

Commercial Loan Proposal · Seller-Carry Alternative · Power Church

May 5, 2026



POWER CHURCH

1344 SE 10th Avenue · Amarillo, Texas 79102

Commercial Loan Proposal

Seller-Carry Alternative Structure

UA Theater Acquisition · 8275 W Amarillo Boulevard, Amarillo, Texas

Submitted to: Amarillo National Bank · Commercial Lending Department

Submitted by: Power Church (Texas 501(c)(3) Religious Nonprofit)

Bank request: ~\$2,000,000 Construction Loan · Refi to ~\$5,040,000 Permanent
Companion document: Conventional Acquisition-Mortgage Proposal (separate packet)
Date: May 5, 2026

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About This Document

This is the *alternative* capital-stack proposal to Amarillo National Bank (ANB) — a parallel companion to the conventional acquisition-mortgage proposal. The conventional proposal asks ANB to finance the acquisition. **This proposal asks ANB to finance only the renovation construction** while the seller (Cinergy 110 LLC / Cinergy Entertainment Group) carries the acquisition note. Both versions are submitted so the bank's underwriter and the church's Building Committee can compare side-by-side and adopt whichever the seller actually agrees to. Final terms return to the Power Church Building Committee and to ANB for ratification.

Loan Request Summary

Item	Detail
Borrower	Power Church (Texas 501(c)(3) religious nonprofit)
Pastor / Authorized Signatory	Manny De Los Santos
Subject Property	8275 W Amarillo Blvd, Amarillo, TX 79124
Purchase Price	\$3,800,000
Capital Structure	Seller carry on acquisition + ANB construction loan
Down Payment (Power Church equity)	\$760,000 (Power Church Building Fund)
Seller Carryback Note	\$3,040,000 carried by Cinergy 110 LLC (interest-only, 6.0%, 24-month balloon)
ANB Construction Loan (THIS REQUEST)	~\$2,000,000 (estimate; final amount subject to GC bid and ANB underwriting)
Refi at Month 13–18	Single permanent commercial mortgage rolling up the seller note + construction draw
Estimated Permanent Loan Size at Refi	~\$5,040,000
Permanent Loan Type	Conventional Commercial Mortgage, First Lien, 25-year amortization
Target Rate (Construction)	7.50% – 8.50% IO (best-case TX commercial construction band, May 2026)
Target Rate (Permanent)	6.75% – 7.50% fixed (best-case TX church market band, May 2026)
Construction Draw Period	12 months
Closing Target	Within 75 days of LOI execution

1. Executive Summary

Power Church is a growing congregation currently meeting at 1344 SE 10th Avenue, Amarillo. Under Pastor Manny De Los Santos's leadership, the congregation has outgrown its current facility and is acquiring the former United Artists movie theater at 8275 W Amarillo Blvd to convert into a multi-use sanctuary, classroom, and community-event facility.

This alternative proposal differs from the conventional acquisition-mortgage proposal in one material way: instead of asking ANB to finance the acquisition, Power Church plans to negotiate a *seller carryback* with Cinergy 110 LLC for the \$3.04M acquisition note. ANB's role under this structure is limited to a **single construction loan (~\$2M, estimate pending GC bid)** that funds the theater-to-sanctuary renovation. At the end of the 12-month construction period, both notes (the seller carry and the ANB construction loan) consolidate into a single permanent commercial mortgage at refi.

Why this structure is on the table: it reduces ANB's at-closing exposure by 60% (from \$3.04M to ~\$2.0M during the construction period), it keeps the acquisition note off ANB's balance sheet entirely until refi, and it gives the seller a defined-timeline exit on a 30-month vacant asset. If the seller (Cinergy) accepts a 6.0% IO carryback at \$3.04M, this is the most capital-efficient path for Power Church and the lowest-risk deployment for ANB.

Why both proposals are being submitted in parallel: the seller's appetite for a \$3.04M carryback at 6.0% IO is the single decisive variable. ANB is being asked to underwrite *whichever* path the seller actually agrees to. The conventional proposal (5-Loan-Packet) is the fallback if the seller rejects the carryback. The Power Church Building Committee will return to ANB with the final structure once the seller's response is in.

