UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarter Ended June 30, 2005

Commission File Number 0-10436

L. B. Foster Company

(Exact name of Registrant as specified in its charter)

Pennsylvania	25-1324733
(State of Incorporation)	(I. R. S. Employer Identification No.)
415 Holiday Drive, Pittsburgh, Pennsylvania	15220
(Address of principal executive offices)	(Zip Code)

(412) 928-3417
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No o

Indicate by checkmark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes ☑ No o

Indicate the number of shares of each of the registrant's classes of common stock as of the latest practicable date.

Class	Outstanding at July 25, 2005
Common Stock, Par Value $.01	10,107,270 Shares

L.B. FOSTER COMPANY AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

L. B. FOSTER COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands)

	June 30, 2005 (Unaudited)	December 31, 2004
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 3,042	$ 280
Accounts and notes receivable:		
Trade	57,699	39,759
Other	897	170
	58,596	39,929
Inventories	68,386	42,014
Current deferred tax assets	1,289	1,289
Other current assets	996	786
Total Current Assets	132,309	84,298
Property, Plant & Equipment — At Cost	78,677	70,467
Less Accumulated Depreciation	(42,255)	(40,089)
	36,422	30,378
Other Assets:		
Goodwill	350	350
Other intangibles — net	353	430
Investments	15,192	14,697
Deferred tax assets	3,877	3,877
Other assets	195	65
Total Other Assets	19,967	19,419
TOTAL ASSETS	$188,698	$134,095
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 765	$ 477
Short-term borrowings	2,067	112
Accounts payable — trade	52,748	27,736
Accrued payroll and employee benefits	3,895	3,308
Current deferred tax liabilities	3,942	3,942
Other accrued liabilities	3,972	1,892
Total Current Liabilities	67,389	37,467
Long-Term Borrowings	36,016	14,000
Other Long-Term Debt	4,000	3,395
Deferred Tax Liabilities	2,898	2,898
Other Long-Term Liabilites	2,036	2,592
STOCKHOLDERS' EQUITY:		
Common stock	102	102
Paid-in capital	35,267	35,131
Retained earnings	42,105	39,879
Treasury stock	(400)	(654)
Accumulated other comprehensive loss	(715)	(715)
Total Stockholders' Equity	76,359	73,743
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$188,698	$134,095

See Notes to Condensed Consolidated Financial Statements.

L. B. FOSTER COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(Unaudited)		(Unaudited)	
Net Sales	$97,808	$76,827	$173,122	$142,279
Cost of Goods Sold	87,048	67,494	154,362	126,964
Gross Profit	10,760	9,333	18,760	15,315
Selling and Administrative Expenses	7,971	7,054	15,140	13,455
Interest Expense	573	469	997	932
Other Income	(227)	(350)	(727)	(1,044)
	8,317	7,173	15,410	13,343
Income Before Income Taxes	2,443	2,160	3,350	1,972
Income Tax Expense	845	865	1,124	790
Net Income	$ 1,598	$ 1,295	$ 2,226	$ 1,182
Basic Earnings Per Common Share	$ 0.16	$ 0.13	$ 0.22	$ 0.12
Diluted Earnings Per Common Share	$ 0.15	$ 0.13	$ 0.21	$ 0.12

See Notes to Condensed Consolidated Financial Statements.

L. B. FOSTER COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	Six Months Ended June 30, (Unaudited)	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 2,226	$ 1,182
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	2,476	2,595
Loss (gain) on sale of property, plant and equipment	27	(308)
Unrealized gain on derivative mark-to-market	(345)	(374)
Change in operating assets and liabilities:		
Accounts receivable	(18,667)	(11,615)
Inventories	(26,372)	(436)
Other current assets	(210)	(265)
Other noncurrent assets	(625)	(163)
Accounts payable — trade	25,012	3,909
Accrued payroll and employee benefits	587	362
Other current liabilities	2,425	580
Other liabilities	(556)	(1,285)
Net Cash Used by Operating Activities	(14,022)	(5,818)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plant and equipment	8	982
Capital expenditures on property, plant and equipment	(7,278)	(1,541)
Net Cash Used by Investing Activities	(7,270)	(559)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit agreement borrowings	21,904	4,000
Proceeds from other short-term borrowings	2,067	—
Exercise of stock options and stock awards	390	1,331
Repayments of long-term debt	(307)	(365)
Net Cash Provided by Financing Activities	24,054	4,966
Net Increase (Decrease) in Cash and Cash Equivalents	2,762	(1,411)
Cash and Cash Equivalents at Beginning of Period	280	4,134
Cash and Cash Equivalents at End of Period	$ 3,042	$ 2,723
Supplemental Disclosure of Cash Flow Information:		
Interest Paid	$ 833	$ 827
Income Taxes Paid	$ 9	$ 173

During the first six months of 2005 the Company financed $1.2 million in capital expenditures through the execution of capital leases. There were no capital expenditures financed through the execution of capital leases during the first six months of 2004.

See Notes to Condensed Consolidated Financial Statements.

L. B. FOSTER COMPANY AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all estimates and adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. However, actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the year ended December 31, 2005. Amounts included in the balance sheet as of December 31, 2004 were derived from our audited balance sheet. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2004.

2. ACCOUNTING PRINCIPLES

In December 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123(R), "Share-Based Payment" (SFAS 123R). SFAS 123R replaces FASB Statement No. 123, "Accounting for Stock Based Compensation" (SFAS 123), supersedes APB 25, "Accounting for Stock Issued to Employees," and amends FASB Statement No. 95, "Statement of Cash Flows." Generally, the approach in SFAS 123R is similar to the approach described in SFAS 123. However, SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. Disclosure of the effect of expensing the fair value of equity compensation is currently required under existing literature. The statement also requires the tax benefit associated with these share based payments be classified as financing activities in the Statement of Cash Flows rather then operating activities as currently permitted. In April 2005, the Securities and Exchange Commission delayed the effective date of this statement until the beginning of the first annual reporting period that begins after June 15, 2005. The Company will begin recording compensation expense utilizing modified prospective application in its 2006 first quarter financial statements. Adoption of this standard is not expected to have a material effect on its financial position or results of operations.

On October 22, 2004, President Bush signed the American Jobs Creation Act of 2004 (the Act). The Act provides a deduction for income from qualified domestic production activities, which will be phased in from 2005 through 2010. When fully phased-in, this deduction will be equal to 9 percent of the lesser of (a) "Qualified Production Activities Income" (QPAI), as defined in the act, or (b) taxable income (after utilization of any net operating loss carryforwards. In all cases, the deduction is limited to 50 percent of W-2 wages of the taxpayer. In return, the Act also provides for a two-year phase-out (except for certain pre-existing binding contracts) of the existing Extraterritorial Income Exclusion (ETI) benefit for foreign sales that the World Trade Organization (WTO) ruled was an illegal export subsidy.

On December 1, 2004, FASB Staff Position (FSP) No. FAS109-1, "Application of FASB Statement 109, Accounting for Income Taxes, to the Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004", was issued. FSP No. 109-1 clarifies that this tax deduction should be accounted for as a special deduction in accordance with SFAS No. 109, "Accounting for Income Taxes". As such the special deduction has no effect on deferred tax assets and liabilities existing at the date of enactment. Rather, the impact of this deduction will be reported in the period in which the deduction is claimed on our tax return beginning in 2005. The Company has assessed the impact of this deduction and for 2005, anticipates a de minimis benefit due to the anticipated utilization of net operating loss carryforwards.

3. ACCOUNTS RECEIVABLE

Credit is extended on an evaluation of the customer's financial condition and, generally, collateral is not required. Credit terms are consistent with industry standards and practices. Trade accounts receivable at June 30, 2005 and December 31, 2004 have been reduced by an allowance for doubtful accounts of ($1,135,000) and ($1,019,000), respectively. Bad debt expense was $117,000 and $133,000 for the six-month periods ended June 30, 2005 and 2004, respectively.

4. INVENTORIES

Inventories of the Company at June 30, 2005 and December 31, 2004 are summarized as follows in thousands:

	June 30, 2005	December 31, 2004
Finished goods	$55,056	$27,929
Work-in-process	7,397	8,452
Raw materials	12,825	11,751
Total inventories at current costs	75,278	48,132
(Less):		
LIFO reserve	(5,302)	(4,702)
Inventory valuation reserve	(1,590)	(1,416)
	$68,386	$42,014

Inventories of the Company are generally valued at the lower of last-in, first-out (LIFO) cost or market. Other inventories of the Company are valued at average cost or market, whichever is lower. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management's estimates of expected year-end levels and costs.

5. PROPERTY HELD FOR RESALE

In August 2003, the Company reached an agreement to sell, modify, and install the Company's former Newport, KY pipe coating machinery and equipment and reclassified these assets as "held for resale". During the first quarter of 2004, the Company recognized a $493,000 gain on net proceeds of $939,000 from the sale of these assets.

6. RETIREMENT PLANS

Substantially all of the Company's hourly paid employees are covered by one of the Company's noncontributory, defined benefit plans and a defined contribution plan. Substantially all of the Company's salaried employees are covered by a defined contribution plan established by the Company.

The Company's funding policy for defined benefit plans is to contribute the minimum required by the Employee Retirement Income Security Act of 1974. Net periodic pension costs for the three months and six months ended June 30, 2005 and 2004 are as follows:

(in thousands)	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Service cost	$ 14	$ 14	$ 29	$ 28
Interest cost	53	51	105	102
Expected return on plan assets	(52)	(44)	(103)	(88)
Amortization of prior service cost	2	2	4	4
Amortization of net loss	14	13	27	26
Net periodic benefit cost	$ 31	$ 36	$ 62	$ 72

The Company expects to contribute $299,000 to its defined benefit plans in 2005. As of June 30, 2005, $84,500 of contributions have been made.

The Company's defined contribution plan, available to substantially all salaried employees, contains a matched savings provision that permits both pretax and after-tax employee contributions. Participants can contribute up to 41% of their annual compensation and receive a matching employer contribution up to 3% of their annual compensation.

Further, the plan requires an additional matching employer contribution, based on the ratio of the Company's pretax income to equity, up to 3% of the employee's annual compensation. Additionally, the Company contributes 1% of all salaried employees' annual compensation to the plan without regard for employee contribution. The Company may also make discretionary contributions to the plan. The expense associated with the defined contribution plans for the six months ended June 30 was $512,000 in 2005 and $432,000 in 2004.

7. BORROWINGS

In May 2005, the Company and certain of its subsidiaries entered into an amended and restated credit agreement with a consortium of commercial banks. The new credit agreement provides for a $60,000,000 five year revolving credit facility expiring in May 2010. Borrowings under the agreement are secured by substantially all the inventory and trade receivables owned by the Company, and are limited to 85% of eligible receivables and 60% of eligible inventory.

Borrowings under the amended credit agreement will bear interest at interest rates based upon either the base rate or LIBOR plus or minus applicable margins. The base rate is the greater of (a) PNC Bank's base commercial lending rate or (b) the Federal Funds Rate plus .50%. The base rate spread ranges from a negative 1.00% to a positive 0.50%, and the LIBOR spread ranges from 1.50% to 2.50%. The interest rates on the Company's initial borrowings were LIBOR plus 1.50% and the base rate minus 1.00%. Under the amended credit agreement, the Company maintains dominion over its cash at all times, as long as excess availability stays over $5,000,000 and there is no uncured event of default.

The agreement includes financial covenants requiring, a minimum level for the fixed charge coverage ratio and a maximum amount of annual consolidated capital expenditures; however, expenditures for plant construction and refurbishment related to the Company's recent concrete tie supply agreement are excluded from these covenants. The agreement also includes a minimum net worth covenant and restricts certain investments, other indebtedness, and the sale of certain assets. As of June 30, 2005, the Company was in compliance with all of the agreement's covenants.

8. EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

(in thousands, except earnings per share)	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Numerator:				
Numerator for basic and diluted earnings per common share - net income available to common stockholders:	$ 1,598	$ 1,295	$ 2,226	$ 1,182
Denominator:				
Weighted average shares	10,085	9,945	10,076	9,876
Denominator for basic earnings per common share	10,085	9,945	10,076	9,876
Effect of dilutive securities:				
Employee stock options	324	309	326	326
Dilutive potential common shares	324	309	326	326
Denominator for diluted earnings per common share — adjusted weighted average shares and assumed conversions	10,409	10,254	10,402	10,202
Basic earnings per common share	$ 0.16	$ 0.13	$ 0.22	$ 0.12
Diluted earnings per common share	$ 0.15	$ 0.13	$ 0.21	$ 0.12

9. STOCK-BASED COMPENSATION

The Company has adopted the disclosure provisions of Statement of Financial Accounting Standard No. 123, “Accounting for Stock-Based Compensation” (SFAS 123) and applies the intrinsic value method of Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees” (APB 25) and related interpretations in accounting for its stock option plans. Accordingly, no compensation expense has been recognized. The Company will adopt SFAS 123R effective January 1, 2006.

The following table illustrates the effect on the Company’s income from continuing operations and earnings per share had compensation expense for the Company’s stock option plans been applied using the method required by SFAS 123.

(in thousands, except per share amounts)	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Net income from continuing operations, as reported	$1,598	$1,295	$2,226	$1,182
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	—	—	—	—
Deduct: Total stock-based employee compensation expense determined under fair value method for all awards, net of related tax effects	85	94	128	145
Pro forma income from continuing operations	$1,513	$1,201	$2,098	$1,037
Earnings per share from continuing operations:				
Basic, as reported	$ 0.16	$ 0.13	$ 0.22	$ 0.12
Basic, pro forma	$ 0.15	$ 0.12	$ 0.21	$ 0.11
Diluted, as reported	$ 0.15	$ 0.13	$ 0.21	$ 0.12
Diluted, pro forma	$ 0.15	$ 0.12	$ 0.20	$ 0.10

Pro forma information regarding net income and earnings per share for options granted has been determined as if the Company had accounted for its employee stock options under the fair value method of Statement No. 123. The fair value of stock options used to compute pro forma net income and earnings per share disclosures is the estimated present value at grant date using the Black-Scholes option-pricing model. There were no stock options granted in the first quarter of 2005 or 2004. The following weighted-average assumptions were used for grants in second quarter of 2005 and 2004, respectively: risk-free interest rates of 3.87% and 4.74%; dividend yield of 0.0% for both periods; volatility factors of the expected market price of the Company's Common stock of .25 and .28; and a weighted-average expected life of the option of ten years. The weighted-average fair value of the options granted in the second quarter 2005 and 2004 was $4.01 and $3.91, respectively.

10. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is subject to laws and regulations relating to the protection of the environment, and the Company's efforts to comply with environmental regulations may have an adverse effect on its future earnings. In the opinion of management, compliance with the present environmental protection laws will not have a material adverse effect on the financial condition, results of operations, cash flows, competitive position, or capital expenditures of the Company.

The Company is subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial condition or liquidity of the Company. The resolution, in any reporting period, of one or more of these matters, could have; however, a material effect on the Company's results of operations for that period.

In 2000, the Company's subsidiary sold concrete railroad crossing panels to a general contractor on a Texas transit project. Due to a variety of factors, including deficiencies in the owner's project specifications, certain panels have deteriorated and the owner either has replaced or is in the process of replacing these panels. The general contractor and the owner are currently engaged in dispute resolution procedures, which probably will continue through 2005. The general contractor has notified the Company that, depending on the outcome of these proceedings, it may file a suit against the Company's subsidiary. Although no assurances can be given, the Company believes that its subsidiary has meritorious defenses to such claims and that its subsidiary will vigorously defend against such a suit.

In the second quarter of 2004, a gas company filed a complaint against the Company in Allegheny County, PA, alleging that in 1989 the Company had applied epoxy coating on 25,000 feet of pipe and that, as a result of inadequate surface preparation of the pipe, the coating had blistered and deteriorated. The Company does not believe that the gas company's alleged problems are the Company's responsibility. Although no assurances can be given, the Company believes that it has meritorious defenses to such claims and will vigorously defend against such a suit.

Another gas supply company filed suit against the Company in August, 2004, in Erie County, NY alleging that pipe coating which the Company furnished in 1985 had deteriorated and that the gas supply company has incurred $1,000,000 in damages. In May 2005, the plaintiff voluntarily dismissed this claim.

At June 30, 2005 the Company had outstanding letters of credit of approximately $3,391,000.

11. BUSINESS SEGMENTS

The Company is organized and evaluated by product group, which is the basis for identifying reportable segments. The Company is engaged in the manufacture, fabrication and distribution of rail, construction and tubular products. The following tables illustrate revenues and profits of the Company by segment:

	Three Months Ended, June 30, 2005		Six Months Ended, June 30, 2005	
(in thousands)	Net Sales	Segment Profit	Net Sales	Segment Profit/(Loss)
Rail products	$47,263	$1,793	$ 85,521	$3,740
Construction products	44,451	602	77,582	(632)
Tubular products	6,094	742	10,019	921
Total	$97,808	$3,137	$173,122	$4,029

	Three Months Ended, June 30, 2004		Six Months Ended, June 30, 2004	
(in thousands)	Net Sales	Segment Profit	Net Sales	Segment Profit/(Loss)
Rail products	$39,099	$1,377	$ 74,686	$1,994
Construction products	32,421	157	59,196	(899)
Tubular products	5,307	756	8,397	759
Total	$76,827	$2,290	$142,279	$1,854

Segment profits, as shown above, include internal cost of capital charges for assets used in the segment at a rate of, generally, 1% per month. There has been no change in the measurement of segment profit from December 31, 2004.

The following table provides a reconciliation of reportable net profit (loss) to the Company's consolidated total:

(in thousands)	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Income for reportable segments	$ 3,137	$ 2,290	$ 4,029	$ 1,854
Cost of capital for reportable segments	3,148	2,682	5,808	5,080
Interest expense	(573)	(469)	(997)	(932)
Other income	227	350	727	1,044
Corporate expense and other unallocated charges	(3,496)	(2,693)	(6,217)	(5,074)
Income before income taxes	$ 2,443	$ 2,160	$ 3,350	$ 1,972

12. COMPREHENSIVE INCOME

Comprehensive income represents net income plus certain stockholders' equity changes not reflected in the Condensed Consolidated Statements of Operations. The components of comprehensive income, net of tax, were as follows:

(in thousands)	Three Months Ended June 30, 2005	Three Months Ended June 30, 2004	Six Months Ended June 30, 2005	Six Months Ended June 30, 2004
Net income	$1,598	$1,295	$2,226	$1,182
Unrealized derivative gains on cash flow hedges	—	16	—	28
Foreign currency translation gains	—	24	—	6
Comprehensive income	$1,598	$1,335	$2,226	$1,216

13. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Company does not purchase or hold any derivative financial instruments for trading purposes. The Company uses derivative financial instruments to manage interest rate exposure on variable-rate debt, primarily by using interest rate collars and variable interest rate swaps. The Company's primary source of variable-rate debt comes from its revolving credit agreement. In conjunction with the Company's debt refinancing in the third quarter of 2002, the Company discontinued cash flow hedge accounting treatment for the interest rate collars it had in place and applied mark-to-market accounting prospectively.

During 2005, the Company had one LIBOR-based interest rate collar agreement remaining. This agreement became effective in March 2001 and expires in March 2006, has a notional value of $15.0 million, a maximum annual interest rate of 5.60% and a minimum annual interest rate of 5.00%. The counterparty to the agreement had the option, which was exercised on March 6, 2005, to convert the collar to a one year, fixed-rate instrument with interest payable at an annual rate of 5.49%. The fair value of this instrument was a liability of $181,000 as of June 30, 2005 and is recorded in "Other accrued liabilities".

With the debt refinancing in 2002, the collar agreements were not deemed to be an effective hedge of the new credit facility in accordance with the provisions of SFAS 133. However, the Company retained these instruments as protection against interest rate risk associated with the new credit agreement and the Company records the mark-to-market adjustments on these instruments in its consolidated statements of operations. During the second quarter of 2005 and 2004, the Company recognized income of $76,000 and $416,000, respectively, to adjust these instruments to fair value. For the six months ended June 2005 and 2004, the Company recognized income of $225,000 and $374,000, respectively, to adjust these instruments to fair value.

The Company recognizes all derivative instruments on the balance sheet at fair value. Fluctuations in the fair values of derivative instruments designated as cash flow hedges are recorded in accumulated other comprehensive income, and reclassified into earnings as the underlying hedged items affect earnings. To

the extent that a change in interest rate derivative does not perfectly offset the change in value of the interest rate being hedged, the ineffective portion is recognized in earnings immediately.

The Company is not subject to significant exposures to changes in foreign currency exchange rates. The Company will, however, manage its exposure to changes in foreign currency exchange rates on firm sale and purchase commitments by entering into foreign currency forward contracts. The Company's risk management objective is to reduce its exposure to the effects of changes in exchange rates on these transactions over the duration of the transactions. During 2004, the Company entered into commitments to sell Canadian funds based on the anticipated receipt of Canadian funds from the sale of certain rail. During the fourth quarter of 2004, circumstances indicated that the timing of the anticipated receipt of Canadian funds were not expected to coincide with the sale commitments and the Company recorded a $0.2 million loss to record these commitments at market. During the second quarter and first six months of 2005, the Company recognized income of $16,000 and $120,000, respectively, to adjust these commitments to fair value. The fair value of the commitments was a liability of $82,000 as of June 30, 2005 and is recorded in "Other accrued liabilities".

