

19-09-12962

CASE NO. _____

Eduardo Camarena
Plaintiff

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IN THE DISTRICT COURT

V.

_____ **JUDICIAL DISTRICT**

Montgomery County - 410th Judicial District Court

Juan Carlos Padilla Azarcoya
Defendant

MONTGOMERY COUNTY, TEXAS

ORIGINAL PETITION

Plaintiff Eduardo Camarena ("Plaintiff") files this Original Petition against Defendant Juan Carlos Padilla Azarcoya ("Defendant") and alleges as follows:

A. DISCOVERY CONTROL PLAN

1. Plaintiff intends to conduct discovery under Level 2 of Texas Rule of Civil Procedure 190.3 and affirmatively pleads that this suit is not governed by the expedited-actions process in Texas Rule of Civil Procedure 169 because Plaintiff seeks monetary relief over \$1,000,000.00.

B. RELIEF

2. Plaintiff seeks monetary relief over \$1,000,000.00 and nonmonetary relief.

C. PARTIES

3. Plaintiff is Eduardo Camarena, whose address is 61 Carlton Woods, The Woodlands, Texas 77382 in Montgomery County, Texas. Defendant is Juan Carlos Padilla Azarcoya, whose last known address is 6 Desert Rose Place, The Woodlands, Texas 77382, in Montgomery County, Texas, where he may be served with process. Plaintiff does not know of other parties or tenants on the property subject of foreclosure in this lawsuit. Plaintiff knows of no other home or work addresses of the Defendant.

D. PLAINTIFF'S CONSENT TO E-MAIL SERVICE

4. Plaintiff consents to email service of the answer and any other motions or pleadings by service to Plaintiff's attorney to the email address and contact information below.

E. JURISDICTION & VENUE

5. This Court has jurisdiction over this controversy because the amount at issue is within the jurisdictional limits of the Court. Venue of this matter is proper in Montgomery County, Texas, because it is the county in which all or a substantial part of the events or omissions giving rise to the claim occurred, and it is the county of defendant's residence at the time the cause of action accrued. Tex. Civ. Prac. & Rem. Code §§ 15.002(a)(1) and 15.002(a)(2).

F. FACTS

6. On or about May 10, 2019, Defendant executed a promissory note ("Note") in favor of Plaintiff in the principal sum of \$2,800,000.00 (the "Debt"). Plaintiff is the owner and holder of the Note. A true and correct copy of the Note is attached hereto as EXHIBIT A and incorporated herein by reference for all purposes.

7. On or about May 10, 2019, Defendant executed a Deed of Trust ("Deed of Trust"). A true and correct copy of the Deed of Trust is attached hereto as EXHIBIT B and incorporated herein by reference for all purposes.

8. Pursuant to the Deed of Trust, Defendant conveyed the property commonly known as 6 Desert Rose Place, The Woodlands, Texas 77382 (the "Property") to the Trustee in trust to secure the payment of the aforementioned Debt.

9. The legal description of the Property is as follows:

Property (including any improvements): Lot Thirty-One (31), in Block One (1), of The Woodlands, VILLAGE OF STERLING RIDGE, SECTION TWENTY (20), a subdivision of 23.01 acres of land located in the A. Smith Survey, A-499, and the Isaac Mansfield Survey, A-344, Montgomery County, Texas, according to map or plat thereof recorded in Cabinet R, Sheet 103 of the Map Records of Montgomery County, Texas.

10. On September 18, 2019, the attorney for Plaintiff sent a notice of default ("Notice") to the Defendant's attorney. A true and correct copy of the Notice is attached hereto as EXHIBIT C and incorporated herein by reference for all purposes.

G. CAUSE OF ACTION NO. 1

BREACH OF CONTRACT

11. On or about May 10, 2019, Defendant executed a valid and enforceable written contract evidenced by the Note referenced in paragraph 6 herein above.

12. The Note provided that Defendant should have made the following installments payments on the Debt: \$100,000.00 on May 21, 2019, \$100,000 on May 31, 2019, \$100,000.00 on June 15, 2019, \$100,000.00 on June 30, 2019, \$200,000.00 on July 15, 2019, \$200,000.00 on

July 31, 2019, \$250,000.00 on August 15, 2019. A final lump sum payment of \$1,750,000.00 is due on December 30, 2019.

13. Defendant became delinquent in the payment of the Note by failing and refusing to pay the installments when due. On September 18, 2019, Plaintiff gave written notice and demand to Defendant.