The transaction at a glance:

- **\$3.8M acquisition** of a fully-built 83,422 sqft commercial structure on 10.61 acres
- **\$760K equity** from the **Power Church Building Fund** (a designated capital pool the church has been building toward this acquisition; fully on deposit and verifiable at closing)
- **\$3.04M seller carryback** from Cinergy 110 LLC (interest-only, 6%, 24-month balloon)
- **~\$2.0M ANB construction loan** (this proposal — estimate, pending GC bid) for the renovation, drawn progressively over 12 months
- **Refi at Month 13–18** consolidates seller note + construction draw into a single ~\$5.04M permanent commercial mortgage from ANB

The property's last arm's-length sale was **\$12,500,000 in December 2015** to Park Meadows Amarillo LLC. Current ownership (Cinergy 110 LLC, a single-asset entity owned by Cinergy Entertainment Group of Dallas) is selling because the asset has been vacant for 30 months and is not aligned with their entertainment-center business strategy. The discount from the 2015 peak — and from the listed asking price of \$5,500,000 — represents an unusual entry point.

The conservative ARV of the building post-renovation is **\$9.1M** (research-backed mid-case). Against the eventual refi balance of ~\$5.04M, that is a **55% LTV** at the most conservative ARV scenario — well within the 75–80% commercial threshold.

2. Borrower Profile — Power Church

Organization

Item	Detail
Legal Name	Power Church (Texas 501(c)(3) religious nonprofit)
Pastor	Manny De Los Santos
Current Address	1344 SE 10th Avenue, Amarillo, TX
EIN / Tax Status	501(c)(3) — federal income tax exempt; subject to Texas Tax Code §11.20 religious property exemption
Years of Operation	Founded 2012; 14 years under Pastor Manny De Los Santos's leadership
Average Sunday Attendance	Approximately 1,700–2,000 (per ABC 7 Amarillo coverage, 2022; current 2026 figure to be confirmed)
Average Weekly Services	Sundays 8:30 AM, 10:00 AM, 11:30 AM, 1:00 PM; Wednesday 7:00 PM (per powerchurcharmarillo.com)

Financial Profile (Trailing 12 Months)

Item	Monthly	Annual
Gross Tithes & Offerings	\$100,000	\$1,200,000
Operating Expenses (staff, programs, current facility)	\$75,000	\$900,000
Net Surplus (deployable)	\$25,000	\$300,000

The church's existing \$25K/month deployable net surplus represents 25% of gross — well within the healthy church-finance benchmark of 25-35%. Power Church has demonstrated sustained operational discipline at this level.

Existing Real Estate

The church owns the 1344 SE 10th Avenue property outright. Per broker valuation discussions with Llano Realty (Deeter Prater, listing agent for the subject property), the SE 10th Ave building appraises in the **\$1.8M – \$2.0M** range. The SE 10th Ave property is NOT pledged or drawn against for this transaction — it remains a debt-free Power Church asset post-closing, providing balance-sheet strength and future optionality.

Mission Alignment for Bank

Power Church has been an active and consistent presence in the Amarillo community since Pastor Manny De Los Santos founded the congregation in 2012, growing it from fewer than 30 members into one of the city's fastest-growing churches with documented average attendance in the range of 1,700 to 2,000. From its current location at 1344 SE 10th Avenue, the church operates a weekly Sunday food pantry through a partnership with the **High Plains Food Bank**; hosts the annual *Barrio Bash* community block party that drew an estimated 3,000 attendees in 2017 in partnership with the City of Amarillo, Potter County, and the Amarillo Police Department; and launched the *Barrio Community Watch* crime-prevention program with APD in 2017. In 2015, Pastor De Los Santos founded the related 501(c)(3) **Amarillo Barrio Community Development** (EIN 47-4527312, IRS-recognized 2019) to extend that work. Power Church has hosted the Amarillo Domestic Violence Coalition's *Faith Community Summit*, organized a *Healing Prayer Walk* in March 2026 in response to neighborhood violence, and consistently participated in citywide multi-church initiatives. Power Church members also regularly volunteer at the annual *Back-to-School Barrio Bash & Horseshoe Tournament* at Alamo Park — founded and organized by community leader Jeff Renteria, whose family attends Power Church — supporting the back-to-school giveaway, free haircuts, and family programming that serve thousands of East Amarillo residents each summer. This nine-plus-year track record of documented service, partnership with municipal government and law enforcement, and verifiable nonprofit infrastructure is the foundation Power Church now seeks to expand at 8275 W Amarillo Blvd. (Coverage cited: NewsChannel 10, ABC 7 Amarillo, MyHighPlains/KAMR, Brick & Elm magazine, and Yahoo News/KAMR coverage of the Renteria-organized event, 2017–2025; full source list available on request.)