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

General

L. B. Foster Company is a manufacturer, fabricator and distributor of products utilized in the transportation infrastructure, construction and utility markets. The Company is comprised of three business segments: Rail products, Construction products and Tubular products.

Recent Developments

Subsequent to the January 2005 completion of a concrete tie supply agreement between the Union Pacific Railroad and the Company, we commenced site development and construction of new manufacturing equipment for installation at our existing Grand Island, NE facility and a greenfield site in Tucson, AZ. At this time, the Grand Island facility (GI facility) is on schedule while the Tucson property has experienced a small delay due to permitting issues which we expect to have resolved soon. The total project is currently projected to be on budget. The GI facility stopped producing ties in early July to accommodate the approximate nine week installation of new equipment. After installation, we anticipate a certain amount of production testing and process refinement at this facility before we will be able to produce at close to maximum capacity; therefore, we expect sales and profits in the concrete tie business to be at lower than historical levels until late 2005. Once erected, we anticipate a similar start up process for the Tucson facility, which we expect to come on line during the first quarter of 2006. Since the new or improved facilities are expected to be completed later in 2005 and into the first quarter of 2006, the anticipated volume and productivity improvements will not begin to be realized until 2006.

Lease agreements to finance the significant capital expenditures were completed with two separate banks in July. We expect the project expenditures to range between $18 million and $20 million, with some of the spending for the Tucson facility occurring in early 2006.

Certain of our businesses, especially our Fabricated Products group, have been hampered with low volumes and margins due to the lack of successor legislation to TEA-21, which was a highway and transportation funding bill that expired in September 2003. Since its expiration, the President signed eleven extensions into law, the most recent of which expired on July 30, 2005. On July 29, 2005, Congress passed new legislation (TEA-3) authorizing $286 billion for United States transportation improvement spending. We are hopeful that this new legislation, when approved by the President, will have a positive impact on these businesses in 2006.

Critical Accounting Policies

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States. When more than one accounting principle, or method of its application, is generally accepted, management selects the principle or method that is appropriate in the Company's specific circumstances. Application of these accounting principles requires management to make estimates about the future resolution of existing uncertainties. As a result, actual results could differ from these estimates. In preparing these financial statements, management has made its best estimates and judgments of the amounts and disclosures included in the financial statements giving due regard to materiality. There have been no material changes in the Company's policies or estimates since December 31, 2004. For more information regarding the Company's critical accounting policies, please see the Management's Discussion & Analysis of Financial Condition and Results of Operations in Form 10-K for the year ended December 31, 2004.

New Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 123(R), "Share-Based Payment" (SFAS 123R), which is a revision of Statement of Financial Accounting Standard No. 123 and supersedes APB Opinion No. 25. SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be valued at fair value on the date of grant, and to be expensed over the applicable vesting period. Pro forma disclosure of the income statement effects of share-based payments is no longer an alternative. In addition, companies must also recognize compensation expense related to any awards that are not fully vested as of the effective date. Compensation expense for the unvested awards will be measured based on the fair value of the awards previously calculated in developing the pro forma disclosures in accordance with SFAS 123. SFAS 123R was originally effective for reporting periods that began after June 15, 2005. In April 2005, the SEC announced the adoption of a new rule allowing companies to implement SFAS 123R at the beginning of their next fiscal year that begins after June 15, 2005. The Company will begin recording compensation expense utilizing modified prospective application in its 2006 first quarter financial statements. Adoption of this standard is not expected to have a material effect on its financial position or results of operations.

On October 22, 2004, President Bush signed the American Jobs Creation Act of 2004 (the Act). The Act provides a deduction for income from qualified domestic production activities, which will be phased in from 2005 through 2010. When fully phased-in, this deduction will be equal to 9 percent of the lesser of (a) "Qualified Production Activities Income" (QPAI), as defined in the act, or (b) taxable income (after utilization of any net operating loss carryforwards. In all cases, the deduction is limited to 50 percent of W-2 wages of the taxpayer. In return, the Act also provides for a two-year phase-out (except for certain pre-existing binding contracts) of the existing Extraterritorial Income Exclusion (ETI) benefit for foreign sales that the World Trade Organization (WTO) ruled was an illegal export subsidy.

On December 1, 2004, FASB Staff Position (FSP) No. FAS109-1, "Application of FASB Statement 109, Accounting for Income Taxes, to the Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004", was issued. FSP No. 109-1 clarifies that this tax deduction should be accounted for as a special deduction in accordance with SFAS No. 109, "Accounting for Income Taxes". As such the special deduction has no effect on deferred tax assets and liabilities existing at the date of enactment. Rather, the impact of this deduction will be reported in the period in which the deduction is claimed on our tax return beginning in 2005. The Company has assessed the impact of this deduction and for 2005, anticipates a de minimis benefit due to the anticipated utilization of net operating loss carryforwards.

Results of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
	(Dollars in thousands)			
Net Sales:				
Rail Products	$47,263	$39,099	$ 85,521	$ 74,686
Construction Products	44,451	32,421	77,582	59,196
Tubular Products	6,094	5,307	10,019	8,397
Total Net Sales	$97,808	$76,827	$173,122	$142,279
Gross Profit:				
Rail Products	$ 5,159	$ 4,676	$ 10,052	$ 8,098
Construction Products	5,052	3,992	7,892	6,525
Tubular Products	1,224	1,205	1,855	1,640
Other	(675)	(540)	(1,039)	(948)
Total Gross Profit	10,760	9,333	18,760	15,315
Expenses:				
Selling and administrative expenses	7,971	7,054	15,140	13,455
Interest expense	573	469	997	932
Other income	(227)	(350)	(727)	(1,044)
Total Expenses	8,317	7,173	15,410	13,343
Income before Income Taxes	2,443	2,160	3,350	1,972
Income Tax Expense	845	865	1,124	790
Net Income	$ 1,598	$ 1,295	$ 2,226	$ 1,182
Gross Profit %:				
Rail Products	10.9%	12.0%	11.8%	10.8%
Construction Products	11.4%	12.3%	10.2%	11.0%
Tubular Products	20.1%	22.7%	18.5%	19.5%
Total Gross Profit	11.0%	12.1%	10.8%	10.8%

Second Quarter 2005 Results of Operations

Net income for the second quarter of 2005 was $1.6 million ($0.15 per diluted share) on net sales of $97.8 million. Net income for the second quarter of 2004 was $1.3 million ($0.13 per diluted share) on net sales of $76.8 million.

Net sales for the Company increased $21.0 million, or 27%, compared to the prior year second quarter. Rail segment's sales increased 20.9% primarily due to increases in sales of rail distribution products. Construction products' net sales increased 37.1% due mainly to increases in sheet piling sales, as the

Company has continued to increase its offering of new sections of sheet piling as they have become available by our primary piling supplier. Many of these sections have improved strength to weight ratios and enhance our competitive position in the marketplace. Tubular products' sales increased 14.8% in comparison to the second quarter of 2004. An increase in sales of coated pipe services more than offset a decline in threaded product sales.

The Company's gross profit margin decreased 1.1 percentage points to 11.0% compared to last year's second quarter. Rail products' profit margin declined 1.1 percentage points to 10.9% due to customer mix and costs related to satisfying the new concrete tie contract with the Union Pacific Railroad. The 0.9 percentage point decline in Construction products' margin was due primarily to lower margins in our fabricated products business, as certain projects nearing completion experienced significant steel cost increases that could not be passed on to our customers. Tubular products' gross profit margin decreased 2.6 percentage points due to a decline in threaded products' margins that resulted from rising product costs and increased competitive pressures. In addition, the Company recorded an additional $0.5 million LIFO charge in the second quarter.

Selling and administrative expenses increased 13.0% from the same prior year period due to increases in employee compensation and benefits, and professional services, including audit fees. Interest expense increased 22.2% from the prior year period due principally to increased borrowings and increased interest rates. The increase in borrowings is due primarily to working capital requirements related to increased volumes, as well as the Company's approach to stocking more sheet piling inventory, as it becomes available, to accommodate higher margin stock sales. Other income declined $0.1 million as a result of decreased income from a mark-to-market adjustment recorded by the Company related to its remaining interest rate collar. Income taxes in the second quarter were recorded at approximately 34.6% compared to 40.0% a year ago. The prior year rate reflects an increase in the valuation allowance provided against certain deferred assets.

First Six Months of 2005 Results of Operations

For the first six months of 2005, net income was $2.2 million ($0.21 per diluted share) on net sales of $173.1 million. Net income for the first six months of 2004 was $1.2 million ($0.12 per diluted share) on net sales of $142.3 million.

Net sales for 2005 increased 21.7% over the first half of 2004. Rail segment sales increased 14.5% due primarily to an increase in sales of rail distribution products. Construction products' sales increased 31.1% primarily as a result of an increase in sheet piling sales due to a more complete product offering and a healthy construction market. Tubular products' sales are up 19.3%. Our Coated Pipe division is now benefiting from new pipeline projects that were previously on hold because of high steel prices.

The Company's six month gross profit margin remained stable at 10.8%. Rail products' gross margin increased 1.0 percentage point primarily as a result of product mix and pricing increases for certain products. Construction products had a gross margin decline of 0.8 percentage points due primarily to low margins in our fabricated products business. Continued delays in the passing of a new federal highway and transit bill has negatively impacted competitive bidding opportunities in the marketplace and resulted in lower margins. Tubular products' gross margin declined 1.0 percentage point because of a decline in threaded products margin brought about by rising costs and increased competitive pressures.

Selling and administrative expenses rose 12.5% due to increases in employee compensation and benefits, and professional services, including audit fees. Interest expense rose 7.0% as a result of the previously-mentioned increase in borrowings and interest rates, offset in part by the April 2004 retirement of an interest rate collar agreement. Other income declined by $0.3 million as the prior year results included a $0.5 million gain from the sale of the Company's former Newport, KY pipe coating machinery and equipment which had been classified as "held for resale." Income taxes in the current year are recorded at approximately 33.6% compared to 40.1% in 2004. As previously mentioned, the prior year rate reflects an increase in the valuation allowance provided against certain deferred assets.

Liquidity and Capital Resources

The Company's capitalization is as follows:

Debt: *In millions*	June 30, 2005	December 31, 2004
Revolving Credit Facility	$ 36.0	$14.1
Capital Leases	2.0	1.1
Other Short-term Borrowings	2.1	—
Other (primarily revenue bonds)	2.7	2.8
Total Debt	42.8	18.0
Equity	76.4	73.7
Total Capitalization	$119.2	$91.7

Debt as a percentage of capitalization (debt plus equity) increased to 36% from 20% at year-end 2004, as a result of the aforementioned expansion efforts. Working capital was $64.9 million at June 30, 2005 compared to $46.8 million at December 31, 2004. Trade accounts receivable increased almost $18.0 million, principally due to increased sales volumes. Inventory increased $26.4 million to accommodate orders and the previously-mentioned increase in piling inventory.

The Company's liquidity needs arise from seasonal working capital requirements, capital expenditures, acquisitions and debt service obligations. The following table summarizes the impact of these items:

In millions	June 30, 2005	2004
Liquidity needs:		
Working capital and other assets and liabilities	($18.4)	($8.9)
Capital expenditures, net of asset sales	(7.3)	(0.5)
Scheduled debt service obligations — net	(0.3)	(0.4)
Cash interest	(0.8)	(0.8)
Net liquidity requirements	(26.8)	(10.6)
Liquidity sources:		
Internally generated cash flows before interest	5.2	3.9
Credit facility activity	21.9	4.0
Other borrowings activity	2.1	—
Equity transactions	0.4	1.3
Net liquidity sources	29.6	9.2
Net Change in Cash	$ 2.8	($1.4)

Capital expenditures were $7.3 million for the first six months of 2005 compared to $1.5 million for the same 2004 period. The Company anticipates its total capital spending in 2005 to range from $15.0 to $20.0 million, largely due to its commitment to fulfill its concrete tie agreement with the Union Pacific Railroad. A new facility will be built in Tucson, AZ and substantial improvements will be made to the Company's existing Grand Island, NE facility. These expenditures will be funded by cash flow from operations and available external financing sources.

The Company's Board of Directors has authorized the purchase of up to 1,500,000 shares of its Common stock at prevailing market prices. No purchases have been made since the first quarter of 2001. From August 1997 through March 2001, the Company had repurchased 973,398 shares at a cost of

approximately $5.0 million. The timing and extent of future purchases will depend on market conditions and options available to the Company for alternate uses of its resources.

In May 2005, the Company and certain of its subsidiaries entered into an amended and restated credit agreement with a consortium of commercial banks. The new credit agreement provides for a $60,000,000 five year revolving credit facility expiring in May 2010. Borrowings under the agreement are secured by substantially all the inventory and trade receivables owned by the Company, and are limited to 85% of eligible receivables and 60% of eligible inventory.

Borrowings under the amended credit agreement will bear interest at interest rates based upon either the base rate or LIBOR plus or minus applicable margins. The base rate is the greater of (a) PNC Bank's base commercial lending rate or (b) the Federal Funds Rate plus .50%. The base rate spread ranges from a negative 1.00% to a positive 0.50%, and the LIBOR spread ranges from 1.50% to 2.50%. The interest rates on the Company's initial borrowings were LIBOR plus 1.50% and the base rate minus 1.00%. Under the amended credit agreement, the Company maintains dominion over its cash at all times, as long as excess availability stays over $5,000,000 and there is no uncured event of default.

Long-term revolving credit agreement borrowings at June 30, 2005 were $36.0 million, an increase of $21.9 million from December 31, 2004. At June 30, 2005, remaining available borrowings under this facility were approximately $20.6 million. Outstanding letters of credit at June 30, 2005 were approximately $3.4 million. The letters of credit expire annually and are subject to renewal. Management believes its internal and external sources of funds are adequate to meet anticipated needs for the foreseeable future.

The credit agreement includes financial covenants requiring a minimum level for the fixed charge coverage ratio and a maximum amount of annual consolidated capital expenditures; however, expenditures for plant construction and refurbishment related to the Company's recent concrete tie supply agreement will be excluded from these covenants. The agreement also includes a minimum net worth covenant and restricts certain investments, other indebtedness, and the sale of certain assets. As of June 30, 2005, the Company was in compliance with all of the agreement's covenants.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements include operating leases, purchase obligations and standby letters of credit. A schedule of the Company's required payments under financial instruments and other commitments as of December 31, 2004 are included in "Liquidity and Capital Resources" section of the Company's 2004 Annual Report filed on Form 10-K. There have been no significant changes to the Company's contractual obligations relative to the information presented in the Form 10-K. These arrangements provide the Company with increased flexibility relative to the utilization and investment of cash resources.

Dakota, Minnesota & Eastern Railroad

The Company maintains a significant investment in the Dakota, Minnesota & Eastern Railroad Corporation (DM&E), a privately held, regional railroad, which controls over 2,500 miles of track in eight states.

At June 30, 2005, the Company's investment was comprised of $0.2 million of DM&E common stock, $1.5 million of Series B Preferred Stock and warrants, $6.0 million of Series C Preferred Stock and warrants, $0.8 million of Preferred Series C-1 Stock and warrants, and $0.5 million of Series D Preferred Stock and warrants. In addition, the Company has a receivable for accrued dividend income on Preferred Stock of approximately $6.2 million. The Company owns approximately 13.6% of the DM&E.

In December 1998, in conjunction with the issuance of Series C Preferred Stock and warrants, the DM&E ceased paying dividends on the Series B shares. The terms of the Series B Preferred Stock state in the event that regular dividends are not paid timely, dividends accrue at an accelerated rate until those

dividends are paid. In addition, penalty interest accrues and compounds annually until such dividends are paid. Subsequent issuances of Series C, C-1, and D Preferred Stock have all assumed distribution priority over the previous series, with series D not redeemable until 2008. As subsequent preferred series were issued, the Company, based on its own valuation estimate, stopped recording the full amount due on all preferred series given the delay in anticipated realization of the asset and the priority of redemption of the various issuances. The amount of dividend income not recorded was approximately $4.5 million at June 30, 2005. The Company will only recognize this income upon redemption of the respective issuances or payment of the dividends.

In June 1997, the DM&E announced its plan to build an extension from the DM&E's existing line into the low sulfur coal market of the Powder River Basin in Wyoming and to rebuild approximately 600 miles of its existing track (the Project). The estimated cost of this project is expected to be in excess of $2.0 billion. The Surface Transportation Board (STB) approved the Project in January 2002. In October 2003, however, the 8th U.S. Circuit Court of Appeals remanded the matter to the STB and instructed the STB to address, in its environmental impact statement, the Project's effects on air quality, noise and vibration, and preservation of historic sites. On January 30, 2004, the 8th U. S. Circuit Court of Appeals denied petitions seeking a rehearing of the case. On April 15, 2005, the STB issued a draft Supplemental Environmental Impact Statement (SEIS) on the Project. The STB will make its final decision after reviewing public comments on the SEIS. The public comment period on the SEIS closed on June 6, 2005.

If the Project proves to be viable, management believes that the value of the Company's investment in the DM&E could increase significantly. If the Project does not come to fruition, management believes that the value of the Company's investment is supported by the DM&E's existing business.

In December 2003, the DM&E received a Railroad Rehabilitation and Improvement Financing (RRIF) Loan in the amount of $233.0 million from the Federal Railroad Administration. Funding provided by the 25-year loan was used to refinance debt and upgrade infrastructure along parts of its existing route.

Other Matters

We continue to evaluate the overall performance of our operations. A decision to down-size or terminate an existing operation could have a material adverse effect on near-term earnings but would not be expected to have a material adverse effect on the financial condition of the Company.

Outlook

Our CXT Rail operations and Allegheny Rail Products division are dependent on a Class I railroad for a significant portion of their business. In January 2005, the CXT Rail operation was awarded a long-term contract from this Class I railroad for the supply of prestressed concrete railroad ties. The Class I railroad has agreed to purchase ties from the Grand Island facility through December 2009, and the Tucson, AZ facility through December 2012. To accommodate the contract's requirements, CXT will upgrade its manufacturing equipment at its Grand Island, NE plant and build a new facility in Tucson, AZ. Engineering, site development and equipment manufacturing related to these facilities commenced in the first quarter of 2005. In July, we stopped manufacturing ties at our Grand Island facility to prepare for the installation of new manufacturing equipment. The Company will experience a temporary decline in concrete tie production and related sales during the second half of 2005.

Steel is a key component in the products that we sell. During most of 2004, producers and other suppliers quoted continually increasing product prices and some of our suppliers experienced supply shortages. Since many of the Company's projects can be six months to twenty-four months in duration, we have, on occasion, found ourselves caught in the middle of some of these pricing and availability issues. The high price of steel continues to impact our business, although the pricing volatility that we experienced in 2004

has moderated and we expect less volatility in the current year. However, if this situation were to resurface, if could have a negative impact on the Company's results of operations and cash flows.

In the second half of 2004, our primary supplier of sheet piling improved its capability to provide a significantly larger amount of sheet piling than in previous years. This supplier also increased the number of sections it provides to us, although there are still sections that remain unavailable. While management's outlook is positive considering the developments in 2004 and 2005, additional sections are important for us to compete effectively in the structural steel market.

Although backlog is not necessarily indicative of future operating results, total Company backlog at June 30, 2005, was approximately $134.3 million. The following table provides the backlog by business segment:

	Backlog		
(In thousands)	June 30, 2005	December 31, 2004	June 30, 2004
Rail Products	$ 37,910	$ 29,079	$ 37,702
Construction Products	89,635	67,736	78,030
Tubular Products	6,795	3,249	3,639
Total	$134,340	$100,064	$119,371

Market Risk and Risk Management Policies

The Company does not purchase or hold any derivative financial instruments for trading purposes. The Company uses derivative financial instruments to manage interest rate exposure on variable-rate debt, primarily by using interest rate collars and variable interest rate swaps. The Company's primary source of variable-rate debt comes from its revolving credit agreement. In conjunction with the Company's debt refinancing in the third quarter of 2002, the Company discontinued cash flow hedge accounting treatment for the interest rate collars it had in place and applied mark-to-market accounting prospectively.

During 2005, the Company had one LIBOR-based interest rate collar agreement remaining. This agreement became effective in March 2001 and expires in March 2006, has a notional value of $15.0 million, a maximum annual interest rate of 5.60% and a minimum annual interest rate of 5.00%. The counterparty to the agreement had the option, which was exercised on March 6, 2005, to convert the collar to a one year, fixed-rate instrument with interest payable at an annual rate of 5.49%. The fair value of this instrument was a liability of $0.2 million as of June 30, 2005 and is recorded in "Other accrued liabilities".

With the debt refinancing in 2002, the collar agreements were not deemed to be an effective hedge of the new credit facility in accordance with the provisions of SFAS 133. However, the Company retained these instruments as protection against interest rate risk associated with the new credit agreement and the Company records the mark-to-market adjustments on these instruments in its consolidated statements of operations. During the second quarter of 2005 and 2004, the Company recognized income of $0.1 million and $0.4 million, respectively, to adjust these instruments to fair value. For the six months ended June 30, 2005 and 2004, the Company recognized income of $0.2 million and $0.4 million, respectively, to adjust these instruments to fair value.

The Company recognizes all derivative instruments on the balance sheet at fair value. Fluctuations in the fair values of derivative instruments designated as cash flow hedges are recorded in accumulated other comprehensive income, and reclassified into earnings as the underlying hedged items affect earnings. To the extent that a change in interest rate derivative does not perfectly offset the change in value of the interest rate being hedged, the ineffective portion is recognized in earnings immediately.

