and recreational facilities. _____

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing the appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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File # CS071001

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER Chris Davis

Signature Chris Davis

Name Chris Davis

Company Name Cornerstone Appraisals, Inc.

Company Address PO Box 426 Devine Texas 78016

Telephone Number 210-316-0542

Email Address chris@cornerstoneappraisalsinc.com

Date of Signature and Report October 03, 2007

Effective Date of Appraisal October 2, 2007

State Certification # _____

or State License # 1333665

or Other (describe) _____ State # _____

State TX

Expiration Date of Certification or License 5/31/2008

ADDRESS OF PROPERTY APPRAISED

1507 Villa Flores

San Antonio , TX 78237-2764

APPRAISED VALUE OF SUBJECT PROPERTY \$ 94,000

LENDER/CLIENT

Name Rachel Pena

Company Name San Antonio Housing Authority

Company Address 818 S Flores St., San Antonio , TX 78204

Email Address rachel_pena@saha.org

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____

Name _____

Company Name _____

Company Address _____

Telephone Number _____

Email Address _____

Date of Signature _____

State Certification # _____

or State License # _____

State _____

Expiration Date of Certification or License _____

SUBJECT PROPERTY

Did not inspect subject property

Did inspect exterior of subject property from street

Date of Inspection _____

Did inspect interior and exterior of subject property

Date of Inspection _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street

Did inspect exterior of comparable sales from street

Date of Inspection _____

Comment Addendum

File No. CS071001

Borrower/Client				
Property Address 1507 Villa Flores				
City	San Antonio	County	Bexar	State TX Zip Code 78237-2764
Lender San Antonio Housing Authority				

Highest and Best Use

In the site section of the URAR, a Highest and Best Use conclusion is reported. The Highest and Best Use is that reasonable and probable use that supports the highest present value, as defined on the effective date of this report. Alternately, it is that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value. The subject site is conforming utilization, the site lends itself to single family residential use both because of its size and topography, and compatibility with surrounding sites. It is concluded that the highest and best use for the subject site, both as if unimproved and with existing improvements (i.e. utilities), is its current use: and that the size and design of the existing structure is an appropriate utilization.

Valuation Methodology

The valuation of residential property utilizes three approaches to value. The three approaches are: 1) The Cost Approach, 2) The Sales Approach, 3) The Income Approach. Data relevant to each of the approaches is developed and analyzed to produce a value from each of the approaches. Each of the approaches utilizes data that is gathered from the market place. Items of both similarity and dissimilarity in comparable properties are analyzed and adjustments are made for the differences. Finally, the three indicators of value developed by the approaches, are correlated with reference to the quality and quantity of data available and analyzed along with the applicability or suitability of the approaches to produce the appraiser's final opinion of value.

Subject Site:

A site plan was not provided by the client nor was a survey of the subject site. The site dimensions contained on the URAR are estimations made by this appraiser based on data contained in the MLS, County Tax Records and from the appraisal district. Site area contained herein is an approximation. Any slight variance in total site area will not have any effect on this appraiser's opinions or conclusions regarding the site. An Extraordinary Assumption is utilized with regards to the subject's size.

Effective Age:

In order to obtain a credible opinion of effective age for the subject property, the Cost Approach to value would need to be accomplished in order to establish an accrued depreciation and an annual rate of loss. These factors would then be applied to the RCN (Replacement Cost New) to obtain a supported conclusion with regards to effective age, which is a requirement of USPAP Standards Rule 1-3(a). In that the Cost Approach was not performed, a supported effective age could not be ascertained.

Source For Definition of Market Value

The source of the definition of market value is obtained in the Fannie Mae guidelines Section 205.01. The definition of market value is contained in FNMA Form 1004.

Clarification of Structural Integrity

Any statement, comment or conclusion made about the structural integrity is not a warranted fact but an observation limited to the purview of an appraiser's visual observation. For warranted fact about the structural integrity unless otherwise stated the user of the appraisal should have the improvement inspected by a licensed structural engineer or similar professional whose job it is to determine structural.

Item 10 to Certification Statement

This appraiser attempted to adhere fully with the requirements set forth in Certification Item 10 and believes the sources used provided credible information, but strict adherence was not possible in the normal course of business. In this state and local jurisdiction the non-disclosure status of law prevents the appraiser from any published non-interested party data other than that which is printed through the private source of Multiple Listing Service (MLS).

Easement/Encroachments

This appraiser was not furnished a survey for the site prior to the site inspection. During the visual observation of the subject site, no apparent adverse easements nor adverse encroachments were observed. No warranties are made as to the lack of adverse easements or encroachments. It is recommended that a survey of the site by a licensed land surveyor be used to determine evidence of or absence of any adverse easements or encroachments.

