

CHURCH LOAN FUND, INC.

Loan Request

Iglesia de Dios Avivamiento
Hialeah, FL

Purpose: Refinance existing mortgage with Sterns Bank
Requested Loan Amount: \$900,000

Executive Summary

Iglesia de Dios Avivamiento (IDD Avivamiento) has submitted a request to Church Loan Fund, Inc. for a \$900,000 loan to refinance its existing church mortgage. The outstanding mortgage balance is approximately \$970,000. The pastor plans to gift the church up to \$100,000 to bring the principal balance down to assist with lowering the monthly payment and escalating paying the debt in full. The church property's estimated appraised value is \$2,300,000 based on a 2024 appraisal.

The church has experienced significant growth in worship attendance as well as giving units. The church also continues to maintain positive cash flow each year.

Church History and Growth Story

Iglesia de Dios Avivamiento was started on July 22, 1991, in the living room of Bishop Enrique Alfonso, who helped establish the church and later passed away in 2021. As the congregation grew, the church moved through several locations before eventually renting a warehouse in a remote area. Despite the challenges of its location, the church continued to grow and at one point had nearly 200 members. Like many churches, however, Avivamiento was deeply affected by the COVID-19 pandemic, and attendance and membership dropped significantly.

The church faced an especially difficult season in 2021 when several members and church leaders became seriously ill with COVID. During that time, the Senior Pastor passed away while others, including the current pastor, were hospitalized. After being discharged from the hospital in September 2021, the current pastor felt called to reopen the church and eventually step into the role of Senior Pastor. The church began rebuilding, and in less than a year, membership grew from approximately 50–60 people back to approximately 120. That growth has continued, with current Sunday worship attendance now averaging between 140 and 160 people.

In 2024, the church faced another major challenge when the building where the congregation was meeting became the subject of interest from a developer. Through years of saving and careful stewardship, the church was able to purchase its current property. The congregation then came together to make significant improvements to the building, including a new metal roof, renovations to the interior, bathrooms, fellowship hall, and parking area. The church is now located in the heart of a community, providing greater visibility and accessibility than its previous warehouse location.

Looking forward, Iglesia de Dios Avivamiento plans to continue building on this momentum by expanding its ministry into the surrounding community. The church is developing programs and family-focused conferences addressing parenting, healthy marriages, raising children, and emotional and spiritual well-being, all centered around biblical teaching. The church also hopes to work with local community and government organizations to expand these efforts.

Financial Performance

Total income was **\$593,825 in 2024, \$384,154 in 2025, and \$117,010 through May 2026**

While income dropped significantly in 2025 over 2024, it should be noted that the pastor gifted the church \$200,000 to go toward the purchase of their new building which makes 2024 an outlier.

Tithes were **\$238,245 in 2024, \$217,560 in 2025, and \$87,401 through May 2026.**

Expenses have also declined along with income. The church reported a positive excess of income over expenses in all three periods reviewed:

	2024	2025	2026 5 Months
Total Income	\$593,825	\$384,154	\$117,010
Total Expenses	\$324,234	\$224,177	\$80,825
Net Excess	\$269,591	\$159,977	\$36,184

Conclusion

Based on the information provided, Iglesia de Dios Avivamiento appears to have a strong foundation from both a collateral and debt service standpoint. The church has overcome significant challenges, demonstrated growth in worship attendance and giving participation, and has substantial equity in its property.

Church Loan Fund is requesting approval of a loan to Iglesia de Dios Avivamiento of :

Loan Amount: \$900,000
Interest Rate: 7.50%
Amortization: 20 Years
Monthly Payment: \$7,250.34
Terms: 10 Year maturity with 5-year interest rate reset

This request is to refinance the current loan now held by Stearns Bank, contingent upon certification of value and a satisfactory site visit.

Church Loan Fund, Inc. Information Worksheet

General Information/History

Church Name: Iglesia de Dios Avivamiento

Church File Number: 11174

Church Mailing Address: 8803 NW 178th Ln. Hialeah, FL 33018

Physical Property Address: 1098 E. 1st Ave. Hialeah, FL 33010

Primary Contact E-mail Address: pastor@iglesiadediosavivamiento.org

Church Phone Number: 305-827-4663

Church Tax ID#: 76-0714353

Senior/Lead Pastor: Leonardo Acosta

Home Phone: 786-859-6511

Church Treasurer: Judith Martinez Pacheco

Home Phone: 786-362-0197

Member of Church/Pastor's Council: Jean Piere Barreto

Member of Church/Pastor's Council: Gilberto Sanchez

State/Regional Administrative Bishop: Otoniel Collins

Inception Date of Church: 07/22/91

Length of Time at Current Location: 2 years

Seating capacity of existing facility: 300

Ministerial File #: 66051

Mobile Phone: 786-859-6511

Mobile Phone: 786-362-0197

Phone: 305-301-7869

Phone: 786-294-4346

Phone: 423-310-7926

Paid Staff Information

Current Staff	Title	Years in Position
	Senior/Lead Pastor	

How long have Senior/Lead Pastors

typically stayed: 40

Has the Church ever had trouble keeping

Pastor (Y/N):

No

If Yes, explain:

Membership Information

	YTD	Most Recent Prior Year	Prior Year 2	Prior Year 3
	2026	2025	2024	2023
Total Membership:	130	120	120	120
Number of *Giving/Tithing Units:	45	40	35	35
Avg. Sunday School Attendance:	20	20	20	20
Avg. Sunday Morning Worship Attendance:	160	140	100	100

* One "giving unit" represents a family unit of givers who live in the same household. Each person may give separately but are one "giving unit."

Breakdown of Current Membership by Percentage (%)

Under 18:	40	18-30:	32
31-60:	48	Over 60:	34

Last date membership rolls were purged: 10/31/2024

Financial Information Overview

Financial Contact Person/Treasurer: Judith Pacheco

YTD	Most Recent Prior Year	Prior Year 2	Prior Year 3

Operating Budget **			
Actual Income			
Actual Expenses			
Actual Non-recurring Expenses			

**In addition, please complete the detailed 24-month analysis requested.

Current Debt Obligations

Creditor(s)	Balance Owed	Monthly Payments	Collateral	Rate
Stearns Bank (Building Loan)	\$ 977,302	\$ 7,461		
Total Debt Obligations:	\$ 977,302	\$ 7,461		

Project Needs and Fundraising Goals

Project Description

Fill in ONLY if Construction Project

Land Cost: _____
 Construction Cost: _____
 Soft Costs: _____
 Furniture/Fixtures: _____
 Contingency: _____
 Interest Costs: _____
 Other: \$ _____ -
Total Est. Project Cost \$ _____ -