Since the interest rate on the revolving credit agreement floats with the short-term market rate of interest, the Company is exposed to the risk that the interest rate may decrease below the 5.49% fixed rate on the remaining agreement. The effect of a 1% decrease in rate of interest below the 5.49% annual interest rate

on $36.0 million of outstanding floating rate debt would result in increased annual interest costs of approximately $0.4 million.

The Company is not subject to significant exposures to changes in foreign currency exchange rates. The Company may manage its exposure to changes in foreign currency exchange rates on firm sale and purchase commitments by entering into foreign currency forward contracts. The Company's risk management objective is to reduce its exposure to the effects of changes in exchange rates on these transactions over the duration of the transactions. During 2004, the Company entered into commitments to sell Canadian funds based on the anticipated receipt of Canadian funds from the sale of certain rail. During the fourth quarter of 2004, circumstances indicated that the timing of the anticipated receipt of Canadian funds were not expected to coincide with the sale commitments and the Company recorded a $0.2 million loss to record these commitments at market. During the second quarter and first six months of 2005, the Company recognized income of $16,000 and $0.1 million, respectively to adjust these commitments to fair value. The fair value of the commitments was a liability of $0.1 million as of June 30, 2005 and is recorded in "Other accrued liabilities".

Forward-Looking Statements

Statements relating to the potential value of the DM&E or the Project, or management's belief as to such matters, are forward-looking statements and are subject to numerous contingencies and risk factors. The Company has based its assessment on information provided by the DM&E and has not independently verified such information. In addition to matters mentioned above, factors which can adversely affect the value of the DM&E and its ability to complete the Project include the following: labor disputes, the outcome of certain litigation, any inability to obtain necessary environmental and government approvals for the Project in a timely fashion, the DM&E's ability to continue to obtain interim funding to finance the Project, the expense of environmental mitigation measures required by the Surface Transportation Board, an inability to obtain financing for the Project, competitors' response to the Project, market demand for coal or electricity and changes in environmental laws and regulations.

A substantial portion of the Company's operations is heavily dependent on governmental funding of infrastructure projects. Significant changes in the level of government funding of these projects could have a favorable or unfavorable impact on the operating results of the Company. Additionally, government actions concerning taxation, tariffs, the environment, or other matters could impact the operating results of the Company. The Company's operating results may also be affected negatively by adverse weather conditions.

The Company cautions readers that various factors could cause the actual results of the Company to differ materially from those indicated by forward-looking statements made from time to time in news releases, reports, proxy statements, registration statements and other written communications (including the preceding sections of this Management's Discussion and Analysis), as well as oral statements, such as references made to the future profitability, made from time to time by representatives of the Company. An inability to produce a full complement of piling products by a Virginia steel mill could adversely impact the growth of the Piling division. Delays or problems encountered at our concrete tie facilities during construction or implementation could have a material, negative impact on the Company's operating results. The Company's businesses could be affected adversely by significant increases in the price of steel. Except for historical information, matters discussed in such oral and written communications are forward-looking statements that involve risks and uncertainties, including but not limited to general business conditions, the availability of material from major suppliers, labor disputes, the impact of competition, the seasonality of the Company's business, the adequacy of internal and external sources of funds to meet financing needs, taxes, inflation and governmental regulations. Sentences containing words such as "believes," "intends," "anticipates," "expects," or "will" generally should be considered forward-looking statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See the "Market Risk and Risk Management Policies" section under Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 4. CONTROLS AND PROCEDURES

a) As of the end of the period covered by this report, L. B. Foster Company (the Company) carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rules 13a — 15(e) and 15d – 15(e). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to timely alert them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings.

b) There have been no significant changes in the Company's internal controls over financial reporting that occurred in the period covered by this report that have materially affected or are likely to materially affect the Company's internal controls over financial reporting.

PART II OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

See Note 10, "Commitments and Contingent Liabilities", to the Condensed Consolidated Financial Statements.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Company's annual meeting held on May 25, 2005, the following individuals were elected to the Board of Directors:

Name	For Election	Withheld Authority
Lee B. Foster II	9,574,611	15,579
Stan L. Hasselbusch	9,565,151	25,039
Henry J. Massman IV	9,575,611	14,579
Diane B. Owen	9,541,711	48,479
John W. Puth	9,573,123	17,067
William H. Rackoff	9,575,611	14,579

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

Unless marked by an asterisk, all exhibits are incorporated by reference:

3.1	Restated Certificate of Incorporation, filed as Exhibit 3.1 to Form 10-Q for the quarter ended March 31, 2003.
3.2	Bylaws of the Registrant, as amended to date, filed as Exhibit 3.2 to Form 10-K for the year ended December 31, 2002.
4.0	Rights Amendment, dated as of May 15, 1997 between L. B. Foster Company and American Stock Transfer & Trust Company, including the form of Rights Certificate and the Summary of Rights attached thereto, filed as Exhibit 4.0 to Form 10-K for the year ended December 31, 2002.
4.0.1	Amended Rights Agreement dated as of May 14, 1998 between L. B. Foster Company and American Stock Transfer and Trust Company, filed as Exhibit 4.0.1 to Form 10-Q for the quarter ended March 31, 2003.
10.0	Amended and Restated Revolving Credit Agreement dated May 5, 2005, between Registrant and PNC Bank, N.A, LaSalle Bank N.A., and First Commonwealth Bank, filed as Exhibit 10.0 to Form 10-Q for the quarter ended March 31, 2005.
10.12	Lease between CXT Incorporated and Pentzer Development Corporation, dated April 1, 1993, filed as Exhibit 10.12 to Form 10-K for the year ended December 31, 2004.
10.12.1	Second Amendment dated March 12, 1996 to lease between CXT Incorporated and Crown West Realty, LLC, successor, filed as Exhibit 10.12.1 to Form 10-K for the year ended December 31, 2004.
10.12.2	Third Amendment dated November 7, 2002 to lease between CXT Incorporated and Crown West Realty, LLC, filed as Exhibit 10.12.2 to Form 10-K for the year ended December 31, 2002.
10.12.3	Fourth Amendment dated December 15, 2003 to lease between CXT Incorporated and Crown West Realty, LLC, filed as Exhibit 10.12.3 to Form 10-K for the year ended December 31, 2003.
10.12.4	Fifth Amendment dated June 29, 2004 to lease between CXT Incorporated and Park SPE, LLC, filed as Exhibit 10.12.4 to Form 10-K for the year ended December 31, 2004.
10.13	Lease between CXT Incorporated and Crown West Realty, L. L. C., dated December 20, 1996, filed as Exhibit 10.13 to Form 10-K for the year ended December 31, 2004.
10.13.1	Amendment dated June 29, 2001 between CXT Incorporated and Crown West Realty, filed as Exhibit 10.13.1 to Form 10-K for the year ended December 31, 2002.
* 10.14	Lease of property in Tucson, AZ between CXT Incorporated and the Union Pacific Railroad Company, dated May 27, 2005.
* 10.15	Lease of property in Grand Island, NE between CXT Incorporated and the Union Pacific Railroad Company, dated May 27, 2005.
* 10.15.1	Industry Track Contract between CXT Incorporated and the Union Pacific Railroad Company, dated May 27, 2005.

10.16	Lease between Registrant and Suwanee Creek Business Center, LLC dated February 13, 2004, and filed as Exhibit 10.16 to Form 10-Q for the quarter ended June 30, 2004.
10.17	Lease between Registrant and the City of Hillsboro, TX dated February 22, 2002, filed as Exhibit 10.17 to Form 10-K for the year ended December 31, 2002.
10.19	Lease between Registrant and American Cast Iron Pipe Company for pipe-coating facility in Birmingham, AL dated December 11, 1991, filed as Exhibit 10.19 to Form 10-K for the year ended December 31, 2002.
10.19.1	Amendment to Lease between Registrant and American Cast Iron Pipe Company for pipe-coating facility in Birmingham, AL dated November 15, 2000, and filed as Exhibit 10.19.2 to Form 10-K for the year ended December 31, 2000.
10.20	Equipment Purchase and Service Agreement by and between the Registrant and LaBarge Coating LLC, dated July 31, 2003, and filed as Exhibit 10.20 to Form 10-Q for the quarter ended September 30, 2003.
^ 10.21	Agreement for Purchase and Sales of Concrete Railroad Ties between CXT Incorporated and the Union Pacific Railroad dated January 24, 2005, and filed as Exhibit 10.21 to Form 10-K for the year ended December 31, 2004.
10.22	Manufacturing Agreement between CXT Incorporated and Grimbergen Engineering & Projects, B.V. dated January 24, 2005, and filed as Exhibit 10.22 to Form 10-K for the year ended December 31, 2004.
* 10.33.2	Amended and Restated 1985 Long-Term Incentive Plan as of May 25, 2005. **
* 10.34	Amended and Restated 1998 Long-Term Incentive Plan as of May 25, 2005. **
10.45	Medical Reimbursement Plan effective January 1, 2004, filed as Exhibit 10.45 to Form 10-K for the year ended December 31, 2003. **
10.46	Leased Vehicle Plan as amended and restated on June 9, 2004, filed as Exhibit 10.46 to Form 10-Q for the quarter ended June 30, 2004. **
10.51	Supplemental Executive Retirement Plan, filed as Exhibit 10.51 to Form 10-K for the year ended December 31, 2002. **
10.52	Outside Directors' Stock Award Plan, filed as Exhibit 10.52 to Form 10-K for the year ended December 31, 2002. **
10.53	Directors' resolution dated July 26, 2005 under which directors' compensation was established, filed as Exhibit 10.53 to Form 8-K on July 27, 2005. **
* 10.53.1	Directors' resolution dated May 25, 2005 under which Mr. Hasselbusch's salary was adjusted. **
* 10.53.2	Directors' resolution dated July 26, 2005 under which Mr. Voltz's salary was adjusted. **
10.55	Management Incentive Compensation Plan for 2005, filed as Exhibit 10.55 to Form 8-K on February 22, 2005. **
10.56	2005 Three Year Incentive Plan, filed as Exhibit 10.56 to Form 8-K on May 31, 2005. **
* 31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.

* 31.2	Certification of Chief Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
* 32.0	Certification of Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.

* Exhibits marked with an asterisk are filed herewith.

** Identifies management contract or compensatory plan or arrangement required to be filed as an Exhibit.

^ Portions of this exhibit have been omitted pursuant to a confidential treatment request.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

L.B. FOSTER COMPANY
(Registrant)

Date: August 9, 2005

By:/s/David J. Russo
David J. Russo
Senior Vice President,
Chief Financial Officer and Treasurer
(Duly Authorized Officer of Registrant)

Exhibit 10.14

AUDIT 236827

DUPLICATE ORIGINAL- LESSEE COPY

Folder: 2288-18
Audit:

LEASE OF PROPERTY

THIS LEASE ("Lease") is entered into on the 27th day of May, 2005, between **UNION PACIFIC RAILROAD COMPANY** ("Lessor") and **CXT INCORPORATED,** a Delaware corporation, whose address is 2420- North Pioneer Lane, Spokane, WA 99216 ("Lessee").

IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

Article I. PREMISES; USE.

Lessor leases to Lessee and Lessee leases from Lessor the premises ("Premises") at **Tucson, Arizona**, shown on the print dated May 27, 2005 marked Exhibit A, hereto attached and made a part hereof, subject to the provisions of this Lease and of Exhibit B attached hereto and made a part hereof. The Premises may be used for manufacture of concrete ties for the Lessor's use, and such other uses as may be permitted in the Agreement referred to in Article II of this lease, only, and for no other purpose.

Article II. TERM.

A. The term of this Lease shall commence on January 1, 2005, and, unless sooner terminated as provided in this lease, shall be co-terminus with the term of the Purchase Agreement between Lessor and CXT dated January 21, 2005, which covers the manufacture and production of concrete rail ties for Lessor ("the CXT Tie Agreement"). Upon expiration or termination howsoever of the CXT Tie Agreement, this Lease shall also terminate upon the effective date of expiration or termination of the CXT Tie Agreement.

Article III. RENT.

A. Lessee shall pay to Lessor, in advance, rent of Sixteen Thousand Eighty Dollars ($16,080.00) annually. The rent shall be increased by Three Percent (3%) annually cumulative and compounded.

Article IV. SPECIAL PROVISION — ROADWAY (NON-EXCLUSIVE).

Subject to the terms and conditions of this Lease, Lessee may construct, use and maintain the roadway shown on the attached exhibit print, provided that:

A. The roadway is to be strictly private and not intended for, and may not be used for, public purposes.

B. The use of the roadway is not exclusive. The roadway is to be used jointly with Lessor and others to whom Lessee has given or may give similar rights.

C. Lessee, at Lessee's sole cost and expense, shall maintain the roadway in a condition satisfactory to Lessor.

D. Lessee's right to construct, maintain and use the roadway is a license and not a lease, and the roadway is not a part of the Premises, except that all of Lessee's obligations and Lessor's rights under this Lease regarding the Premises shall also apply to the roadway.

Article V. INSURANCE

Lessee shall, at its sole cost and expense, procure and maintain during the term of this Agreement, insurance coverage as set forth in the Exhibit C, attached hereto and by this reference incorporated herein.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first herein written.

UNION PACIFIC RAILROAD COMPANY

By: /s/ Chris D. Gable
General Director — Real Estate

CXT INCORPORATED

By: /s/ Stan L. Hasselbusch
Title: Chief Executive Officer

NOTE: New Lease

IND LS 11/15/99
APPROVED, LAW

EXHIBIT B

Section 1. IMPROVEMENTS.

No improvements placed upon the Premises by Lessee shall become a part of the realty.

Section 2. RESERVATIONS AND PRIOR RIGHTS.

A. Lessor reserves to itself, its agents and contractors, the right to enter the Premises at such times as will not unreasonably interfere with Lessee's use of the Premises.

B. Lessor reserves (i) the exclusive right to permit third party placement of advertising signs on the Premises, and (ii) the right to construct, maintain and operate new and existing facilities (including, without limitation, trackage, fences, communication facilities, roadways and utilities) upon, over, across or under the Premises, and to grant to others such rights, provided that Lessee's use of the Premises is not interfered with unreasonably.

C. This Lease is made subject to all outstanding rights, whether or not of record. Lessor reserves the right to renew such outstanding rights.

Section 3. PAYMENT OF RENT.

Rent (which includes the annual rent and all other amounts to be paid by Lessee under this Lease) shall be paid in lawful money of the United States of America, at such place as shall be designated by the Lessor, and without offset or deduction.

Section 4. TAXES AND ASSESSMENTS.

A. Lessee shall pay, prior to delinquency, all taxes levied during the life of this Lease on all personal property and improvements on the Premises not belonging to Lessor. If such taxes are paid by Lessor, either separately or as a part of the levy on Lessor's real property, Lessee shall reimburse Lessor in full within thirty (30) days after rendition of Lessor's bill.

B. If the Premises are specially assessed for public improvements, the annual rent will be automatically increased by 12% of the full assessment amount.

Section 5. WATER RIGHTS.

This Lease does not include any right to the use of water under any water right of Lessor, or to establish any water rights except in the name of Lessor.

Section 6. CARE AND USE OF PREMISES.

A. Lessee shall use reasonable care and caution against damage or destruction to the Premises. Lessee shall not use or permit the use of the Premises for any unlawful purpose, maintain any nuisance, permit any waste, or use the Premises in any way that creates a hazard to persons or property. Lessee shall keep the Premises in a safe, neat, clean and presentable condition, and in good condition and repair. Lessee shall keep the sidewalks and public ways on the Premises, and the walkways appurtenant to any railroad spur track(s) on or serving the Premises, free and clear from any substance which might create a hazard and all water flow shall be directed away from the tracks of the Lessor.

B. Lessee shall not permit any sign on the Premises, except signs relating to Lessee's business.

C. If any improvement on the Premises not belonging to Lessor is damaged or destroyed by fire or other casualty, Lessee shall, within thirty (30) days after such casualty, remove all

debris resulting therefrom. If Lessee fails to do so, Lessor may remove such debris, and Lessee agrees to reimburse Lessor for all expenses incurred within thirty (30) days after rendition of Lessor's bill.

D. Lessee shall comply with all governmental laws, ordinances, rules, regulations and orders relating to Lessee's use of the Premises.

Section 7. HAZARDOUS MATERIALS, SUBSTANCES AND WASTES.

A. Lessee, at Lessee's expense, shall promptly comply with all present and future federal, state or local laws, ordinances, orders, rules, regulations and requirements of all governmental authorities having jurisdiction, affecting or applicable to the Premises, including, but not limited to the applicable requirements of the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq., as heretofore or hereafter amended, and the regulations heretofore or hereafter promulgated pursuant to such Act (collectively "CERCLA"), the Clean Water Act ("CWA") and other laws or regulations that govern the cleanliness, safety, occupancy and use of the same. If any governmental license(s) or permit(s) shall be required for the proper and lawful conduct of Lessee's business or other activity carried on from the Premises, then Lessee, at its sole expense, shall duly procure and thereafter maintain such license(s) or permit(s) and submit the same for inspection by Lessor prior to the date on which Lessee commences operations at the Premises pursuant to this Lease and thereafter upon Lessor's request therefor. Under no circumstances shall Lessee be liable for any Environmental Condition (as such term is defined below) at the Premises to the extent it existed prior to Lessee's activities at the Premises.

Lessee shall be responsible for all liabilities, costs, damages, and expenses ("Loss/Damage") arising in connection with its operations at the Premises, including, without limitation, complying with Environmental Laws (as such term is defined in the CXT Tie Agreement), including but not limited to, compliance in the handling, treating, storage and disposal of Hazardous Materials (as such term is defined in the CXT Tie Agreement) (each, an "Environmental Condition") at the Premises to the extent resulting from any activity of Lessee, its officers, employees, or agents, whether undertaken in connection with this Lease or otherwise. Lessor shall be responsible for Loss/Damage arising in connection with any Environmental Condition at the Premises to the extent not resulting from any activity of Lessee, its officers, employees, or agents. Lessee shall not be responsible for any Loss/Damage arising in connection with any Environmental Condition resulting from the activities of the Wood Tie Re-hab Contractor (as such term is defined in the CXT Tie Agreement) at the Premises; any such Loss/Damage shall be allocated pursuant to agreement between Lessor and the Wood Tie Re-hab Contractor.

Nothing contained herein shall be construed or interpreted as making Lessor an owner, operator, generator, arranger or a transporter of any Hazardous Materials or an operator of a treatment, storage or disposal facility pursuant to the provisions of CERCLA, RCRA, or any other federal, state or local laws, statutes, rules and regulations governing the generation, treatment, storage and disposal of Hazardous Materials and non-Hazardous Materials, except with respect to Loss/Damage it has assumed pursuant to the immediately preceding paragraph.

If, based on the operations of Lessee at the Premises, Lessor shall be interpreted to be an owner, operator, generator or a transporter of Hazardous Materials or a generator, arranger or operator of a treatment, storage or disposal facility under RCRA, CERCLA or any state statute governing the treatment, storage and disposal of Hazardous Materials, Lessee agrees to indemnify, hold harmless and defend Lessor from and against any and all Loss/Damage resulting from such an interpretation.

Lessee shall protect, defend, indemnify and hold harmless Lessor and any parent, subsidiary or

affiliate of Lessor, the officers, directors, shareholders and employees of Lessor and any such parent, subsidiary or affiliate of Lessor, and the successors and assigns of any of the foregoing from and against any and liabilities, losses, damages, claims, demands, causes of action, costs and expenses, fines and penalties, of whatsoever nature (including, without limitation, court costs and reasonable attorneys' fees and the cost and expense of cleaning, restoration, containment, remediation, decontamination, removal, investigation, monitoring or closure), arising out of or resulting from (a) any Environmental Condition, or any federal, state or local law, ordinance, rule or regulation applicable thereto, including, without limitation, RCRA or CERCLA, for which Lessee is allocated responsibility pursuant to this Section 7, (b) the use by Lessee of Hazardous Materials at the Premises for any purpose regardless of Lessor's consent to such use, and (c) any Hazardous Materials which otherwise first become present in, on or under the Premises as a result of any acts of Lessee.

Section 8. UTILITIES.

A. Lessee will arrange and pay for all utilities and services supplied to the Premises or to Lessee.

B. All utilities and services will be separately metered to Lessee. If not separately metered, Lessee shall pay its proportionate share as reasonably determined by Lessor.

Section 9. LIENS.

Lessee shall not allow any liens to attach to the Premises for any services, labor or materials furnished to the Premises or otherwise arising from Lessee's use of the Premises. Lessor shall have the right to discharge any such liens at Lessee's expense.

Section 10. ALTERATIONS AND IMPROVEMENTS; CLEARANCES.

A. Except as otherwise provided in the CXT Tie Agreement, no alterations, improvements or installations may be made on the Premises without the prior consent of Lessor. Such consent, if given, shall be subject to the needs and requirements of the Lessor in the operation of its Railroad and to such other conditions as Lessor determines to impose. In all events such consent shall be conditioned upon strict conformance with all applicable governmental requirements and Lessor's then-current clearance standards.

B. Except as otherwise provided in the CXT Tie Agreement, all alterations, improvements or installations shall be at Lessee's sole cost and expense.

C. Lessee shall comply with Lessor's then-current clearance standards, except (i) where to do so would cause Lessee to violate an applicable governmental requirement, or (ii) for any improvement or device in place prior to Lessee taking possession of the Premises if such improvement or device complied with Lessor's clearance standards at the time of its installation.