14. Plaintiff fully performed Plaintiff's contractual obligations in accordance with the Note. Defendant breached the Contracts by failing to make the payments required by the Note. Defendant has been provided notice and an opportunity to cure and Defendant failed and refused, and still fails and refuses, to remedy the default.

15. Plaintiff seeks actual damages and unliquidated damages within the jurisdictional limits of this Court.

H. CAUSE OF ACTION NO. 2

FORECLOSURE OF THE DEED OF TRUST

16. Plaintiff incorporates by reference all previous relevant factual statements herein. In the alternative and/or in addition to other causes of action, Plaintiff seeks judicial foreclosure of the Deed of Trust referenced in paragraphs 7, 8, and 9 above.

17. Defendant executed and delivered to Plaintiff the Deed of Trust conveying the Property as collateral to secure the payment of the Note. The Deed of Trust is recorded under clerk's document number 2019041563 of the real property records of Montgomery County, Texas. Plaintiff seeks to judicially foreclose the lien of the Deed of Trust against the Property, in accordance with the terms of the Note and the Deed of Trust.

I. CAUSE OF ACTION NO. 3

MONEY HAD AND RECEIVED

18. Plaintiff incorporates by reference all previous relevant factual statements herein. In the alternative and/or in addition to other causes of action, Defendant sues Plaintiff for assumpsit or money had and received.

19. Defendant holds money that, in equity and good conscience, belongs to Plaintiff. Defendant holds \$2,800,000.00 belonging to Plaintiff, which may have been converted into property or invested on Defendant's business activities, either, personally or through legal entities and/or partnerships Defendant owns, participates in, or controls.

20. Plaintiff seeks from Defendant the money or the equivalent of money, proceeds from the investment of the money, money converted into property, property converted into money, and proceeds from sales of real property, personal property, or other assets acquired with the money.

21. Plaintiff seeks damages, plus interest, court costs, attorney's fees. All such damages are within the jurisdictional limits of this Court.

22. Exemplary damages. Plaintiff's injury resulted from Defendant's gross negligence, malice, or actual fraud, which entitles Plaintiff to exemplary damages under Texas Civil Practice & Remedies Code section 41.003(a).

J. CAUSE OF ACTION NO. 4

FRAUD

23. Plaintiff incorporates by reference all previous relevant factual statements herein. In the alternative and/or in addition to other causes of action, Plaintiff sues Defendant for fraud.

24. Defendant represented to Plaintiff that if Plaintiff loaned \$2,800,000.00, the principal and interest would be timely and promptly paid because Defendant had several contracts to perform in connection with soccer events in the United States and such events will produce the cash flow necessary to promptly repay the loan and interest.

25. Defendant's representation to Plaintiff was material because without assurances from Defendant that he would have such soccer events under contract and the cash flow to pay Plaintiff in a short period of time, Plaintiff would not have lent the money to Defendant.

26. Defendant intended for Plaintiff to rely on or had reason to expect Plaintiff would act in reliance on the false representation. Plaintiff justifiably relied on Defendant's false representations when it lent him the money.

27. Defendant's false representation directly and proximately caused injury to Plaintiff, which resulted in damages. All such damages are within the jurisdictional limits of this Court.

28. Exemplary damages. Plaintiff's injury resulted from Plaintiff's actual fraud, gross negligence, or malice, which entitles Plaintiff to exemplary damages under Texas Civil Practice & Remedies Code section 41.003(a).

K. CAUSE OF ACTION NO. 5

STATUTORY FRAUD

29. In the alternative and/or in addition to other counts, Plaintiff engaged in statutory fraud. Plaintiff incorporates by reference all previous relevant factual statements herein.

30. Plaintiff and Defendant were parties to a transaction involving real estate. Defendant executed a promissory note and a deed of trust for the Property described in paragraph 9 above as collateral, security, and inducement to Plaintiff to lend the money to Defendant.

31. During the transaction and in writing on the Note, Defendant made false promises and representations of material fact to Plaintiff. Defendant promised Plaintiff to timely pay the installments on the Note when due. Defendant represented to Plaintiff that: (a) the Property or Collateral Security for the loan was completely owned by Defendant and it was free and clear of all liens, encumbrances, debts, and claims of every kind; (b) the Property or Collateral Security for the loan was the separate property of the borrower and was free and clear of any community property or marital property claims; (c) the Property or Collateral Security for the loan was not the homestead of Defendant and was is not the subject of any homestead or similar exemptions; (d) the Property or Collateral Security for the loan was in the market to be leased to a third party and that Defendant did not intend to sell or encumber such Property during the current year or within the next 2 years; and (e) Defendant had all necessary capacity, power, and authority to enter into, and perform the obligations under this Note and the Deed of Trust executed as security for payment of the Debt.