Fundraising Campaign

Cash On-Hand for project: _____
 Start date of pledge campaign: _____
 Length of Campaign: _____
 Amount pledged to date: _____

	Number	Total Amount
# and Amount of pledges > \$25,000:		
# and Amount of pledges > \$50,000:		

 Professional Fundraiser (name): _____

Loan Request*

Loan Amount	Interest Rate	Term/Months	Payment
\$ 900,000.00	7.50%	240	\$ 7,250.34

240 months =

20 yrs

0.006250

Has Administrative Bishop granted approved: _____
If yes, please attach confirmation

Has Congregation granted approval: _____
If yes, please attach Resolution

Are additional funds above loan amount needed: _____
If yes, please attach a detailed explanation

Proposed Collateral Information

Property Description: Church Building
 Acquisition Date (Proposed): 10/31/24 Acquisition Cost: \$ 2,300,000
 Square Footage of Buildings: 6230
 Acreage Owned: 20,250 sq ft Acreage in Use: 20,250 sq ft
 Has the property been appraised yet (Y/N): Yes If yes, Date: 10/31/2024
 Appraised Value: \$ 2,300,000 Appraiser: _____
 Insurance Coverage Company: All Insurance Services Corp.
 Agent: Joanna Fernandez Amount of Coverage: \$ 1,000,000

Other Attachments

Resume of Senior Pastor (Y/N): _____
 Summary of project and how loan proceeds will be used (Y/N): _____
 Current Balance Sheet (Y/N): _____
 Last two years' Receipts and Disbursement Detailed Report (Y/N): _____
 Most recent YTD interim financial statements - income statement and balance sheet (Y/N): _____
 Copy of real estate contract (if applicable) (Y/N): _____
 Copy of current church budget (Y/N): _____

Income and Expense Statement

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Current Period

INCOME

GENERAL FUND INCOME

Tithes	\$238,244.98
Offerings	86,923.57
Special Offerings	228,146.89
CD'S Income	7,835.00
Interest Income	<u>32,029.67</u>

Subtotal General Fund Income 593,180.11

DESIGNATED FUNDS INCOME

CHILDREN MINISTRY

Children Ministry Contr. 59.00

YOUTH FUND INCOME

Youth Camp Income	57.00
Youth Special Celebration	<u>280.00</u>

Subtotal Youth Fund Income 337.00

MISSIONS FUND INCOME

Missions Contributions 248.55

Subtotal Designated Funds Income 644.55

TOTAL INCOME 593,824.66

EXPENSES

GENERAL FUND EXPENSES

SALARIES

PASTORS SALARIES/BENEFITS

SENIOR PASTOR

SP Salary \$28,613.28

ADMINISTRATION

Advertising	820.94
Bank Charges	20,006.08
Office Supplies	48.34
Credit Card Fees	285.88
Printing	440.93
Professional Services	2,453.91
License/Renewals	2,378.05
Off Equip Repr/Maint	411.81
Media Equipment	3,102.73
Computer Hardware	320.99
Computer Software	<u>371.00</u>

Subtotal Administration 30,640.66

INSURANCE

Comprehensive Church Ins 2,813.62

UTILITIES

Telephone/Internet	3,348.86
Electricity	7,840.24
Water	700.74
Waste/ Sewer	<u>2,617.90</u>

Subtotal Utilities 14,507.74

BUILDING/GROUNDS

RENT 60,294.95

Income and Expense Statement

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Current Period

Building Purchase Expenses	8,320.00
MORTGAGE	
Mortgage Interest	12,675.38
Building Repr/Maint	101,560.81
Pest Control	2,479.00
Grounds Maintenance	<u>1,600.00</u>
Subtotal Building/grounds	186,930.14
VEHICLES	
Vehicle Gas	744.98
Van Tag / License/SunPass	<u>112.00</u>
Subtotal Vehicles	856.98
MINISTRY EXPENSE	
Church Supplies	110.83
Books/Literature	<u>17.98</u>
Subtotal Ministry Expense	128.81
APORTATION REGION	
AR Tithes 3.75%	8,877.52
AR Missions 1.25%	<u>3,692.73</u>
Subtotal Aportation Region	12,570.25
APORTATION INTERNATIONAL	
AI Tithes 3.75%	8,887.52
AI Missions 1.25%	<u>3,682.23</u>
Subtotal Aportation International	12,569.75
CONFERENCE/SEMINAR/TRAINING	
Leadership Conference	2,500.50
COG Region Coventions	1,677.70
COG General Assembly	245.66
Ministers Retreat	3,080.50
Misc Seminar/Training	795.00
Region Events	3,431.50
Hospitality	1,054.03
Meals	<u>1,166.28</u>
Subtotal Conference/seminar/training	13,951.17
MUSIC MINISTRY	
Music Supplies	765.00
MISSIONS	
Local Missions	450.00
World Missions	<u>8,368.50</u>
Subtotal Missions	8,818.50
FELLOWSHIP/OUTREACH	
Fellowship Dinners	1,356.44
Benevolence	4,000.00
Speaker Honorariums	4,300.00
Special Event Expenses	850.79

Iglesia de Dios Avivamiento
Income and Expense Statement

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Current Period

Subtotal Fellowship/outreach	10,507.23
DEPARTMENTS SUBSIDIES	
Youth Group	560.99
Subtotal General Fund Expenses	324,234.12
TOTAL EXPENSES	324,234.12
EXCESS INCOME/EXPENSES	\$269,590.54

Income and Expense Statement

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Current Period

INCOME

GENERAL FUND INCOME

Tithes	\$217,560.18
Offerings	113,896.02
Special Offerings	47,741.00
CD'S Income	4,948.83
Interest Income	<u>7.51</u>

Subtotal General Fund Income	<u>384,153.54</u>
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TOTAL INCOME	384,153.54
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EXPENSES

GENERAL FUND EXPENSES

SALARIES

ADMINISTRATIVE SALARIES

Music Minister Salary	\$39.98
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ADMINISTRATION

Advertising	4,163.60
Bank Charges	6.50
Credit Card Fees	239.47
Printing	752.13
Professional Services	3,846.93
License/Renewals	371.30
Legal Services	1,500.00
Computer Software	<u>524.47</u>

Subtotal Administration	11,404.40
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INSURANCE

Comprehensive Church Ins	17,485.00
Vehicle Insurance	<u>1,864.00</u>

Subtotal Insurance	19,349.00
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UTILITIES

Telephone/Internet	3,564.38
Electricity	5,260.14
Waste/ Sewer	2,249.47
Security System	1,820.00
Fire Alarm System	<u>150.00</u>

Subtotal Utilities	13,043.99
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BUILDING/GROUNDS

RENT	6,735.57
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MORTGAGE

Mortgage Interest	71,694.20
Building Repr/Maint	36,412.19
Grounds Maintenance	<u>8,050.00</u>