The **Pastors Tribe Initiative** is Pastor Manny's heart for raising up local pastors and ministry leaders through coaching, resources, and leadership-development programming. The initiative is in active development for launch at the Pastors Tribe Conference on July 15, 2026, and is designed to strengthen the Amarillo-area pastoral community by equipping leaders to grow healthy churches and serve their congregations more effectively.

Long-term, the new facility at 8275 W Amarillo Blvd will support both objectives — a primary worship venue for Power Church plus a multi-use community asset offering daycare, youth events, weddings, conferences, and light commercial leasing of underutilized square footage.

3. Subject Property — 8275 W Amarillo Blvd

Property Card

Field	Detail	Source
Address	8275 W Amarillo Blvd, Amarillo, TX 79124	LoopNet
APN / Parcel	216600 (Potter County, PRAD R005754004650)	Crexi / PRAD
Building Size	83,422 SF	Llano Realty / LoopNet
Lot Size	10.61 acres (462,172 SF)	LoopNet
Parking	629 spaces (7.54/1,000 SF)	LoopNet
Year Built	1998	LoopNet
Zoning	HC (Heavy Commercial)	City of Amarillo
Construction Type	[TO INSERT — likely steel frame masonry]	Inspection
Current Status	Vacant (~30 months)	listing
List Price	\$5,500,000 (\$65.93/SF)	Llano Realty / Deeter Prater
Negotiated Purchase Price	\$3,800,000 (\$45.55/SF)	Power Church LOI 5/3/2026
2025 Tax-Assessed Value	\$2,298,591 (\$27.55/SF)	Potter County (PRAD)
2025 Property Tax	\$50,007	PRAD
Restrictive Covenant	Future use as movie theater prohibited	LoopNet listing notes

Ownership History

Date	Buyer	Seller	Transaction Type	Recorded Price
12/22/2015	Park Meadows Amarillo LLC	Wilmington Trust Co	Special Warranty Deed	\$12,500,000
12/23/2015	Park Meadows Amarillo LLC	The Bancorp Bank (lender)	Trust Deed/Mortgage	\$10,000,000 (loan)
11/17/2022	TBB Amarillo LLC	Park Meadows Amarillo LLC	Deed in Lieu of Foreclosure	non-arm's length
10/04/2023	Cinergy 110 LLC (current)	TBB Amarillo LLC	Special Warranty Deed	not recorded (cash purchase per PropStream)
10/31/2024	(Truist Bank lien)	—	\$125M cross- collateralized portfolio facility	\$125,000,000 (corporate facility)

Why Cinergy May Accept a Carryback

This is the central question, and the answer drives whether this proposal or the conventional one moves forward.

1. **Vacant 30 months.** Cinergy is paying \$50K/yr in property taxes plus utilities and security on a non-performing asset. Every additional month is real cash burn.
2. **Cinergy is a corporate, expansion-focused operator.** Their business model is operating cinema-entertainment centers (Cinergy Entertainment Group, Dallas, with \$125M Truist credit facility for portfolio expansion). They're not real-estate investors; they're operators. A non-operating asset is a drag on their balance sheet.
3. **The deed restriction prevents Cinergy's most logical reuse.** They cannot resell to a competing cinema operator. The buyer pool for this asset is materially narrower than a typical retail box, which means a motivated seller is more likely to flex on financing structure to close a sale.
4. **A 6.0% IO carryback delivers known monthly cash flow (\$15,200/mo) plus a defined 24-month exit.** That's structurally similar to the asset earning rent without operating risk, and it lets Cinergy book a clean disposition rather than continue carrying a vacant.
5. **At a \$3.04M carryback, Cinergy's at-risk basis collapses to roughly the level of their unrecorded acquisition cost** (the 2023 acquisition from TBB Amarillo LLC was a cash purchase, no recorded deed price; PropStream and corporate filings suggest a basis in the \$1.5M–\$4M range). At \$3.04M carry plus \$760K cash down, Cinergy is likely paid back to par or above on day one.

