

NOV 10 '05 2-49 PM
SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

November 10, 2005

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 Net Railcar Lease, dated as of October 26, 2005, 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
New York, New York 10017

Lessee: Entergy Arkansas, Inc.
10055 Grogans Mill Road
Suite 300
The Woodlands, TX 77380

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

135 railcars: ETRX 853001 – ETRX 853135

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

Memorandum of Net Railcar Lease.

Also enclosed is a check in the amount of \$33.00 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/anm
Enclosures

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MEMORANDUM OF NET RAILCAR LEASE SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF NET RAILCAR LEASE dated as of this 26th day of October, 2005, to that certain Master Net Railcar Lease effective as of July 1, 2005, and Schedule No. 01 thereto effective as of October 26, 2005, between BABCOCK & BROWN RAIL FUNDING LLC, a Delaware limited liability company (the "Lessor") and ENTERGY ARKANSAS, INC., an Arkansas corporation, and its permitted successors and assigns (the "Lessee" and together with the Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Parties have entered into that certain Master Net Railcar Lease and that certain Schedule No. 01 thereto effective as of October 26, 2005 (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.

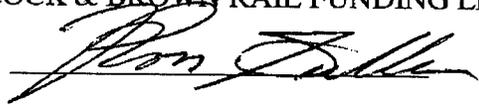
This Memorandum of Net Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Net 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:

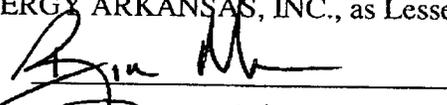


Name: Ross Sullivan

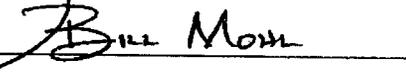
Title: Vice President

ENTERGY ARKANSAS, INC., as Lessee

By:



Name:



Title: V.P. COMMERCIAL OPERATIONS

STATE OF CALIFORNIA)

) SS:

COUNTY OF SAN FRANCISCO)

On this 26th day of October, 2005 before me personally appears Ross Sullivan, to me personally known, who by me duly sworn, says that he is the Vice President of Babcock & Brown Rail Funding LLC (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Officers, and he acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Heidi Wagner

Notary Public

[SEAL]

My Commission expires: June 4, 2006

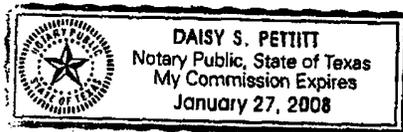
STATE OF Texas)

) SS:

COUNTY OF Montgomery)

On this 28 day of October, 2005 before me personally appears Bill Moll, to me personally known, who by me duly sworn, says that he/she is the V.P. Commercial Operations of Entergy Arkansas, Inc. (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its [Board of Directors], and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Daisy S. Pettitt

Notary Public

[SEAL]

My Commission expires: January, 27, 2008

EXHIBIT A TO MEMORANDUM OF NET RAILCAR LEASE

<u>Quantity</u>	<u>Car Description</u>	<u>Reporting Marks and Numbers</u>
135	4520 CF Aluminum body rotary dump BethGon II coalporter railcars, AAR car type code J311, built in 2005 by FreightCar America, Inc. (f/k/a Johnstown America Corporation).	ETRX 853001-853135, 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: 11/10/05



Robert W. Alvord