Subtotal Building/grounds	122,891.96
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VEHICLES

Vehicle Gas	990.27
Van Tag / License/SunPass	<u>212.50</u>

Subtotal Vehicles	1,202.77
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Income and Expense Statement

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Current Period

MINISTRY EXPENSE	
Church Supplies	291.82
Books/Literature	<u>2,008.13</u>
Subtotal Ministry Expense	2,299.95
APORTATION REGION	
AR Tithes 3.75%	10,487.90
AR Missions 1.25%	<u>3,495.98</u>
Subtotal Aportation Region	13,983.88
APORTATION INTERNATIONAL	
AI Tithes 3.75%	10,487.92
AI Missions 1.25%	<u>3,495.96</u>
Subtotal Aportation International	13,983.88
CONFERENCE/SEMINAR/TRAIING	
COG Region Coventions	2,480.00
Region Events	2,139.51
Hospitality	2,618.75
Meals	<u>238.18</u>
Subtotal Conference/seminar/traing	7,476.44
MUSIC MINISTRY	
Worship Team Expenses	2,576.60
Music Instruments Maint	<u>239.40</u>
Subtotal Music Ministry	2,816.00
MISSIONS	
Local Missions	1,997.68
World Missions	<u>1,746.00</u>
Subtotal Missions	3,743.68
FELLOWSHIP/OUTREACH	
Benevolence	10,352.00
Special Event Expenses	<u>789.08</u>
Subtotal Fellowship/outreach	11,141.08
DEPARTMENTS SUBSIDIES	
Children's Church	<u>800.00</u>
Subtotal General Fund Expenses	<u>224,177.01</u>
TOTAL EXPENSES	<u>224,177.01</u>
EXCESS INCOME/EXPENSES	<u><u>\$159,976.53</u></u>

Iglesia de Dios Avivamiento
Income and Expense Statement
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Current Period

INCOME

GENERAL FUND INCOME

Tithes	\$87,401.24
Offerings	15,584.47
Special Offerings	11,989.00
Covenant / Pacto Offering	5.00
CD'S Income	2,030.00
Interest Income	0.09

Subtotal General Fund Income	<u>117,009.80</u>
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TOTAL INCOME	117,009.80
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EXPENSES

GENERAL FUND EXPENSES

ADMINISTRATION

Bank Charges	\$3.00
Credit Card Fees	47.79
License/Renewals	61.25
Computer Software	289.00

Subtotal Administration	401.04
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INSURANCE

Vehicle Insurance	1,568.00
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UTILITIES

Telephone/Internet	1,198.65
Electricity	2,165.40
Fire Alarm System	685.00

Subtotal Utilities	4,049.05
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BUILDING/GROUNDS

MORTGAGE

Mortgage Interest	24,579.17
Building Repr/Maint	4,460.32
Grounds Maintenance	2,119.11

Subtotal Building/grounds	31,158.60
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VEHICLES

Vehicle Gas	280.77
Van Tag / License/SunPass	10.00

Subtotal Vehicles	290.77
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MINISTRY EXPENSE

Books/Literature	2,936.53
Flowers/Decorations	400.05

Subtotal Ministry Expense	3,336.58
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APORTATION REGION

AR Tithes 3.75%	7,279.83
AR Missions 1.25%	2,426.60

Subtotal Aportation Region	9,706.43
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APORTATION INTERNATIONAL

AI Tithes 3.75%	7,279.83
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Iglesia de Dios Avivamiento
Income and Expense Statement
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Current Period

AI Missions 1.25%	<u>2,426.60</u>
Subtotal Aportation International	9,706.43
CONFERENCE/SEMINAR/TRAINING	
Ministers Retreat	449.60
Misc Seminar/Training	2,500.00
Region Events	164.00
Hospitality	<u>4,141.29</u>
Subtotal Conference/seminar/traing	7,254.89
MUSIC MINISTRY	
Music Supplies	2,983.34
MISSIONS	
Local Missions	5,000.00
World Missions	<u>700.00</u>
Subtotal Missions	5,700.00
FELLOWSHIP/OUTREACH	
Benevolence	1,500.00
Special Event Expenses	<u>323.63</u>
Subtotal Fellowship/outreach	1,823.63
MISCELLEANEOUS EXPENSE	
Designated Love Offering	2,622.00
DEPARTMENTS SUBSIDIES	
Youth Group	<u>224.93</u>
Subtotal General Fund Expenses	<u>80,825.69</u>
TOTAL EXPENSES	<u>80,825.69</u>
EXCESS INCOME/EXPENSES	<u><u>\$36,184.11</u></u>

For Use by Church Loan Fund Only

Ratio Analysis**

IDD Avivamiento, Hialeah, FL

Proposed Loan Amount:	\$ 900,000
Existing Debt Obligation	\$ -
Total Proposed and Existing Debt Obligations:	\$ 900,000
Proposed Monthly Loan Payment:	\$ 7,250
Existing Monthly Loan Payment:	
Total Proposed and Existing Monthly Payment(s):	\$ 7,250
Total Proposed and Existing Annual Debt Service:	\$ 87,004
Annual Budget:	\$ 225,000
Annual Income:	\$ 350,000
Income Units:	45

Total Proposed and Existing Debt Obligations/Annual Income:	Acceptable Range < 3.00	Actual 2.57	Acceptable
The growth in annual income has a direct relationship to maximum loan size. A higher growth rate church could support a higher ratio of debt to income.			
Total Proposed and Existing Annual Debt Service/Annual Income:	Acceptable Range < 30%	Actual 24.86%	Acceptable
This measures the maximum amount of debt service that a church can reasonably be expected to pay from its operating budget.			
Annual Budget/Income Unit:	Acceptable Range < \$3,000	Actual \$ 5,000	Unacceptable
This ratio emphasizes the importance of having a congregation that is of adequate size to be able to spread the church's need across a sufficiently broad base.			
Total Proposed and Existing Debt Obligations/Income Units:	Acceptable Range < \$4,500	Actual \$ 20,000	Unacceptable
Measures the debt burden per member and reflects the financial commitment to the project that the average member must make.			
Total Proposed and Existing Monthly Payment(s)/Income Units:	Acceptable Range < \$75	Actual \$ 161	Unacceptable
This calculation can be used with the annual budget/income unit ration to determine the reasonableness of new financing and the necessary contributions.			

**** Just because a response in this analysis is unacceptable does not mean the loan request will be denied. The information provides the Church Loan Fund with risk analysis.**

Church Loan Fund, Inc.

