

RECORDED AT THE REQUEST OF
AND AFTER RECORDING RETURN TO:

Randal A. Johnson
Ater Wynne LLP
222 SW Columbia, Suite 1800
Portland, OR 97201



200605230008

Skagit County Auditor

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GRANTOR: BARBER DEVELOPMENT ANACORTES, LLC

GRANTEE: JACK IN THE BOX INC.

LEGAL DESCRIPTION: Lots 4 through 7, Block 10, and Lots 16 and 17, Block 10,
(abbreviated) "PLAT OF HENSLER'S FIRST ADDITION TO THE
CITY OF ANACORTES, SKAGIT CO., WASH."

ADDITIONAL LEGAL: See attached Exhibit A

ASSESSOR'S PROPERTY TAX PARCEL NUMBER: P57372 and P57376

FIRST AMERICAN TITLE CO.
86911

**MEMORANDUM OF LEASE
AND RIGHT OF FIRST REFUSAL TO LEASE**

This Memorandum is made as of this 9TH day of ^{MAY} ~~April~~, 2006, between BARBER DEVELOPMENT ANACORTES, LLC, a Washington limited liability company ("Landlord"), and JACK IN THE BOX INC., a Delaware corporation, having an office for business at 9330 Balboa Avenue, San Diego, California 92123 ("Tenant").

In consideration of One Dollar (\$1.00) and other valuable consideration paid by Tenant to Landlord and the mutual covenants contained in that certain Lease Agreement dated November 11, 2005, as amended by the First Amendment thereto (the "Lease"), Landlord has leased to Tenant, and Tenant has leased from Landlord, upon the terms and conditions set forth in the Lease, the real property located in the City of Anacortes, Skagit County, Washington, more particularly described in Exhibit A attached hereto and made a part hereof (the "Premises").

The term of the Lease is twenty (20) years commencing no later than July 12, 2006, with four (4) options of Tenant to extend the same for four (4) additional terms of five (5) years each.

The Lease contains, among other things, (i) the Right of First Refusal of Tenant to lease the Premises at the expiration of the Lease term, and (ii) the exclusive right of Tenant to use the Premises and any adjacent property owned or controlled by Landlord for a restaurant with a

drive-through window that sells hamburgers and/or Mexican-style food, on the terms and conditions more particularly set forth in the Lease, to which reference is made.

This Memorandum may be executed in counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall constitute but one and the same document.

LANDLORD:

BARBER DEVELOPMENT ANACORTES, LLC,
a Washington limited liability company

By: [Signature]
Title: MANAGING MEMBER
Date: 5/9/06

TENANT:

JACK IN THE BOX INC.,
a Delaware corporation

By: [Signature]
Title: Vice President
Date: MAY 15 2006

By: [Signature]
Title: Assistant Secretary
Date: MAY 15 2006

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAY 23 2006

By: [Signature]
Skagit Co. Treasurer
Deputy

State of Washington)
) ss.
County of SNOHOMISH)

On this 9TH day of MAY, 2006, before me personally appeared ANDY BARBER, to me known to be the MANAGER of BARBER DEVELOPMENT ANACORTES, LLC, a Washington limited liability company, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of said limited liability company.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]
Notary Public for Washington
My Commission expires: 2-22-07

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State of California)
)
County of San Diego)

On May 15, 2006, before me, Delard D. Barnes, Notary Public, personally appeared Michael J. Snider and Harold L. Sachs, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.


Notary Public



SEAL

OPTIONAL SECTION:

Capacity Claimed by Signer. Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

Individual
 Corporate Officer(s) Assistant Secretary and Vice President
Title(s)
 Partner(s) Limited General
 Trustee(s)
 Other

Signer is Representing: Jack in the Box Inc.
Name of Entity

Title or Type of Document: Memorandum of Lease, JIB 8373

Number of Pages: _____ Date of Document: _____



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EXHIBIT A
Legal Description of Property

The land situated in the State of Washington, County of Skagit, described as follows:

Parcel "A":

Lots 4, 5, 6 and 7, Block 10, "PLAT OF HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, SKAGIT CO., WASH.", as per plat recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington.

Parcel "B":

Lots 16 and 17, Block 10, "PLAT OF HENSLER'S FIRST ADDITION TO THE CITY OF ANACORTES, SKAGIT CO., WASH.", as per plat recorded in Volume 3 of Plats, page 46, records of Skagit County, Washington.



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