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The Strong Firm in the News

July 11, 2011 – The Strong Firm Successfully Represents Client in Employee Wage Claim. The Strong Firm was successful in defending client's position with the Texas Workforce Commission.

July 4, 2011 – The Strong Firm sponsors 14th Annual Red Hot and Blue Festival. The Strong Firm was a proud sponsor of the 14th Annual Red Hot and Blue Festival in The Woodlands, produced by The Woodlands Convention and Visitor's Bureau, featuring live music and entertainment to celebrate the 4th of July.

July 1, 2011 – The Strong Firm Represents Buyer in the Acquisition of Oil And Gas Engineering and Testing Services Company. The Strong firms successfully represented buyer in the process of acquiring an Oil and Gas Engineering and Testing Services Company.

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The Strong Firm P.C. Attorneys

STRONG•POINTS•NEWSLETTER

Fall 2011

World Class Athletics Mean a World Class Community

By: Bret L. Strong

Everyone knows how much athletics are a part of the fabric of America. The four major team sports of baseball, football, basketball and ice hockey were all developed in North America and the premier professional leagues (MLB, NFL, NBA and NHL) developed in North America in each of such sports have become billion dollar industries. Here in The Woodlands, these sports and many others have grown to national and international stature, and such prominence continues to put The Woodlands on the sporting world map. The Strong Firm is pleased to be an integral part of helping bring and/or support many of these events in our community.

BRET L. STRONG

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The founder and managing shareholder of The Strong Firm P.C.

World Class Teams

The Woodlands High School has become one the state's and the nation's most prominent and accomplished athletic high schools, having won 5A state championships in Boys Cross Country, Boys Swimming, Girls Swimming, Boys Baseball, Girls Softball, Boys Golf, Girls Golf and Girls Soccer, and having advanced deep into the state playoffs in just about every other sport. The Woodlands High School has won the University Interscholastic League's Lone Star Cup for the last three years running (2007-2008, 2008-2009 and 2009-2010) and is currently vying for a fourth, the award being given to the Texas high school with the best overall athletic and academic programs in Texas.

World Class Facilities

Since its inception, The Woodlands has been known for its world class golf courses and running trails, hosting national golf tournaments and cross country meets. In 2005, Scotland Yard, the home of The Woodlands High School Baseball Highlanders, was recognized by the National Baseball Coaches Association and Baseball America as the top high school baseball field in the country. With the construction of the Conroe Independent School District's Woodforest Bank Stadium and Natatorium in the City of Shenandoah, Texas, South Montgomery County has become a destination for regional, state and national athletic events and swimming and diving championships.

World Class Events

The Woodlands has become home to many world class events. The Nike Cross Nationals has become the premiere national high school cross country event (both boys and girls) and The Woodlands is home to the South Nike Regionals one of eight qualifying meets sending runners and teams to the Nike Cross Nationals. Home of the famed Ironman Texas Triathlon, Ten For Texas and now The Woodlands Marathon, thousands of athletes know The Woodlands as the place for premiere athletic endeavors.

World Class Athletes

Success in sports has brought the attention of the nation and the world to the quality of athletes performing in the local area. Most recently, Paige McDuffee, the junior pitcher for the 2011 Lady Highlander Girls Softball State Champions, was named Gatorade National Softball Player of the Year. In 2010, Highlander baseball pitcher Jameson Taillon was taken as the second overall draft pick in the Major League Baseball Draft. 2011 graduate and all time Highlander Football rushing leader Daniel Lasco was recruited by

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“Touch and Concern” or a Touch of Concern: Real Estate Restrictive Covenants

By: D. Joe Griffin

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Joe became an Associate Attorney in 2010 after graduating from the University of Houston Law Center. His areas of practice include: business law and contracts; corporations, LLC’s and partnerships; business and investor immigration; real estate; trademarks; and estate planning and probate. Having lived in Argentina, as well as in Mexico City D.F., Joe is fluent in Spanish and conversational in Portuguese.

Almost everyone living in Montgomery County is subject to what are commonly known as “restrictive covenants” or “real covenants” related to the use of their real estate. As the name implies, these covenants are contractual promises and obligations which the owners of real property agree to bound by, and direct how said real property may or may not be used. These covenants usually concern matters which seek to preserve and enhance the property values of the community and/or commercial character of the area. Most covenants run with the land, in that they may be enforced by or against an individual owning the land even if they were not an original party to the document or contract creating the covenant in question.

To have a covenant run with the land Texas requires that the covenant “Touch and Concern” the land. This requirement stems from English common law dating back hundreds of years and in plain terms essentially means that it must affect either the value of the real property or the use of the real property. Additionally, “privity of estate” must exist, that is a mutual or successive relationship to the same rights of property, such as a transfer of the property by agreement, gift, or inheritance. Finally, the intent of the original parties must have been that the covenant run with title to the land and be binding upon the subsequent transferees.

