

**Harland Clarke Net Leased Property**

**3001 S. E. Convenience Boulevard  
Ankeny (Des Moines), IA 50021**



- ❖ ASKING PRICE REDUCED TO \$6,800,000 from \$7,200,000
- ❖ NET LEASED THROUGH OCTOBER 31, 2017 TO HARLAND CLARKE CORP.
- ❖ TENANT EXERCISED 20,250 FOOT ADDITION OPTION IN NOVEMBER 2007. HIGH QUALITY OFFICE FINISHES
- ❖ PARK LIKE SETTING IN METRO NORTH BUSINESS PARK IN CLOSE PROXIMITY TO ANKENY REGIONAL AIRPORT
- ❖ GREAT FOR USER OR INVESTOR - A PRIDE OF OWNERSHIP PROPERTY

**David M. Kaufman, CCIM**  
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**DK REALTY PARTNERS, LLC**



## PROFESSIONAL BIO

### QUALIFICATIONS OF DAVID M. KAUFMAN, C.C.I.M.

#### EDUCATION:

Graduated from University of Illinois, Urbana, Illinois with a B.S. in Liberal Arts. Graduate School: Northeastern Illinois University, Chicago, Illinois. MAJOR: Psychology and Education.

Real Estate Institute (Chicago) completed Investment Real Estate Appraisal and Real Estate Law courses, as a student. As an instructor, taught courses for five years in BROKERAGE OF COMMERCIAL/INVESTMENT PROPERTIES AND REAL ESTATE INVESTMENT ANALYSIS. Taught MBA Program REAL ESTATE DECISION MAKING course at Keller Business Institute.



Realtors' National Marketing Institute - completed courses in Real Estate Finance, Investment Analysis, Federal Taxation, Feasibility Study resulting in conferment of the Institute's designation of CERTIFIED COMMERCIAL INVESTMENT MEMBER (C.C.I.M.). Served as national spokesperson for the CCIM designation. Mr. Kaufman has addressed seven State of Illinois and six National Realtor's Conventions on the subjects of marketing C/I properties and selling real estate at auction and through negotiated sales.

#### PROFESSIONAL ORGANIZATIONS AND AFFILIATIONS:

Member - National Association of Realtors

Licensed Real Estate Broker - States of Illinois and Indiana

Member - Realtors National Marketing Institute

Member – Northern Illinois Commercial Association of Realtors

Member - (In Perpetuity) Chicago Real Estate Council

Member - Illinois C.C.I.M. Chapter

Member - The Union League Club of Chicago and its Real Estate Group

Member - Editorial Committee of the Commercial Investment Real Estate Journal (Past Chairman and Member)

Former Counselor - Realtor's National Marketing Institute Commercial Investment Council

Member - Lambda Alpha [Honorary real estate society – Ely (Chicago) chapter]

#### Real Estate Experience:

Mr. Kaufman has brokered all types of real estate including Shopping Centers, Office Buildings, Apartment Buildings & Complexes, Hotel/Motel, Industrial and Special Purpose Properties nationwide.



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## **HALYARD PORTFOLIO SALE**

The property is net leased to Harland Clarke Corp. and the lease guarantor is Harland Clarke Holdings Corp whose parent company is M&F Worldwide Corp (NYSE: MFW). The construction of this 45,000 foot property was completed in 2003 and an expansion-addition built in 2007 increasing it to 65,250 rentable square foot single-story, steel frame office and warehouse building with pre-cast tilt-up paneling building on a 5.6 acre site.



Reinforced concrete foundation, footings and flooring with steel frame, pre-cast, tilt-up panels.

Roofing is ballasted, single-ply membrane over 2" insulation on metal deck with EPDM membrane system (10-year standard warranty on manufacturer's material and installation). 22 foot ceiling clear height in the warehouse space and 9 foot acoustical tile ceilings in the office space. Three 9'x10' overhead loading doors located at the southeast corner of the building.

It is in Ankeny, Iowa approximately 6 miles north of the Des Moines city limits in north central Polk County at the far southeastern portion of the city. The Property is located in the Metro North Business Park which is at the I-35/Oralabor Road interchange.

The Polk County Regional Airport is located within the Metro North I Business Park. Several commercial and private carriers as well as cargo and freight companies service the Des Moines International Airport (12 miles from the property).