D. Any actual or implied knowledge of Lessor of a violation of the clearance requirements of this Lease or of any governmental requirements shall not relieve Lessee of the obligation to comply with such requirements, nor shall any consent of Lessor be deemed to be a representation of such compliance.

Section 11. AS-IS.

Lessee accepts the Premises in its present condition with all faults, whether patent or latent, and without warranties or covenants, express or implied. Lessee acknowledges that Lessor shall have no duty to maintain, repair or improve the Premises.

Section 12. RELEASE AND INDEMNITY.

A. Lessor agrees to indemnify Lessee against all loss resulting from personal injury to the extent proximately caused by the active negligence of Lessor, its agents, employees or others entering the Premises for or on behalf of Lessor. Lessee agrees to indemnify Lessor against all loss resulting from personal injury incident to the activities conducted by Lessee on the Premises, except to the extent otherwise provided in the preceding sentence of this Section 12.A.

B. Where applicable to a loss, the liability provisions of any contract between Lessor and Lessee covering the carriage of shipments or trackage serving the Premises shall govern such loss and shall supersede the provisions of this Section 12.

C. No provision of this Lease with respect to insurance shall limit the extent of the release and indemnity provisions of this Section 12.

Section 13. TERMINATION.

Upon expiration or termination howsoever of the CXT Tie Agreement, this Lease shall also terminate upon the effective date of expiration or termination of the CXT Tie Agreement.

Section 14. LESSOR'S REMEDIES.

Lessor's remedies for Lessee's default are to (a) enter and take possession of the Premises, without terminating this Lease, and relet the Premises on behalf of Lessee, collect and receive the rent from reletting, and charge Lessee for the cost of reletting, and/or (b) terminate this Lease as provided in Section 13 A) above and sue Lessee for damages, and/or (c) exercise such other remedies as Lessor may have at law or in equity. Lessor may enter and take possession of the Premises by self-help, by changing locks, if necessary, and may lock out Lessee, all without being liable for damages.

Section 15. VACATION OF PREMISES; REMOVAL OF LESSEE'S PROPERTY.

A. Upon termination howsoever of this Lease, (i) Lessee shall have peaceably and quietly vacated and surrendered possession of the Premises to Lessor, without Lessor giving any notice to quit or demand for possession, (ii) track materials at the Premises will revert to Lessor for $1 on an "as is where-is" basis, and (iii) Lessee shall be responsible for proper closure of its facilities at the Premises under applicable laws and regulations existing at the time of the closure and return of the Premises substantially to its original condition on the date Lessee first took possession, ordinary wear and tear excepted. Within ninety (90) days following the termination of this Lease, Lessee shall remove the Batch Plant, the New Technology equipment, non-UP inventory, raw materials, the gantry crane and associated rail, and office equipment and rail from the Premises, leaving structures, foundations and similar improvements; provided, however, that the foregoing removal obligations of Lessee shall not apply to any item or material owned or placed at the Premises by the Wood Tie Re-hab Contractor (capitalized terms in this sentence not defined in this Lease shall the meanings given them in the CXT Tie Agreement).

B. If Lessee has not completed such removal and restoration within ninety (90) days after termination of this Lease, Lessor may, at its election, and at any time or times, (i) perform the work and Lessee shall reimburse Lessor for the cost thereof within thirty (30) days after bill is rendered, and/or (ii) treat Lessee as a holdover tenant at will until such removal and restoration is completed.

Section 16. FIBER OPTICS.

Lessee shall telephone Lessor during normal business hours (7:00 a.m. to 9:00 p.m., Central Time, Monday through Fridays, except for holidays) at 1-800-336-9193 (also a 24-hour, 7-day number for emergency calls) to determine if fiber optic cable is buried on the Premises. If cable is buried on the Premises, Lessee will telephone the telecommunications company(ies), arrange for a cable locator, and make arrangements for relocation or other protection of the cable. Notwithstanding compliance by Lessee with this Section 16, the release and indemnity provisions of Section 12 above shall apply fully to any damage or destruction of any telecommunications system.

Section 17. NOTICES.

Any notice, consent or approval to be given under this Lease shall be in writing, and personally served, sent by reputable courier service, or sent by certified mail, postage prepaid, return receipt requested, to Lessor at: Union Pacific Railroad Company, Attn: General Manager - Real Estate, Real Estate Department, 1400 Douglas Street, Mail Stop 1690, Omaha, Nebraska 68179-1690; and to Lessee at the above address, or such other address as a party may designate in notice given to the other party. Mailed notices shall be deemed served five (5) days after deposit in the U.S. Mail. Notices which are personally served or sent by courier service shall be deemed served upon receipt.

Section 18. ASSIGNMENT.

A. Lessee shall not sublease the Premises, in whole or in part, or assign, encumber or transfer (by operation of law or otherwise) this Lease, without the prior consent of Lessor, which consent may be denied at Lessor's sole and absolute discretion. Any purported transfer or assignment without Lessor's consent shall be void and shall be a default by Lessee.

B. Subject to this Section 18, this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 19. CONDEMNATION.

If, as reasonably determined by Lessor, the Premises cannot be used by Lessee because of a condemnation or sale in lieu of condemnation, then this Lease shall automatically terminate. Lessor shall be entitled to the entire award or proceeds for any total or partial condemnation or sale in lieu thereof, including, without limitation, any award or proceeds for the value of the leasehold estate created by this Lease. Notwithstanding the foregoing, Lessee shall have the right to pursue recovery from the condemning authority of such compensation as may be separately awarded to Lessee for Lessee's relocation expenses, the taking of Lessee's personal property and fixtures, and the interruption of or damage to Lessee' business.

Section 20. ATTORNEY'S FEES.

If either party retains an attorney to enforce this Lease (including, without limitation, the indemnity provisions of this Lease), the prevailing party is entitled to recover reasonable attorney's fees.

Section 21. ENTIRE AGREEMENT.

This Lease is the entire agreement between the parties, and supersedes all other oral or written agreements between the parties pertaining to this transaction. Except for the unilateral redetermination of annual rent as provided in Article III., this Lease may be amended only by a written instrument signed by Lessor and Lessee.

Client#: 15056 LBFOST

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 01/11/06

PRODUCER
The HDH Group, Inc. P&C
US Steel Tower, Suite 1100
600 Grant Street
Pittsburgh, PA 15219-2804

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: St. Paul Travelers	25658
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED
L.B. Foster Company
CXT, Inc.
415 Holiday Drive
Pittsburgh, PA 15220

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$
		☐ COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	$
		☐ CLAIMS MADE ☐ OCCUR				MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
		GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	$
		☐ POLICY ☐ PRO-JECT ☐ LOC				PRODUCTS - COMP/OP AGG	$
A		AUTOMOBILE LIABILITY	8100308B464TIL05	01/01/05	01/01/06	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
A		X ANY AUTO	CAP200D8675COF05	01/01/05	01/01/06	BODILY INJURY (Per person)	$
		☐ ALL OWNED AUTOS				BODILY INJURY (Per accident)	$
		☐ SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	$
		X HIRED AUTOS					
		X NON-OWNED AUTOS					
		X PHYSICAL DAMAGE					
		☐ IS SELF-INSURED					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		☐ ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		☐ OCCUR ☐ CLAIMS MADE				AGGREGATE	$
		☐ DEDUCTIBLE					$
		☐ RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				☐ WC STATU-TORY LIMITS ☐ OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The above referenced policy includes a Workers' Compensation & Employee exclusion which applies only to LB Foster's employees. The above referenced policy does not include a railroad exclusion or explosion, collapse and underground hazard exclusion. Severability of Interest is (See Attached Descriptions)

CERTIFICATE HOLDER

Union Pacific Railroad

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Brenda H. McKan

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTIONS (Continued from Page 1)

Included in the policy form.

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER: CLE-00117862-10

PRODUCER
Marsh USA Inc.
Six PPG Place, Suite 300
Pittsburgh, PA 15222
Attn: Myles Rooney (412) 552-5160

051823--ALL-05/06 L.B.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

INSURED
L. B. FOSTER COMPANY
ATTN: David Russo
PO Box 2806
Pittsburgh, PA 15230

COMPANIES AFFORDING COVERAGE

COMPANY A: STEADFAST INSURANCE COMPANY
COMPANY B: ZURICH INSURANCE COMPANY
COMPANY C: SENTRY INSURANCE COMPANY
COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	**GENERAL LIABILITY** X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR OWNER'S & CONTRACTOR'S PROT X DEDUCTIBLE - $250,000/occur. X $1,000,000 Ded. Aggregate	SCO 3872553-03	01/01/05	01/01/06	GENERAL AGGREGATE PRODUCTS - COMP/OP AGG PERSONAL & ADV INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person)	$ 2,000,000 $ 2,000,000 $ 1,000,000 $ 1,000,000 $ 300,000 $ 10,000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS				COMBINED SINGLE LIMIT BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE	$ $ $ $
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EACH ACCIDENT AGGREGATE	$ $ $
B	**EXCESS LIABILITY** X UMBRELLA FORM OTHER THAN UMBRELLA FORM	AUC 9378203-01	01/01/05	01/01/06	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000 $
C C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: X INCL / EXCL	90-14714-01 (AOS)) 90-14714-02 (MA & OR)	01/01/05 01/01/05	01/01/06 01/01/06	X WC STATU-TORY LIMITS / OTH-ER EL EACH ACCIDENT EL DISEASE-POLICY LIMIT EL DISEASE-EACH EMPLOYEE	 $ 1,000,000 $ 1,000,000 $ 1,000,000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Union Pacific Railroad is named Additional Insured but only with regard to those sums that L. B. Foster Company becomes legally obligated to pay as damages because of bodily injury or property damage to which this general liability policy applies. Includes a Waiver of Subrogation where permitted by law. The exclusions for railroads (except where the Job Site is more than fifty feet (50') from any railroad including but not limited to tracks, bridges, trestles, roadbeds, terminals, underpasses or crossings), and explosion, collapse and underground hazard shall be removed.

CERTIFICATE HOLDER

Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.
BY: R Scott Holden

VALID AS OF: 01/21/05

ADDITIONAL INFORMATION

DATE (MM/DD/YY): 01/21/05

PRODUCER

Marsh USA Inc.
Six PPG Place, Suite 300
Pittsburgh, PA 15222
Attn: Myles Rooney (412) 552-5160

051823-ALL-05/06 L.B.

INSURED

L. B. FOSTER COMPANY
ATTN: David Russo
PO Box 2806
Pittsburgh, PA 15230

COMPANIES AFFORDING COVERAGE

COMPANY E

COMPANY F

COMPANY G

COMPANY H

TEXT

The Workers Compensation policy contains an Alternate Employer Endorsement in favor of the Union Pacific Railroad. The General Liability Policy includes an endorsement providing Severability of Interest. The Umbrella Policy follows forms.

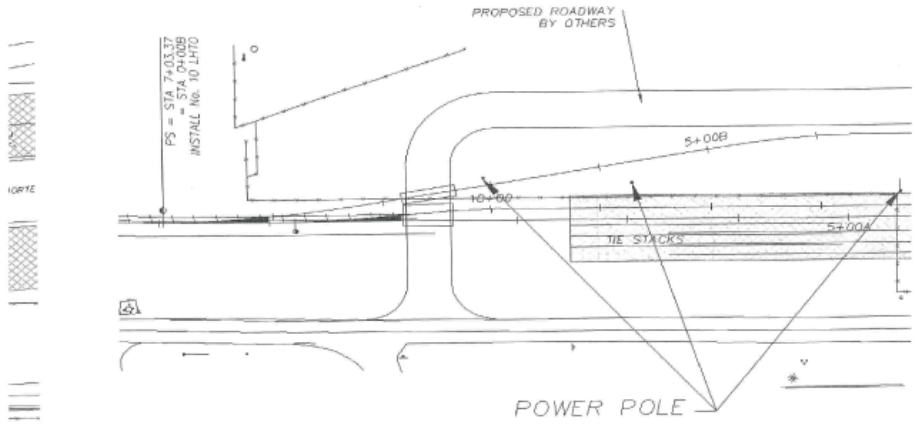
CERTIFICATE HOLDER

Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

MARSH USA INC. BY

R Scott Holden R. Scott Holden

Page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BY OTHERS
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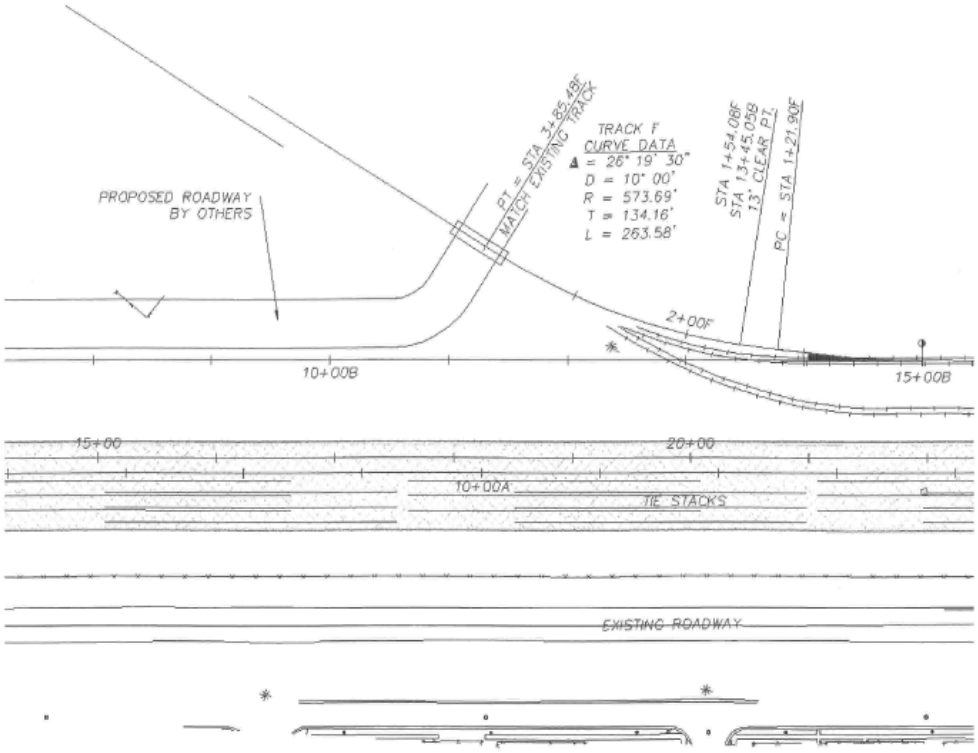
= STA 04+00B
INSTALL No. 10 LHTO
5+00B
10+00
TIE STACKS
5+00A
POWER POLE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TRACK F
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D = 10° 00'
R = 573.69'
T = 134.16'
L = 263.58'
STA 1+54.08F
STA 1+45.05B
13' CLEAR PT
PC = STA 1+21.90F
2+00F
10+00B
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15+00
20+00
10+00A
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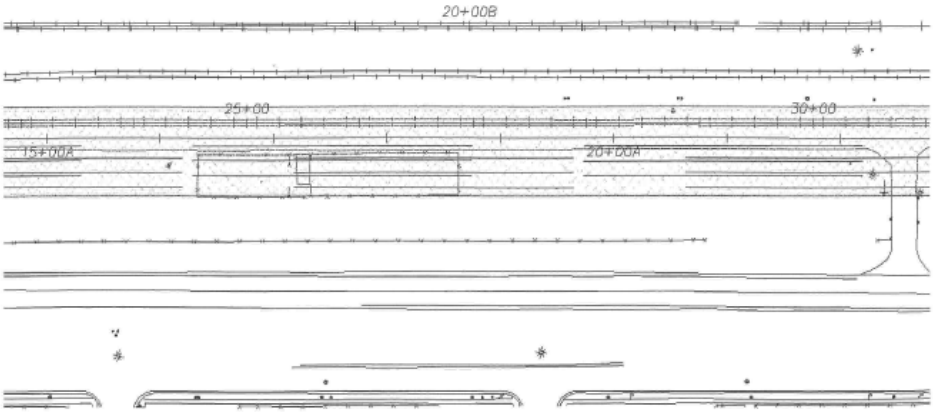
EXISTING ROADWAY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15+00A
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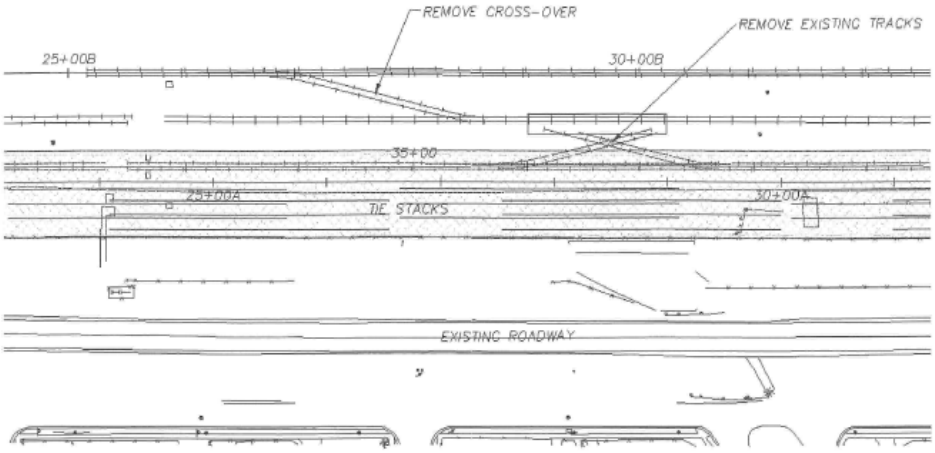
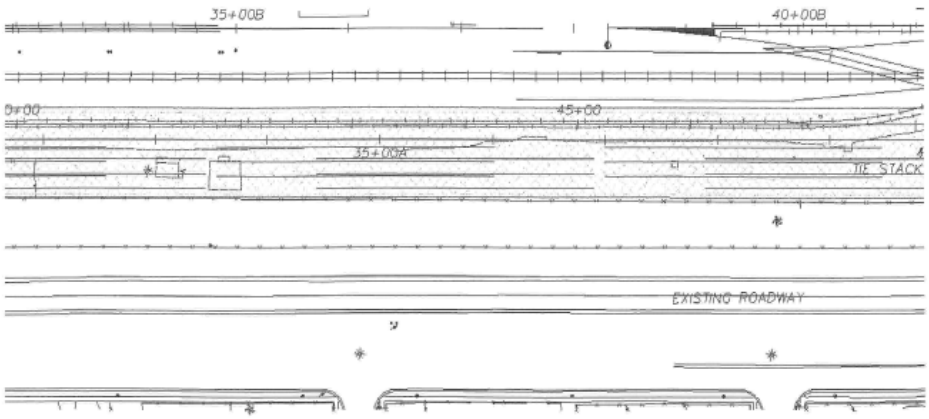
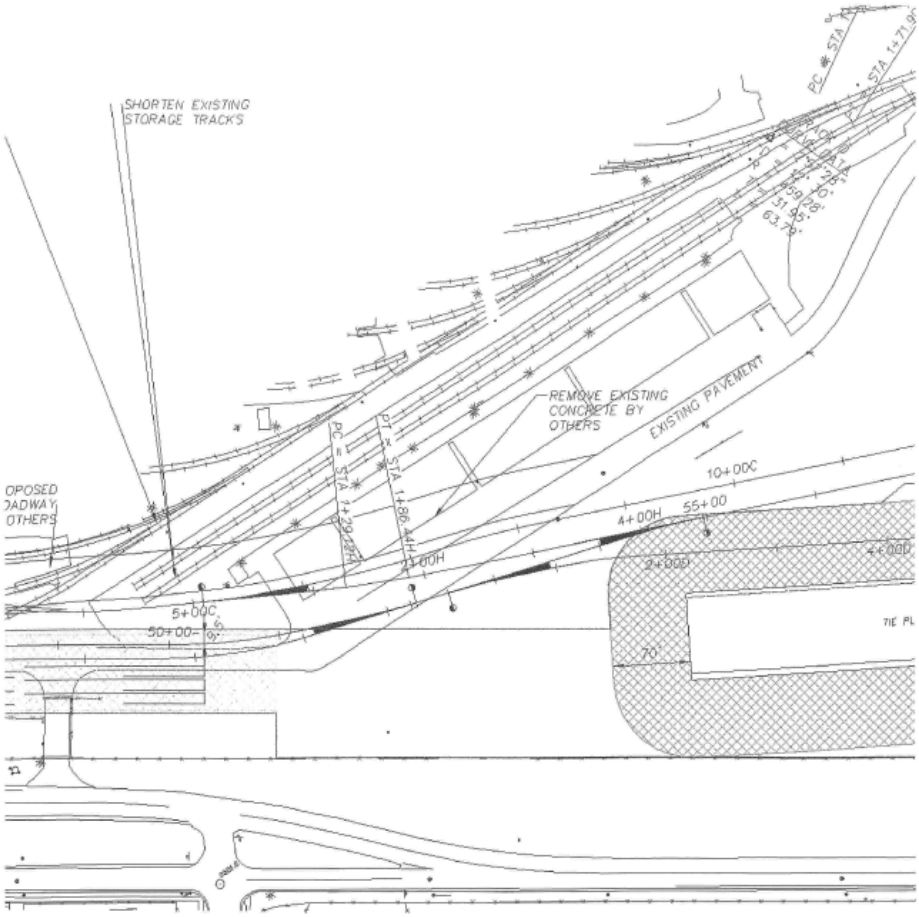