Why the Property at This Price

1. **Vacant 30 months** — owner is paying \$50K/yr in property taxes plus utilities/security on a non-performing asset
2. **Restrictive covenant** prevents the most logical reuse (movie theater), narrowing the buyer pool
3. **Cinergy is a corporate seller** — they make economic decisions, not emotional ones
4. **Building is structurally complete** — no ground-up construction risk; conversion is interior fit-out only
5. **The numbers are 2015-vintage on the upside** — Power Church is paying \$3.8M for a building that closed at \$12.5M in 2015 with a \$10M institutional loan attached

4. Market Context, Traffic & Demographics

(Same data as the conventional proposal — see [5-Loan-Packet](#) Section 4 for full sourcing. Summary:)

Location & Access

The property sits on **W Amarillo Boulevard (Business Loop 40, designated BI-40D)** at the intersection of three major Amarillo corridors: I-40 mainline, SL 335 / Soncy Road, and W Amarillo Boulevard itself. One of the highest-traffic commercial nodes in the Texas Panhandle.

Traffic & Demographics — Verified

Metric	Value
I-40 mainline AADT (Amarillo)	45,000 – 65,000 veh/day
ZIP 79124 median HH income	\$101,604 – \$112,541 (2024 ACS)
5-mile radius population	149,926
5-mile radius median HH income	\$56,581
Amarillo MSA population	201,885 – 203,729
Amarillo MSA unemployment	3.4%

Zoning — Verified Compliance

The property is zoned **HC (Heavy Commercial)** under City of Amarillo Code §4-10. Religious assembly use is permitted in HC subject to a **Specific Use Permit (SUP)** — a routine 60-90 day entitlement.

Parking compliance — verified positive. Amarillo Code §4-10-211(2)(d) requires *one parking space per three sanctuary seats*. Existing 629 spaces support a maximum sanctuary of **1,887 seats** — 25.8% over Amarillo Code minimum for the planned 1,500-seat sanctuary.

5. Property Valuation (ARV / Collateral Coverage)

Three Approaches

Approach	Low	Mid (Base)	High
Cost (replacement, depreciated)	\$10.0M	\$13.0M	\$15.3M
Income (cap-rate, mixed-use)	\$7.2M (10% cap)	\$9.0M (8% cap)	\$10.3M (7% cap)
Sales Comparison	\$7.5M (\$90/SF)	\$9.2M (\$110/SF)	\$10.8M (\$130/SF)
Blended (60% income / 30% comp / 10% cost)	\$7.5M	\$9.1M	\$11.0M

(Methodology and source citations: see [source-4-ARV-Research.md](#) .)

Why Comparable Sales Are Pulled From Across Texas (and Beyond)

Special-purpose properties (theater conversions, large religious assemblies) trade infrequently. A property like the UA Theater has perhaps one or two transactions per decade in any given metro. A defensible appraisal MUST cast a wider geographic net.

As a real-world example: when a Texas borrower recently sought financing for a sixplex multifamily property, the lender's appraiser had to pull comps as far as Galveston (~600 miles from Amarillo) because there weren't enough recent sixplex sales in the immediate metro to support a single-market comparison. That's standard appraisal practice — not a weakness of the deal.

For the subject property, our comp set is layered: direct theater-to-church conversions (national), Texas religious assemblies (Lubbock, Houston), local Amarillo religious listings, and the subject's own 2015 prior sale at \$12.5M. (See [5-Loan-Packet](#) Section 5 and [source-4-ARV-Research.md](#) for the full comp set and methodology.)

Collateral Coverage — At Acquisition (ANB Construction Loan Only)

During the 12-month construction period, ANB's only exposure is the construction loan (estimate ~\$2.0M — final amount subject to GC bid). The seller note (\$3.04M from Cinergy) is not on ANB's books.

ARV Scenario	LTV vs ~\$2.0M ANB construction loan
Low (\$7.5M)	~26.7%
Mid (\$9.1M)	~22.0%
High (\$11.0M)	~18.2%

ANB's at-risk position during the 12-month construction period is exceptionally low — the bank holds a junior lien on the construction improvements behind the seller's first lien on acquisition, but the combined senior+junior debt against the property is well under 60% of the conservative ARV.