While this property is net leased to only one tenant, we have broken out the rent roll to reflect the difference in rent etc... between the original space (45,000 sq. ft.) and the expansion space (20,250 sq. ft.).

While the Tenant has closed its operations in this facility resulting from consolidation due to merger, it is obligated and continues to pay rent through the full term of the Lease." Seller believes that it

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## Property Photos



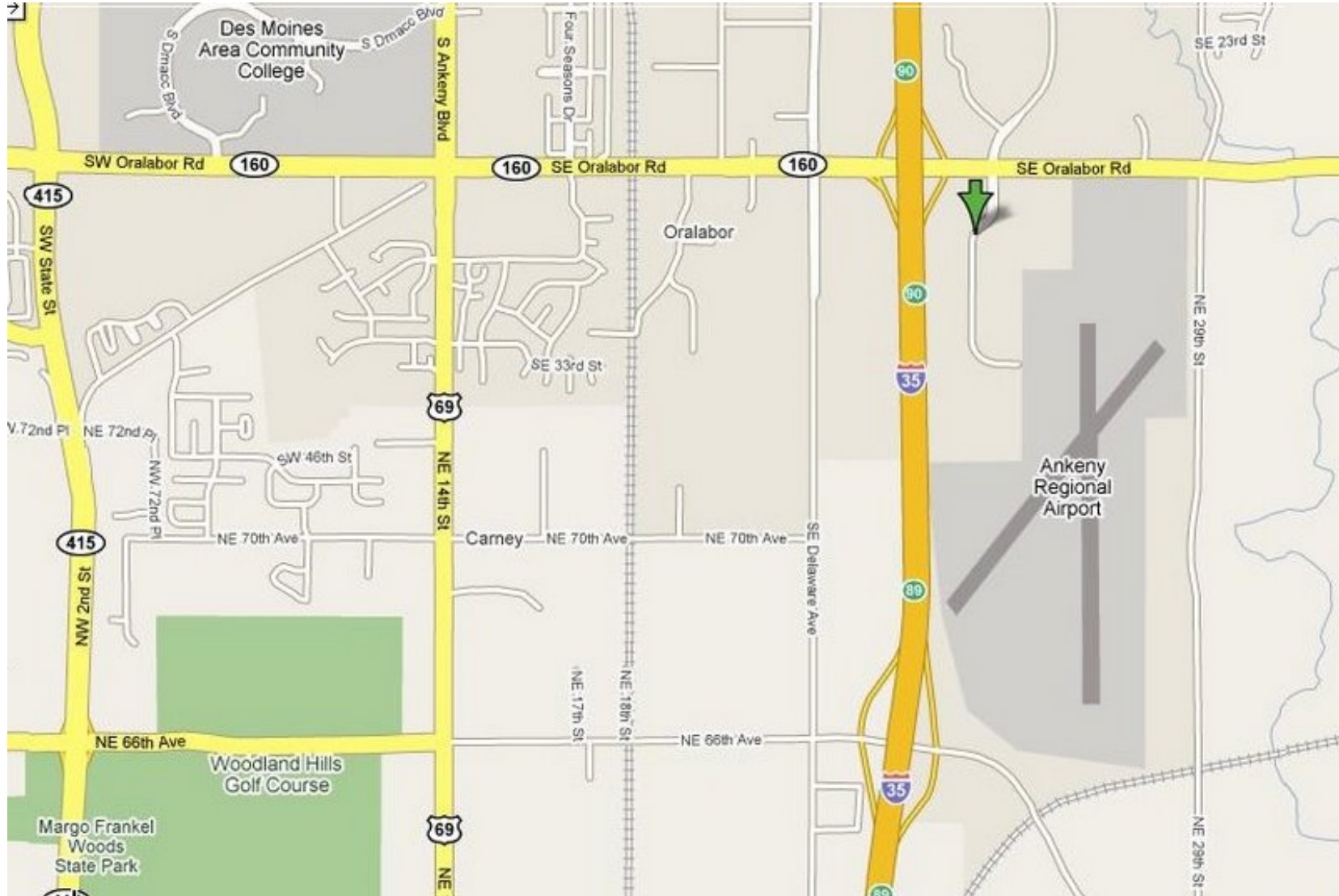
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## Cash Flow Analysis