CXT TUCSON,AZ LEA
M.P. 987 – Gila Sub
23MAY05
SCALE: 1" = 100'

REMOVE EXISTING TURNOUTS ,
TRACKS, REALIGNING EXIS
TRACK 512 AS NECESS



E AREAS
division (PFE Yard)



LEGEND

NON-EXCLUSIVE ROADWAY AREA

AREA FOR FIRE DEPARTMENT CLEARANCE

OVERALL LEASE BOUNDARY

Exhibit A
May 27, 2005

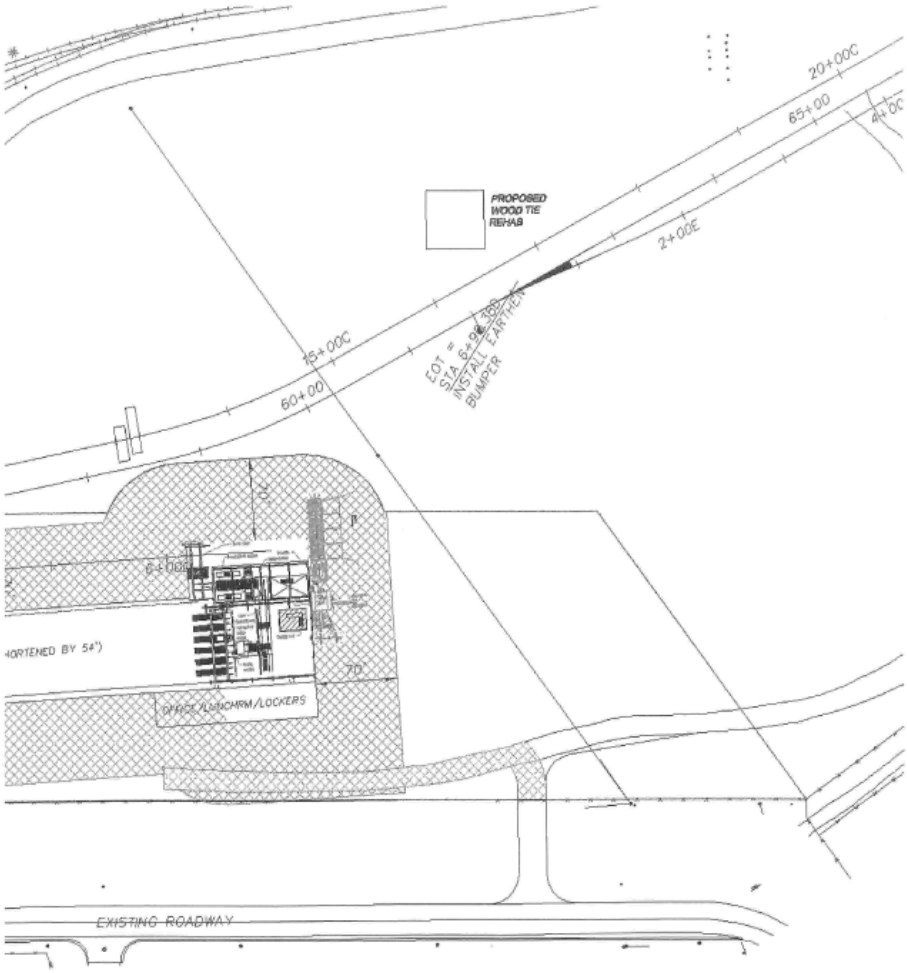


Exhibit 10.15

AUDIT 236822

Folder: 2304-70
Audit:

LEASE OF PROPERTY

THIS LEASE ("Lease") is entered into on the 27th day of May, 2005, between **UNION PACIFIC RAILROAD COMPANY** ("Lessor") and **CXT INCORPORATED,** a Delaware corporation, whose address is 2420 North Pioneer Lane, Spokane, Washington 99216 ("Lessee").

IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

Article I. PREMISES; USE.

Lessor leases to Lessee and Lessee leases from Lessor the premises ("Premises") at Grand Island, Nebraska, shown on the print dated November 16, 2004, marked Exhibit A, hereto attached and made a part hereof, subject to the provisions of this Lease and of Exhibit B attached hereto and made a part hereof. The Premises may be used for manufacture of concrete ties for the Lessor's use, and such other uses as may be permitted in the Agreement referred to in Article II of this Lease, and for no other purpose.

Article II. TERM.

A. The term of this Lease shall commence as of January 01, 2005, and, unless sooner terminated as provided in this Lease, shall be co-terminus with the term of the Purchase Agreement between Lessor and CXT dated January 21, 2005, which covers the manufacture and production of concrete rail ties for Lessor ("the CXT Tie Agreement"). Upon expiration or termination howsoever of the CXT Tie Agreement, this Lease shall also terminate upon the effective date of expiration or termination of the CXT Tie Agreement.

Article III. RENT.

A. Lessee shall pay to Lessor, in advance, rent of Sixteen Thousand Five Hundred Thirty Six Dollars ($16,536.00) annually. The rent shall be increased by Three Percent (3%) annually cumulative and compounded.

Article IV. SPECIAL PROVISION — ROADWAY (NON-EXCLUSIVE).

Subject to the terms and conditions of this Lease, Lessee may construct, use and maintain the roadway shown on the attached exhibit print, provided that:

A. The roadway is to be strictly private and not intended for, and may not be used for, public purposes.

B. The use of the roadway is not exclusive. The roadway is to be used jointly with Lessor and others to whom Lessor has given or may give similar rights.

C. Lessee, at Lessee's sole cost and expense, shall maintain the roadway in a condition satisfactory to Lessor.

D. Lessee's right to construct, maintain and use the roadway is a license and not a lease, and the roadway is not a part of the Premises, except that all of Lessee's obligations and Lessor's rights under this Lease regarding the Premises shall also apply to the roadway.

Article V. INSURANCE.

Lessee shall, at its sole cost and expense, procure and maintain during the term of this Agreement, insurance coverage as set for the in Exhibit C, attached hereto and by this reference incorporated herein.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first herein written.

UNION PACIFIC RAILROAD COMPANY

By: /s/ Chris D. Gable
Director — Real Estate

CXT INCORPORATED

By: /s/ Stan L. Hasselbusch
Title: Chief Executive Officer

NOTE: New Lease

IND LS 11/15/99
APPROVED, LAW

EXHIBIT B

Section 1. IMPROVEMENTS.

No improvements placed upon the Premises by Lessee shall become a part of the realty.

Section 2. RESERVATIONS AND PRIOR RIGHTS.

A. Lessor reserves to itself, its agents and contractors, the right to enter the Premises at such times as will not unreasonably interfere with Lessee's use of the Premises.

B. Lessor reserves (i) the exclusive right to permit third party placement of advertising signs on the Premises, and (ii) the right to construct, maintain and operate new and existing facilities (including, without limitation, trackage, fences, communication facilities, roadways and utilities) upon, over, across or under the Premises, and to grant to others such rights, provided that Lessee's use of the Premises is not interfered with unreasonably.

C. This Lease is made subject to all outstanding rights, whether or not of record. Lessor reserves the right to renew such outstanding rights.

Section 3. PAYMENT OF RENT.

Rent (which includes the annual rent and all other amounts to be paid by Lessee under this Lease) shall be paid in lawful money of the United States of America, at such place as shall be designated by the Lessor, and without offset or deduction.

Section 4. TAXES AND ASSESSMENTS.

A. Lessee shall pay, prior to delinquency, all taxes levied during the life of this Lease on all personal property and improvements on the Premises not belonging to Lessor. If such taxes are paid by Lessor, either separately or as a part of the levy on Lessor's real property, Lessee shall reimburse Lessor in full within thirty (30) days after rendition of Lessor's bill.

B. If the Premises are specially assessed for public improvements, the annual rent will be automatically increased by 12% of the full assessment amount.

Section 5. WATER RIGHTS.

This Lease does not include any right to the use of water under any water right of Lessor, or to establish any water rights except in the name of Lessor.

Section 6. CARE AND USE OF PREMISES.

A. Lessee shall use reasonable care and caution against damage or destruction to the Premises. Lessee shall not use or permit the use of the Premises for any unlawful purpose, maintain any nuisance, permit any waste, or use the Premises in any way that creates a hazard to persons or property. Lessee shall keep the Premises in a safe, neat, clean and presentable condition, and in good condition and repair. Lessee shall keep the sidewalks and public ways on the Premises, and the walkways appurtenant to any railroad spur track(s) on or serving the Premises, free and clear from any substance which might create a hazard and all water flow shall be directed away from the tracks of the Lessor.

B. Lessee shall not permit any sign on the Premises, except signs relating to Lessee's business.

C. If any improvement on the Premises not belonging to Lessor is damaged or destroyed by fire or other casualty, Lessee shall, within thirty (30) days after such casualty, remove all

debris resulting therefrom. If Lessee fails to do so, Lessor may remove such debris, and Lessee agrees to reimburse Lessor for all expenses incurred within thirty (30) days after rendition of Lessor's bill.

D. Lessee shall comply with all governmental laws, ordinances, rules, regulations and orders relating to Lessee's use of the Premises.

Section 7. HAZARDOUS MATERIALS, SUBSTANCES AND WASTES.

A. Lessee, at Lessee's expense, shall promptly comply with all present and future federal, state or local laws, ordinances, orders, rules, regulations and requirements of all governmental authorities having jurisdiction, affecting or applicable to the Premises, including, but not limited to the applicable requirements of the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq., as heretofore or hereafter amended, and the regulations heretofore or hereafter promulgated pursuant to such Act (collectively "CERCLA"), the Clean Water Act ("CWA") and other laws or regulations that govern the cleanliness, safety, occupancy and use of the same. If any governmental license(s) or permit(s) shall be required for the proper and lawful conduct of Lessee's business or other activity carried on from the Premises, then Lessee, at its sole expense, shall duly procure and thereafter maintain such license(s) or permit(s) and submit the same for inspection by Lessor prior to the date on which Lessee commences operations at the Premises pursuant to this Lease and thereafter upon Lessor's request therefor. Under no circumstances shall Lessee be liable for any Environmental Condition (as such term is defined below) at the Premises to the extent it existed prior to Lessee's activities at the Premises.

Lessee shall be responsible for all liabilities, costs, damages, and expenses ("Loss/Damage") arising in connection with its operations at the Premises, including, without limitation, complying with Environmental Laws (as such term is defined in the CXT Tie Agreement), including but not limited to, compliance in the handling, treating, storage and disposal of Hazardous Materials (as such term is defined in the CXT Tie Agreement) (each, an "Environmental Condition") at the Premises to the extent resulting from any activity of Lessee, its officers, employees, or agents, whether undertaken in connection with this Lease or otherwise. Lessor shall be responsible for Loss/Damage arising in connection with any Environmental Condition at the Premises to the extent not resulting from any activity of Lessee, its officers, employees, or agents. Lessee shall not be responsible for any Loss/Damage arising in connection with any Environmental Condition resulting from the activities of the Wood Tie Re-hab Contractor (as such term is defined in the CXT Tie Agreement) at the Premises; any such Loss/Damage shall be allocated pursuant to agreement between Lessor and the Wood Tie Re-hab Contractor.

Nothing contained herein shall be construed or interpreted as making Lessor an owner, operator, generator, arranger or a transporter of any Hazardous Materials or an operator of a treatment, storage or disposal facility pursuant to the provisions of CERCLA, RCRA, or any other federal, state or local laws, statutes, rules and regulations governing the generation, treatment, storage and disposal of Hazardous Materials and non-Hazardous Materials, except with respect to Loss/Damage it has assumed pursuant to the immediately preceding paragraph.

If, based on the operations of Lessee at the Premises, Lessor shall be interpreted to be an owner, operator, generator or a transporter of Hazardous Materials or a generator, arranger or operator of a treatment, storage or disposal facility under RCRA, CERCLA or any state statute governing the treatment, storage and disposal of Hazardous Materials, Lessee agrees to indemnify, hold harmless and defend Lessor from and against any and all Loss/Damage resulting from such an interpretation.

Lessee shall protect, defend, indemnify and hold harmless Lessor and any parent, subsidiary or

affiliate of Lessor, the officers, directors, shareholders and employees of Lessor and any such parent, subsidiary or affiliate of Lessor, and the successors and assigns of any of the foregoing from and against any and liabilities, losses, damages, claims, demands, causes of action, costs and expenses, fines and penalties, of whatsoever nature (including, without limitation, court costs and reasonable attorneys' fees and the cost and expense of cleaning, restoration, containment, remediation, decontamination, removal, investigation, monitoring or closure), arising out of or resulting from (a) any Environmental Condition, or any federal, state or local law, ordinance, rule or regulation applicable thereto, including, without limitation, RCRA or CERCLA, for which Lessee is allocated responsibility pursuant to this Section 7, (b) the use by Lessee of Hazardous Materials at the Premises for any purpose regardless of Lessor's consent to such use, and (c) any Hazardous Materials which otherwise first become present in, on or under the Premises as a result of any acts of Lessee.

Section 8. UTILITIES.

A. Lessee will arrange and pay for all utilities and services supplied to the Premises or to Lessee.

B. All utilities and services will be separately metered to Lessee. If not separately metered, Lessee shall pay its proportionate share as reasonably determined by Lessor.

Section 9. LIENS.

Lessee shall not allow any liens to attach to the Premises for any services, labor or materials furnished to the Premises or otherwise arising from Lessee's use of the Premises. Lessor shall have the right to discharge any such liens at Lessee's expense.

Section 10. ALTERATIONS AND IMPROVEMENTS; CLEARANCES.

A. Except as otherwise provided in the CXT Tie Agreement, no alterations, improvements or installations may be made on the Premises without the prior consent of Lessor. Such consent, if given, shall be subject to the needs and requirements of the Lessor in the operation of its Railroad and to such other conditions as Lessor determines to impose. In all events such consent shall be conditioned upon strict conformance with all applicable governmental requirements and Lessor's then-current clearance standards.

B. Except as otherwise provided in the CXT Tie Agreement, all alterations, improvements or installations shall be at Lessee's sole cost and expense.

C. Lessee shall comply with Lessor's then-current clearance standards, except (i) where to do so would cause Lessee to violate an applicable governmental requirement, or (ii) for any improvement or device in place prior to Lessee taking possession of the Premises if such improvement or device complied with Lessor's clearance standards at the time of its installation.

D. Any actual or implied knowledge of Lessor of a violation of the clearance requirements of this Lease or of any governmental requirements shall not relieve Lessee of the obligation to comply with such requirements, nor shall any consent of Lessor be deemed to be a representation of such compliance.

Section 11. AS-IS.

Lessee accepts the Premises in its present condition with all faults, whether patent or latent, and without warranties or covenants, express or implied. Lessee acknowledges that Lessor shall have no duty to maintain, repair or improve the Premises.

Section 12. RELEASE AND INDEMNITY.

A. Lessor agrees to indemnify Lessee against all loss resulting from personal injury to the extent proximately caused by the active negligence of Lessor, its agents, employees or others entering the Premises for or on behalf of Lessor. Lessee agrees to indemnify Lessor against all loss resulting from personal injury incident to the activities conducted by Lessee on the Premises, except to the extent otherwise provided in the preceding sentence of this Section 12.A.

B. Where applicable to a loss, the liability provisions of any contract between Lessor and Lessee covering the carriage of shipments or trackage serving the Premises shall govern such loss and shall supersede the provisions of this Section 12.

C. No provision of this Lease with respect to insurance shall limit the extent of the release and indemnity provisions of this Section 12.

Section 13. TERMINATION.

Upon expiration or termination howsoever of the CXT Tie Agreement, this Lease shall also terminate upon the effective date of expiration or termination of the CXT Tie Agreement.

Section 14. LESSOR'S REMEDIES.

Lessor's remedies for Lessee's default are to (a) enter and take possession of the Premises, without terminating this Lease, and relet the Premises on behalf of Lessee, collect and receive the rent from reletting, and charge Lessee for the cost of reletting, and/or (b) terminate this Lease as provided in Section 13 A) above and sue Lessee for damages, and/or (c) exercise such other remedies as Lessor may have at law or in equity. Lessor may enter and take possession of the Premises by self-help, by changing locks, if necessary, and may lock out Lessee, all without being liable for damages.

Section 15. VACATION OF PREMISES; REMOVAL OF LESSEE'S PROPERTY.

A. Upon termination howsoever of this Lease, (i) Lessee shall have peaceably and quietly vacated and surrendered possession of the Premises to Lessor, without Lessor giving any notice to quit or demand for possession, (ii) track materials at the Premises will revert to Lessor for $1 on an "as is where-is" basis, and (iii) Lessee shall be responsible for proper closure of its facilities at the Premises under applicable laws and regulations existing at the time of the closure and return of the Premises substantially to its original condition on the date Lessee first took possession, ordinary wear and tear excepted. Within ninety (90) days following the termination of this Lease, Lessee shall remove the Batch Plant, the New Technology equipment, non-UP inventory, raw materials, the gantry crane and associated rail, and office equipment and rail from the Premises, leaving structures, foundations and similar improvements; provided, however, that the foregoing removal obligations of Lessee shall not apply to any item or material owned or placed at the Premises by the Wood Tie Re-hab Contractor (capitalized terms in this sentence not defined in this Lease shall the meanings given them in the CXT Tie Agreement).

B. If Lessee has not completed such removal and restoration within ninety (90) days after termination of this Lease, Lessor may, at its election, and at any time or times, (i) perform the work and Lessee shall reimburse Lessor for the cost thereof within thirty (30) days after bill is rendered, and/or (ii) treat Lessee as a holdover tenant at will until such removal and restoration is completed.

Section 16. FIBER OPTICS.

Lessee shall telephone Lessor during normal business hours (7:00 a.m. to 9:00 p.m., Central Time, Monday through Fridays, except for holidays) at 1-800-336-9193 (also a 24-hour, 7-day number for emergency calls) to determine if fiber optic cable is buried on the Premises. If cable is buried on the Premises, Lessee will telephone the telecommunications company(ies), arrange for a cable locator, and make arrangements for relocation or other protection of the cable. Notwithstanding compliance by Lessee with this Section 16, the release and indemnity provisions of Section 12 above shall apply fully to any damage or destruction of any telecommunications system.

Section 17. NOTICES.

Any notice, consent or approval to be given under this Lease shall be in writing, and personally served, sent by reputable courier service, or sent by certified mail, postage prepaid, return receipt requested, to Lessor at: Union Pacific Railroad Company, Attn: General Manager — Real Estate, Real Estate Department, 1400 Douglas Street, Mail Stop 1690, Omaha, Nebraska 68179-1690; and to Lessee at the above address, or such other address as a party may designate in notice given to the other party. Mailed notices shall be deemed served five (5) days after deposit in the U.S. Mail. Notices which are personally served or sent by courier service shall be deemed served upon receipt.

Section 18. ASSIGNMENT.

A. Lessee shall not sublease the Premises, in whole or in part, or assign, encumber or transfer (by operation of law or otherwise) this Lease, without the prior consent of Lessor, which consent may be denied at Lessor's sole and absolute discretion. Any purported transfer or assignment without Lessor's consent shall be void and shall be a default by Lessee.

B. Subject to this Section 18, this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 19. CONDEMNATION.

If, as reasonably determined by Lessor, the Premises cannot be used by Lessee because of a condemnation or sale in lieu of condemnation, then this Lease shall automatically terminate. Lessor shall be entitled to the entire award or proceeds for any total or partial condemnation or sale in lieu thereof, including, without limitation, any award or proceeds for the value of the leasehold estate created by this Lease. Notwithstanding the foregoing, Lessee shall have the right to pursue recovery from the condemning authority of such compensation as may be separately awarded to Lessee for Lessee's relocation expenses, the taking of Lessee's personal property and fixtures, and the interruption of or damage to Lessee' business.

Section 20. ATTORNEY'S FEES.

If either party retains an attorney to enforce this Lease (including, without limitation, the indemnity provisions of this Lease), the prevailing party is entitled to recover reasonable attorney's fees.

Section 21. ENTIRE AGREEMENT.

This Lease is the entire agreement between the parties, and supersedes all other oral or written agreements between the parties pertaining to this transaction. Except for the unilateral redetermination of annual rent as provided in Article III., this Lease may be amended only by a written instrument signed by Lessor and Lessee.

