

CONDOMINIUM
INFORMATION
STATEMENT

Preston One Condominiums

Issued February 25, 2005

PRESTON ONE CONDOMINIUMS
CONDOMINIUM INFORMATION STATEMENT

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**CONDOMINIUM INFORMATION STATEMENT
PRESTON ONE CONDOMINIUMS**

I. USEFUL NAMES AND NUMBERS

NAME OF CONDOMINIUM

Preston One Condominiums

LOCATION OF CONDOMINIUM

7920 & 7924 Preston Road, Plano, Texas 75024

NAME OF DECLARANT

Precision One, LP

ADDRESS OF DECLARANT

217B East Louisiana, McKinney, Texas 75069

MANAGING AGENT FOR CONDOMINIUM ASSOCIATION

Excel Association Management, Inc.

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II. DISCLOSURE NOTICE

This Condominium Information Statement presents certain information regarding the condominium development and the units being offered for sale by the declarant. It consists of two parts, a narrative portion and an exhibits portion. The exhibits include legal documents that are required for the creation and operation of the condominium. The exhibits will control any inconsistency between the exhibits and the narrative. The declarant's representatives are prohibited from changing or attempting to interpret any of the terms and conditions of this Condominium Information Statement. Similarly, representatives and agents of the condominium association are not authorized to change or attempt to interpret any of the information in this Condominium Information Statement.

The Condominium Information Statement is not intended to be all inclusive or to address every significant feature of the condominium. Because purchasing real property is an important decision, the purchaser is encouraged to review this Condominium Information Statement with an attorney and to consult other sources for information not covered by the Condominium Information Statement.

Under limited circumstances, a purchaser of a condominium unit has a 5-day period after receiving the Condominium Information Statement during which the purchaser may cancel the contract of sale and obtain full refund of any money deposited in connection with the contract. This right to cancel does not apply if the purchaser received the Condominium Information Statement before signing the contract or if the contract contains an underlined or bold-print provision acknowledging the purchaser's receipt of the Condominium Information Statement and recommending that the purchaser read the Condominium Information Statement before signing the contract. If the purchaser elects to cancel, notice of cancellation must be given pursuant to Section 82.156 of the Texas Property Code, the Texas Uniform Condominium Act.

III. ISSUANCE DATE

The issuance date of this Condominium Information Statement is February 25, 2005.

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IV. NARRATIVE PORTION

1. DECLARANT

The developer or "declarant" of *Preston One Condominiums* is Precision One, LP. The general partner of Precision One, LP, Precision Southwest Development, L.L.C., a Texas corporation. Declarant may be reached at the following address: 217B East Louisiana, McKinney, Texas 75069.

2. PROPERTY

Preston One Condominiums is located at 7920 & 7924 Preston Road in Collin County, Texas 75024.

3. OVERALL PLAN

Declarant intends to develop *Preston One Condominiums* as a commercial office park. On the date of this Condominium Information Statement, Declarant expects to develop the property in 2 phases -- creating a maximum of 20 units in 4 buildings. Although Declarant has no duty to add any units or phases to the 9 units of Phase 1, Declarant anticipates the following phasing pattern:

Phase 1: 9 units, 2 buildings

Phase 2: 10 units, 2 buildings

Preston One Condominiums will be located on Preston Road at Hedgcoxe in Plano, Texas. We are building two single story professional office buildings (Phase One) on a 2 acre site. *Preston One Condominiums* is a high end attractive commercial building built on a perimeter beam foundation with a steel frame structure, has 100% brick veneer Austin stone arch entries and a steel seamed insulated roof. This is not a residential type structure but a quality "steel built" office building that will last the test of time with very little maintenance.

The quality of construction of all buildings and improvements in future phases will be compatible with the buildings and improvements already constructed. All units and common elements created in future phases will be restricted to use in the same manner and to the same extent as those already constructed.

4. PHASE 1

Phase 1 of *Preston One Condominiums* is located at 7920 & 7924 Preston Road in Collin County, Texas 75024. This initial phase consists of 9 units in 2 buildings. The 9 units in Phase 1 range in size from approximately 1250 square feet to approximately 3926 square feet, based on an architect's pre-construction drawings and estimates. The 9 units are distributed as follows:

UNIT	DESCRIPTION	APPROXIMATE SQ.FT
BUILDING NO. 1 (7920 Preston Road)		
100	Unfinished Office Space	3,391
200	Unfinished Office Space	2,677
300	Unfinished Office Space	2,314
400	Unfinished Office Space	1,234
500	Unfinished Office Space	3,017
BUILDING NO. 2 (7924 Preston Road)		
100	Unfinished Office Space	4,033
200	Unfinished Office Space	2,266
300	Unfinished Office Space	3,522
400	Unfinished Office Space	2,777

5. DEVELOPMENT RIGHTS

In Article 14 of the Declaration, Declarant reserves for itself certain "Development Rights" to add or withdraw real property in order to respond to changing market conditions. Declarant discloses that it reserves the right in the Declaration to change the numbers, sizes, types, and phasing of units, including the right to combine and subdivide units. Declarant further discloses that it reserves the right to create units, common elements, and limited common elements within *Preston One Condominiums*.