32. Upon information and belief, Plaintiff alleges that all or some of the promises and representations above were false.

33. During the transaction involving real estate property, Defendant made a false representations and promises to Plaintiff with the intent not to fulfill them, and such representations and promises were material to the transaction.

34. Defendant made the false representations or promises for the purpose of inducing Plaintiff to enter into a contract, accept the promissory note, and lent Defendant \$2,800,000.00. Plaintiff justifiably relied on Defendant's false representations and promises by lending the money to Defendant and accepting the Note and the Deed of Trust as security for payment.

35. Defendant's false representations and promises proximately caused injury to Plaintiff, which resulted in damages, including without limitation, \$2,800,000.00 plus interests and attorney's fees. All such damages are within the jurisdictional limits of this Court.

36. Exemplary damages. Defendant violated Texas Business & Commerce Code Section 27.01. Defendant was actually aware of the falsity of his representations and promises to Plaintiff, which entitles Plaintiff to exemplary damages under Section 27.01(c).

L. CAUSE OF ACTION NO. 6

PROMISSORY ESTOPPEL

37. In the alternative and/or in addition to other counts, Plaintiff sues Defendant for Promissory Estoppel. Plaintiff incorporates by reference all previous relevant factual statements herein.

38. Defendant made a promise to Plaintiff that Defendant did not keep. Defendant promised Plaintiff that if Plaintiff would lend him or continued to lend him money he would timely pay the amounts owed to Plaintiff. Defendant never intended to keep his promise and never paid Plaintiff.

39. Defendant's false promise proximately caused injury to Plaintiff, which resulted in damages. All such damages are within the jurisdictional limits of this Court.

M. ATTORNEY'S FEES AND COURT COSTS

40. Plaintiff is entitled to recover reasonable and necessary attorney fees under Texas Civil Practice & Remedies Code chapter 38 because this suit is for breach of a written contract. As a result of the Defendant's default described herein, Plaintiff retained counsel, who presented Plaintiff's claim to Defendant. Defendant did not tender the amount owed within 30 days of when the claims were presented.

41. Also, Plaintiff is entitled to recover reasonable and necessary attorney fees and court costs under the provisions of a written contract as set out in the Note and the Deed of Trust.

N. CONDITIONS PRECEDENT

42. All conditions precedent to Plaintiff's claim for relief have been performed or have occurred.

O. REQUEST FOR DISCLOSURES

43. Under Texas Rule of Civil Procedure 194, Plaintiff requests that Defendant disclose, within 50 days of the service of this request, the information or material described in TRCP Rule 194.2.

P. PRAYER

44. For these reasons, Plaintiff asks that the Court to issue citation for Defendant to appear and answer, and that Plaintiff be awarded judgment against Defendant for the following:

- a. damages for the unpaid amounts owing to Plaintiff under the Note and the Deed of Trust, which amounts are within the jurisdictional limits of the Court;
- b. prejudgment interest as provided by law;
- c. post-judgment interest on the judgment from its date until paid;
- d. court costs;
- e. reasonable and necessary attorney fees;
- f. establishment and foreclosure of the Deed of Trust lien against the Property, and for order of sale against the Property;
- g. exemplary damages; and

h. all other relief to which Plaintiff is entitled.

Respectfully submitted,

Francisco Ramirez and Associates, P.C.

/s/ Francisco Ramirez

Francisco Ramirez
SBN: 00797278
Three Riverway, Suite 555
Houston, Texas 77056
Telephone: (713) 303-8005
E-mail: lawyers@francisco-ramirez.com
ATTORNEY FOR PLAINTIFF

EXHIBIT A

Promissory Note

Date: May 10, 2019

Borrower: Juan Carlos Padilla Azarcoya

Borrower's Mailing Address: 6 Desert Rose Place, The Woodlands, Texas 77382

Lender: Eduardo Camarena

Place for Payment: 61 Carlton Woods, The Woodlands, Texas 77382

Principal Amount: \$2,800,000.00

Annual Interest Rate: 28%

Maturity Date: December 30, 2019

Annual Interest Rate on Matured, Unpaid Amounts: 28%

Terms of Payment:

- a) Principal: The Principal Amount is due and payable in installments, as follows:

DATE	AMOUNT
May 11, 2019	\$100,000.00
May 31, 2019	\$100,000.00
June 15, 2019	\$100,000.00
June 30, 2019	\$100,000.00
July 15, 2019	\$200,000.00
July 31, 2019	\$200,000.00
August 15, 2019	\$250,000.00
December 30, 2019	\$1,750,000.00

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- b) Interest: After the initial May 11, 2019 payment of \$100,000.00, the Principal Amount due of \$2,700,000.00 shall begin to accrue interest at the Annual Interest Rate above. Interest only on such amount is due and payable twice monthly as it accrues on the 1st and the 15th day of each month, beginning May 16, 2019 and continuing through

December 30, 2019, at which time the unpaid principal balance in this note and any accrued and unpaid interest are immediately due and payable in a lump sum amount.

Security for Payment: This note is secured by a deed of trust and security agreement dated May 10, 2019 from Borrower, Juan Carlos Padilla to Eduardo Camarena, trustee. The deed of trust contains a security agreement that covers the personal property described in the deed of trust and the following real property, including any improvements (the "Property"):

Lot Thirty-One (31), in Block One (1), of The Woodlands, VILLAGE OF STERLING RIDGE, SECTION TWENTY (20), a subdivision of 23.01 acres of land located in the A. Smith Survey, A-499, and the Isaac Mansfield Survey, A-344, Montgomery County, Texas, according to map or plat thereof recorded in Cabinet R, Sheet 103 of the Map Records of, Montgomery County, Texas.

Promise to Pay

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. If any amount is not paid either when due under the Terms of Payment or on acceleration of maturity, Borrower promises to pay any unpaid amount plus interest from the date the payment was due to the date of payment at the Annual Interest Rate on Matured, Unpaid Amounts.

Borrower's Representations

Borrower represents and warrants the following: (a) the credit for loan evidenced by this note is extended or renewed for a business, commercial, investment, or similar purpose, as allowed by the Texas Finance Code Section 303.009(c) (the business is Sports Pro Development, LLC, which is owned by Borrower); (b) the Property or Collateral Security for this loan is completely owned by Borrower and it is free and clear of all liens, encumbrances, debts, and claims of every kind; (c) the Property or Collateral Security for this loan is the separate property of the borrower and is free and clear of any community property or marital property claims; (d) the Property or Collateral Security for this loan is not the homestead of Borrower and it is not the subject of any homestead or similar exemptions; (e) the Property or Collateral Security for this loan is currently in the market to be leased to a third party and Borrower does not intend to sell or encumber such Property during the current year or within the next 2 years; (f) Borrower has all necessary capacity, power, and authority to enter into, and perform the obligations under this Note and any other instruments contemplated hereby to be executed by the Seller (including without limitation, the Deed of Trust being executed as security for payment); and (g) Borrower, upon execution and delivery of this Note and the other instruments contemplated hereby to be executed by the Borrower, the Note and such instruments will represent the valid, legal, and binding obligations of the Borrower, enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights generally.

Defaults and Remedies

A default exists under this note if (1) Borrower defaults in any of the payments stated in

this note or in the performance of any obligation in any instrument securing or collateral to this note; (2) Borrower fails to timely pay or perform any obligation or covenant in any written agreement between Lender and Borrower other than as described in (1) above; (3) any representation in this note or in any other written agreement between Lender and Borrower is materially false when made; (4) a receiver is appointed for Borrower or for any property on which a lien or security interest is created as security (the "Collateral Security") for any part of this note; (5) any Collateral Security is assigned for the benefit of creditors; (6) a bankruptcy or insolvency proceeding is commenced by Borrower, a limited liability company of which the Borrower is a member or has an ownership interest, or a partnership of which Borrower is a general partner; (7) (a) a bankruptcy or insolvency proceeding is commenced against Borrower, a limited liability company of which the Borrower is a member or has an ownership interest, or a partnership of which Borrower is a general partner, and (b) the proceeding continues without dismissal for sixty days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered; (8) Borrower, a limited liability company of which the Borrower is a member or has an ownership interest, or a partnership of which Borrower is a general partner, is terminated, begins to wind up its affairs, or is authorized to terminate or wind up its affairs by its governing body or persons, or any event occurs or condition exists that permits the termination or winding up of the affairs of Borrower, a limited liability company of which the Borrower is a member or has an ownership interest, or a partnership of which Borrower is a general partner; or (9) any Collateral Security is impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly replaced with collateral security of like kind and quality or restored to its former condition.