Comment Addendum

File No. CS071001

Borrower/Client					
Property Address 1507 Villa Flores					
City	San Antonio	County	Bexar	State	TX
		Zip Code	78237-2764		
Lender	San Antonio Housing Authority				

Extraordinary Assumptions:

This appraisal is subject to the following conditions and/or assumptions (others may be included in this report). This information is being provided in an effort to provide full disclosure of the conditions under which this appraisal was completed.

Extraordinary Assumption is defined by USPAP as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraisers's opinions or conclusions."

The standard scope of appraisal practice does not require the appraiser to investigate the legality of the construction of the original subject structures. The appraiser did not investigate the legality of the original construction of the improvements and the appraiser presumes that the original structure was built with any and all required building permits. If the structure pre-dates the building permit process, then the appraiser assumes that the appropriate authority currently acknowledges the structure. This appraiser utilizes an Extraordinary Assumption that existing improvements had appropriate building permits obtained.

This appraiser did not investigate the subject, nor the comparable sales, to form an opinion if 1) a death may have occurred at the properties 2) if any prior criminal acts have been committed at the properties. This appraiser has no knowledge of any such occurrences or acts, nor was the appraiser informed by any third party regarding such occurrences or acts. This type of investigation is beyond the standard scope of appraisal practice.

The appraiser did not conduct an investigation into "Megans Law" (passed by Congress in 1996, said law governs sex offender registration and community notification) as it relates to the subject, the immediate market area of the subject and the comparable sales. This type of investigation is beyond the standard scope of appraisal practice and normal appraisal business practices.

This appraiser is not building contractor or qualified home inspector. The appraiser's expertise is in determining value only. The appraiser is not qualified to observe or report on any physical items that are not easily visible. Any parties to this transaction having concerns regarding structural, mechanical, infestation, contamination, moisture growth, or other issues about the subject property are urged to consult an expert in the appropriate field. While others may "rely on" the report, they should not rely on it to disclose condition and defects. This appraiser utilizes the Extraordinary Assumption that the subject property is similar and conducive to other properties within the subject's market area with regard to the items listed above.

Liens or Encumbrances:

Any liens or encumbrances which may exist, on the effective date of the appraisal, have been disregarded and the property has been appraised as though free and clear unless otherwise specified in the appraisal report.

Clarification of Item 23 Certification Statement:

The borrower is not an intended user of this appraisal report as implied by this statement of disclosure. This item is disclosing to the borrower as required under the Equal Opportunity Act as amended in 1991, their right to receive a copy of the appraisal report. In the event the borrower chooses to take that report to another lender to obtain financing the appraiser makes it known they have neither obligation nor privilege to discuss the appraisal with another lender or with the borrower. Any action taken by the borrower or another lender in the use of this appraisal report does not constitute an appraiser-client privilege or relationship under any circumstances.

Scope of Work

File No. CS071001

Borrower/Client					
Property Address 1507 Villa Flores					
City	San Antonio	County	Bexar	State	TX Zip Code 78237-2764
Lender San Antonio Housing Authority					

SCOPE OF WORK: The Scope of Work is part of the appraisal process and is a preliminary decision made by the appraiser in communication with the Client in terms of how the appraisal should be conducted. It requires, in part, an identification of the intended users and the function of the appraisal so that sufficient analysis, methodology and communication can be made to those who rely on the appraisal to make necessary decisions. Included in the Scope of Work decision and communication is the need of sufficient information gathered and analyzed to develop and report a credible opinion of value.

In order to satisfy the Uniform Standards of Professional Appraisal Practice (USPAP) requirements, a preliminary search of available resources and data is made to determine market trends, influences, location, and other significant factors pertinent to the subject property. Then, the subject site and improvements are personally inspected by this appraiser. This inspection includes a physical observation including measuring the improvements utilizing plans provided by the builder and taking sufficient photographs to adequately characterize the property appraised. This inspection is intended to reveal the condition of the various components of the subject property. This appraiser is not licensed property inspector, nor a building inspector, termite/dry rot inspector, or a licensed building contractor. The reported condition used to base a comparative analysis and develop a Highest and Best Use conclusion, is to be relied upon for judging the integrity, condition, or remaining life of any individual component(s) to the subject property. Any obvious, readily observable defects in the subject property will be noted in the written Summary Appraisal Report and appropriately considered in the final value conclusion. This appraiser's intent is to value the subject property in consideration of its defined observed condition as of the effective date of the appraisal. The value opinion is contingent upon the existence of no defects that a typical buyer would not detect; and if such defects do exist, they are appropriately corrected and/or treated. When required inspections and/or repairs are made as contingencies to the final value opinion, they are made solely to bring the subject property to a condition that will make it acceptable to the Supplemental Standards of Fannie Mae and Freddie Mac underwriting guidelines and/or lender/client requirements.

