



NET LEASE ADVISOR

CALKAIN REALTY ADVISORS
CALKAIN INSTITUTIONAL ADVISORS

4th Quarter 2006

Your Source for Investment Real Estate™

Letter from the President

As Calkain enthusiastically approaches the second anniversary, since our inception in January 2005, I would like to make a couple observations. As one of the fastest growing companies in the net lease industry, we have accomplished much by putting our clients' needs first and helping them make informed decisions based on their financial goals and risk tolerance.



Successfully growing a valuable company provides many challenges along the way like perseverance, vision and strategy. As we head into our third year we have much to be proud of including the following accomplishments:

- *Opening four offices in less than two years; Virginia, New Hampshire, Florida and Maryland*
- *Expanding our scope of services by launching a second division, Calkain Institutional Advisors, in August 2005*

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Discussing Wealth With Your Children

By Karen Klein
Director of Family Wealth Services Merrill Lynch

America has one of the greatest educational systems across the globe to prepare children for the real world. But one very important thing children will not learn in school is healthy financial habits. How can you make sure your children and grandchildren get the right messages regarding responsible financial management? And how can you increase the chances that they will understand and act on them?



According to experts in educating children about family wealth, open and honest communication is essential, along with positive role modeling – starting with parents. The ways in which parents earn, save, invest, spend and donate money are critical to raising children with a healthy attitude and practices toward money.

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Talking to Young Children

Figuring out when to teach your children about wealth is not an exact science, and it depends on their maturity level. You should teach your children in stages, with rudimentary conversations about money beginning with children as early as age nine.



You can have simple, age-appropriate conversations about money when they are young and increase the length of the discussions and sophistication of the content as they mature. It is important for children to understand the family values around money early in their life and to develop a comfort level with talking about and managing money.

While many parents do not like to discuss family money, the subject can often be introduced simply and comfortably through a philanthropic activity. Talking with your children about how your family has enough

money to meet all of its needs, and therefore desires to use some of what is leftover to do good things for the world around them, is an excellent way to introduce the concept of philanthropy. Some experts recommend encouraging young children to cut articles out of the newspaper that discuss issues they care about. Then, during family meetings (which should be held at

least on a quarterly basis), children can discuss these causes and decide which are worth supporting.

When it comes to philanthropy, some families prepare children for the responsibilities of wealth by involving them in decisions about charitable contributions within the community. By becoming philanthropically active as young adults, the children learn how to make a difference in their communities while developing a social and intellectual network of their peers. Entrusting this important task to children at this time in their lives also sends a message of trust: “We

think you are responsible enough to steward this wealth for our family.”

For example, setting up a donor-advised fund with a local community foundation can involve the entire family with a specific cause and the financial responsibilities that accompany it. A donor-advised fund can enable a donor to make tax-deductible, irrevocable charitable contributions to a public charity while still advising on grant-making. Children can play ongoing roles in the administration of the fund and, more importantly, in the decision-making process behind the establishment of the fund.

Parents can use different techniques depending on the age of the child. Start with a piggy bank with three slots for saving, spending and donating. As the children age, provide a continuum of experiences, including an allowance, savings accounts, budgeting, stock market games, exposure to the financial press and credit cards. The goal is to raise financially savvy and responsible children with a healthy attitude toward money.

Teens and Financial Responsibility

One smart way of tackling the issue of wealth and responsibility with teens—a more challenging audience—is to discuss how the child’s college education will be financed. Many wealthy families follow one of two philosophies: either they plan to pay for all of their children’s college expenses, or they view paying for college as a shared responsibility.

Some families pay for the cost of a public university but require a child who attends a private university

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to bear some or all of the financial responsibility. Others might decide to pay for all of a child's undergraduate costs, but not graduate school. Whatever your approach, the key is to let your children know your plan early and to encourage them to begin earning and saving if you intend for them to contribute.