Owners and purchasers of real property should be concerned with the real covenants which exist on their property, as they have contractually agreed to be bound by the real covenants and a breach of this obligation can trigger adverse enforcement actions against the owner, underlying the importance of becoming very familiar with the real covenants. Adverse enforcement can include fines, penalties, injunctions, and access and authorization to conduct remedial measures by an enforcing entity.

In order for real covenants to be enforced against a potential violations, it must be shown that the owner was on notice of the restrictions. To be considered legally valid, notice must be either “actual” or “constructive”. Actual notice means exactly what the word implies, that the owner was actually notified of the existence of the real covenants. Constructive notice occurs when reasonable steps are taken to allow for notice to purchasers, such as properly recording the covenants in the real property records related to the subject property, providing any subsequent purchaser with constructive notice of their existence, regardless of whether or not any actual notice was given at the time of purchase. In either case the person will not be permitted to violate the covenants and avoid enforcement against him/her.

Despite these concerns, taking the time to become familiar with real covenants affecting your property and taking necessary steps to see that they are not violated can be a simple task and empirical studies overwhelmingly suggest that properly used real covenants can and do enhance and preserve property values.

Look Before You Sign: Negotiating Leases for Commercial Tenants

By: Mariana Grijalva

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Mariana became an Associate Attorney in 2011 after graduating from South Texas College of Law. Her areas of practice include: international business investment and transactions, business law and contracts; corporations, LLC’s and partnerships; and real estate. She holds a BBA in International Studies and Business Administration from The University of St.Thomas. She is fluent in Spanish and conversational in French.

As many prosperous business owners know, location is often a very important factor in the success of a business. This is why most entrepreneurs spend endless time and energy searching for a location that will best suit their business needs. Then, after having found the ideal location, and maybe feeling the pressure to accommodate the landlord to ensure that they are able to secure this idyllic spot, many owners make the mistake of rushing forward to enter into a lease, without paying the necessary attention to the contents and provisions of the lease documents that will define their rights and obligations for the entirety of their term. This lack of attention to the lease documents and provisions can sometimes prove to be a serious mistake as conflicts later arise between landlord and tenant during the lease term.

Having an attorney review your lease agreement is a crucial step in the process. At The Strong Firm P.C., we are often approached by commercial tenants who find themselves involved in disputes with their landlords, and frequently the tenant’s rights and available remedies are limited by a previously executed lease agreement. This is commonly the result of tenants who failed to perform a detailed analysis of the terms of their lease and negotiate provisions on the front end to ensure that their interests would be protected.

Attorney review will help assure that the lease is a balanced document that protects the interests of the tenant and the landlord in an equitable manner. Experienced real estate attorneys will have the knowledge and experience to identify the provisions within the lease that may limit the tenant’s rights, or that seem to be more “landlord-friendly” than normal. Provisions addressing early termination rights, renewal and expansion options, exclusivity for the sale of products, subleasing and limitations on common area maintenance, are just a few examples of important issues needing to be properly addressed and often overlooked.

At The Strong Firm, P.C. all of our attorneys are experienced in the review and negotiation of commercial leases, as we review and negotiate countless of such

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Purchasing Bank-Owned and Foreclosed Properties

By: Eric R. Thiergood, Sr.

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Eric joined the Strong Firm P.C. in 2005 after graduating from South Texas College of Law. He is licensed to practice law in the State of Texas and in the United States Federal District and Bankruptcy Court for the Southern District of Texas. Having lived in Asturias, Oropesa Del Mar and Madrid, Spain, Eric is completely fluent in Spanish and uses these skills in his work with some of the firm's international Spanish-speaking clients.

Third Installment of a Series "Purchasing Properties in the Various Stages of Foreclosure":

Typically when someone considers buying a foreclosed property, they envision purchasing a property at a foreclosure sale on the courthouse steps. While thousands of properties are sold each month by individuals at such foreclosure sales, many of the courthouse foreclosed properties are purchased by the lender holding the mortgage. Such lenders typically will not hold such real estate long, as a bank's ability to own real estate is heavily regulated. Accordingly, the bank will often quickly place the property on the market for sale.

Locating Foreclosed Properties

Foreclosed properties are typically listed for sale by the bank in the same manner as non-foreclosure properties, often by brokers and agents that specialize in foreclosed or "bank-owned" properties. Just like most real estate for sale, these properties are listed on the Multiple Listing Service (MLS) and locally in the greater Houston Area (including most parts of Montgomery County) on the Houston Association of Realtors' website www.HAR.com. In addition to these listings, a bank may also list the foreclosed properties that it owns on its website.

The Purchase Process and Risk in Purchasing Foreclosed Properties

While the foreclosure process will serve to clear the original mortgage and most ancillary liens, it is important that the buyer conduct adequate due diligence to ensure that the title to the property is clear and that there are not outstanding encumbrances on the property that remain unsatisfied at closing. Your legal counsel should review the title commitment and exceptions documents provided by the title company prior to closing. Based on the result of the examination of the title commitment and exceptions documents, your counsel may object to certain defects in title and require that seller cure said defects prior to closing. Because the bank attempts to minimize their expenditures on the foreclosure properties, the properties are normally sold "as-is." The bank is typically not willing to make repairs or improvements to the property, making it critical that the property be fully inspected by a licensed inspector to ensure that there are no unknown defects or problems with the property. The bank will often have the utilities turned off on a property to save expenses, so a complete inspection of the property may be hampered or limited, or you may have to coordinate a process whereby you can temporarily turn the utilities on (at Buyer's cost) to inspect.