Extent of research into physical, functional, and economic factors that could effect the property include, but not limited to, flood maps, zoning, Marshal & Swift Residential Cost Handbook, etc. All general data pertinent to the subject property that was not obtained from this appraiser's personal inspection of the subject property was obtained from sources believed to be reliable (i.e. government entities, title companies, etc). Conclusions reported herein, were based on data gathered, analyzed and considered reasonably available. All of the steps in the appraisal process were necessary to obtain a logically supported market value pertaining to the subject property. All sales data is from sources believed to be reliable (i.e. Multiple Listing Service, this appraiser's work files, realtors, assessors office, tax offices, buyer and sellers, other appraisers, etc.) All sales are visually inspected from the street by this appraiser.

The subject's history was researched for the past three years from the effective date of the appraisal and findings are reported herein. The type and extent of analysis applied to arrive at opinions or conclusions include a market analysis, Cost Approach, Income Approach, and Highest and Best Use. Certain approaches were given more weight than others and certain approaches to value were considered non-applicable due to the lack of data available for the particular analysis. If so warranted, the appraiser indicated the approach not utilized in the final value analysis.

Subject Photo Page

Borrower/Client				
Property Address 1507 Villa Flores				
City	San Antonio	County	Bexar	State TX Zip Code 78237-2764
Lender San Antonio Housing Authority				

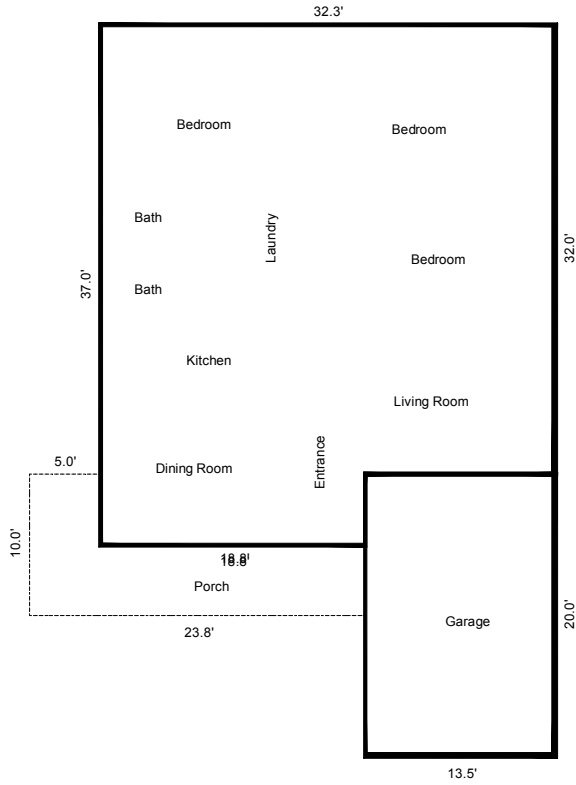
**Subject Front**

1507 Villa Flores	
Sales Price	N/A
Gross Living Area	1,128
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2
Location	Suburban
View	Typical
Site	7,958 Sq.Ft.
Quality	Average
Age	7

**Subject Rear****Subject Street**

Building Sketch

Borrower/Client			
Property Address 1507 Villa Flores			
City	San Antonio	County	Bexar
State	TX	Zip Code	78237-2764
Lender	San Antonio Housing Authority		



Sketch by Apex IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1127.6	1127.6
P/P	Porch	144.0	144.0
GAR	Garage	270.0	270.0
Net LIVABLE Area		(Rounded)	1128

LIVING AREA BREAKDOWN		
Breakdown	Subtotals	
First Floor	695.6	
18.8 x 37.0	432.0	
13.5 x 32.0		
2 Items	(Rounded)	1128