Collateral Coverage — At Permanent Refi (~\$5.04M Combined Permanent Mortgage)

At Month 13–18, ANB refinances both the seller note and the construction loan into a single permanent commercial mortgage:

Component	Amount
Seller note retired	\$3,040,000
ANB construction loan retired	~\$2,000,000 (estimate, subject to actual draws)
Permanent loan size	~\$5,040,000

ARV Scenario	LTV vs ~\$5.04M permanent loan
Low (\$7.5M)	67.2%
Mid (\$9.1M)	55.4%
High (\$11.0M)	45.8%

At the realistic mid-case ARV of \$9.1M, ANB's permanent-mortgage LTV is 55% — well under the 75-80% commercial threshold. Strong margin of safety even before counting the \$1.9M of additional collateral provided by Power Church's existing SE 10th Ave property.

The SE 10th Ave Property — Additional Church Asset

Power Church owns 1344 SE 10th Avenue outright. Per Llano Realty's broker valuation, the existing property appraises at **\$1.8M – \$2.0M**. This property is NOT pledged, drawn against, or sold to fund the UA Theater acquisition. The down payment comes entirely from the **Power Church Building Fund**, a designated capital pool the church has been building toward this acquisition. The SE 10th Ave building remains the church's debt-free asset, providing future optionality, balance-sheet strength, and an available principal-paydown source if the church later elects to sell.

Total real estate held by Power Church post-closing: ~\$5.7M of asset value at acquisition basis (~\$11M at post-renovation ARV) backed by the senior bank debt only – no LOC, no second lien.

6. Use of Funds (Construction Phase)

The ANB construction loan funds the renovation only. The acquisition is funded by Power Church equity (\$760K) plus the seller carryback (\$3.04M).

Use	Amount (estimate)
Sanctuary buildout (chairs, stage, baptistry, sound)	\$700,000
HVAC re-balancing for assembly use	\$300,000
Classroom and office buildout (former screen rooms)	\$400,000
Lobby café and kitchen finish	\$250,000
Audio-visual, lighting, life safety (sprinkler verify, ADA)	\$200,000
Permits, design, construction management, contingency	\$150,000
Total Construction Budget (estimate)	~\$2,000,000

Important: this \$2M is a working estimate, not a fixed budget. The final construction-loan amount will be set after the Power Church Building Committee solicits at least two qualified GC bids and ANB's underwriter reviews the chosen GC's signed contract. The actual draw could land anywhere in a \$1.7M – \$2.5M range depending on final scope, finish levels, and the chosen contractor's pricing.

Use of Total Project Capital

Source	Amount
Power Church equity (Power Church Building Fund)	\$760,000
Cinergy seller carryback (acquisition note)	\$3,040,000
ANB construction loan (this request, estimate)	~\$2,000,000
Power Church operating reserves (contingency, closing)	\$200,000
Total Project (estimate)	~\$6,000,000

Use	Amount
Property acquisition	\$3,800,000
Closing costs (acquisition + construction loan)	\$130,000
Construction (full renovation)	~\$2,000,000
Reserves / contingency	\$70,000
Total Uses (estimate)	~\$6,000,000

7. Sources & Uses (Summary Tables)

Sources at Closing

Source	Amount	Notes
Cinergy seller carryback (acquisition note)	\$3,040,000	6% IO, 24-month balloon
Power Church equity (Power Church Building Fund)	\$760,000	20% down on \$3.8M
ANB construction loan (this request, drawn over 12 months)	~\$2,000,000	8% IO during build
Power Church operating reserves (closing + contingency)	\$200,000	
Total Sources (estimate)	~\$6,000,000	

Uses at Closing + Through Construction

Use	Amount
Property acquisition (purchase price to seller)	\$3,800,000
Closing costs	\$130,000
Renovation construction draws (12 months, estimate)	~\$2,000,000
Operating contingency / reserve	\$70,000
Total Uses (estimate)	~\$6,000,000

8. Loan Repayment Capacity

Construction Phase (Months 1–12)

The seller note and the ANB construction loan are both interest-only during the 12-month build period. Power Church services both during construction:

Line Item	Monthly
Cinergy seller carryback IO (\$3.04M @ 6.0%)	\$15,200
ANB construction loan IO (~\$2.0M est. @ 8.0%, drawn progressively — avg balance ~\$1M)	~\$6,667
UA Theater operations (insurance, utilities, security during reno)	\$5,000
SE 10th Ave carrying (until sold or repurposed)	\$5,000
Construction-phase total monthly burden	~\$31,867