Some experts believe that encouraging children to make a contribution to their education can be an opportunity to transfer an appreciation for wealth and values at a deeper level. The idea is that by struggling and working for a goal, or even by experiencing some adversity, children can develop a level of responsibility that better equips them to deal with difficulties later in their lives.

Developing Financial Life Skills

It is also important to be open about how you are providing for your children in your will. When your children are in their late teens, informing them that they will be provided for should anything unexpected occur is another opportunity to set the stage for each child beginning to manage his or her own money. One approach is to provide access to trust funds on a staggered basis, with portions available at ages 30, 35 and 40.

If parents plan to transfer considerable wealth to their children, it is critically important that financial education start early and emphasize the skills required to be good stewards of the family wealth. Financial skills are not innate, and children must be prepared to manage, preserve and build the family wealth. If parents plan to give away most of their wealth to their philanthropic concerns, that

decision should be communicated to the children early on. Children may have made assumptions about the wealth transfer that are not valid, and may make life decisions based on those faulty assumptions. The bottom line is that by the time the children are in their 20s, they should have a basic understanding of their inheritance. This understanding is developed over years with good communication and education that includes financial and life skills.

To help refine these skills, you may consider including your advisors in family planning sessions—for example, during part of your family



meeting. It is important for your children to understand your advisors' roles and elicit information from them to further your children's financial education. Your advisors can also help develop skills within your family that form the foundation of solid financial values and support managing, building and preserving wealth across generations.

Including Children in Decision-Making

Estate-planning decisions should not be made in a vacuum, and there is value in including children in inheritance discussions. Increasingly, families are asking their adult children for advice on how much money they think they need, when they want it, how they want it and for what purposes.

What you do not want is for your children to be ill-prepared to steward their inheritance by managing the money irresponsibly or being unaware that the assets exist. There are many cases in which parents live very frugally and do not share information about their wealth, causing their adult children to worry needlessly about their parents' financial well-being. In the end, open communication about money and wealth can pay enormous dividends.

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More information?

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New York, New York!

Calkain will be visiting the Big Apple in December to attend both the International Council of Shopping Centers (ICSC) National Conference from December 4-6 and the Commercial Property News (CPN) Net Lease Summit on December 7. We would like to extend an invitation to you to schedule a meeting with a member of our organization during these events.



ICSC National Conference
& Deal Making

December 4-6, 2006

The Hilton New York & Towers
New York, NY

To schedule a meeting, please contact:

David Sobelman
(813) 639-7626
dsobelman@calkain.com

www.icsc.org

CPN Net Lease
CONFERENCES **SUMMIT**

December 7, 2006

Mariott Marquis
New York, NY

To schedule a meeting, please contact:

Jonathan Hipp
(703) 787-4714
jhipp@calkain.com

www.commercialpropertynews.com

Inside Calkain



Missy Pinsonneault joined Calkain Institutional Advisors in August 2006. She is the Administrative Assistant in the Nashua, NH office. Missy was previously enlisted in the United States Navy for six years as a Journalist. Her background consists of public relations, communications, editorial, layout and design, publishing, and customer service.



Jane Krupacs joined the Company as Financial Manager in May 2006. She is located in the headquarters office in Reston, VA. Jane brings a wealth of experience from various areas such as education and medical research to business. She looks forward to a successful career with Calkain.

...Letter from the President from Page 1

- Closing our first institutional sale, an 11-store Havertys portfolio, for \$50+ million to a NYSE REIT in April 2006
- Consistently housing a property inventory which exceeds \$300 million
- Tremendous media support and exposure in garnering our firm national attention

I have also recruited a strong core team of dedicated professionals which have been integral in executing and directing strategy. Their belief in the stated mission and clearly articulated long range vision has continued to enhance our organizational outlook.