Location Map

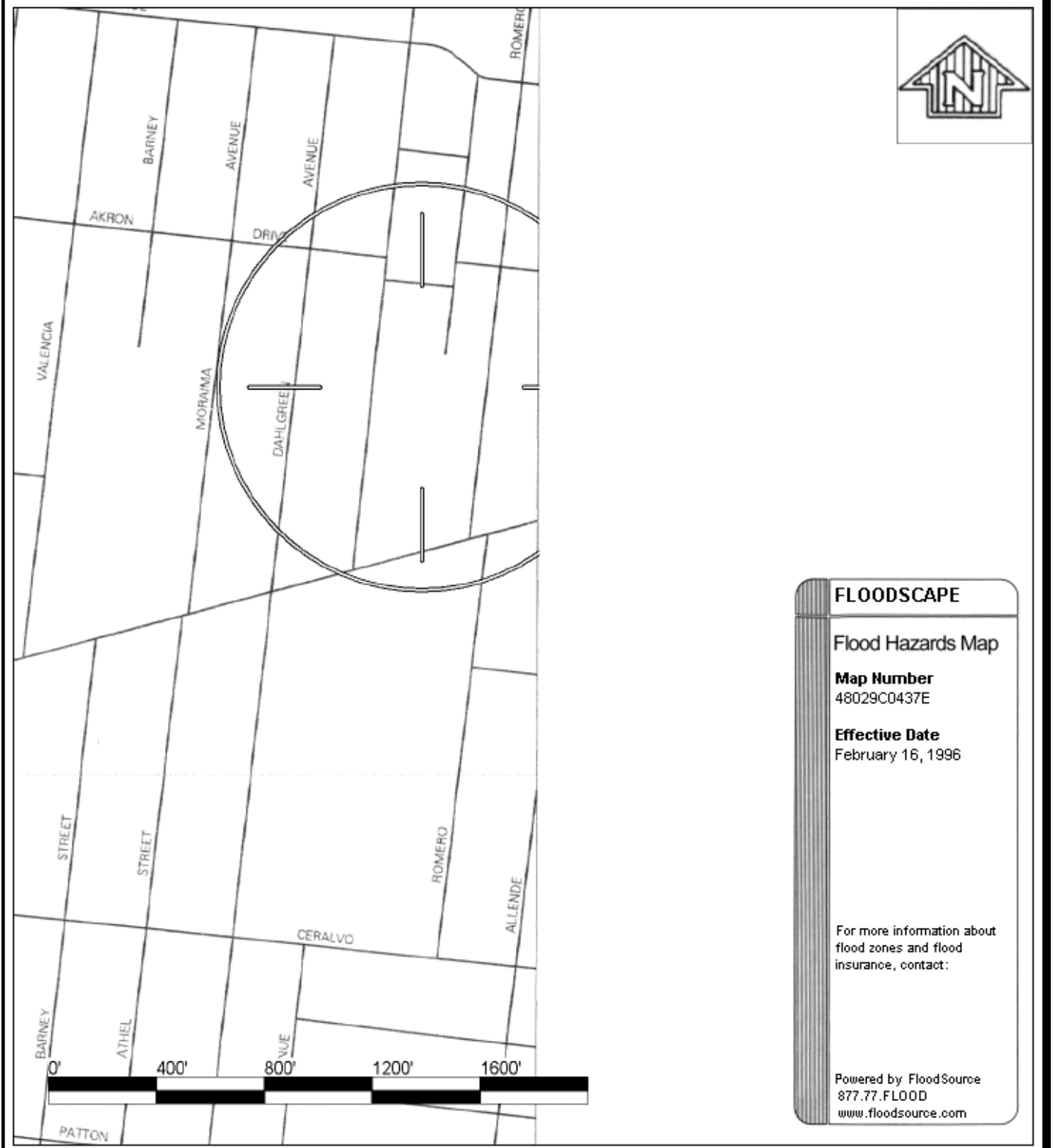
Borrower/Client			
Property Address	1507 Villa Flores		
City	San Antonio	County	Bexar
		State	TX
		Zip Code	78237-2764
Lender	San Antonio Housing Authority		



Flood Map

Borrower/Client				
Property Address 1507 Villa Flores				
City	San Antonio	County	Bexar	State TX Zip Code 78237-2764
Lender	San Antonio Housing Authority			

	<p>Prepared for: Cornerstone Appraisals</p> <p>1507 Villa Flores San Antonio , TX 78237-2764</p>
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Comparable Photo Page

Borrower/Client				
Property Address 1507 Villa Flores				
City	San Antonio	County Bexar	State TX	Zip Code 78237-2764
Lender San Antonio Housing Authority				

**Comparable 1**

306 S. San Dario Ave.
 Prox. to Subject 0.62 miles NE
 Sale Price 84,900
 Gross Living Area 1,018
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2
 Location Suburban
 View Typical
 Site 6,098 Sq.Ft.
 Quality Average
 Age 1

**Comparable 2**

507 Randall Ave.
 Prox. to Subject 0.9 miles NE
 Sale Price 94,000
 Gross Living Area 1,080
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2
 Location Suburban
 View Typical
 Site 7,000 Sq.Ft.
 Quality Average
 Age 1

**Comparable 3**

202 Joe Blanks Ave.
 Prox. to Subject 0.99 miles NW
 Sale Price 105,000
 Gross Living Area 1,450
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2
 Location Suburban
 View Typical
 Site 6,969Sq.Ft.
 Quality Average
 Age 1