Description	Year 1	Year 2	Year 3	Year 4	Year 5
<b>GROSS SCHEDULED INCOME</b>	\$715,172	\$715,172	\$715,172	\$715,172	\$800,992
<b>Total Operating Expenses</b>	\$0	\$0	\$0	\$0	\$0
<b>NET OPERATING INCOME</b>	\$715,172	\$715,172	\$715,172	\$715,172	\$800,992
<b>Loan Payment</b>	\$0	\$0	\$0	\$0	\$0
<b>NET CASH FLOW (b/t)</b>	\$715,172	\$715,172	\$715,172	\$715,172	\$800,992
<b>Cash On Cash Return b/t</b>	10.52%	10.52%	10.52%	10.52%	11.78%
<b>NET OPERATING INCOME</b>	\$715,172	\$715,172	\$715,172	\$715,172	\$800,992
<b>Depreciation</b>	(\$137,592)	(\$143,584)	(\$143,584)	(\$143,584)	(\$137,592)
<b>TAXABLE INCOME (LOSS)</b>	\$577,580	\$571,588	\$571,588	\$571,588	\$663,400
<b>Income Taxes</b>	(\$202,153)	(\$200,056)	(\$200,056)	(\$200,056)	(\$232,190)
<b>CASH FLOW (a/t)</b>	\$513,019	\$515,116	\$515,116	\$515,116	\$568,802
<b>Cash On Cash Return a/t</b>	7.54%	7.58%	7.58%	7.58%	8.36%

Footnotes: b/t = before taxes;a/t = after taxes

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## Lease Information

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11/12/12

# Harland Clarke Building

3001 SE Convenience Blvd.  
Ankeny, IA

## Rent Roll

\*\*\*\*\* Monthly Rent \*\*\*\*\*

Tenant:	Harland Clarke Corp		thru 10/31/17
Base Rent - 45,000 sq. ft. building:		\$	43,275.00
Base Rent - 20,250 sq. ft expansion		\$	15,018.75
<b>TOTAL RENT</b>		\$	<b>58,293.75</b>

### Rent

Annual \$ PSF >	\$	10.72
Annual Rent \$	\$	699,525.00

### Notes:

- (1) Base Rent for 45,000 sq. ft. original building beg 01/01/13 is the greater of the existing rent (shown) and "Market Rent"
- (2) Rents are net of expenses which are paid by Tenant
- (3) Building is 65,250 sq. ft. and 100% leased to Tenant
- (4) Lease expiration date is 10/31/17
- (5) Renewal: Tenant shall have 2, five year options to extend the term at 95% of Fair Market Value; w 9 months notice

11/12/12



**SUMMARY OF LEASE TERMS: HARLAND CLARKE**

Tenant: Harland Clarke Corp, successor to Clarke-American Checks, Inc.

Gaurantor: Harland Clarke Holdings Corp, successor to Clarke American Corp.

**ORIGINAL LEASE:**

Date of Lease: 10/17/01

Clarke signed a 10.5 year lease for their 45,000 sq. ft. building.

The lease commenced on July 1, 2002.

Rent commenced on January 1, 2003 with a 10 year term.

Base Rent for the first 5 years @ \$10.30 psf 1/1/03-12/31/07 - \$38,625/mo

Base Rent for the 2nd 5 years@ \$11.54 psf 1/1/08-12/31/12 - \$43,275/mo

Amortization of Improvements (Section 16B of Lease)

The "Allowance" of \$20 psf = \$900,000 was spent; there is no separate rent payment for this as it is included in Base Rent.

The "Additional Allowance" of \$5 psf = \$225,000 was funded: Tenant pays monthly rent of \$2,670.79 in addition to Base Rent.

This is amortized over 120 months. 1/1/03 - 12/31/12.

Options:

1. Renewal: Tenant shall have 2, five year options to extend the term at 95% of Fair Market Value; w 9 months notice

2. Expansion. Tenant shall have a one time option to cause the premises to be expanded. This has been exercised by Tenant. See below in 1st and 2nd Amendments for the terms.

**FIRST AMENDMENT TO LEASE:**

Dated: 2/26/07

confirms Tenant's exercise of Expansion option

Expansion Space: 20,250 sq. ft.