Client#: 15096 LBFOST

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 01/11/05

PRODUCER
The HDH Group, Inc. P&C
US Steel Tower, Suite 1100
600 Grant Street
Pittsburgh, PA 15219-2804

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE — NAIC #

INSURED
L.B. Foster Company
CXT, Inc.
415 Holiday Drive
Pittsburgh, PA 15220

INSURER A: St. Paul Travelers — 25658
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE / OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC				EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ $ $ $ $ $
A A		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS X PHYSICAL DAMAGE IS SELF-INSURED	8100308B464TIL05 CAP200D8675COF05	01/01/05 01/01/05	01/01/06 01/01/06	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$1,000,000 $ $ $
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
		EXCESS/UMBRELLA LIABILITY OCCUR / CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $ $ $ $
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
The above referenced policy includes a Workers' Compensation & Employee exclusion which applies only to LB Foster's employees. The above referenced policy does not include a railroad exclusion or explosion, collapse and underground hazard exclusion. Severability of Interest is (See Attached Descriptions)

CERTIFICATE HOLDER

Union Pacific Railroad

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Brenda M. Nelson

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

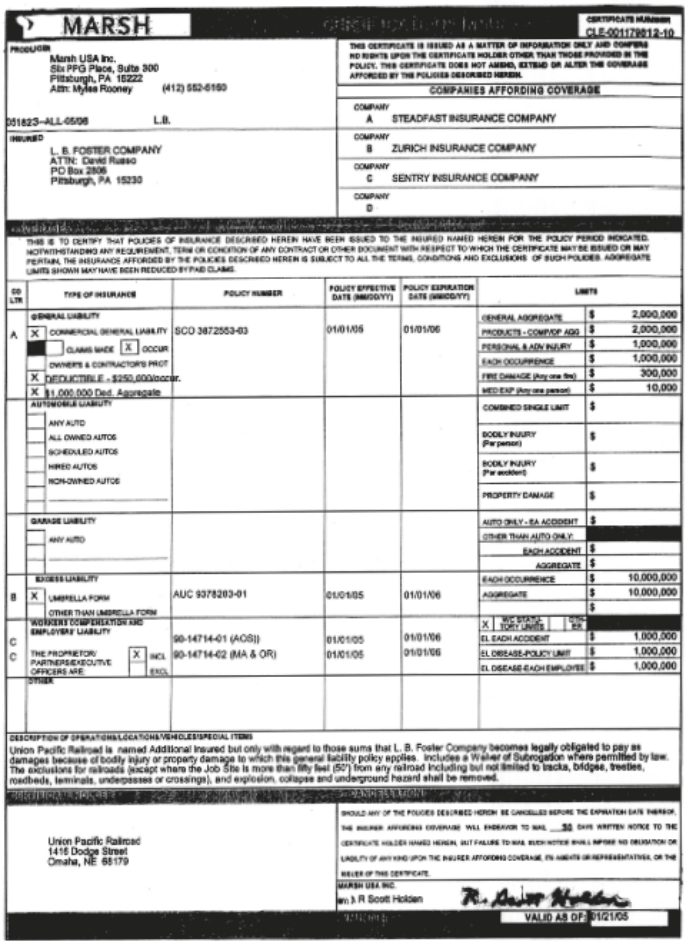
If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTIONS (Continued from Page 1)

Included in the policy form.



MARSH

CERTIFICATE NUMBER: CLE-001179012-10

PRODUCER
Marsh USA Inc.
Six PPG Place, Suite 300
Pittsburgh, PA 15222
Attn: Myles Rooney (412) 552-6160

051823--ALL-05/06 L.B.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

COMPANY A: STEADFAST INSURANCE COMPANY
COMPANY B: ZURICH INSURANCE COMPANY
COMPANY C: SENTRY INSURANCE COMPANY
COMPANY D:

INSURED
L. B. FOSTER COMPANY
ATTN: David Russo
PO Box 2806
Pittsburgh, PA 15230

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR OWNER'S & CONTRACTOR'S PROT X DEDUCTIBLE - $250,000/occur. X $1,000,000 Ded. Aggregate	SCO 3872553-03	01/01/06	01/01/06	GENERAL AGGREGATE PRODUCTS - COMP/OP AGG PERSONAL & ADV INJURY EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person)	$ 2,000,000 $ 2,000,000 $ 1,000,000 $ 1,000,000 $ 300,000 $ 10,000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS				COMBINED SINGLE LIMIT BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE	$ $ $ $
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EACH ACCIDENT AGGREGATE	$ $ $
B	EXCESS LIABILITY X UMBRELLA FORM OTHER THAN UMBRELLA FORM	AUC 9378283-01	01/01/05	01/01/06	EACH OCCURRENCE AGGREGATE	$ 10,000,000 $ 10,000,000 $
C C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE X INCL EXCL	90-14714-01 (AOS)) 90-14714-02 (MA & OR)	01/01/05 01/01/05	01/01/06 01/01/06	X WC STATU-TORY LIMITS / OTH-ER EL EACH ACCIDENT EL DISEASE-POLICY LIMIT EL DISEASE-EACH EMPLOYEE	$ 1,000,000 $ 1,000,000 $ 1,000,000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Union Pacific Railroad is named Additional Insured but only with regard to those sums that L. B. Foster Company becomes legally obligated to pay as damages because of bodily injury or property damage to which this general liability policy applies. Includes a Waiver of Subrogation where permitted by law. The exclusions for railroads (except where the Job Site is more than fifty feet (50') from any railroad including but not limited to tracks, bridges, trestles, roadbeds, terminals, underpasses or crossings), and explosion, collapse and underground hazard shall be removed.

CERTIFICATE HOLDER

Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.
BY: R Scott Holden

AUTHORIZED REPRESENTATIVE

VALID AS OF: 01/21/05

ADDITIONAL INFORMATION

DATE (MM/DD/YY)
01/21/05

PRODUCER
Marsh USA Inc.
Six PPG Place, Suite 300
Pittsburgh, PA 15222
Attn: Myles Rooney (412) 552-5160

051823--ALL-05/06 L.B.

INSURED
L. B. FOSTER COMPANY
ATTN: David Russo
PO Box 2806
Pittsburgh, PA 15230

COMPANIES AFFORDING COVERAGE

COMPANY
E

COMPANY
F

COMPANY
G

COMPANY
H

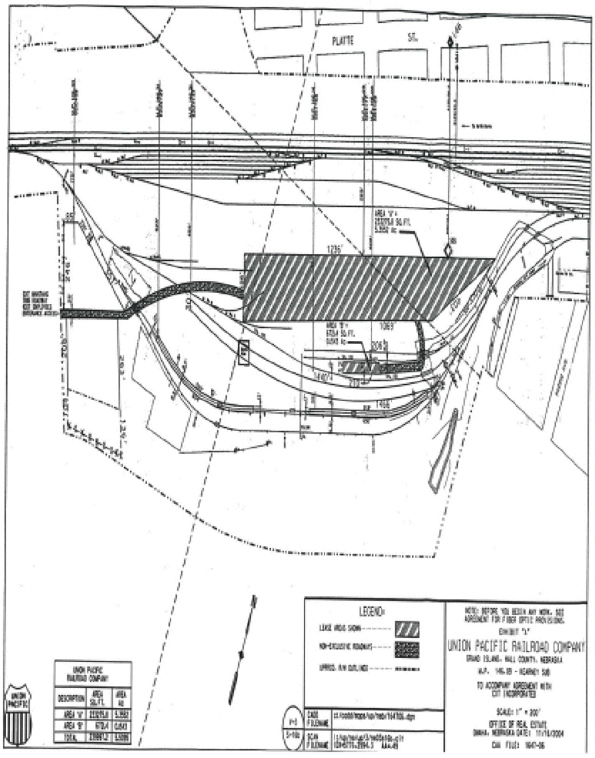
DESCRIPTION

The Workers Compensation policy contains an Alternate Employer Endorsement in favor of the Union Pacific Railroad. The General Liability Policy includes an endorsement providing Severability of Interest. The Umbrella Policy follows forms.

CERTIFICATE HOLDER

Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

MARSH USA INC. BY
R Scott Holden


PLATTE ST.
LEGEND:
UNION PACIFIC RAILROAD COMPANY
GRAND ISLAND, HALL COUNTY, NEBRASKA
TO ACCOMPANY AGREEMENT WITH
CIT INCORPORATED
SCALE: 1" = 200'
OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 11/16/2004

ITC Ind Dev-New Trk 03/01/03
Form Approved, AVP-Law

INDUSTRY TRACK CONTRACT

ARTICLES OF AGREEMENT

THIS AGREEMENT is made and entered into as of the 27th day of May, 2005, by and between **UNION PACIFIC RAILROAD COMPANY**, a Delaware corporation, to be addressed at 1400 Douglas Street, Omaha, NE 68179 (hereinafter the "Railroad"), and **CXT, INC.,** a Delaware corporation, to be addressed at 2420 North Pioneer Lane, Spokane, WA 99216 (hereinafter the "Industry").

RECITALS:

The Industry desires the construction, maintenance and operation of a 5,135-foot Track A, 4,866-foot Track B, 647-foot Track C and 1,245-foot Track D (hereinafter "Track") at or near Milepost 146.0, Kearney Subdivision, in Grand Island, Buffalo County, Nebraska, as shown on the attached drawing dated February 11, 2005, marked **Exhibit A**, hereto attached and hereby made a part hereof.

AGREEMENT:

NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Article 1. RELATED AGREEMENT.

This Agreement is made pursuant to the terms and conditions contained in the Agreement dated January 21, 2005, between the Railroad and Industry (the "CXT Tie Agreement").

Article 2. TRACK IDENTIFICATION MARKERS.

For the purpose of this Agreement, the following segments of the Track shall be identified as follows:

Track A

Engineering Station 0+00 -	the initial switch connection or sometimes referred to as the point of switch.
Engineering Station 1 +42 -	the initial 13—foot clearance point of the track. It is the point on the track where a rail car either being moved or stored on the track will not interfere with the movement of other rail cars on adjacent main, branch or lead trackage owned by the Railroad.
Engineering Station 51+35 -	the end of Track A.

Track C:

Engineering Station 0+00 -	the initial switch connection.
Engineering Station 1+36-	the initial 13-foot clearance point of the track.
Engineering Station 6+47 -	the end of Track C.

Article 3. PORTIONS OF TRACK TO BE CONSTRUCTED BY RAILROAD.

The Railroad will construct all track depicted on **Exhibit A** as "Proposed R.R. Owned Track."

Article 4. PORTIONS OF TRACK TO BE CONSTRUCTED BY INDUSTRY.

A. The Industry, at its own expense and subject to the prior approval of the Railroad, will perform all grading and install all necessary drainage facilities required in connection with the construction of the Track to the standards and satisfaction of the Railroad, and arrange to modify any overhead and/or underground utilities to meet Railroad specifications.

B. The Industry, at its own expense, will construct all track depicted on **Exhibit A** as "Proposed Ind. Owned Trackage."

Article 5. RIGHT-OF-WAY AND PRIVILEGE.

The Industry shall procure any needed right-of-way, public authority or permission for construction, maintenance and operation of the Track outside the limits of the Railroad's right-of-way. The Industry shall pay any fees or costs imposed by any public authority or person for the privilege of constructing, maintaining and operating the Track.

Article 6. GRANT OF RIGHT; USE AND OPERATION OF THE TRACK.

A. During the term hereof and subject to the terms and conditions set forth in this Agreement, Railroad hereby grants to Industry the right, at Industry's sole cost and responsibility, to construct, own, keep, maintain, repair and use Industry's private section of Track where located on and along Railroad's right-of-way.

B. The Railroad shall operate the Track subject to any applicable tariffs or rail transportation contracts and the terms of this Agreement, but the Railroad shall not be obligated to operate or maintain the Track (and the Industry shall not have any claim against the Railroad) if the Railroad is prevented or hindered from doing so by the Industry's breach or by acts of God, public authority, strikes, riots, labor disputes, or other cause beyond its control. The Railroad shall have the right to use the Track when not to the detriment of the Industry.

C. The Industry shall bear the cost of any modifications to the Railroad's tracks, structures and communication facilities, other than track changes connected with the initial switch connection, required by the construction, reconstruction or operation of the Track.

D. The use and operation of the Track shall also be in accordance with the terms and conditions set forth in **Exhibit B,** hereto attached and hereby made a part hereof.

Article 7. OWNERSHIP OF THE TRACK.

A. The Railroad shall own the portion of Track A from the point of switch to the 13-foot clearance point and the portion of Track C from the point of switch to the 13-foot clearance point (hereinafter "Railroad-owned Track").

B. The Industry shall own the portion of Track A from the 13-foot clearance point to the end of the track, all of Track B, the portion of Track C from the 13-foot clearance point to the end of the track, and all of Track D (hereinafter "Industry-owned Track").

Article 8. MAINTENANCE OF THE TRACK STRUCTURE (RAIL, TIES, BALLAST, OTHER TRACK MATERIAL).

A. The Railroad, at its expense, shall maintain the track structure for the portion of Railroad-owned Track.

B. The Industry, at its expense, shall maintain the track structure for the portion of Industry-owned Track.

Article 9. MAINTENANCE OF RIGHT-OF-WAY AND TRACK APPURTENANCES.

A. The Railroad, at its expense, shall maintain the right-of-way and track appurtenances for the portion of Railroad-owned Track.

B. The Industry, at its expense, shall perform the following maintenance of the right- of-way and track appurtenances for the portion of Industry-owned Track:

1. Remove snow, ice, sand and other substances and maintain drainage and grading as needed to permit safe operation over the Track.

2. Maintain all appurtenances to the Track (other than an automatic signal system), including without limitation, gates, fences, bridges, undertrack unloading pits, loading or unloading devices and warning signs above, below or beside the Track.

Article 10. INDUSTRY TO GIVE NOTICE; FLAGGING.

The Industry shall comply with the flagging provisions contained in Section 1(j) of **Exhibit B** prior to entering Railroad's right-of-way for the purpose of performing any construction or maintenance of the Track as set forth in this Agreement.

Article 11. CONSTRUCTION, MAINTENANCE AND REPAIRS BY INDUSTRY TO CONFORM TO RAILROAD STANDARDS.

A. Track construction, maintenance and repair work performed by the Industry shall conform to the Railroad's standards. If, in the judgment of the Railroad, any portion of the Track is non-conforming and/or unsafe for railroad operations, the Railroad shall not be obligated to operate over the Track.

B. The Railroad, at the Industry's expense, shall have the right, but not be required, to make repairs on the Industry-owned Track when requested by the Industry or when necessary to operate the Track safely.

Article 12. NON-DISCLOSURE; CONFIDENTIALITY.

Except to the extent that disclosure of information contained in this Agreement is required by law, the contents of this Agreement shall not be disclosed or released by any party without the written consent of all other parties to this Agreement.

Article 13. TERM.

This Agreement shall take effect as of the date of this Agreement and shall continue in full force and effect until terminated as herein provided.

Article 14. CONSENT OF THE RAILROAD TO CERTAIN FACILITIES OR OPERATIONS.

The Railroad hereby consents to the construction, maintenance and operation by the Industry of three private road crossings as shown on **Exhibit A**; subject to the terms, provisions and conditions set forth in this Agreement and to any prior regulatory approval that may be needed.

Article 15. INSURANCE

The Industry shall, at its sole cost and expense, procure and maintain during the term of this Agreement insurance coverage as set forth in **Exhibit C,** attached hereto and by this reference incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate as of the date first herein written.

UNION PACIFIC RAILROAD COMPANY

By. /s/ Steven J. McLaws
General Director — Industrial Development

Witness:

CXT, INC.

/s/ David L. Voltz

By /s/ Stan L. Hasselbusch
Printed Name Stan L. Hassellbusch
Title CEO

Article 16.

The terms of the CXT Tie Agreement shall prevail over any conflicting terms herein, e.g. Industry's right to remove its property would be governed by Section 2.9 of the Tie Agreement and not Section 7 of Exhibit B hereto.

Section 1. SAFETY.

(a) Clearances/Impairments. The Industry shall not permit or maintain any building, platform, fence, gate, vehicle, or other structure, obstruction or material of any kind, closer to the Track then the standard clearances of the Railroad without the prior written consent of the Railroad. The standard clearances of the Railroad are (i) horizontally, nine (9) feet from the centerline of the Track, and (ii) vertically, twenty-three (23) feet above the top of the rail of the Track. For any portion of the Track that is curved, the standard horizontal clearance shall be increased one and one-half inches for each degree of curvature. All doors, windows and gates shall be of the sliding type or open away from the Track if opening them toward the Track would impair clearances. Any moveable appliance, including, but not limited to, dock plates and loading or unloading spouts or equipment, that impairs the standard clearances only when in use, shall be securely stored or fastened by the Industry when not in use so as to not impair such clearances. If greater clearances are required by the National Electrical Safety Code or by statute, regulation or other competent public authority, the Industry shall comply therewith and shall obtain any necessary public authority and Railroad consent to impair clearances before creating an impairment. Any structure, material or other obstruction (whether in use or not) which is closer to the Track than the Railroad's standard clearances or applicable public authority, whichever distance is greater, shall be considered an impairment, whether or not consented to or permitted by the Railroad or public authority.

(b) Facilities. The Industry shall not construct, locate, maintain or permit the construction or erection of any pits, loadout facilities, buildings, private crossings, beams, pipes, wires, or other obstructions or installations of any kind or character (hereinafter "Facilities") over or under the Track without the prior written consent of the Railroad.

(c) Walkways. The Industry, at its expense, shall provide and maintain a Clear and safe pathway for Railroad employees along both sides of the Track beyond the clearance point. If walkways are required by statute or regulation, the Industry, at its expense, shall ensure that walkways are built and maintained to conform with such statute or regulation.

(d) Industry to Train and Oversee Employees. The Industry shall have a non-delegable duty and responsibility to train and oversee its employees and agents as to proper and safe working practices while performing any work in connection with this Agreement, or any work associated with the Railroad serving the Industry over the Track.

(e) Intraplant Switching. The Industry shall not perform, permit or cause intraplant switching without the prior written consent of the Railroad. Intraplant switching means the movement of rail cars on the Track by the Industry by any method and includes the Industry's capacity to move rail cars, whether before, during or after any such movement.

(f) Standards. The Industry shall comply with all applicable ordinances, regulations, statutes, rules, decisions and orders including, but not limited to, safety, zoning, air and water quality, noise, hazardous substances and hazardous wastes (hereinafter "Standards") issued by any federal, state or local governmental body or agency (hereinafter "Authority"). If the Industry is not in full compliance with any Standards issued by any authorized Authority, the Railroad, after notifying the Industry of its noncompliance and the Industry's failure within twenty days of such notice to correct such noncompliance, may elect to take whatever action is necessary to bring the Track and any Railroad property into compliance with such Standards; PROVIDED, HOWEVER, that if Industry's failure to comply with Standards interferes with, obstructs or endangers Railroad mainline or yard operations in any way, Railroad may initiate compliance action immediately. The Industry shall reimburse the Railroad for all costs (including, but not limited to, consulting, engineering, clean-up, disposal, legal costs and attorneys' fees, fines and penalties) incurred by the Railroad in complying with, abating a violation of, or defending any claim of violation of such Standards. A waiver by the Railroad of the breach by the Industry of any covenant or condition of this Agreement shall not impair the right of the Railroad to avail itself of any remedy for any subsequent breach thereof.

(g) Railcars Containing Hazardous Materials. If the Industry uses the Track for the purpose of shipping, receiving or storing railcars containing hazardous materials, as defined by the Department of Transportation (the "DOT"). The Industry will comply with and abide by all DOT regulations as set out in 49 Code of Federal Regulations, Parts 100-199, inclusive, as amended from time to time, and provisions contained in applicable Circular's of the Bureau of Explosives, Association of American Railroads, including any and all amendments and supplements thereto. The term "Standards" defined in Section 1 (f) shall include (but is not limited to) regulations referenced in this subsection (g).

(h) Telecommunications and Fiber Optic Cable Systems. Telecommunications and Fiber optic cable systems may be buried on the Railroad's property. Industry shall telephone the Railroad during normal business hours (7:00 a.m. to 9:00 p.m., Central Time, Monday through Friday, except holidays) at 1-800-336-9193 (also a 24-hour, 7-day number for emergency calls) to determine if telecommunications or fiber optic cable are buried anywhere on the Railroad's premises to be used by the Industry. If it is, Industry will telephone the telecommunication company(ies) involved, arrange for a cable locator, and make arrangements for relocation or other protection of the cable and will commence no work on Railroad's property until all such protection or relocation has been accomplished.

(i) Fire Precautions. Industry shall not permit, place, pile, store, or stack any flammable material within ten (10) feet of centerline of the Track. Industry shall remove or otherwise control vegetation adjacent to the Track so that it does not constitute a fire hazard. Industry shall ensure that suitable firefighting equipment is available and in working order.

(j) Notice and Flagging. Prior to entering Railroad's right of way or other property for the purpose of performing any maintenance, repair, or reconstruction of the Track as set forth in this Agreement, and/or constructing additional track segments connecting to the Track, the Industry and/or its contractors are required to first notify the Railroad's local Manager of Track Maintenance at least ten (10) working days in advance of such work so that the Railroad can determine if flagging and/or other protection is needed. If Railroad deems that flagging and/or other protection is needed, no work of any kind shall be performed, and no person, equipment, machinery, tool(s), material(s), vehicles(s), or thing(s) shall be located, operated, placed, or stored within 25 feet of the Track or any other track of Railroad at any time, for any reason, unless and until a Railroad flagman is provided to watch for trains. If flagging or other special protective or safety measures are performed by the Railroad, such services will be provided at Industry's expense with the understanding that if the Railroad provides any flagging or other services, the Industry shall not be relieved of any of its responsibilities or liabilities set forth herein. Industry shall promptly pay to Railroad all charges connected with such services within 30 days after presentation of a bill. The rate of pay per hour for each flagman will be the prevailing hourly rate in effect for an eight hour day for the class of flagman used during regularly assigned hours and overtime in accordance with Labor Agreements and Schedules in effect at the time the work is performed. In addition to the cost of such labor, a composite charge for vacation, holiday, health and welfare, supplemental sickness, Railroad Retirement and Unemployment Compensation, supplemental pension, Employer's Liability and Property Damage and Administration will be included, computed on actual payroll. The composite charge will be the prevailing composite charge in effect on the day that the flagging is provided. One and one-half times the current hourly rate is paid for overtime, Saturdays and Sundays; two and one-half times current hourly rate for holidays. Wage rates are subject to change, at any time, by law or by agreement between the Railroad and its employees, and may be retroactive as a result of negotiations or a ruling of an authorized Governmental Agency. Additional charges on labor are also subject to change. If the wage rate or additional charges are changed, the Industry shall pay on the basis of the new rates and charges. Reimbursement to the Railroad will be required covering the full eight hour day during which any flagman is furnished, unless the flagman can be assigned to other Railroad work during a portion of such day, in which event reimbursement will not be required for the portion of the day during which the flagman is engaged in other Railroad work. Reimbursement will also be required for any day not actually worked by said flagman following the flagman assignment to work on the project for which the Railroad is required to pay the flagman and which could not reasonably be avoided by the Railroad by assignment of such flagman to other work, even though the Industry and/or Industry's contractors may not be working during such time. When it becomes necessary for the Railroad to bulletin and assign an employee to a flagging position in compliance with union collective bargaining agreements, the Industry or Industry's contractors must provide the Railroad a minimum of five (5) days notice prior to the cessation of the need for a flagman. If five (5) days notice of cessation is not given, the Industry will still be required to pay flagging charges for the five (5) day notice period required by union agreement to be given to the employee, even though flagging is not required for that period. An additional ten (10) days notice must then be given to the Railroad if flagging services are needed again after such five (5) day cessation notice has been given Railroad.