Regarding any additional real property ("Additional Land") that may be annexed to the Property, as described in the Declaration, Declarant makes no assurances regarding where Declarant will exercise its Development Rights or the order in which portions of the Additional Land will be developed. The exercise of Development Rights in some portions of the Additional Land will not obligate Declarant to exercise them in other portions.

The Development Rights may be exercised at any time during the Development Control Period. Declarant may terminate some or all of the Development Rights prior to the expiration of the Declarant Control period by a recorded instrument. No Development Right may be exercised unless approved pursuant to Article 14 of the Declaration.

6. SPECIAL DECLARANT RIGHTS

In addition to Development Rights, Declarant has reserved for itself the following "Special Declarant Rights" to facilitate the creation and marketing of units: (1) to complete improvements indicated on the plats and plans filed with the Declaration; (2) to exercise any Development Rights; (3) to make *Preston One Condominiums* part of a larger condominium or a planned community; (4) to maintain sales, management, and leasing offices, signs advertising *Preston One Condominiums*, and models; (5) to use easements through the common elements for the purpose of making improvements within *Preston One Condominiums* and within the Additional Land that may be added to *Preston One Condominiums*; and (6) to appoint or remove any officer or director of the owners association during the period of Declarant control.

7. ASSOCIATION AND MANAGEMENT

Preston Office Condominiums, Inc. (the "Association") is the Texas nonprofit corporation that will administer *Preston One Condominiums*. While Declarant is constructing and marketing *Preston One Condominiums*, it retains certain rights to control the Association to ensure an orderly operation during the initial population of this new community. Declarant intends to transition control of the Association to the owners in a step-by-step process. At first, all the officers and directors of the Association will be appointed by Declarant. The second stage occurs within 120 days after Declarant closes the sale of half the offices of the fully phased property. At that time, the owners other than Declarant will elect one of the three directors. The third stage of transition occurs within 120 days after Declarant closes the sale of three-fourths of the offices of the fully phased property. At that time, Declarant will invite the owners to the organizational meeting of the Association for the purpose of electing the entire board of directors. The Declarant Control Period is described in Article 14 of the Declaration of *Preston One Condominiums*, which is included in this Condominium Information Statement.

The Association is being managed by Excel Management Association, Inc., an established professional management company with offices at 1208 E. 15th Street, Plano, Texas 75074. The president of Excel, Patrick Clark, may be reached by phone at (972)881-7488.

8. PROJECTED OR PRO FORMA BUDGET

In preparing this Condominium Information Statement, Declarant obtained a proposed budget for the operation of *Preston One Condominiums* as a fully phased, fully constructed, and fully occupied condominium for the entire fiscal year, but based on current rates and charges. The proposed budget, which is attached as Exhibit D, is designed to give unit purchasers a picture of the types and relative sizes of expenses that may be incurred by the Association in operating *Preston One Condominiums* after the Declarant control period and assuming that Declarant completes the development as planned.

Some of the assumptions on which the budget is based are described in the budget certificate at Exhibit D. The budget also assumes that the development will be managed by an independent third-party management firm. The proposed budget at Exhibit D does not address the temporary and fluctuating circumstances of the property as it is being constructed, marketed, phased, and initially occupied.

The budget was prepared for Declarant by Patrick Clark of Excel Management Association, Inc. By signing this Condominium Information Statement, Declarant affirms that, to the best of Declarant's knowledge and belief, the assumptions on which the projected budget is based are reasonable.

9. ASSESSMENTS

While the property is being phased and Declarant controls the Association, the Association is levying assessments based on the estimated budget for the fully developed condominium. During that period, Declarant is subsidizing the actual operating expenses of the Association as they are paid. The average regular monthly assessment obligation of each *Preston One Condominiums* unit type is stated in Exhibit D. Please keep in mind that the projected budget is based on estimates and that the actual operating expenses of the Association may be higher or lower.

10. INITIAL CAPITAL CONTRIBUTION

The Declaration requires each original purchaser of a unit to contribute an amount at least equal to the product of the total square footage of the unit purchased multiplied by \$0.25 to the Association's working capital fund. This is a one-time nonrefundable fee paid to the Association to create a "start up" fund from which operating expenses and insurance premiums can be paid after the Declarant Control Period. Please be advised that the amount of working capital contribution may vary from time to time as the budget is revised.

11. EASEMENTS, RESTRICTIONS, LIENS, LEASES, OR ENCUMBRANCES

Title to the condominium and each unit is subject to all easements, restrictions, liens, leases, and encumbrances recorded against the property. A description of recorded easements and licenses

is attached to the Declaration as Exhibit D. Copies of documents listed in Exhibit D to the Declaration are available through the title company handling your unit purchase.

Declarant subjected the entire property to a deed of trust lien to secure construction financing. As Declarant sells units, Declarant expects to obtain a partial release -- unit by unit -- from the holder of the deed of trust, so that each unit will be conveyed free of the construction loan lien. In this manner, when Declarant sells all the units the deed of trust lien for construction financing will be completely released as to all parts of the property.