Power Church monthly income during construction:

Source	Monthly
Existing tithes (net of all current ops)	\$25,000
Supplementary income — RAMP curve (Months 3–12 phased)	\$0 → \$19,750

Construction-phase deficit by month (illustrative):

Month	Tithes	Supp. Income	Total Income	Burden	Net
1	\$25,000	\$0	\$25,000	\$31,867	(\$6,867)
6	\$25,000	\$9,875	\$34,875	\$31,867	+\$3,008
12	\$25,000	\$19,750	\$44,750	\$31,867	+\$12,883

Cumulative 12-month construction-phase deficit (estimate): roughly **\$25K–\$50K**, fully covered by the \$200K of operating reserves built into Sources plus existing church capital-campaign cash.

Permanent Phase (Post-Refi, Month 13+)

At Month 13–18, both notes consolidate into a single permanent commercial mortgage:

Loan Component	Amount
Seller note retired	\$3,040,000
ANB construction loan retired (estimate)	~\$2,000,000
~\$5,040,000 @ 7.0% / 25-yr P&I	~\$35,621/mo

Permanent-phase income (Layer 2 conservative)	Monthly
Existing tithes (net)	\$25,000
Supplementary income (Layer 2 conservative)	\$19,750
Total deployable cash flow	\$44,750

Metric	Monthly
Total deployable cash flow	\$44,750
Permanent loan P+I	(\$35,621)
Net surplus after debt service	+\$9,129

Permanent-phase Debt Service Coverage Ratio (DSCR): 1.26x at conservative supplementary income basis — clears commercial 1.20x covenant.

Stress Test – Tithes Only (no supplementary income)

Metric	Monthly
Tithes only	\$25,000
Permanent loan P+I (~\$5.04M @ 7.0% / 25-yr)	(\$35,621)
Net	(\$10,621)

At tithes-only and a \$5.04M permanent balance, the church does not service the loan from existing surplus alone. This is a meaningful difference from the conventional (\$3.04M) proposal, which DOES service from tithes alone with positive headroom.

To make the seller-carry permanent phase work in the worst case: 1. Sell SE 10th Ave at the appraised \$1.8–\$2.0M and apply ~\$1.5M of net proceeds to permanent balance — drops loan to ~\$3.5M, P+I to ~\$24,800, brings tithes-only DSCR back over 1.0x 2. Achieve Layer 2 conservative supplementary income (RAMP curve hits 100% by Month 12) 3. Capital campaign of \$500K+ at refi, applied to permanent balance

The seller-carry path is viable if the church executes BOTH the SE 10th sale AND the Layer 2 income build-out. It is more sensitive to those execution items than the conventional proposal. That sensitivity is the explicit tradeoff for keeping ANB's at-risk position 60% lower during the construction window.

9. Risk Mitigation Summary

Risk	Mitigation
Seller balloon at Month 24	Refi at Month 13–18 retires the seller note well before the 24-month balloon. ANB's permanent commitment is the takeout.
Refi appraisal disappoints	Three-approach valuation supports \$7.5M (low) – \$11M (high) ARV. Even at the LOW scenario, \$5.04M permanent / \$7.5M ARV = 67% LTV — under the 75% threshold.
Construction cost overrun	\$200K operating reserve plus the church's debt-free SE 10th Ave property as available collateral if a contingency draw is required, plus phased draw structure. ANB controls construction draws against signed GC contracts and inspector certifications.
Permanent-phase cash flow tight at tithes-only	SE 10th Ave sale is the primary mitigant — generates ~\$1.5M of cash for principal reduction. Layer 2 supplementary income (Year-1 RAMP curve) is the second.
Cinergy refuses carryback	This proposal is moot. The conventional proposal (5–Loan–Packet) is the fallback — ANB underwrites the acquisition mortgage directly.
Title / lien (Cinergy's \$125M Truist facility)	Truist will issue a release on closing; Power Church takes free-and-clear title. The seller note is a NEW first lien on the property, recorded at closing.
Restrictive covenant against future theater use	Blocks competitor cinemas from re-entering the property — positive for Power Church, does NOT impair religious or community-facility use.
Borrower default	First-lien permanent mortgage post-refi; substantial collateral coverage; 501(c)(3) borrower with multi-year cash-flow history.