Section 2. LIABILITY.

(a) For purposes of this Section, the following definitions shall apply:

(1) "Railroad": the Railroad and its officers, agents and employees.

(2) "Industry": the Industry and its officers, agents and employees.

(3) "Party": the Railroad or the Industry.

(4) "Third Person": any individual, corporation or entity other than the Railroad or the Industry.

(5) "Loss" means loss of or damage to the property of any Third Person or Party and/or injury to or death of any Third Person or Party. "Loss" shall also include, without limitation, the following associated expenses incurred by a Party: costs, expenses, the cost of defending litigation, attorneys' fees, expert witness fees, court costs, the amounts paid in settlement, the amount of the judgment, and pre-judgment and post-judgment interest and expenses arising from analysis and cleanup of any incident involving the release of hazardous substances or hazardous wastes.

(b) Except as otherwise specifically provided in this Agreement, all Loss related to the construction, operation, maintenance, use, presence or removal of the Track shall be allocated as follows:

(1) The Railroad shall indemnify Industry from and against Loss arising from or growing out of the negligent acts or omissions of the Railroad.

(2) The Industry shall indemnify Railroad from and against Loss arising from or growing out of the negligent acts or omissions of the Industry or arising from:

(i) any impairment of the Track by Industry as described in Section 1(a);

(ii) the Industry's failure to construct or adequately maintain pathways or walkways as required by Section 1(c);

(iii) intraplant switching as defined by Section 1(e);

(iv) the Industry's failure to comply with Standards, as required by Section 1(f); or

(v) any explosion or leakage or evaporation of hazardous substances or hazardous wastes shipped, received or stored by Industry resulting from Industry's failure to comply with DOT and other applicable regulations as set forth in Sections 1(f) and 1(g) of Exhibit B.

(vi) any damage to Industry's cargo or commodity stored in railcars on the Track resulting from any act or event beyond the control of Railroad including, without limitation, any Act of God and specifically including water damage from whatever source including drainage runoff and leakage.

(3) Subsection 2(b)(2), subparagraphs (i) through (v), apply regardless of whether the Railroad had notice of, consented to, or permitted the aforesaid impairments, failures, non-compliance with Standards, wastes or substances, and whether or not the Railroad or a Third Person contributes to cause the Loss.

(4) Except as otherwise more specifically provided in this Agreement, Railroad and Industry shall pay equal parts of the Loss that arises out of the joint or concurring negligence of the Railroad and the Industry, whether or not the acts or omissions of a Third Person contribute to cause the Loss; PROVIDED, however, that nothing in this Agreement shall be construed as impairing the right of either party to seek contribution or indemnification from a Third Person.

(5) Industry expressly and specifically assumes potential liability under this subsection (b) for claims or actions brought by Industry's own employees. Industry waives any immunity it may have under worker's compensation or industrial insurance acts to indemnify Railroad under this subsection (b). Industry acknowledges that this waiver was mutually negotiated by the parties hereto.

(6) No court or jury findings in any employee's suit pursuant to any worker's compensation act or the Federal Employer's Liability Act against a party to this Agreement may be relied upon or used by Industry in any attempt to assert liability against Railroad.

Section 3. REARRANGEMENT OF TRACK; ADDITIONAL TRACKAGE.

(a) The Railroad may rearrange or reconstruct the Track or modify its elevation in order to develop or change nearby Railroad property or tracks, provided that the Industry shall continue to have similar trackage without additional cost to the Industry. If, however, the change in the Track, or its appurtenances, is required by or as a result of any law, ordinance, regulation, or other contingency over which the Railroad has no control, the Industry shall bear the cost of the change.

(b) All references in this Agreement to Track shall apply to the Track as constructed, even if it differs or varies from its depiction on Exhibit A. References in this Agreement to Track shall also apply to rearrangements, reconstructions, extensions or additions to the Track.

Section 4. PAYMENT OF BILLS; ASSIGNABLE COSTS.

(a) Bills for expenses properly chargeable to the Industry pursuant to this Agreement shall be paid by the Industry within thirty days after presentation by the Railroad except as otherwise provided. Bills not paid within thirty days shall be subject to interest at the then current rate charged by the Railroad.

(b) “Cost” or “expense” for the purpose of this Agreement shall be all assignable costs and expenses including all current Railroad cost additives. Material shall be charged at its current value when and where used. Assignable costs are any costs incurred by the Railroad that are directly or Indirectly attributable to the construction, maintenance or operation of the Track that the Railroad has not specifically agreed to pay under the terms of this Agreement.

Section 5. GOVERNMENTAL RESTRICTIONS.

This Agreement is made subject to all applicable laws, rules and regulations of the United States Government or any state, municipal, or local governmental authority now or hereafter in effect.

Section 6. TERMINATION.

(a) This Agreement shall terminate automatically upon termination of the CXT Tie Agreement for any reason.

(b) Industry may terminate this Agreement upon thirty (30) days’ written notice to Railroad.

(c) Railroad may terminate this Agreement by sending thirty (30) days’ written notice to Industry’s last known address:

(1) if Industry does not use the Track in an active and substantial way for a continuous period of six (6) months; PROVIDED, HOWEVER, that Industry has the option after receipt of such notice to pay an annual fee towards the cost of maintaining the switch connection up to the clearance point. The Railroad’s notice of termination for lack of use shall state the current amount of the annual fee and how frequently it may be adjusted. Industry may accept the option by payment of the annual fee before the termination becomes effective on the thirtieth day after notice was mailed; or

(2) if continued operation of Track (including but not limited to the switch connection itself) becomes impracticable due to abandonment or embargo of rail lines, or if the continued presence of the Track would interfere with Railroad operations (including but not limited to, line changes, construction of new lines, or railroad installation of facilities). In the event Railroad terminates this Agreement pursuant to this subparagraph, Railroad shall attempt to provide Industry a substitute switch connection if such a switch connection would be reasonably practicable, could be made safely, and would furnish sufficient business to justify the cost of construction and maintenance.

(d) Termination of this Agreement for any reason shall not affect any of the rights or obligations that the parties hereto may have accrued, or liabilities, accrued or otherwise, which may have arisen prior thereto.

Section 7. SURRENDER UPON TERMINATION.

Upon termination of this Agreement howsoever, the Industry shall vacate and surrender the quiet and peaceable possession of any right-of-way or other property owned by the Railroad upon which the Track is located. The Railroad shall have the right to remove the portion of the Track it owns. Not later than the last day of the term of this Agreement, the Industry, at its sole cost and expense, shall (a) remove from the Railroad’s right-of-way or other property all (i) portions of the Track owned by the Industry, (ii) obstructions, (iii) contamination caused by or arising from the use of the Track for purposes of the Industry, Facilities (as defined in Section 1(b)) and other property not belonging to the Railroad or a third party, located thereon and (b) restore the Railroad’s right-of-way to as good a condition as the same was in before the date of this Agreement. If the Industry fails to perform such removal and restoration, or if the work performed by the Industry is not satisfactory to the Railroad, the Railroad may perform the work at Industry’s expense. Any portion of the Track owned by Industry and not removed as provided herein may, at Railroad’s election, be deemed abandoned and Railroad, at Industry’s sole cost and expense, may remove such portion(s) of the Track from Railroad’s property and dispose of same and restore Railroad’s property. If Railroad performs such track removal and/or disposal, the Industry agrees to reimburse the Railroad, within thirty (30) days of its receipt of billing from the Railroad, for all costs and expenses incurred by Railroad (less any resulting salvage value) in connection therewith.

Section 8. NOTICES.

(a) Any notice, consent or approval that either party hereto desires or is required to give to the other party under this Agreement shall be in writing. The notice, consent or approval shall be deemed to have been given to the Industry by serving the Industry personally or by mailing the same, postage prepaid, to the Industry at the last address known to the Railroad. Notice may be given to the Railroad by mailing the same, postage prepaid to Union Pacific Railroad Company, Attention: Real Estate Department, 1400 Douglas Street, Omaha, Nebraska 68179.

(b) Notices involving a notice of default or termination shall be by certified mail, return receipt requested, and such notice shall be deemed given on the date deposited with the United States Postal Service.

Section 9. ASSIGNMENT; USE BY THIRD PARTIES.

The Industry shall not assign this Agreement or permit use of the Track by anyone other than the Industry without the prior written consent of the Railroad. The Industry shall notify the Railroad in writing of any assignment to an affiliate prior to the effective date of the assignment. For any departure from the terms of this Section, the Railroad may terminate this Agreement. The Railroad shall not unreasonably withhold its consent to an assignment of this Agreement.

Section 10. SUCCESSORS AND ASSIGNS.

Subject to the provisions of Section 9, the rights and obligations contained in this Agreement shall pass to and be binding upon the heirs, executors, administrators, successors and assigns of the parties to this Agreement.

Client#: 15056 LBFOST

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 01/11/05

PRODUCER
The HDH Group, Inc. P&C
US Steel Tower, Suite 1100
600 Grant Street
Pittsburgh, PA 15219-2804

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
L.B. Foster Company
CXT, Inc.
415 Holiday Drive
Pittsburgh, PA 15220

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: St. Paul Travelers	25658
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	$
		☐ COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	$
		☐ CLAIMS MADE ☐ OCCUR				MED EXP (Any one person)	$
						PERSONAL & ADV INJURY	$
						GENERAL AGGREGATE	$
		GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC				PRODUCTS - COMP/OP AGG	$
A		AUTOMOBILE LIABILITY	8100308B464TIL05	01/01/05	01/01/06	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
A		X ANY AUTO	CAP200D8675COF05	01/01/05	01/01/06		
		☐ ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		☐ SCHEDULED AUTOS					
		X HIRED AUTOS				BODILY INJURY (Per accident)	$
		X NON-OWNED AUTOS					
		X PHYSICAL DAMAGE				PROPERTY DAMAGE (Per accident)	$
		☐ IS SELF-INSURED					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		☐ ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		☐ OCCUR ☐ CLAIMS MADE				AGGREGATE	$
							$
		☐ DEDUCTIBLE					$
		☐ RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS / OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The above referenced policy includes a Workers' Compensation & Employee exclusion which applies only to LB Foster's employees. The above referenced policy does not include a railroad exclusion or explosion, collapse and underground hazard exclusion. Severability of interest is (See Attached Descriptions)

CERTIFICATE HOLDER

Union Pacific Railroad

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Brenda L Mckon

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTIONS (Continued from Page 1)

Included in the policy form.

MARSH — CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER: CLE-001179812-10

PRODUCER
Marsh USA Inc.
Six PPG Place, Suite 300
Pittsburgh, PA 15222
Attn: Myles Rooney (412) 552-5160

051823--ALL-05/06 L.B.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

INSURED
L. B. FOSTER COMPANY
ATTN: David Russo
PO Box 2806
Pittsburgh, PA 15230

COMPANIES AFFORDING COVERAGE

COMPANY A: STEADFAST INSURANCE COMPANY
COMPANY B: ZURICH INSURANCE COMPANY
COMPANY C: SENTRY INSURANCE COMPANY
COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	**GENERAL LIABILITY**					
	[X] COMMERCIAL GENERAL LIABILITY	SCO 3872553-03	01/01/05	01/01/06	GENERAL AGGREGATE	$ 2,000,000
	[ ] CLAIMS MADE [X] OCCUR				PRODUCTS - COMP/OP AGG	$ 2,000,000
	[ ] OWNER'S & CONTRACTOR'S PROT				PERSONAL & ADV INJURY	$ 1,000,000
	[X] DEDUCTIBLE - $250,000/occur.				EACH OCCURRENCE	$ 1,000,000
	[X] $1,000,000 Ded. Aggregate				FIRE DAMAGE (Any one fire)	$ 300,000
					MED EXP (Any one person)	$ 10,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	$
	[ ] ANY AUTO					
	[ ] ALL OWNED AUTOS				BODILY INJURY (Per person)	$
	[ ] SCHEDULED AUTOS					
	[ ] HIRED AUTOS				BODILY INJURY (Per accident)	$
	[ ] NON-OWNED AUTOS					
	[ ] _____				PROPERTY DAMAGE	$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
	[ ] ANY AUTO				OTHER THAN AUTO ONLY:	
	[ ] _____				EACH ACCIDENT	$
					AGGREGATE	$
B	**EXCESS LIABILITY**				EACH OCCURRENCE	$ 10,000,000
	[X] UMBRELLA FORM	AUC 9378203-01	01/01/05	01/01/06	AGGREGATE	$ 10,000,000
	[ ] OTHER THAN UMBRELLA FORM					$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				[X] WC STATUTORY LIMITS [ ] OTHER	
C		90-14714-01 (AOS))	01/01/05	01/01/06	EL EACH ACCIDENT	$ 1,000,000
C	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: [X] INCL [ ] EXCL	90-14714-02 (MA & OR)	01/01/05	01/01/06	EL DISEASE-POLICY LIMIT	$ 1,000,000
					EL DISEASE-EACH EMPLOYEE	$ 1,000,000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Union Pacific Railroad is named Additional Insured but only with regard to those sums that L. B. Foster Company becomes legally obligated to pay as damages because of bodily injury or property damage to which this general liability policy applies. Includes a Waiver of Subrogation where permitted by law. The exclusions for railroads (except where the Job Site is more than fifty feet (50') from any railroad including but not limited to tracks, bridges, trestles, roadbeds, terminals, underpasses or crossings), and explosion, collapse and underground hazard shall be removed.

CERTIFICATE HOLDER

Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.
BY: R Scott Holden

MM1(3/02) VALID AS OF: 01/21/05

ADDITIONAL INFORMATION

CLE-001179512.01

DATE (MM/DD/YY) 01/21/05

PRODUCER

Marsh USA Inc.
Six PPG Place, Suite 300
Pittsburgh, PA 15222
Attn: Myles Rooney (412) 552-5160

051823–ALL-05/06 L.B.

COMPANIES AFFORDING COVERAGE

COMPANY E

COMPANY F

INSURED

L. B. FOSTER COMPANY
ATTN: David Russo
PO Box 2806
Pittsburgh, PA 15230

COMPANY G

COMPANY H

TEXT

The Workers Compensation policy contains an Alternate Employer Endorsement in favor of the Union Pacific Railroad. The General Liability Policy includes an endorsement providing Severability of Interest. The Umbrella Policy follows forms.

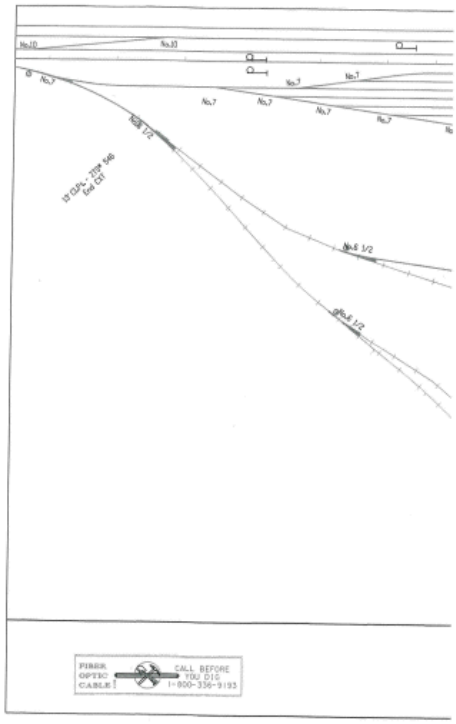
CERTIFICATE HOLDER

Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

MARSH USA INC. BY

R. Scott Holden R. Scott Holden

Page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No.10
No.7
No.7
No.7
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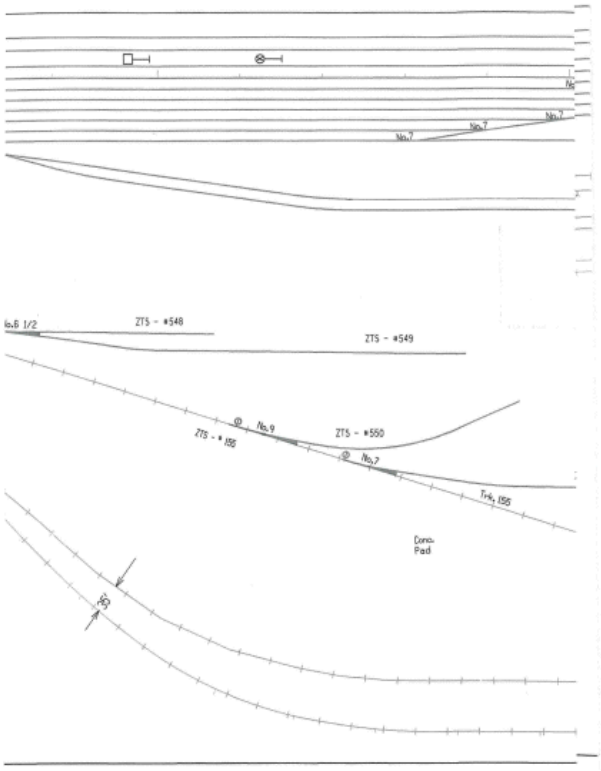
No.7
No.7
No.7
No.7
No.6 1/2
No.6 1/2
No.6 1/2
FIBER OPTIC CABLE !
CALL BEFORE YOU DIG
1-800-336-9193