As I look forward to 2007, I am encouraged and excited to see that business momentum remains strong. Net lease properties continue to change hands at a fast pace, albeit somewhat more calculated than in the previous twelve months. As a market leader, we have positioned our company to capitalize on any changes in industry trends and use those changes to enhance our company and clients. With that, we have been able to build a powerful brand and ever expanding platform with many new and exciting things to be announced in 2007.

Finally, I would like to thank our dedicated and talented employees, who have each made a significant contribution in advancing the Calkain image. Calkain has some of the best talent and client relationships in the industry, thus allowing us to strive for and achieve significant milestones.

-Jonathan W. Hipp, President

Calkain Headquarters
in Reston, VA



Who's Who in Net Lease Tenants

Burger King/Goldco Incorporated



Goldco, Inc. was established in 1980 in Dothan, Alabama, by Bryan and Helen Applefield. Since the opening of the first Burger King Restaurant in 1980, Goldco has grown to 55 restaurants, located in Alabama, Florida and Georgia. There are currently over 1,500 employees in the

Goldco organization.

Growth for Goldco has been by acquisition of Burger King Corporate restaurants, other Burger King franchises, competitor restaurants, and the construction of new restaurants. Rapid growth took place in 1999 with the conversion of six Hardee's Restaurants in north Florida and the acquisition of six Burger King Corporate restaurants in Tallahassee, Florida. Six more corporate restaurants were purchased in 2002 in the area of Tallahassee, Florida, and southwest Georgia. Growth for Goldco will continue with plans for five new restaurants to be built over the next eighteen months and the potential acquisition of additional restaurants.

The leadership team at Goldco averages 20+ years in the Burger King Restaurant concept. Many of the employees have been with Goldco for ten, fifteen and twenty years.

With 11,109 restaurants in 65 countries, Burger King is the world's second-largest fast food hamburger chain. Of the 11,109 locations, 1,227 are company-owned restaurants and 9,882 are franchised location. Therefore, almost 90% of all Burger King locations are owned and operated by franchisees.



Burger King Portfolio

20 Locations in Alabama & Florida
(Individual or Portfolio purchases available)



TENANT Goldco, Inc. (Burger King Franchisee)

LEASE TERM 20 years

LEASE COMMENCEMENT August 2006

INCREASES 7.5% every 5 years

OPTIONS 4-5 year

LANDLORD RESPONSIBILITIES None (Absolute NNN)



Goldco, Inc. was established in 1980 in Dothan, Alabama. Since the opening of its first BURGER KING® restaurant in 1980, Goldco has grown to 55 restaurants, located in Alabama, Florida and Georgia. There are currently over 1,500 employees in the Goldco organization. Goldco, Inc., the lease guarantor, has over 25 years experience with the BURGER KING® concept and has a proven track record of excellent store sales coupled with long term operational standards that have resulted in Goldco becoming one of the largest franchisees in the country. The leadership team at Goldco averages 25+ years in the BURGER KING® restaurant business. Many of the employees have been with Goldco for more than 20 years.

BURGER KING® is the second largest hamburger chain in the world and originated in Florida over 50 years ago. Approximately 90 percent of BURGER KING® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades. Today the BURGER KING® system operates more than 11,100 restaurants in all 50 states and in more than 65 countries and U.S. territories worldwide.