Upon the occurrence of a default under this note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on the note immediately due, and may exercise all other rights and remedies available at law or in equity.

Waivers

Borrower waives, to the extent permitted by law, all (1) demand for payment, (2) presentation for payment, (3) notice of intention to accelerate maturity, (4) notice of acceleration of maturity, (5) protest and notice of protest, (6) rights under sections 51.003, 51.004, and 51.005 of the Texas Property Code, (7) rights under section 17.001 and chapter 43 of the Texas Civil Practice and Remedies Code, (8) rights under rule 31 of the Texas Rules of Civil Procedure, and any other applicable notice requirements.

Attorney's Fees

Borrower also promises to pay reasonable attorney's fees and court and other costs if an attorney is retained to collect or enforce the note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

Usury Savings

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

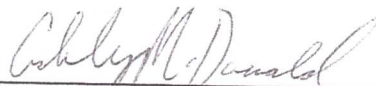
When the context requires, singular nouns and pronouns include the plural.



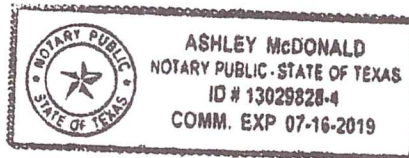
Juan Carlos Padilla Azarcoya

ACKNOWLEDGMENT

This instrument was subscribed, sworn and acknowledged before me on this 14th day of May 2019, by Juan Carlos Padilla Azarcoya.



NOTARY PUBLIC in and for the
STATE OF TEXAS



(Seal)

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EXHIBIT B

Deed of Trust

Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.

Date: May 10, 2019

Grantor: Juan Carlos Padilla Azarcoya

Grantor's Mailing Address: 6 Desert Rose Place, The Woodlands, Texas 77382

Trustee: Eduardo Camarena

Trustee's Mailing Address: 61 Carlton Woods, The Woodlands, Texas 77382

Lender: Eduardo Camarena

Lender's Mailing Address: 61 Carlton Woods, The Woodlands, Texas 77382

Obligation:

Note:

Date: May 10, 2019

Principal Amount: \$2,800,000.00

Borrower: Juan Carlos Padilla Azarcoya

Lender: Eduardo Camarena

Maturity Date: December 30, 2019

Property (including any improvements):

Lot Thirty-One (31), in Block One (1), of The Woodlands, VILLAGE OF STERLING RIDGE, SECTION TWENTY (20), a subdivision of 23.01 acres of land located in the A. Smith Survey, A-499, and the Isaac Mansfield Survey, A-344, Montgomery County, Texas, according to map or plat thereof recorded in Cabinet R, Sheet 103 of the Map Records of, Montgomery County, Texas.

A. Granting Clause

For value received and to secure payment of the Obligation, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property, subject to the Other Exceptions to Conveyance and Warranty, if any. On payment of the



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Obligation and all other amounts secured by this deed of trust, this deed of trust will have no further effect, and Lender will release it at Grantor's expense.

B. Grantor's Obligations

B.1. Grantor agrees to maintain all property and liability insurance coverages with respect to the Property, revenues generated by the Property, and operations on the Property that Lender reasonably requires ("Required Insurance Coverages"), issued by insurers and written on policy forms acceptable to Lender, and as to property loss, that are payable to Lender under policies containing standard mortgagee clauses, and deliver evidence of the Required Insurance Coverages in a form acceptable to Lender before execution of this deed of trust and again at least ten days before the expiration of the Required Insurance Coverages.

B.2. Grantor agrees to—

- a. keep the Property in good repair and condition;
- b. pay all taxes and assessments on the Property before delinquency, not authorize a taxing entity to transfer its tax lien on the Property to anyone other than Lender, and not request a deferral of the collection of taxes pursuant to section 33.06 of the Texas Tax Code;
- c. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;
- d. obey all laws, ordinances, and restrictive covenants applicable to the Property;
- e. keep any buildings occupied as required by the Required Insurance Coverages;
- f. if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments; and
- g. notify Lender of any change of address.

C. Lender's Rights

C.1. Lender or Lender's mortgage servicer may appoint in writing one or more substitute trustees, succeeding to all rights and responsibilities of Trustee.

C.2. If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.