12. NO JUDGMENTS OR SUITS

Declarant has no actual knowledge of any unsatisfied judgments against Preston Office Condominiums, Inc., nor of any pending suits to which the Association is a party, or which are material to the land title and construction of *Preston One Condominiums*.

13. INSURANCE PROVIDED BY ASSOCIATION FOR UNIT OWNERS

Article 14 of the Declaration requires the Association to purchase, as a common expense, certain insurance coverages and bonds for the benefit of unit owners. As required by State law for condominium units that are stacked (one over, one under), the Association will obtain and maintain property insurance on the individually owned units for the benefit of the unit owners. The initial policies will be purchased by Declarant, for the benefit of the Association, owners, and mortgagees.

On the date of this Condominium Information Statement, the condominium and the Association are in the process of being created. Accordingly, the insurance policies are in the process of being obtained. When the Association has copies of its insurance policies, Exhibit F of this Condominium Information Statement will be supplemented with information about those policies.

The Association does not provide liability coverage for accidents or occurrences that occur within the units. Also, the Association does not provide owners or residents with coverage for personal property, betterments and improvements to the unit made at the expense of an individual unit owner, personal injury, loss assessment coverage, and business interruptions. Because of the exclusions in the Association's policies, you should consult with your own agent about purchasing a policy to cover those exposures.

14. INSURANCE TO BE OBTAINED BY INDIVIDUAL UNIT OWNERS

Because of the exclusions in the Association's policies, each owner and resident should consult with his own agent about purchasing a policy to cover those exposures. Because the Association does not insure anything other than the structure of the individually owned unit, the unit owner is required to obtain property insurance for the uninsured components of his unit, such as enhancements that are not "standard" for the property. Each owner must also obtain and maintain liability insurance for accidents or occurrences that occur within or relating to the unit. Unit owners

should also consider obtaining loss assessment coverage. Occupants of a unit, whether owners or renters, should insure their office goods and personal items, and should also consider obtaining coverage for additional expenses and business interruptions (if applicable).

15. ADDITIONAL DISCLOSURES

a. Parking Spaces. Parking spaces are not assigned to any particular unit and are common elements. However, Declarant may, but is not required to, sell additional carport spaces to unit purchasers on a first-come-first-serve basis. The exercise of this right may create an uneven distribution of permanently assigned carports spaces among the units.

b. Declarant Identity. The name of Declarant, Declarant's general partner, and/or the name of the individual signing for the general partner may change during the development of *Preston One Condominiums*.

16. EXHIBITS

The exhibits that accompany this Narrative Portion include a number of documents that are slated for public recording or filing. Because this Condominium Information Statement is issued before those documents have completed the recording process, draft, executed, or file-marked copies of those documents may be included as exhibits. At any time after recording, Declarant may but is not obligated to replace unrecorded documents with copies of the recorded documents. The following exhibits are attached to this Condominium Information Statement and incorporated by reference:

Exhibit A Declaration of Preston One Condominiums, to be executed by Declarant, and to be recorded in the Real Property Records of Collin County, Texas.

Exhibit B Bylaws of Preston Office Condominiums, Inc., to be executed by Declarant, and to be recorded in the Real Property Records of Collin County, Texas.

Exhibit C Articles of Incorporation of Preston Office Condominiums, Inc., filed with the Secretary of State of Texas as a nonprofit corporation, and to be recorded in the Real Property Records of Collin County, Texas.

Exhibit D Budget Information.

Exhibit E Purchaser's Certificates Regarding Condominium Information Statement.

Exhibit F Insurance Information.

Exhibit G Annexation Amendments.

Except for the Purchaser's Certificates, Declarant does not require purchasers to sign documents other than loan documents at closing. The purpose of the Purchaser's Certificates is to induce lenders to make mortgage loans on the units, to induce title insurance companies to issue policies with respect to the units, and to affirm purchasers' understanding of the nature and condition of the property they are purchasing.

17. GENERAL INFORMATION

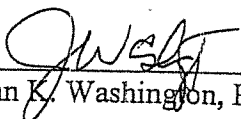
The exhibits which follow this narrative portion provide a more detailed description of the condominium and the rights and obligations of the unit owner. The purchaser should carefully consider the exhibits, as well as this narrative portion of the Condominium Information Statement. If the purchaser does not understand any aspect of this Condominium Information Statement, the sales contract, and any other materials provided in connection with the sale of units, the purchaser should obtain competent legal counsel.

Declarant reserves the right to amend, in writing, the terms of this Condominium Information Statement. If the change may adversely affect a purchaser under contract who has received a Condominium Information Statement but who has not yet closed, Declarant will furnish a copy of the amendment to that purchaser before closing. This Condominium Information Statement may not be changed or modified orally.

Dated: 2-25-05

Precision One, LP., a Texas limited partnership

By: Precision Southwest Development, L.L.C.,
General Partner

By: 
John K. Washington, President