Establishes Landlord's obligation for expansion space at \$1,092,541

**SECOND AMENDMENT TO LEASE:**

Dated: 1/3/08

Expansion Space Allowance (Landlord's obligation) modified to \$1,098,359

Original lease reset and new lease commences as of 11/1/07. Both for a 10 yr term. 11/1/07-10/31/17

Rent (as of 11/1/07):

Base Rent - Original Premises	11/1/07 - 12/31/07	\$ 38,625.00
	1/1/08 - 12/31/12	\$ 43,275.00
	1/1/13 - 10/31/17	@ 95% market, but no lower than existing
Amortization - Original Premises	11/1/07 - 12/31/12	\$ 2,670.79
Base Rent - Expansion	11/1/07 - 10/31/12	\$ 13,651.88
	11/1/12 - 10/31/17	\$ 15,018.75

Note: renewal options, as stated in Original Lease are still in effect.

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## Disclosures

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The subject property is being sold in so-called "As-Is, Where-Is" condition without warranty or guarantee of any kind except as may be otherwise expressly contained in an eventual real estate sale contract. While information has been obtained from sources deemed reliable, no responsibility or liability is assumed for errors, omissions and/or conclusions of any kind whatsoever. The lease rent roll and other information depicted herein are taken from the current leases and assumptions/projections made by preparer. These materials are not audited nor are they guaranteed. Purchaser should not and cannot rely on the within materials and must perform their own due diligence procedures in reviewing the documents, physically inspecting the property with its experts and verifying conditions of the economy, marketplace and geographical area before purchasing the property. In negotiating for the acquisition of the property, the seller and its agents may conclusively assume that the purchaser has consulted with its lawyer and accountants, in addition to its other experts to determine the suitability of the property in all of its aspects as an acquisition for said purchaser.

All parties to real estate transactions should be aware of the health, liability and economic impact of environmental factors on real estate. Agent does not conduct investigations or analyses of environmental matters, and accordingly, urges its clients or customers to retain qualified environmental professionals to determine whether hazardous or toxic wastes or substances (such as asbestos, PCBs and other contaminants or petro-chemical products stored in underground tanks) or other undesirable materials or conditions are present in the Property, and if so, whether any health danger or other liability exists. Such substances may have been used in the construction or operation of, or may be present as a result of the previous activities at, a property. Depending upon past, current and proposed uses of the Property, it may be prudent to retain an environmental expert to conduct a site investigation or inspection. Various federal, state and local authorities have enacted laws and regulations dealing with the use, storage, handling, removal, transport and disposal of toxic or hazardous wastes and substances. If hazardous or toxic substances exist or are contemplated to be used at a property, special governmental approvals or permits may be required. In addition, the cost of removal and disposal of such materials may be substantial. Consequently, legal counsel and technical experts should be consulted where these substances are or may be present. Agent makes no representation and assumes no obligation regarding the presence or absence of toxic or hazardous waste or substances or other undesirable materials on or about any property ultimately sold. It is solely the responsibility of the potential buyer to conduct investigations to determine the presence of such materials. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Additional information regarding radon and radon testing may be obtained from your public health unit.



The Americans with Disabilities Act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real property may be required. State and local laws also may mandate changes. Agent is not qualified to advise as to what, if any, changes may be required now, or in the future. Prospective investors should consult their attorneys and qualified design professionals for information regarding these matters.

With respect to legal or tax issues pertaining to the acquisition and/or ownership of the Property, Agent is not qualified to provide advice on such matters. Prospective purchasers should consult with their own advisors on these and other related matters. The recipient of these materials shall not rely on any information contained herein with respect to these or any other matters. The Seller and the Agent make no representation or warranties on any such matters.

Property may be withdrawn from sale without notice, and seller reserves the rights to waive any formality of the sale process or reject any bid or offer for any reason or no reason.

A co-operating brokerage commission equal to 1% (one percent) of the final sale price is being offered by seller, through DK Realty Partners, LLC, to a broker who procures the buyer for the property provided 1) said buyer has not previously had the property submitted to them by DK Realty Partners, LLC, another would be co-operating broker nor seller, 2) now or in the future, the would be co-operating broker is not the buyer, he/she does not expect to own the property, nor own an interest in the property, 3) the sale has closed and seller has received the purchase price and DK Realty Partners, LLC/David M. Kaufman has received its commission for this transaction from the seller including that portion to be paid to the co-operating broker, 4) would be co-operating broker has registered its prospective buyer with DK Realty Partners, LLC in writing.

Realtor® David M. Kaufman, CCIM owns an equitable interest in the property and is seller's designated agent only. Mr. Kaufman will deal with prospects as customers only and is not and will not be any prospective purchaser's agent nor will he be a dual agent in the contemplated sale.