9b. Anticipated Underwriter Questions — Prepared Responses

Q1: How is ANB protected if Power Church cannot retire the seller note at Month 24? The bank's permanent-loan commitment from this proposal IS the seller note's takeout. ANB's commitment letter at

closing locks in the refi, contingent on completion of construction milestones and final appraisal at or above the LTV threshold. The 24-month seller balloon and the ANB permanent commitment are aligned by design.

Q2: Why a seller carryback instead of bank acquisition financing? Three reasons: (a) it reduces ANB's at-risk position during the highest-risk window (the 12-month construction period when no income is yet generated by the asset) by 60%, (b) it preserves Power Church's borrowing capacity at ANB for future expansion or contingency, (c) Cinergy is a motivated seller on a 30-month vacant asset and the carryback is the most likely structure to close the acquisition.

Q3: Can Cinergy actually carry \$3.04M? Cinergy 110 LLC is a single-asset entity owned by Cinergy Entertainment Group of Dallas, which has a \$125M Truist credit facility for portfolio expansion. They have institutional capital backing and the operational sophistication to evaluate carryback structures. Their cost basis on this asset is likely below \$3M (2023 cash acquisition from TBB Amarillo LLC, deed price unrecorded). At \$760K cash down + \$3.04M paper, Cinergy is paid back to par on day one — the carry is essentially zero-risk seller paper for them, with a defined 24-month exit.

Q4: What happens to the ANB construction loan if the seller note defaults or balloons before refi is complete? ANB's construction loan is secured by a junior lien on the property and a senior lien on the renovation improvements. If the seller note defaults, Power Church has multiple paths to cure (capital-campaign reserve, debt-free SE 10th Ave property as available collateral, and additional church-owned land), and ANB can extend the construction loan to a permanent mortgage on its own terms even if the original 24-month balloon arrives before refi is otherwise scheduled. The seller will not be inclined to foreclose on a property that requires their own secondary disposition; a workout is the realistic path even in stress.

Q5: How does the bank underwrite the ~\$2M construction loan estimate before the GC bid is in? ANB will issue a conditional commitment based on this estimate, with final loan amount and draw schedule set after the Building Committee's GC bid review. ANB's loan committee retains approval authority on the final number. The ~\$2M figure represents Power Church's working budget based on \$24/sqft for 83K sqft (theater-to-sanctuary conversion). Real-world range is plausibly \$1.5M–\$3.5M; the formal proposal will be re-priced when the GC bid is signed.

Q6: How is the ~\$5.04M permanent loan stress-tested? Conservative case (1.26x DSCR) requires Layer 2 supplementary income (Tier 2 conservative — light rentals, weddings, events). Stress case (tithes only) does NOT service the loan. Mitigants: (a) SE 10th Ave sale applied to principal reduction (drops loan to ~\$3.5M), (b) Layer 2 RAMP curve hits 100% by Month 12, (c) capital campaign at refi reduces principal further. The permanent phase requires execution on at least one of these three; tithes alone is not sufficient at \$5.04M.

Q7: What's the property tax picture after closing? Texas Tax Code §11.20 exempts the worship-use portion (40% of building) from property tax. Remaining 60% commercial portion is taxable at PRAD's appraised value. Conservative estimate: post-renovation tax burden ~\$120K/year on the revenue-portion only — already incorporated in the operating cost line.

Q8: Why is this proposal labeled an “alternative”? Power Church is submitting two parallel commercial loan proposals to ANB: - **Conventional** (5-Loan-Packet): ANB acquisition mortgage of \$3.04M; smaller permanent loan; tithes alone clear DSCR - **Seller-Carry Alternative** (this packet): Seller carries \$3.04M; ANB construction loan ~\$2.0M; permanent ~\$5.04M after refi

Both are submitted because the seller’s appetite for the carryback is the decisive variable. Power Church will execute whichever structure the seller actually agrees to, with ANB’s underwriter ratifying the chosen path.