C.3. Lender may apply any proceeds received under the property insurance policies covering the Property either to reduce the Obligation or to repair or replace damaged or

destroyed improvements covered by the policy. If the Property is Grantor's primary residence and Lender reasonably determines that repairs to the improvements are economically feasible, Lender will make the property insurance proceeds available to Grantor for repairs.

C.4. Notwithstanding the terms of the Note to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantor with respect to the Obligation or this deed of trust may, at Lender's discretion, be applied first to amounts payable under this deed of trust and then to amounts due and payable to Lender with respect to the Obligation, to be applied to late charges, principal, or interest in the order Lender in its discretion determines.

C.5. If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.

C.6. COLLATERAL PROTECTION INSURANCE NOTICE

In accordance with the provisions of section 307.052(a) of the Texas Finance Code, the Beneficiary hereby notifies the Grantor as follows:

(A) the Grantor is required to:

- (i) keep the collateral insured against damage in the amount the Lender specifies;
- (ii) purchase the insurance from an insurer that is authorized to do business in the state of Texas or an eligible surplus lines insurer; and
- (iii) name the Lender as the person to be paid under the policy in the event of a loss;

(B) the Grantor must, if required by the Lender, deliver to the Lender a copy of the policy and proof of the payment of premiums; and

(C) if the Grantor fails to meet any requirement listed in Paragraph (A) or (B), the Lender may obtain collateral protection insurance on behalf of the Grantor at the Grantor's expense.

C.7. If a default exists in payment of the Obligation or performance of Grantor's obligations and the default continues after any required notice of the default and the time allowed to cure, Lender may—

- a. declare the unpaid principal balance and earned interest on the Obligation immediately due;
- b. exercise Lender's rights with respect to rent under the Texas Property Code as then in effect;

- c. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and
- d. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.

C.8. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

D. Trustee's Rights and Duties

If directed by Lender to foreclose this lien, Trustee will—

D.1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;

D.2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;

D.3. from the proceeds of the sale, pay, in this order—

- a. expenses of foreclosure, including a reasonable commission to Trustee;
- b. to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
- c. any amounts required by law to be paid before payment to Grantor; and
- d. to Grantor, any balance; and

D.4. be indemnified, held harmless, and defended by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

E. General Provisions

E.1. If any of the Property is sold under this deed of trust, Grantor must immediately surrender possession to the purchaser. If Grantor does not, Grantor will be a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

E.2. Recitals in any trustee's deed conveying the Property will be presumed to be true.

E.3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

E.4. This lien will remain superior to liens later created even if the time of payment of all or part of the Obligation is extended or part of the Property is released.

E.5. If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments will be applied first to discharge that portion.

E.6. Grantor assigns to Lender all amounts payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantor or apply such amounts to reduce the Obligation. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantor will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.

E.7. Grantor collaterally assigns to Lender all present and future rent from the Property and its proceeds. Grantor warrants the validity and enforceability of the assignment. Grantor will apply all rent to payment of the Obligation and performance of this deed of trust, but if the rent exceeds the amount due with respect to the Obligation and the deed of trust, Grantor may retain the excess. If a default exists in payment of the Obligation or performance of this deed of trust, Lender may exercise Lender's rights with respect to rent under the Texas Property Code as then in effect. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this paragraph without taking possession of the Property. Lender will apply all rent collected under this paragraph as required by the Texas Property Code as then in effect. Lender is not required to act under this paragraph, and acting under this paragraph does not waive any of Lender's other rights or remedies.

E.8. Interest on the debt secured by this deed of trust will not exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.

E.9. In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

E.10. If Grantor transfers any part of the Property without Lender's prior written consent, Lender may declare the Obligation immediately payable and invoke any remedies provided in this deed of trust for default. If the Property is residential real property containing fewer than five dwelling units or a residential manufactured home, this provision does not apply

to (a) a subordinate lien or encumbrance that does not transfer rights of occupancy of the Property; (b) creation of a purchase-money security interest for household appliances; (c) transfer by devise, descent, or operation of law on the death of a co-Grantor; (d) grant of a leasehold interest of three years or less without an option to purchase; (e) transfer to a spouse or children of Grantor or between co-Grantors; (f) transfer to a relative of Grantor on Grantor's death; (g) a transfer resulting from a decree of a dissolution of marriage, a legal separation agreement, or an incidental property settlement agreement by which the spouse of Grantor becomes an owner of the Property; or (h) transfer to an inter vivos trust in which Grantor is and remains a beneficiary and occupant of the Property.