Location	Building Size	Lot Size	NOI	Price	Cap Rate
Dothan, AL	2,763 sf	37,462 sf	\$108,805	\$1,600,074	6.80%
Dothan, AL	2,653 sf	43,560 sf	\$95,986	\$1,411,554	6.80%
Dothan, AL	2,654 sf	48,352 sf	\$81,682	\$1,201,206	6.80%
Dothan, AL	3,590 sf	37,897 sf	\$108,806	\$1,600,088	6.80%
Troy, AL	2,763 sf	41,382 sf	\$111,805	\$1,644,191	6.80%
Apalachicola, FL	3,278 sf	53,143 sf	\$65,966	\$977,274	6.75%
Blountstown, FL	3,278 sf	64,904 sf	\$77,094	\$1,142,133	6.75%
Century, FL	3,120 sf	55,757 sf	\$86,645	\$1,302,932	6.65%
Chipley, FL (BK/Exxon) ¹	6,930 sf	124,146 sf	\$123,729	\$1,860,586	6.65%
Crestview, FL	3,527 sf	40,511 sf	\$114,036	\$1,714,827	6.65%
Ft Walton Beach, FL	3,527 sf	50,094 sf	\$116,319	\$1,749,158	6.65%
Lynn Haven, FL	3,278 sf	21,780 sf	\$83,705	\$1,258,722	6.65%
Marianna, FL	2,654 sf	63,162 sf	\$65,736	\$988,511	6.65%
Marianna, FL	3,590 sf	47,916 sf	\$85,562	\$1,286,647	6.65%
Panama City, FL	2,763 sf	30,056 sf	\$78,504	\$1,198,534	6.55%
Panama City, FL	2,575 sf	42,253 sf	\$126,148	\$1,925,924	6.55%
Panama City, FL	3,590 sf	43,562 sf	\$147,779	\$2,256,168	6.55%
Port St. Joe, FL	3,278 sf	36,155 sf	\$73,953	\$1,120,500	6.60%
Shalimar, FL	3,278 sf	40,511 sf	\$56,745	\$853,308	6.65%
Tallahassee, FL	2,530 sf	64,033 sf	\$81,846	\$1,249,557	6.55%
			\$1,890,850	\$28,341,891	

1. Store is located directly off I-10 and is adjacent to an Exxon Station.

Advance Auto Portfolio

13 Locations in Ohio, Indiana,
Texas, Missouri & Maine
(Individual or Portfolio purchases available)



TENANT Advance Auto

LEASE TERM various

LEASE COMMENCEMENT various

INCREASES 10% in year 11 for all except Ellsworth, ME which is Flat

OPTIONS 3-5 year

LANDLORD RESPONSIBILITIES NN



Headquartered in Roanoke, Virginia, Advance Auto Parts is the second-largest retailer of automotive parts, accessories, batteries and maintenance items in the United States based on sales and store count. As of September 14, 2006, the company will operate 3,000 stores in 40 states, Puerto Rico and the Virgin Islands. The company serves both the do-it-yourself and professional installer markets. Since 1995, Advance has added over 2,000 stores to its operations through new store openings and strategic acquisitions. For a perspective of Advance's significant and rapid growth, the company opened its first store in 1932, its 1,000th in 1998, its 2,000th store in 2001, and its 2,500th store in 2003. Sales have grown at a 21.6% compound annual growth rate from \$603 million in 1995 to \$4.3 billion in 2005.

- S&P Rated BB+positive.

Location	Building Size	NOI	Price	Cap Rate
Springfield, OH	7,000 sf	\$144,931	\$2,070,442	7.00%
Centerville, OH	7,000 sf	\$131,412	\$1,877,314	7.00%
Fort Wayne, IN	7,000 sf	\$106,848	\$1,526,400	7.00%
Scottsburg, IN	7,000 sf	\$96,008	\$1,317,543	7.00%
Bloomington, IN	7,000 sf	\$129,705	\$1,852,929	7.00%
Channelview, TX	7,000 sf	\$134,842	\$1,926,314	7.00%
New Boston, OH	7,000 sf	\$114,501	\$1,635,728	7.00%
Jackson, OH	7,000 sf	\$102,099	\$1,458,557	7.00%
Hamilton, OH	7,000 sf	\$128,418	\$1,834,542	7.00%
Lawrence, IN	7,000 sf	\$134,105	\$1,915,785	7.00%
Maryland Heights, MO	7,000 sf	\$142,940	\$2,042,000	7.00%
Ellsworth, ME	7,000 sf	\$117,154	\$1,673,675	7.00%
Biddeford, ME	7,000 sf	\$125,473	\$1,792,500	7.00%
			\$1,608,436	\$22,923,729



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