

RECORDATION NO. 26781 FILED

JAN 31 '07 -8 0 0 AM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

January 31, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Full Service Railcar Lease, dated as of June 1, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Babcock & Brown Rail Funding LLC
885 Second Avenue, 49th Floor
New York, NY 10017

Lessee: Excalibar Minerals LLC
15425 N. Freeway, Suite 370
Houston, TX 77090

Mr. Vernon A. Williams
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A description of the railroad equipment covered by the enclosed document
is:

10 covered hopper railcars: GBRX 65020 – GBRX 65029.

A short summary of the document to appear in the index is:

Memorandum of Full Service Railcar Lease.

Also enclosed is a check in the amount of \$34.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the
undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

JAN 31 '07 -8 0 C AM

MEMORANDUM OF FULL SERVICE RAILCAR LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF FULL SERVICE RAILCAR LEASE dated as of this 1st day of June, 2006, to that certain Master Full Service Railcar Lease effective as of June 1, 2006, and Schedule No. 01 thereto effective as of the same date, between BABCOCK & BROWN RAIL FUNDING LLC, a Delaware limited liability company (the "Lessor") and EXCALIBAR MINERALS LLC, a Texas corporation (the "Lessee" and together with the Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and Lessee have entered into that certain Master Full Service Railcar Lease effective June 1, 2006 and Schedule No. 01 thereto effective as of the same date (hereinafter as the same may from time to time be amended, modified or supplemented, the "Agreement"), covering the equipment listed on Exhibit A hereto (the "Cars");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Agreement, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Full Service Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Full Service Railcar Lease to be executed by a duly authorized officer as of the day and year first above written.

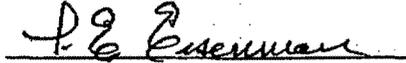
BABCOCK & BROWN RAIL FUNDING LLC, as Lessor

By: 

Name: Ross Sullivan

Title: Vice President

EXCALIBAR MINERALS LLC. as Lessee

By: 

Name: T.E. EISENMAN

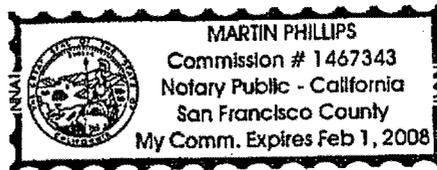
Title: PRESIDENT

STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN FRANCISCO)

On June 19, 2006, before me, MARTIN PHILLIPS, Notary Public, personally appeared Ross Sullivan, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Martin Phillips



STATE OF TEXAS)
) SS:
COUNTY OF HARRIS)

On June 22, 2006, before me, J. McMillon, Notary Public, personally appeared T.E. EISENMAN, personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

J. McMillon

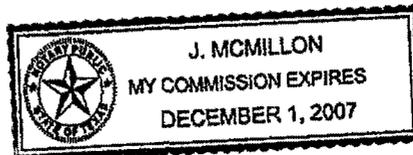


EXHIBIT A

MEMORANDUM OF FULL SERVICE RAILCAR LEASE

<u>Quantity</u>	<u>Car Description</u>	<u>Reporting Marks and Numbers</u>
Ten (10)	3230 CF Pressure Differential Covered Hoppers, 286,000 GRL, AAR Car Type Code C612, built in 2006 by Trinity North American Freight Car, Inc.	GBRX 65020-65029, inclusive.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 1/30/07



Robert W. Alvord