E.10. Grantor may not sell, transfer, or otherwise dispose of any Property, whether voluntarily or by operation of law, without the prior written consent of Lender. If granted, consent may be conditioned upon (a) the grantee's integrity, reputation, character, creditworthiness, and management ability being satisfactory to Lender; and (b) the grantee's executing, before such sale, transfer, or other disposition, a written assumption agreement containing any terms Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, a transfer fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Grantor may not cause or permit any Property to be encumbered by any liens, security interests, or encumbrances other than the liens securing the Obligation and the liens securing ad valorem taxes not yet due and payable without the prior written consent of Lender. If granted, consent may be conditioned upon Grantor's executing, before granting such lien, a written modification agreement containing any terms Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, an approval fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

Grantor may not grant any lien, security interest, or other encumbrance (a "Subordinate Instrument") covering the Property that is subordinate to the liens created by this deed of trust without the prior written consent of Lender. If granted, consent may be conditioned upon the Subordinate Instrument's containing express covenants to the effect that—

- a. the Subordinate Instrument is unconditionally subordinate to this deed of trust;
- b. if any action is instituted to foreclose or otherwise enforce the Subordinate Instrument, no action may be taken that would terminate any occupancy or tenancy without the prior written consent of Lender, and that consent, if granted, may be conditioned in any manner Lender determines;
- c. rents, if collected by or for the holder of the Subordinate Instrument, will be applied first to the payment of the Obligation then due and to expenses incurred in the ownership, operation, and maintenance of the Property in any order Lender may determine, before being applied to any indebtedness secured by the Subordinate Instrument;

- d. written notice of default under the Subordinate Instrument and written notice of the commencement of any action to foreclose or otherwise enforce the Subordinate Instrument must be given to Lender concurrently with or immediately after the occurrence of any such default or commencement; and
- e. in the event of the bankruptcy of Grantor, all amounts due on or with respect to the Obligation and this deed of trust will be payable in full before any payments on the indebtedness secured by the Subordinate Instrument.

Grantor may not cause or permit any of the following events to occur without the prior written consent of Lender: if Grantor is (a) a corporation, the termination of the corporation or the sale, pledge, encumbrance, or assignment of any shares of its stock; (b) a limited liability company, the termination of the company or the sale, pledge, encumbrance, or assignment of any of its membership interests; (c) a general partnership or joint venture, the termination of the partnership or venture or the sale, pledge, encumbrance, or assignment of any of its partnership or joint venture interests, or the withdrawal from or admission into it of any general partner or joint venturer; or (d) a limited partnership, (i) the termination of the partnership, (ii) the sale, pledge, encumbrance, or assignment of any of its general partnership interests, or the withdrawal from or admission into it of any general partner, (iii) the sale, pledge, encumbrance, or assignment of a controlling portion of its limited partnership interests, or (iv) the withdrawal from or admission into it of any controlling limited partner or partners. If granted, consent may be conditioned upon (a) the integrity, reputation, character, creditworthiness, and management ability of the person succeeding to the ownership interest in Grantor (or security interest in such ownership) being satisfactory to Lender; and (b) the execution, before such event, by the person succeeding to the interest of Grantor in the Property or ownership interest in Grantor (or security interest in such ownership) of a written modification or assumption agreement containing such terms as Lender may require, such as a principal pay down on the Obligation, an increase in the rate of interest payable with respect to the Obligation, a transfer fee, or any other modification of the Note, this deed of trust, or any other instruments evidencing or securing the Obligation.

E.11. When the context requires, singular nouns and pronouns include the plural.

E.12. The term *Note* includes all extensions, modifications, and renewals of the Note and all amounts secured by this deed of trust.

E.13. This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.

E.14. If Grantor and Borrower are not the same person, the term *Grantor* includes Borrower.

E.15. Grantor and each surety, endorser, and guarantor of the Obligation waive, to the extent permitted by law, all (a) demand for payment, (b) presentation for payment, (c) notice of intention to accelerate maturity, (d) notice of acceleration of maturity, (e) protest, (f) notice of protest, and (g) rights under sections 51.003, 51.004, and 51.005 of the Texas Property Code.

E.16. Grantor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if an attorney is retained for its enforcement.

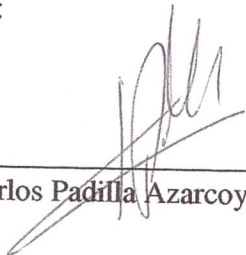
E.17. If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.