Risk Grade Worksheet

Church: IDD Avivamiento

Date Prepared: 9/3/2026

< 3.0 < 30% < \$3000 < \$4500 < 75

Risk Grade	Total Proposed Debt to Income	Debt Service to Annual Income	Annual Budget per Income Unit	Proposed Loan per Income Unit	Monthly Payment per Income Unit	Growth Trends	Historical Information
#1	0.00 - 1.00	0 - 10%	\$0 - \$1000 per unit	\$0 - \$2000 per unit	\$0 - \$20.00 per unit	Membership and revenue growing and have grown for past three (3) years.	Founded 35+ years ago. Pastor at church 8+ years. Discretionary expenses represent more than 40% of budget. More than 30% of debt being repaid by committed pledges.
#2	1.10 - 1.75	10.1 - 17.50%	\$1001 - \$1750 per unit	\$2001 - \$3250 per unit	\$21.00 - \$42.00 per unit	Membership and revenue growing and have grown for past two (2) years.	Founded 20+ years ago. Pastor at church 5+ years. Discretionary expenses represent less than 40% of budget. Less than 30% of debt being repaid by committed pledges.
#3	1.76 - 2.50	17.51 - 25.00%	\$1751 - \$2500 per unit	\$3251 - \$4000 per unit	\$43.00 - \$64.00 per unit	Membership and revenue growing and have grown for past year.	Founded 10+ years ago. Pastor at church 3+ years. Discretionary expenses are less than 30% of budget. Pledge campaign exist to repay less than 20% of debt.
#4	2.51 - 3.25	25.10 - 32.50%	\$2501 - \$3250 per unit	\$4001 - \$5000 per unit	\$65.00 - \$86.00 per unit	Membership and revenue are stable. Outlook for growth is good.	Founded 5+ years ago. Pastor at church 2+ years. Discretionary expenses are less than 20% of budget. Significant level of debt will be repaid through annual operating budget.
#5	3.26 - 4.25	32.6 - 42.5%	\$3251 - \$4250 per unit	\$5001 - \$6000 per unit	\$87.00 - \$99.00 per unit	Membership and revenue are stable. Outlook for growth is fair.	Founded less than 5 years ago. Pastor at church 1+ years. Discretionary expenses are less than 10% of budget. Debt will be repaid through annual operating budget.

Results	3	3	5	10	10	4	1.5
<i>Weight</i>	20%	20%	10%	10%	10%	10%	20%
Risk Grade	0.6	0.6	0.5	1	1	0.4	0.3

Final Weighted Risk Grade:

4.4

Church Loan Fund, Inc.

Risk Grade Worksheet Addendum Historical Information

Church: IDD Avivamiento

Date Prepared:

9/3/2026

Risk Grade	Longevity of Congregation	Longevity of Pastor	Discretionary Expenses	Debt Repayment
#1	Founded 35+ Years Ago	Pastor at church 8+ years	Represent more than 50% of budget	More than 30% of debt will be repaid by committed pledges
#2	Founded 20+ Years Ago	Pastor at church 5+ years	Represent less than 40% of budget	Less than 30%-of debt will be repaid by committed pledges
#3	Founded 10+ Years Ago	Pastor at church 3+ years	Represent less than 30% of budget	Less than 20% of debt will be repaid by committed pledges
#4	Founded 5+ Years Ago	Pastor at church 2+ years	Represent less than 20% of budget	Significant level of debt will be paid through operating budget
#5	Founded less than 5 Years Ago	Pastor at church 1+ years	Represent less than 10% of budget	All debt will be repaid through annual operating budget

Results	1	1	4	3
Weight	40%	40%	10%	10%
Risk Grade	0.4	0.4	0.4	0.3

Final Weighted Risk Grade: 1.5



The insight you need. The independence you trust.

House of Worship - Hialeah Religious Property

Religious Facility
1098 E 1 Ave
Hialeah, Florida 33010-4110

BBG File #0124017761

Prepared For

Ms. Alma Cernica
Stearns Bank
9225 East Shea Boulevard
Scottsdale, AZ 85258-6713

Report Date

September 11, 2024

Prepared By

BBG, Inc., Miami Office
1600 Ponce De Leon Boulevard, Suite 908
Miami, FL 33134
786-522-4550

Client Manager: Lee Smalley, MAI
lsmalley@bbgres.com

BBG Website

bbgres.com



September 11, 2024

Ms. Alma Cernica
Stearns Bank
9225 East Shea Boulevard
Scottsdale, AZ 85258-6713

Re: Appraisal of Real Property
House of Worship - Hialeah Religious Property
1098 E 1 Ave
Hialeah, Florida 33010-4110
BBG File #0124017761

Dear Ms. Cernica:

In accordance with your authorization (per the engagement letter found in the *Addenda* of this report), an Appraisal Report of the above-referenced property has been prepared.

The subject of this report is a 6,230 square foot (gross building area), 1-story, concrete block standard house of worship located on a ± 0.46 acres or $\pm 20,250$ square foot site. The subject is located on the southwest corner of E 11th St and E 1st Ave, within the City of Hialeah in Miami-Dade County, which forms the core of the Miami-Fort Lauderdale-West Palm Beach, FL MSA. The building was built in 1996 and is 28 years old. At the time of inspection, the improvements were considered to be well maintained and in average condition.

The property has a coverage ratio of 30.77% and a land to building ratio of 3.25. The property has 42 parking spaces and a result, the property has a parking ratio of 6.74 spaces per 1,000 SF of gross building area. The site is rectangular in shape 150 feet of width along E 11 St (primary frontage) and 135 feet of depth along E 1 Ave (secondary frontage). The site is level and on-grade with the surrounding streets. The subject is on a local, primarily residential road which sees an annual average daily traffic count of <5,000 vehicles. The subject abuts residential uses in all directions.

The subject is currently under contract for \$2,300,000, which is consistent with our opinion of market value. The terms of the agreement are standard, and the transaction appears to be arm's length.

This Appraisal Report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the appraisal guidelines set forth in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the December 2010 Interagency Appraisal and Evaluation Guidelines. This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be in compliance with additional requirements of Stearns Bank (client) as applicable. This report is intended to be used by the intended user(s) named herein; no other party may rely upon the opinions presented in this report.

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s)	- We are appraising the subject under the extraordinary assumption that information provided by the Client and from public resources is accurate. We have not been provided a survey of the subject property. If the actual size of the land or building is significantly different than that utilized within this report, the value conclusions could be impacted.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

Ms. Cernica
September 11, 2024
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Based on the analysis undertaken, the following value opinion(s) have been developed.

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	September 5, 2024	\$2,310,000

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion(s) set forth above to be relied upon by the intended user(s).

BBG, Inc. appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact the Client Manager.

