

INDUCEMENT RESOLUTION
(ALSTOM Transportation Inc. 2008-09 Capital Improvement Project)

A meeting of the City of Hornell Industrial Development Agency was convened on Thursday, April 24, 2008.

The following resolution was duly offered and seconded, to wit:

Resolution No. 2008 - _____

RESOLUTION AUTHORIZING THE CITY OF HORNELL INDUSTRIAL DEVELOPMENT AGENCY TO (i) APPOINT ALSTOM TRANSPORTATION INC. (THE "COMPANY") AS ITS AGENT FOR THE PURPOSE OF UNDERTAKING A CERTAIN PROJECT AS MORE FULLY SET FORTH BELOW; (ii) PROVIDE THE COMPANY WITH A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE PROJECT; (iii) HOLD A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iv) EXECUTE AN AGENT AGREEMENT, BILL OF SALE AND RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 670 of the Laws of 1974 of the State of New York, as amended (hereinafter collectively called the "Act"), the **CITY OF HORNELL INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **ALSTOM TRANSPORTATION INC.** (the "Company") has submitted an application to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of the acquisition and installation by the Company, as agent of the Agency, of certain machinery, equipment and other items of tangible personal property (as more fully described on Exhibit A attached hereto the "Equipment") in furtherance of the Company's 2008-09 industrial process and information systems capital investment project at Plants 1, 2 and 3 of its rail car manufacturing operations facility located at One Transit Drive, Hornell, New York (the "Facility"); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project and (ii) provide financial assistance to the Company in the form of a sales and use tax exemption for purchases and rentals related to the Project (the "Financial Assistance"); and

WHEREAS, the Financial Assistance provided by the Agency to the Company under the Agent Agreement shall not exceed \$100,000 and, therefore, a public hearing is not required pursuant to the Act; and

WHEREAS, the Agency now desires to determine whether the undertaking of the Project and the providing of the contemplated financial assistance with respect to the same will be in conformance with Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (said law and regulations hereinafter collectively referred to as "SEQR").

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CITY OF HORNEILL INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of undertaking the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in the City of Hornell and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(F) The Project involves a Type II action as said term is defined in SEQR, and therefore no further action is required by the Agency under SEQR.

Section 2. Subject to the Company executing the Agent Agreement attached hereto as Exhibit B and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the

Company to proceed with the undertaking of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to undertake the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Agent Agreement shall expire on **June 30, 2009** (unless extended for good cause by the Executive Director of the Agency).

Section 3. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute the Agent Agreement, a sales tax exemption letter (the "Sales Tax Exemption Letter"), a bill of sale (the "Bill of Sale") whereby the Agency at the completion of the installation period transfers to the Company title to the Equipment acquired during the installation period by the Company as agent of the Agency, and related documents.

Section 4. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 6. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Abstain</i>	<i>Absent</i>
Samuel Nasca	[X]	[]	[]	[]
George Prete	[X]	[]	[]	[]
Shawn Hogan	[X]	[]	[]	[]
William Hogan	[X]	[]	[]	[]
David Parmley	[X]	[]	[]	[]

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF STEUBEN) ss.:

I, the undersigned Secretary of the City of Hornell Industrial Development Agency, DO
HEREBY CERTIFY:

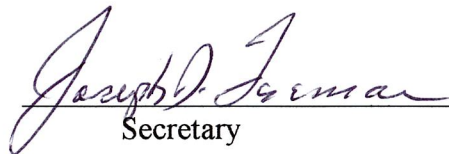
That I have compared the annexed extract of minutes of the meeting of the City of
Hornell Industrial Development Agency (the "Agency"), including the resolution contained
therein, held on April 24, 2008, with the original thereof on file in my office, and that the same is
a true and correct copy of the proceedings of the Agency and of such resolution set forth therein
and of the whole of said original insofar as the same related to the subject matters therein
referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting,
that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public
Officers Law (Open Meetings Law), said meeting was open to the general public, and that public
notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present
throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force
and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said
Agency this 24TH day of April 2008.


Secretary

[SEAL]

EXHIBIT A

FORM OF BILL OF SALE

CITY OF HORNELL INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having an office for transaction of business located at 40 Main Street, Hornell, New York 14843 (the "Grantor"), for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the Grantor from **ALSTOM TRANSPORTATION INC.**, a New York corporation with offices at 1 Transit Drive, Hornell, New York 14843, (the "Grantee"), the receipt of which is hereby acknowledged by the Grantor, hereby sells, transfers and delivers unto the Grantee and its successors and assigns, all those materials, machinery, equipment, fixtures or furnishings which were acquired by the Grantee as agent for the Grantor pursuant to the Agent Agreement dated April 7, 2008, all as more fully described on Schedule 1 attached hereto (the "Equipment"), whether now owned or hereafter acquired, which Equipment is located or intended to be located at the Grantee's existing rail car manufacturing facilities at One Transit Drive, Hornell New York 14843.

TO HAVE AND TO HOLD the same unto the Grantee, and its successors and assigns, forever.

THE GRANTOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE EQUIPMENT OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE EQUIPMENT OR ANY PART THEREOF FOR THE GRANTEE'S PURPOSES OR NEEDS. THE GRANTEE SHALL ACCEPT TITLE TO THE EQUIPMENT "AS IS," WITHOUT RECOURSE OF ANY NATURE AGAINST THE GRANTOR FOR ANY CONDITION NOW OR HEREAFTER EXISTING. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OF DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE GRANTOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

IN WITNESS WHEREOF, the Grantor has caused this bill of sale to be executed in its name by the officer described below on the date indicated beneath the signature of such officer and dated as of the 29th day of May, 2008.

CITY OF HORNELL INDUSTRIAL
DEVELOPMENT AGENCY

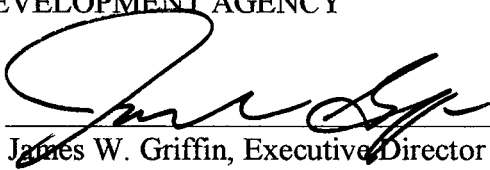
By: 
James W. Griffin, Executive Director

Exhibit B

FORM OF AGENT AGREEMENT