10. Project Timeline

Milestone	Date
LOI executed	5/5/2026 (per buyer’s executed copy)
Seller carry term sheet ratified	Within 14 days of bank approval
PSA execution target	Within 14 days of seller term sheet
Due diligence period	60 days from PSA
ANB construction-loan documentation	Concurrent with due diligence
Closing target	Within 15 days of due diligence expiration
Construction begins	30–60 days post-closing
Construction draws	Months 1–12
Certificate of occupancy	Month 12
Permanent refinance (consolidation of seller note + construction loan)	Month 13–18
Seller note retired	At permanent refi

11. Banking Relationship

Power Church’s existing bank-of-record is **Amarillo National Bank (ANB)**. Operating accounts, online banking, ACH, payment processing, and capital-campaign deposit accounts are at ANB and will remain at ANB through and beyond closing. Pastor Manny De Los Santos and the church’s volunteer treasurer will serve as authorized signatories.

The church is willing to commit to:

- All operating accounts at ANB (already in place)
- Online banking, ACH, payment processing through ANB
- Pledge-to-give and capital campaign deposits at ANB
- Permanent mortgage post-refi at ANB

This is standard relationship banking and Power Church welcomes the structure.

12. Authorized Representatives & Contacts

Role	Name	Contact
Pastor / Authorized Signatory	Manny De Los Santos	[TO INSERT – cell + email]
Building Committee Member	Toby Torres III	[TO INSERT]
Volunteer Treasurer / Bookkeeper	[TO INSERT]	[TO INSERT]
Listing Agent (seller-side)	Deeter Prater	Llano Realty, Amarillo
Title Company	Julie Wilkinson	American Land Title

13. Documents Available on Request

- Power Church 2024 audited financial statement
- Power Church 2025 P&L and balance sheet
- Pastor Manny De Los Santos curriculum vitae and ministry references
- Building Committee resolution authorizing the acquisition
- Letter of Intent (5/3/2026, executed)
- Llano Realty listing package (8275 W Amarillo Blvd)
- Deeter Prater (listing agent) signed-broker letter
- Source-4 ARV Research (301 lines, cited)
- Source-5 Bank Packet Research (traffic, demographics, comps)
- Source-6 Master Lease Research (Cinergy intel, theater-to-church comps)
- Llano Realty 2015 sale comp documentation
- 2025 Potter County tax assessment notice

- Conventional ANB acquisition-mortgage proposal (5-Loan-Packet) — companion document

Appendix A — Side-by-Side Comparison vs Conventional Proposal

Metric	Conventional (5-Loan-Packet)	Seller-Carry Alternative (this packet)
ANB acquisition exposure at closing	\$3,040,000	\$0
ANB construction exposure during build	\$0 (no construction loan)	~\$2,000,000 (estimate)
Seller (Cinergy) carry	\$0	\$3,040,000
Power Church equity	\$760,000	\$760,000
Permanent loan size at refi	\$3,040,000	~\$5,040,000
Permanent LTV at \$9.1M mid-ARV	33%	55%
Tithes-only DSCR at permanent phase	1.16x (positive)	0.70x (insufficient — needs SE 10th sale OR Layer 2 income)
Layer 2 conservative DSCR at permanent phase	2.08x	1.26x
Renovation funded by	Operating cash flow + future capital campaign	ANB construction loan
Construction-phase cash flow burden	~\$49K/mo (Year-1 transition)	~\$32K/mo
Decisive variable	ANB approves \$3.04M acquisition mortgage at the rates modeled	Seller agrees to \$3.04M carryback at 6% IO

Recommendation framework:

- **Adopt the Conventional Proposal IF** Cinergy declines the carryback or insists on terms above 7% / shorter than 24 months. The conventional is the safer permanent-phase profile (DSCR cleared from tithes alone).
- **Adopt this Seller-Carry Alternative IF** Cinergy accepts \$3.04M carryback at 6% IO with a 24-month balloon. This minimizes ANB's at-risk position during the construction window and keeps the church's bank borrowing capacity available for Phase-2 expansion later.

Either way, ANB is the long-term banking partner; the Building Committee returns to ANB with the seller's response and the chosen structure.

Appendix B — Photos and Site Plan

[To attach: exterior photos, interior auditorium, lobby, classroom-conversion areas, parking field, and a marked-up site plan showing church-use vs revenue-generating zones.]

Submitted by:

Pastor Manny De Los Santos Power Church 1344 SE 10th Avenue, Amarillo, TX 79101

On behalf of the Power Church Building Committee.