Sincerely,



Lee Smalley, MAI
State-Certified General Real Estate Appraiser
RZ2727
786-522-4550
lsmalley@bbgres.com

SUBJECT PROPERTY



AERIAL PHOTOGRAPH



SUMMARY OF SALIENT FACTS

APPRAISAL INFORMATION	
Client	Stearns Bank 9225 East Shea Boulevard, Scottsdale, AZ 85258-6713
Intended User(s)	This appraisal report may only be relied upon by the client and intended user(s) named herein. The intended user of this report is Stearns Bank or affiliates.
Intended Use	The intended use of this appraisal is for loan underwriting and/or credit decisions by Stearns Bank.
Property Rights Appraised	As Is Market Value - Fee Simple
Date of Inspection	September 5, 2024
Marketing Time (Months)	12 months
Exposure Time (Months)	12 months
Owner of Record	Iglesia Cristiana Vida Inc
Property Contact(s)	Arelis Garcia was interviewed several times via email, phone, and during the inspection.
Most Probable Purchaser	Owner-User
Highest and Best Use	
If Vacant	Multifamily
As Improved	As Currently Developed
PROPERTY DATA	
Property Name	House of Worship - Hialeah Religious Property
Address	1098 E 1 Ave Hialeah, Florida 33010-4110
Location	The subject is located on the southwest corner of E 11th St and E 1st Ave, within the City of Hialeah in Miami-Dade County, which forms the core of the Miami-Fort Lauderdale-West Palm Beach, FL MSA.
Property Description	Institutional Use (Religious Facility) - Religious Facility
County	Miami-Dade
Parcel Number	04-3118-003-0770
Census Tract No.	0008.07
Legal Description	Lots 10, 11 and 12, in Block 48, FIRST ADDITION TO HIALEAH, according to tire Plat thereof, as recorded in Plat Book 5 at Page 122 of the Public Records of Miami-Dade County, Florida.
Site Area	20,250 square feet (0.46 acres)
Zoning	R-2; One and Two Family Residential District
Flood Zone/Map Number/Date	Zone X (Unshaded) 12086C0284L September 11, 2009
Flood Zone Comments	Zone X Unshaded (Outside 500Y) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.
Year Built	1996
Year Renovated	N/A
Type of Construction	Concrete block
Number of Buildings	1
Gross Building Area	6,230 square feet
Overall Condition	Average
Overall Quality	Average
Overall Design/Functionality	Average

RISK SUMMARY

Advantages	- The area is mature, which impedes new competitive development due to in-fill construction costs. - The subject has been well-maintained and is constructed of good quality building materials. - The subject features adequate on-site parking. - The subject is not located within a FEMA flood zone. - The subject is located in a primary market.
Challenges	- While the Federal Reserve is anticipated to lower interest rates in the coming months, there remains uncertainty as to the magnitude and number of potential reductions. This has resulted in cautious optimism in the market.

VALUE INDICATIONS**1) As Is as of September 5, 2024**

Cost Approach	\$2,340,000	\$375.60	Per Square Foot (GBA)
Land Value	\$1,110,000	\$54.81	Per Square Foot of Land
Sales Comparison Approach	\$2,310,000	\$370.79	Per Square Foot (GBA)
Income Capitalization Approach			
Direct Capitalization	Not Developed		
Yield Capitalization	Not Developed		
Approach Reliance	Sales Comparison Approach		
Value Conclusion - As Is	\$2,310,000	\$370.79	Per Square Foot (GBA)
Insurable Replacement Cost	Not Developed		
Exposure Time (Months)	12 months		
Marketing Time (Months)	12 months		

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below. Pursuant to the requirement within Uniform Standards of Professional Appraisal Practice Standards, it is stated here that the use of any extraordinary assumptions and/or hypothetical conditions might have affected the assignment results.

Extraordinary Assumption(s)	- We are appraising the subject under the extraordinary assumption that information provided by the Client and from public resources is accurate. We have not been provided a survey of the subject property. If the actual size of the land or building is significantly different than that utilized within this report, the value conclusions could be impacted.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

PROPERTY TRANSACTION HISTORY

Current Contract	
Contract Date	July 12, 2024
Sale Price	\$2,300,000
per SF GBA	\$369.18
Grantor	Iglesia Cristiana Vida Inc
Grantee	Iglesia De Dios Avivamiento
Comments	The terms of this agreement are standard and it appears to be arm's length.
Recent Transaction	
Sale Date	July 19, 2023
Deed Book/Page	33843-1498
Sale Price	N/A
per SF GBA	N/A
Grantor	Hispanic American United Methodist Church Of Hialeah Inc
Grantee	Iglesia Cristiana Vida Inc
Comments	This transaction occurred under a quit claim deed (name change).
Recent Transaction	
Sale Date	November 1, 1991
Deed Book/Page	15327-2356
Sale Price	\$150,000
per SF GBA	\$24.08
Grantor	Hispanic American United Methodist Church Of Hialeah Inc
Grantee	Dixie Garden Supply, Inc
Comments	Due to the age of this sale, no additional information is available.

There have been no other known transactions of the subject property within the three years prior to the effective date of this appraisal.

Please note, however, that this information is included only to satisfy the requirements of USPAP. It is not intended as a guarantee to the chain of title and a title search should be performed by a title company should a definitive summary be desired.

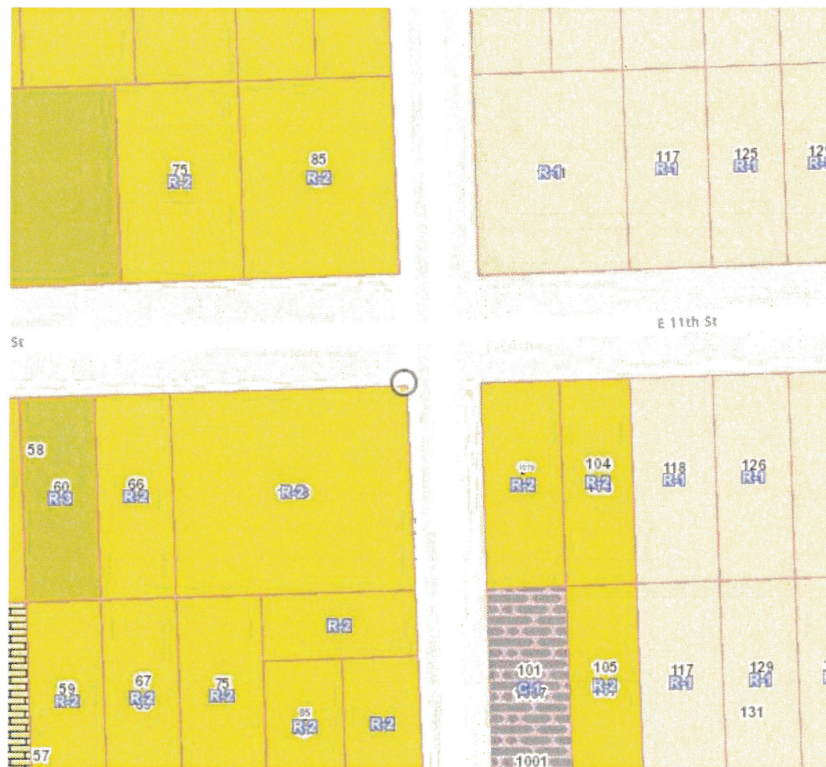
SITE DESCRIPTION

The description of the site is based upon our physical inspection of the property, as well as information available from the client and public sources. The site area utilized herein is taken from Miami-Dade county records.