E.18. The term *Lender* includes any mortgage servicer for Lender.

E.19. Grantor hereby grants Lender a right of first refusal with respect to Grantor's power to authorize any third party (other than Lender pursuant to its rights as set forth in this instrument) to pay ad valorem taxes on the Property and authorize a taxing entity to transfer its tax lien on the Property to that third party. Grantor's authorization to any third party (other than Lender) to pay the ad valorem taxes and receive transfer of a taxing entity's lien for ad valorem taxes shall be null and void and of no force and effect unless Lender, within ten days after receiving written notice from Grantor, fails to pay the ad valorem taxes pursuant to Lender's rights as set forth in this instrument.

E.20. Grantor represents that this deed of trust and the Note are given for the following purposes: the credit for loan evidenced by the note is extended or renewed for a business, commercial, investment, or similar purpose, as allowed by the Texas Finance Code Section 303.009(c) (the business is Sports Pro Development, LLC, which is owned by Borrower).


Grantor:



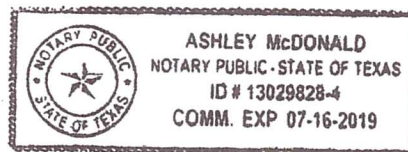
Juan Carlos Padilla Azarcoya

ACKNOWLEDGMENT

This instrument was subscribed, sworn and acknowledged before me on this 14th day of May 2019, by Juan Carlos Padilla Azarcoya.



NOTARY PUBLIC in and for the
STATE OF TEXAS
ACKNOWLEDGEMENT



(Seal)

Ret
Eduardo Camarena
34 N. Wooded Brook Cir.
The Woodlands TX 77382

FILED FOR RECORD
05/16/2019 02:48PM

Mark Tumbull

COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS,
COUNTY OF MONTGOMERY

I hereby certify that this instrument was filed in the file number
sequence on the date and time stamped herein
by me and was duly RECORDED in the Official Public
Records of Montgomery County, Texas.

05/16/2019



Mark Tumbull

County Clerk
Montgomery County, Texas

EXHIBIT C

**FRANCISCO RAMIREZ & ASSOCIATES, P.C.
ATTORNEYS & COUNSELORS AT LAW**

**Three Riverway, Suite 555
Houston, Texas 77056
Tel: (713) 303-8005
Email: lawyers@francisco-ramirez.com**

September 18, 2019

Phillip R. Livingston
Phillip R. Livingston, P.C.
2950 Unity Dr. # 37056
Houston, Texas 77237-4704

Via email prlivingston@sbcglobal.net

Re: Your client Juan Carlos Padilla Azarcoya
My client Eduardo Camarena

Subject: Notice of Default

Dear Mr. Livingston:

As you know, I represent Eduardo Camarena.

This is in reference to an undated communication you sent to Eduardo Camarena on or about August 24, 2019 and our subsequent telephone conversation on September 9, 2019 regarding the money owed by your client Juan Carlos Padilla Azarcoya, to my client Eduardo Camarena.

On or about May 10, 2019, your client executed a promissory note and a deed of trust in favor of my client (the "Contracts"). According to the Contracts, your client borrowed from my client the amount of \$2,800,000.00 (the "Debt"), provided collateral in the form real estate property to secure the Debt, and promised to make timely payments in accordance with the promissory note.

My client has fully performed the obligations in the Contracts, but your client has not; therefore, your client is in default. My client has incurred damages as a result of your client's nonperformance.

In multiple occasions my client has contacted your client in an effort to amicably resolve the situation. However, your client has not cured the default. Since the previous efforts in soliciting your client's cooperation have proven unsuccessful, this matter has been referred to our attention for legal action.

Although your client has waived notice requirements, we are providing this notice of default and the foregoing demands in a last effort to avoid litigation. My client demands payment of all past due installments in connection with the Debt and hereby provides notice, without limitation, of his intention to accelerate the maturity of the note and notice of acceleration of maturity if payment is not forthcoming.

Nothing herein shall be construed as a waiver of rights and my client demands full and strict compliance with the terms of the Contracts.

Please be advised that there will be no further notices or communications from this office. I trust that the seriousness and urgency of this matter is apparent and that your client will comply with the demands of this letter without the need of litigation.

Yours truly,

Francisco Ramirez & Associates, P.C.

A handwritten signature in black ink, reading "Francisco Ramirez". The signature is written in a cursive, flowing style with a large initial 'F' and 'R'.

Francisco Ramirez
Attorney at law