If potential purchasers of foreclosed properties consider the risk associated with purchasing such properties and enlist qualified professionals to assist in the purchase process, they will often find that buying a foreclosed property can be a means of acquiring property at prices often below fair market value. The Strong Firm help many clients purchase foreclosed properties for personal or business purposes, and would be happy to assist you in such endeavors.

Clerk's Corner: The Importance of Updating Your Corporate Records

By: Matthew Larkin

We've all heard the phrase "A stitch-in-time saves nine." So what might that phrase mean in a business context? If you have formed an entity such as a corporation or an LLC, hopefully your business has been running like a well-oiled machine. But if you've neglected to update your corporate records, then your "well-oiled" machine might just need a touch of additive that you were previously unaware of. That's where The Strong Firm comes in.

But, you ask, "Is it really that important to update your corporate records?" Yes – it is!

First, in the event that your business entity has been receiving tax breaks from taxing agencies, and your business is not in compliance with company Bylaws, you expose losing the tax benefit received, in addition to significant penalties; you don't want the I.R.S. to be able to classify your business as a sole proprietorship for purposes of taxing based on the failure to keep your corporate records current. Another reason is to avoid exposure to personal liability, probably the very reason you created a business entity in the first place. Having updated corporate records will help to ensure that an adverse party will be unable to "pierce the corporate veil." Yet another reason to keep your corporate records up to date is so that you can borrow against your business assets. In order to protect their interest, a lending company will want to check the corporate records to be certain that they aren't lending to a fictitious or fraudulent organization. Don't let your corporate books give them this impression.

We have clients who consistently call upon our services for this very need. The Strong Firm has the expertise and documents to bring your corporate records in compliance with the law. Let the professionals at The Strong Firm make that "stitch-in-time" in order to "save you nine."

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The Strong Firm Welcomes Kymberly Redmond and Laura Junek

The Strong Firm is excited to announce the addition of the following members to our team:

Kymberly Redmond joined The Strong Firm in June as a Paralegal. Kym has nearly 10 years of legal experience with a bachelor's degree in Business Administration from The University of Phoenix and a paralegal certificate. Kym will provide paralegal support for all areas of our transactional practice.

Laura Junek joined The Strong Firm in June as a Legal Assistant. Laura holds a Bachelor of Science degree in Criminal Justice from Sam Houston State University, with a minor in General Business, and holds a paralegal certificate. Laura will handle general administrative functions and client services for the firm and general legal assistant support for our transactional practice.

The Strong Firm

From left: **Laura Junek**, legal assistant; **Melanie Edleston**, office manager; **Mariana Grijalva**, attorney; **Matthew Larkin**, law clerk; **Bret L. Strong**, attorney, founder, and managing shareholder; **Eric R. Thiergood, Sr.**, associate attorney; **D. Joe Griffin**, associate attorney; **Kymberly Redmond**, paralegal.

We provide legal services in the all of the following areas:

- Business Law and Contracts
- Financing, Trademarks, and General Corporate
- Corporations, Partnerships, and LLCs
- Real Estate
- Business Disputes
- Wills, Probate, Trusts, and Estates
- Mergers, Sales and Acquisitions of Businesses
- Oil, Gas and Energy
- International Business Investment

World Class Athletics

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nearly every major college program in the country and will take his skills to the University of California this fall. 2010 graduate and Offensive Lineman Chad Lindsay was also recruited by over a dozen major college football programs and is playing for the national powerhouse The University of Alabama Crimson Tide. Five-time Texas State Champion Sarah Andrews is now running at The University of Oregon and 2008 Texas State Cross Country Champion and Gatorade National Cross Country Runner of the Year 2008-2009, Reed Connor, is running at The University of Wisconsin. Athletes from The Woodlands are scattered all over various college and professional athletic programs, putting our community on the map all over the nation and the world.

World Class Benefits

World class teams, facilities, events and athletes bring participants, families, coaches, recruiters and spectators to our area to spend their time, energy and money in order to be a part of what is happening here. Events and facilities like Ironman Texas and the CISD Stadium and Natatorium have been shown to bring millions of dollars to our community. Various tournaments, meets, competitions and famous athletes bring even more visitors and money to our area, making The Woodlands a premier sporting destination.

Look Before You Sign

Continued from page 2

leases for tenants and landlords every month. Investing the time and cost of having a professional review the lease is a worthwhile investment, as it can save a tenant significant time, money and stress by ensuring that tenant's interests are protected from the inception and throughout the entire lease term. In this way, commercial tenants will be sure to enjoy their time at their ideal location and make the most of their business opportunities.