GENERAL SITE DESCRIPTION OVERVIEW			
Location	The subject is located on the southwest corner of E 11th St and E 1st Ave, within the City of Hialeah in Miami-Dade County, which forms the core of the Miami-Fort Lauderdale-West Palm Beach, FL MSA.		
Parcel Number	04-3118-003-0770		
Legal Description	Lots 10, 11 and 12, in Block 48, FIRST ADDITION TO HIALEAH, according to tire Plat thereof, as recorded in Plat Book 5 at Page 122 of the Public Records of Miami-Dade County, Florida.		
Latitude, Longitude	25.83157, -80.28002		
Site Area	20,250 square feet (0.46 acres)		
Configuration	Rectangular		
Topography	Level		
Drainage	Appears adequate		
Utilities/Municipal Services	Typical utilities and municipal services available to site including water, sewer, natural gas, electricity, telephone and cable tv/internet.		
Off-Site Improvements	None		
Flood Zone(s)	<u>Zone</u>	<u>Map</u>	<u>Date</u>
	Zone X (Unshaded)	12086C0284L	September 11, 2009
Flood Zone Comments	Zone X Unshaded (Outside 500Y) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.		
Census Tract No.	0008.07		
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.		
Environmental Concerns	The inspecting appraiser did not observe any environmental issues and for the purpose of this		
Easements, Encroachments and Deed Restrictions	A title report was not provided, however, we are unaware of any detrimental easements, encroachments or other restrictions that would adversely affect the site's use or marketability.		
Hazards Nuisances	We did not observe any evidence of hazards or nuisances during our physical inspection of the property.		
Frontage	150' (E 11 St) / 135 (E 1 Ave)		
Access	Adequate for current use; property is served by two curb cuts on E 11th St and two on E 1st Ave.		
Visibility	Average		
Surrounding Land Uses	The subject abuts commercial uses in all directions.		
Opportunity Zone	The subject is not located in an Opportunity Zone.		
Enterprise Zone	The subject is not located in an Enterprise Zone.		
Traffic Counts	The subject is on a road which sees an annual average daily traffic count of <5,000 vehicles.		
Transportation Facilities	The subject is served by municipal roads sufficient to meet the needs of the subject as well as adjoining and supportive uses. Public transportation facilities are located nearby, including bus stops within 1 mile of the subject.		
Site Utility	Average		
Comments	The subject site is a rectangular, largely paved lot, with frontage to both E 11 St to the north and E 1 Ave to the east.		

ZONING		
Designation	R-2	
Description	One and Two Family Residential District	
Zoning Intent	In the R-2 one- and two-family residential district, no building or land shall be used and no building shall be erected, constructed, reconstructed or structurally altered which is designed, arranged or intended to be used or occupied for any purpose, unless otherwise provided for, excepting for one or more of the following uses: every use as a one- and two-family residence, including every customary or accessory use, not inconsistent therewith.	
Governing Authority	City of Hialeah	
Date of Ordinance	Various	
Compliance	The subject appears to be a legal conforming use in this zoning district.	
ZONING REQUIREMENTS		
Permitted Uses	(1) Any use permitted in the R-1 district. (2) Two-family residences, commonly known as duplexes. (3) A one-family garage apartment on the rear portion of a lot where there is a single-family residence on the front portion of such lot. (4) Houses of worship, provided that the minimum parking requirements for houses of worship are satisfied according to a site plan approved by the city.	Legally Conforming
Minimum Lot Size	7,500 SF	Legally Conforming
Minimum Lot Depth	100'	Legally Conforming
Minimum Lot Width	75'	Legally Conforming
Front (min. ft.)	25'	Legally Conforming
Rear, alley/no alley (min. ft.)	25'	Legally Conforming
Side (min. ft.) interior	7.5'	Legally Conforming
Minimum Building Size	the total minimum floor area of two-family residences shall be 1,500 square feet, with the minimum ground floor area of two-family residences to be 1,000 square feet, and the total living area of one unit to be not greater than 60 percent of the total living area of the two-family residence	Legally Conforming
Maximum Height	2.5 stories / 35'	Legally Conforming
Required No. Parking Spaces	0	Legally Conforming
Subject's Total Parking Spaces	42	Legally Conforming

ZONING MAP



IMPROVEMENTS DESCRIPTION

The subject's site is improved with a standard House of Worship. At the time of inspection, the property appeared to be well maintained and in average condition.

GENERAL IMPROVEMENT DESCRIPTION OVERVIEW

Address	1098 E 1 Ave Hialeah, Florida 33010-4110
Property Description	Institutional Use (Religious Facility) - Standard House of Worship
Year Built	1996
Year Renovated	N/A
Number of Buildings	1
Number of Stories	1
Property Class	Class C
Building Construction Class (MVS)	Class C
Gross Building Area	6,230 square feet
Land-to-Building Ratio	3.25 : 1
Ingress/Egress	Adequate

Parking	
Surface Parking Spaces	42
Carports/Other	0 / 0
Garages	0
Total Parking Spaces	42
Parking Ratio / 1,000 SF	6.74 spaces per 1,000 SF of gross building area.

ADA Compliance	The property is assumed to be fully ADA compliant.
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CONSTRUCTION DETAIL

General Layout	The subject is a single-story, generally rectangular, approximately 6,230 square foot religious facility.
Foundation	Poured concrete slab
Construction	Concrete block
Floor Structure	Concrete block
Exterior Walls	Stucco
Roof Type	Gabled
Roof Cover	Barrel Tile Roofs

INTERIOR DETAIL

Interior Walls	Drywall
Ceilings	Drywall
Floor Coverings	Tile, Carpet
Lighting	Fluorescent and Incandescent
Restrooms	Standard commercial fixtures

MECHANICAL DETAIL

Heating	Forced Air
Cooling	Central A/C
Plumbing	Assumed to code and adequate.
Electrical	Assumed to code and adequate.
Fire Protection	None Noted

HIGHEST AND BEST USE

INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

HIGHEST AND BEST USE CRITERIA

The site's highest and best use is analyzed both as vacant and as improved, and if improvements are proposed then an as proposed analysis is required. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive.

HOUSE OF WORSHIP DISCUSSION

The subject is a an approximately 6,230 square foot religious facility with an almost entirely paved lot; the subject's zoning allows single family, duplex, and religious uses. Conversion of the subject to a duplex would be prohibitively expensive. Thus, while under typical circumstances, religious facilities are not usually considered to meet the third and fourth criteria of a parcel's highest and best use (in other words, other uses produce higher economic returns for investors), this does not appear to be the case for the subject. Nonetheless, based on generally accepted appraisal principles regarding highest and best use, the highest and best use as vacant would be low density residential development under the hypothetical "as if" vacant land valuation methodology.

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&R's, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. Legally, the subject is zoned R-2. Permitted uses include (1) Any use permitted in the R-1 district. (2) Two-family residences, commonly known as duplexes. (3) A one-family garage apartment on the rear portion of a lot where there is a single-family residence on the front portion of such lot. (4) Houses of worship, provided that the minimum parking requirements for houses of worship are satisfied according to a site plan approved by the city. No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

PHYSICALLY POSSIBLE

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally-conforming uses. Given the surrounding uses and location, the site is best suited for low density residential development.

FINANCIALLY FEASIBLE

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. The market analysis section reveals that residential development in the subject's market are generally stabilized. Recent and planned residential in the market area serve as direct evidence that new it is financially feasible. Comparisons of rental rates, operating expenses and construction costs indicate the property is

capable of providing an adequate return on investment to warrant new development in the current market. This assertion is supported by the fact that the property has the potential to generate rental income as shown in the income approach. Low density residential uses are considered financially feasible.

MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. In order to determine the maximally productive use, a comparison of rental rates, occupancy, operating expenses, and rates of return for the financially feasible uses have been made. Based on this analysis, residential uses renders the highest residual land value; therefore, a residential development on the subject's site is the maximally productive use of the subject as vacant.

CONCLUSION

In sum, the most likely buyer of the site as vacant is a developer or owner-user with the resources to develop new construction on the site because development would be indicated soon. The ideal improvement is a low density residential or single-family development that conforms to zoning and market standards. Thus, the current property use meets the four criteria for the highest and best use of the land as vacant and a hypothetical development is the use that yield the highest return to the land. Given low vacancy rates an increasing rental rate, the most likely buyer is a developer or owner-user looking to develop the subject site with low density residential or single family homes, in the near term.

HIGHEST AND BEST USE AS IMPROVED

LEGALLY PERMISSIBLE

The subject appears to be a legal conforming use in this zoning district. Continued use of the property as improved is legally possible, as described in the Zoning section of this report. No other legal restrictions have been identified that would limit use of the property as currently improved.

PHYSICALLY POSSIBLE

The subject is currently improved with a 6230-SF Standard House of Worship on a 20,250 square foot site that conforms to its surrounding uses. Continued used of the improvements for as currently developed use is physically possible.

FINANCIALLY FEASIBLE

Financial feasibility as an income-producing investment is based on the amount of rental income it can generate net of the required operating expenses. If the resulting net operating income motivates continued operation, then the land is being put to a productive and financially feasible use. The subject is a special purpose property and is not typically purchased for its income producing potential. The location proximate to employment centers, area transportation network of roadways and support development is conducive to tenancy. The existing improvements provide contributory value to the site, and there is no alternate use that would result in a greater value. The financial feasibility of a religious property for a non-profit special use is unique to the owner/user.

MAXIMALLY PRODUCTIVE

The maximally productive use should conform to neighborhood trends and be consistent with existing nearby land uses. The single use that produces the greatest return on investment and usually the highest price and value is typically the highest and best use. As shown in the applicable valuation sections, properties like the proposed subject have been acquired and continue to be used for Institutional Use. None of the comparable properties were acquired for conversion to an alternative use. The improvements contribute return to the site that is far greater than that which would be generated if the land were vacant. Since return to the land and improvements is greater than the expenses associated with maintaining them, continued utilization of the improvements through their economic life is likely. This provides evidence suggesting that the current Institutional Use is maximally productive.

CONCLUSION

Based on our analysis, there does not appear to be any alternative use that is more productive than the current use. For these reasons, the current special use is concluded to be maximally productive, and thus the highest and best use of the property as improved. We have concluded that the most probable buyer of the subject property, as improved, would be another religious group or school.

COMPARABLE LAND SALES ADJUSTMENT GRID

COMPARABLE LAND SALE ADJUSTMENTS				
	Subject	Comp 1	Comp 2	Comp 3
Property / Location	House of Worship - Hialeah Religious Property	Miami RU-2 Land 2102 NW 69 Ter Miami, FL	Miami RU-2 Land 1901 NW 51 Ter Miami, FL	Hialeah R-1 Land 112 E 14 St Hialeah, FL
Sale Date / Status	---	Jul-24 Closed	Apr-24 Closed	Dec-22 Closed
Property Rights	---	Fee Simple	Fee Simple	Fee Simple
Site Size (SF)	20,250.00	3,750	5,000	6,750
Sale Price	-----	\$175,000	\$230,000	\$440,000
Zoning	R-2, One and Two	RU-2	RU-2	R-1
Property Use	Religious Facility	Residential	Residential	Residential
Unadjusted Price per SF	-----	\$46.67	\$46.00	\$65.19
Transactional Adjustments				
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple
Adjustment		0%	0%	0%
Financing Terms				
Adjustment		0%	0%	0%
Conditions of Sale				
Adjustment		0%	0%	0%
Expenditures Immed After Sale				
Adjustment		0%	0%	0%
Market Conditions	Sep-24	Jul-24	Apr-24	Dec-22
Adjustment		0%	0%	0%
Total Transactional Adjustments		0%	0%	0%
Adjusted Price per SF		\$46.67	\$46.00	\$65.19
Property Adjustments				
Location		10%	10%	0%
Net Site Size (SF)	20,250	3,750	5,000	6,750
		0%	0%	0%
	R-2, One and Two Family Residential District	RU-2	RU-2	R-1
Zoning / Intended Use		0%	0%	0%
Total Property Adjustments		10%	10%	0%
Indication for Subject per SF		\$51.33	\$50.60	\$65.19

ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

DISCUSSION OF ADJUSTMENTS – TRANSACTIONAL ADJUSTMENTS

PROPERTY RIGHTS CONVEYED

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

FINANCING TERMS

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

TERMS/CONDITIONS OF SALE

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

EXPENDITURES IMMEDIATELY AFTER SALE

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any expenditures planned by the buyer immediately after sale, such as capital expenditures, cost to cure deferred maintenance, or lease-up costs.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

MARKET CONDITIONS

This adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates.

The comparables sold from DEC 2022 to JUL 2024. During that time, average rental rates have increased while interest rates have begun to trend upward as of early 2022 as a result of macroeconomic conditions from inflationary pressures. We have opted to act conservative and have applied no YOY market condition adjustment. Our adjustment is based upon research into market conditions and conversations with local brokers and other market participants and we have concluded that no market conditions adjustments are warranted.

DISCUSSION OF ADJUSTMENTS – PROPERTY ADJUSTMENTS

LOCATION

The appeal of a property’s location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas.

Sale 1 and Sale 2 are located within the City of Miami and have received an upwards adjustment for location.

SITE SIZE (SF)

Size and pricing typically have an inverse relationship, whereby larger sites tend to achieve lower pricing on a per-square-foot basis. This is attributable to economies of scale, as well as the narrower pool of prospective buyers for a larger property.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

ZONING / INTENDED USE

The value of vacant land is largely contingent upon its potential use. This factor considers the uses permitted by the applicable development standards, per the subject’s zoning designation. The maximum density to which a property can be developed typically impacts total value positively; however, depending upon property type, location, and type of construction higher permitted densities can have an inverse relationship to pricing on a per-unit or per-square-foot basis.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

LAND VALUE CONCLUSION

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$46.00	\$50.60
Maximum	\$65.19	\$65.19
Average	\$52.62	\$55.71
Median	\$46.67	\$51.33
Standard Deviation	\$8.89	\$6.71

After adjustments, the comparable land sales reflect a range from \$50.60 to \$65.19 per square foot, with an average of \$55.71 per square foot. Based on the data available and the analyses presented, the indicated value of the land by the Sales Comparison Approach is \$55.00 per square foot, calculated in the following table.

LAND VALUE CONCLUSION	
Indicated Value per SF	\$55.00
Land Area (SF)	x 20,250
Indicated Value	\$1,113,750
Rounded to nearest \$10,000	\$1,110,000
Per SF (Net)	\$54.81

PARKING

Depending upon property type and market orientation, higher parking ratios may impact pricing positively. In urban settings where street parking is minimal, properties with parking amenities can often generate additional income by leasing spaces to tenants of the building or other parties. Low parking ratios at this type of property will not necessarily impact value negatively. In suburban settings, properties with above-average parking ratios may not achieve premiums; rather, the additional parking may be considered a super-adequacy. A below-average parking ratio at such a property may impact its pricing negatively.

To a certain extent, on-street parking and neighborhood characteristics can mitigate parking ratios; however, two of the comparable sales have outlier parking ratios: Sale 3 has a significant parking ratio that warranted a downwards adjustment while Sale 5 has no off-street parking, warranting an upwards adjustment.

SALES COMPARISON APPROACH CONCLUSION

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$305.30	\$341.72
Maximum	\$480.97	\$375.24
Average	\$381.32	\$355.77
Median	\$339.74	\$351.73
Standard Deviation	\$69.99	\$13.41

After adjustments, the comparable improved sales reflect a range from \$341.72 to \$375.24 per square foot, with an average of \$355.77 per square foot. We have given the most weight to the subject's pending sale contract, which is strongly supported by the average of the sales.

Based on the data available and the analyses presented, the indicated value of the subject property by the Sales Comparison Approach is \$370.00 per square foot, calculated in the following table.

SALES COMPARISON APPROACH VALUE CONCLUSION	
Indicated Value per SF	\$370.00
per SF (Net)	x 6,230
Indicated As Is Value	\$2,305,100
Rounded to nearest \$10,000	\$2,310,000
Per SF (Gross)	\$370.79

RECONCILIATION AND FINAL VALUE

SUMMARY OF VALUE INDICATIONS

VALUE INDICATIONS			
1) As Is as of September 5, 2024			
Cost Approach	\$2,340,000	\$375.60	Per Square Foot (GBA)
Land Value	\$1,110,000	\$54.81	Per Square Foot of Land
Sales Comparison Approach	\$2,310,000	\$370.79	Per Square Foot (GBA)
Income Capitalization Approach			
Direct Capitalization	Not Developed		
Yield Capitalization	Not Developed		
Approach Reliance	Sales Comparison Approach		
Value Conclusion - As Is	\$2,310,000	\$370.79	Per Square Foot (GBA)
Insurable Replacement Cost	Not Developed		
Exposure Time (Months)	12 months		
Marketing Time (Months)	12 months		

MARKET VALUE - VALUATION RELIANCE

The Cost Approach is not considered relevant for valuation of the subject property because purchasers of this type of real estate typically do not consider the cost of constructing a substitute property when making purchase decisions. Due to age of the property, incurable depreciation has accrued, making the cost approach less reliable. However, as we were unable to develop an Income Approach due to a lack of data as described below, we have developed a Cost Approach in support of the Sales Comparison.

The Sales Comparison Approach is primarily used by owner-users in making purchase decisions. It is the secondary approach used by investors. The subject has appeal to an owner-user due to its size, design, and lack of termed leases; moreover, it is currently partially owner-occupied and the buyer in the pending sales agreement intends to fully occupy the property. In applying typical appraisal methodologies and assumptions, we were able to account for differences between the subject and the sales reported in order to provide a credible opinion of value via the Sales Comparison approach. The most likely buyer of this property is an owner/user who would typically rely on the Sales Comparison Approach as a primary source. For these reasons, the Sales Comparison Approach was developed and given primary weight in our reconciliation of value.

We were unable to identify comparable properties leased in the subject's market area or surrounding markets. While some religious institutions do make use of rented properties, these are typically units in multi-tenant buildings with limited build-outs (mobile stage, limited fixtures) as opposed to stand-alone, single-occupant, fully and permanently built-out houses of worship.

The subject is currently under contract for \$2,300,000, which is consistent with our opinion of market value. The terms of the agreement are standard, and the transaction appears to be arm's length.

FINAL OPINION(S) OF VALUE

Based on the inspection of the property and the investigation and the analysis undertaken, we have developed the following value opinion(s).

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	September 5, 2024	\$2,310,000

MARKETING TIME AND EXPOSURE TIME

The sales used in the Sales Comparison Approach were formally marketed and purchased after being exposed to the market in a range from two weeks to two months.

Financing for retail properties purchased for investment purposes is limited, which has reduced the pool of potential buyers for this property type. However, the subject has significant appeal to an institutional grade investor given its tenant strength and location in arguably the most sought-after commercial market in the metro area. Therefore, we do not believe the limited availability of financing has any negative impact on the marketability of the subject, and we believe it would sell within 12 months at the appraised market value.

The exposure time is also estimated at 12 months; however, it could be slightly longer than the marketing time depending on any improvement in the market.