No.7
No.7
No.7
No.7
No.6 1/2
ZT5 - #548
ZT5 - #549
No.9
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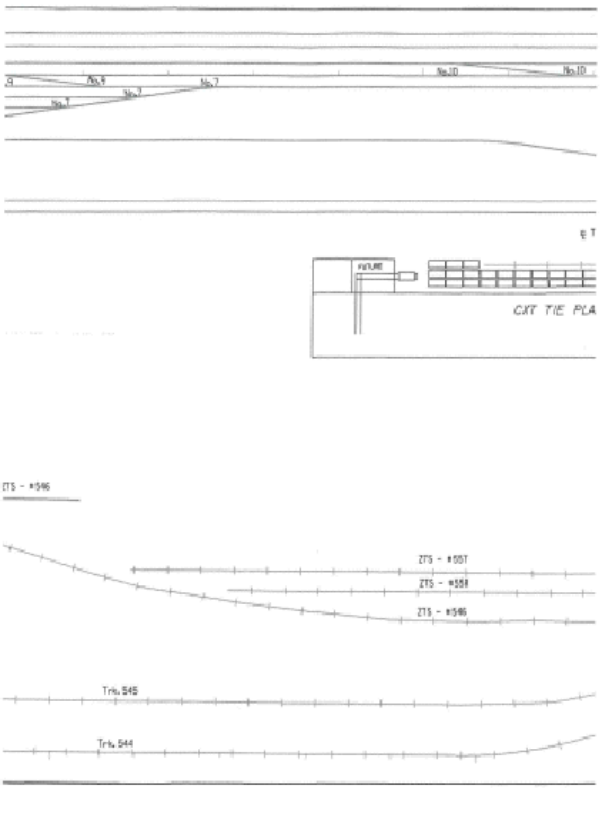
No.7
Trk. 195
Conc.
Pad
253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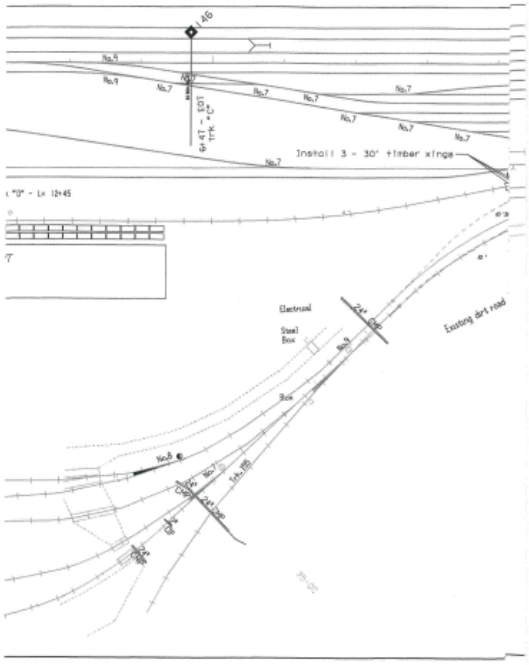
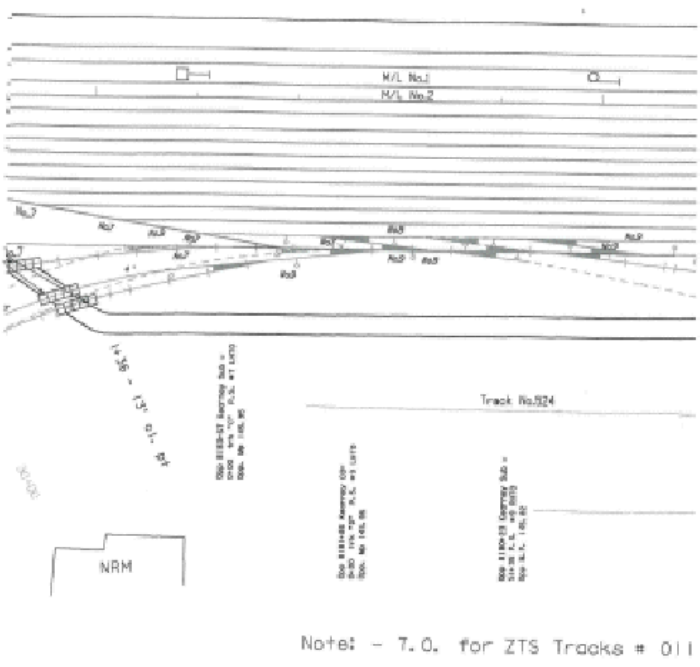
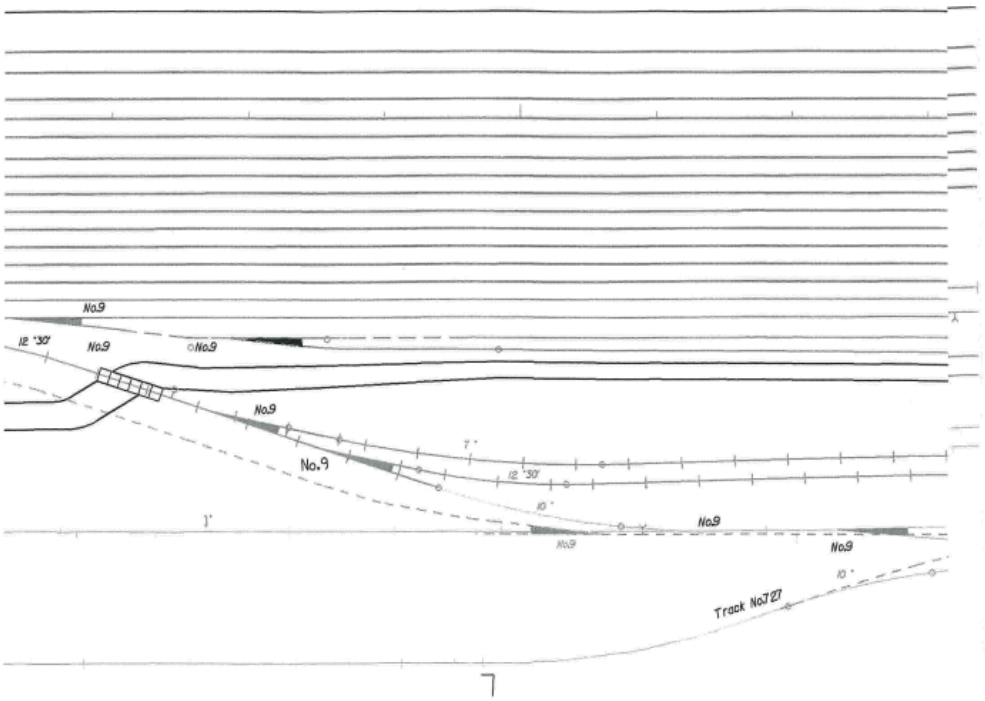
No.9
No.7
No.10
No.10
No.11
CUT TIE PLA

ZTS - #546
ZTS - #557
ZTS - #551
ZTS - #546
Trk. 545
Trk. 544


Install 3 - 30' timber rings
Electrical
Steel
Box
Box
Existing dirt road
No.7
No.8
No.9



Note: — T.O. for ZTS Tracks # 011019, and 012 have been relocated


No.9
12 °30'
No.9
No.9
No.9
No.9
7 °
12 °30'
10 °
No.9
No.9
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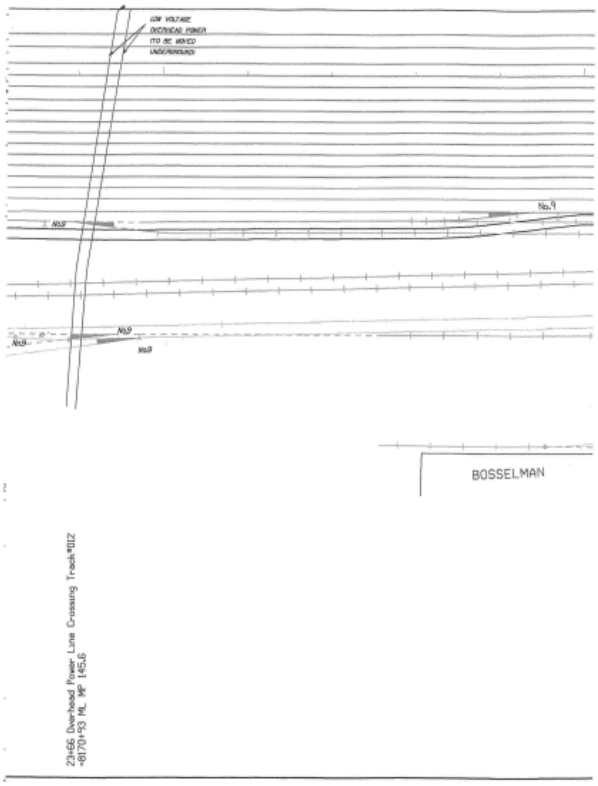
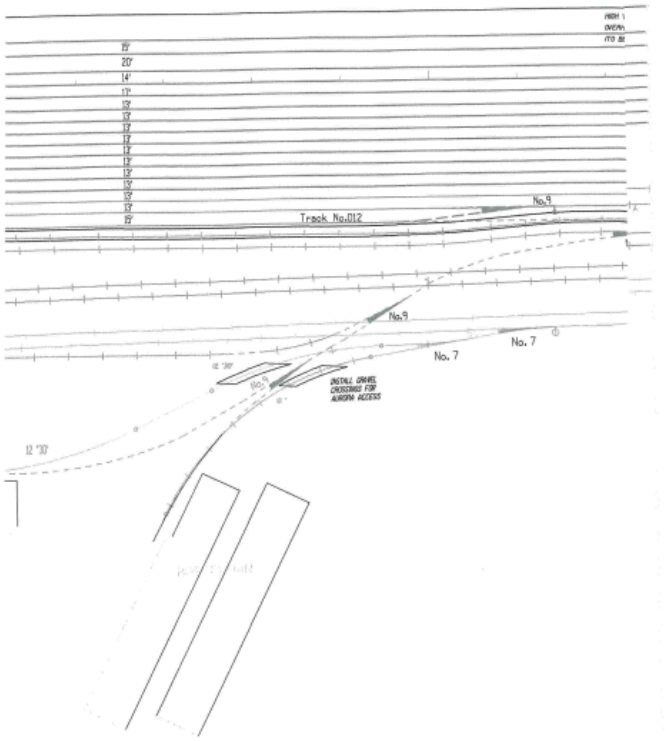
10 °
Track No.127



23+66 Overhead Power Line Crossing Track #012
+61.70+93 ML MP 145.6


15'
20'
14'
17'
15'
15'
15'
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15'
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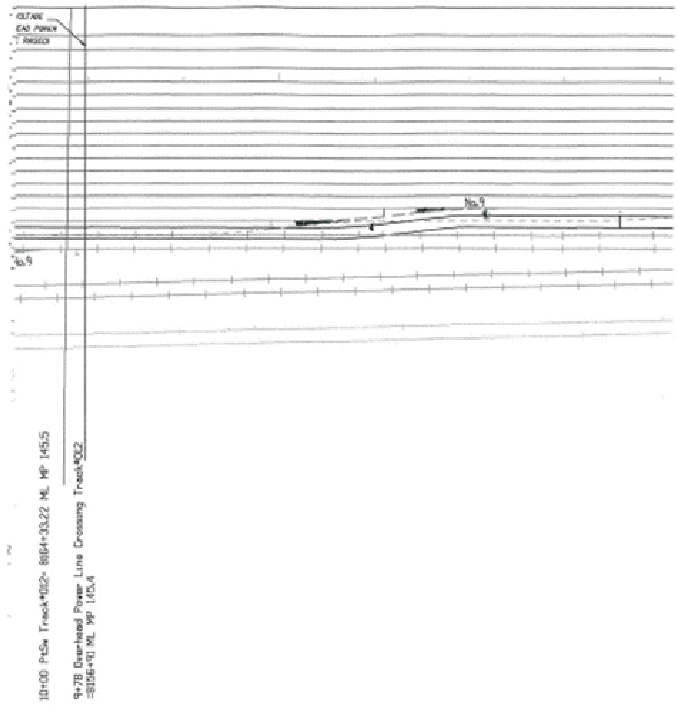
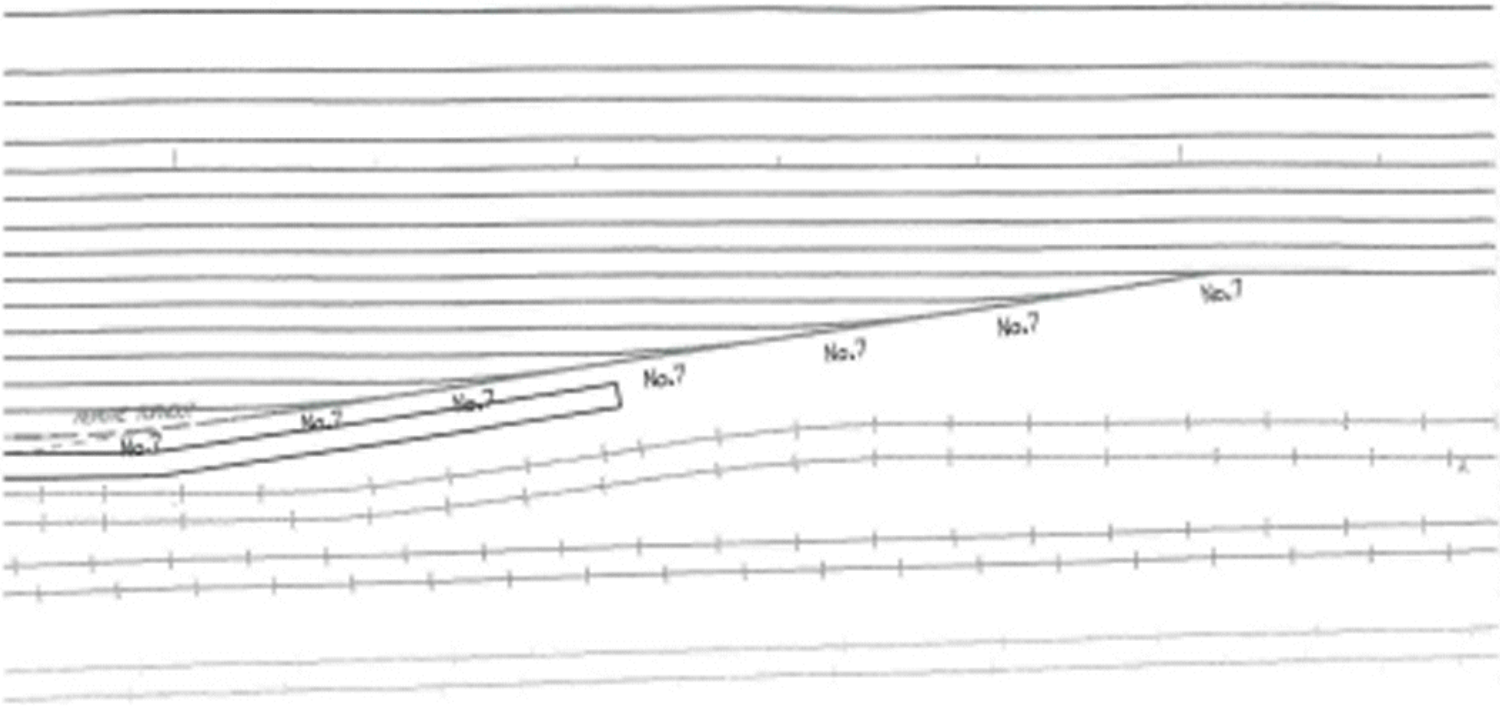
15'
15'
15'
15'
Track No.012
No.9
No.9
No. 7
No. 7
INSTALL GRAVEL CROSSINGS FOR AURORA ACCESS
12 °30'


No.9
10+00 PtSw Track*012= 8864+33.22 ML MP 145.5
9+78 Overhead Power Line Crossing Track*012
=8156+91 ML MP 145.4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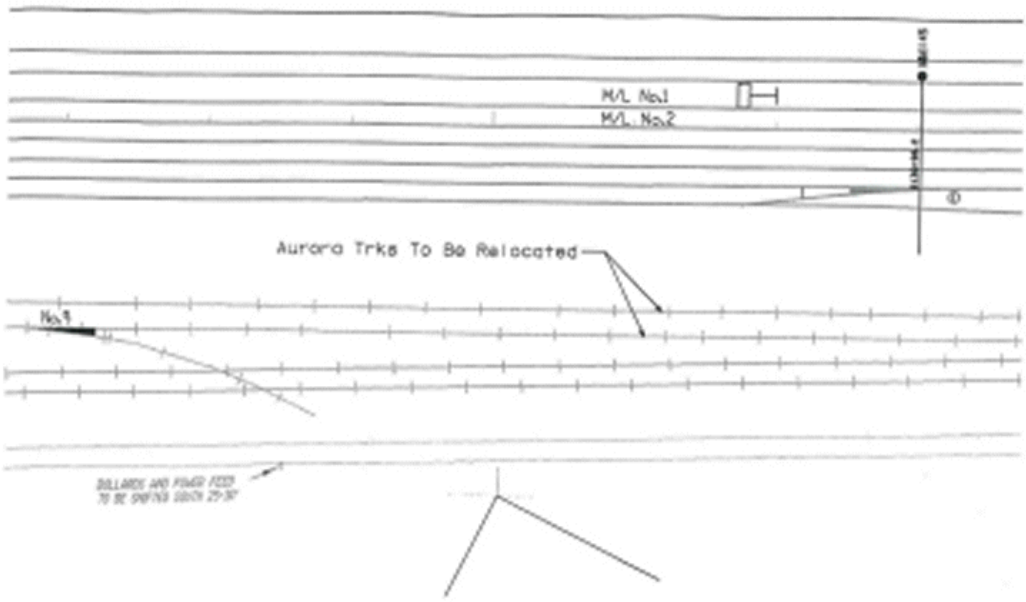
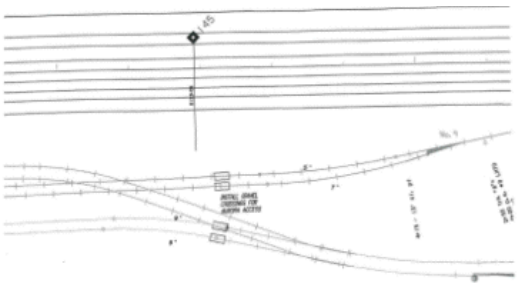


MFS YORK



LEGEND:
EXIST. R.R. OWNED TRACKAGE .....
PROP. R.R. OWNED TRACKAGE .....
EXIST. IND. OWNED TRACKAGE .....
PROP. IND. OWNED TRACKAGE .....
RAILROAD RIGHT OF WAY .....
EXIST. Trk To Be Removed

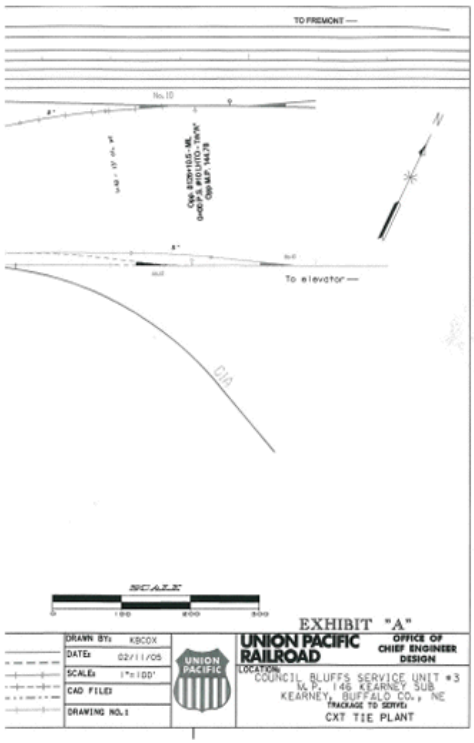


EXHIBIT "A"

DRAWN BY:	KBCOX
DATE:	02/11/05
SCALE:	1"=100'
CAD FILE:	
DRAWING NO.:	1

UNION PACIFIC RAILROAD

OFFICE OF CHIEF ENGINEER DESIGN

LOCATION:
COUNCIL BLUFFS SERVICE UNIT #3
M.P. 146 KEARNEY SUB
KEARNEY, BUFFALO CO., NE

TRACKAGE TO SERVE:
CXT TIE PLANT

Exhibit 10.33.2

L.B. FOSTER COMPANY
1985 LONG-TERM INCENTIVE PLAN AS AMENDED AND RESTATED[1]

ARTICLE I

PURPOSE, EFFECTIVE DATE AND AVAILABLE SHARES

1.1 Purpose. The purpose of the Plan is to provide financial incentives for selected key personnel and directors of L.B. Foster Company (the "Company") and its subsidiaries, thereby promoting the long-term growth and financial success of the Company by (i) attracting and retaining personnel and directors of outstanding ability, (ii) strengthening the Company's capability to develop, maintain and direct a competent management team, (iii) motivating key personnel to achieve long-range performance goals and objectives, and (iv) providing incentive compensation opportunities competitive with those of other corporations.

1.2 Effective Date and Expiration of Plan. The Plan is subject to approval by the Board of Directors of the Company, and, if so approved, shall be effective January 1, 1985. Unless earlier terminated by the Board pursuant to Section 5.3, the Plan shall terminate on the twentieth anniversary of its Effective Date. No Award shall be made pursuant to the Plan after its termination date, but Awards made prior to the termination date may extend beyond that date.

1.3 Shares Available Under the Plan. L.B. Foster Company stock to be offered under the Plan pursuant to Options may be authorized but unissued common stock or previously issued shares of common stock which have been reacquired by the Company and are held in its treasury. Subject to adjustment under Section 5.6, no more than 1,500,000 shares of common stock shall be issuable upon the exercise of Options. Any shares of stock subject to an Option which for any reason is cancelled or terminated without having been exercised shall again be available for Awards under the Plan.

11*As amended May 25, 2005.

ARTICLE II

DEFINITIONS

2.1 “Award” means, individually or collectively, any Option under this Plan.

2.2 “Board” means the Board of Directors of L.B. Foster Company.

2.3 “Committee” means Directors, not to be less than two, appointed by the Board, each of whom is a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

2.4 “Company” means L.B. Foster Company and its successors and

2.5 “Director” means a director of the Company.

2.6 “Effective Date” means the date on which the Plan is effective as provided in Section 1.2.

2.7 “Fair Market Value” of the Stock as to a particular time or date means the last sales price of the Stock as reported in the NASDAQ National Market System or, if the Stock is listed on a securities exchange, the last reported sales price of the Stock on such exchange that shall be for consolidated trading if applicable to such exchange, or if neither so reported or listed, the last reported bid price of the Stock.

2.8 “Key Personnel” means officers and employees of the Company and its Subsidiaries who occupy responsible executive, professional or administrative positions and who have the capacity to contribute to the success of the Company. Such term also includes directors of Subsidiaries.

2.9 “Nonqualified Stock Option” means a stock option granted under the Plan and excludes incentive stock options within the meaning of Section 422 of the Internal Revenue Code, as amended.

2.10 “Option” means a Nonqualified Stock Option to purchase common stock of the Company.

2.11 “Option Price” means the price at which common stock of the Company may be purchased under an Option as provided in Section 4.6.

2.12 “Participant” means a person to whom an Award is made under the Plan.

2.13 “Personal Representative” means the person or persons who, upon the death, disability or incompetency of a Participant, shall have acquired, by will or by the laws of descent and distribution or by other legal proceedings, the right to exercise an Option theretofore granted to such Participant.

2.14 “Plan” means the Company’s 1985 Long-Term Incentive Plan as Amended and Restated, as amended.

2.15 “Stock” means common stock of the Company.

2.16 “Stock Option Agreement” means an agreement entered into between a Participant and the Company under Section 4.5.

2.17 “Subsidiary” means a corporation or other business entity, domestic or foreign, the majority of the voting stock or other voting interests in which is owned directly or indirectly by the Company.

ARTICLE III

ADMINISTRATION

3.1 Committee to Administer. (a) The Plan shall be administered by the Committee. The Committee shall have full power and authority to interpret and administer the Plan and to establish and amend rules and regulations for its administration. The Committee’s decisions shall be final and conclusive with respect to the interpretation of the Plan and any Award made under it.

(b) A majority of the members of the Committee shall constitute a quorum for the conduct of business at any meeting. The Committee shall act by majority vote of the members present at a duly convened meeting. Action may be taken without a meeting if written consent thereto is given in accordance with applicable law.

3.2 Powers of Committee. (a) Subject to the provisions of the Plan, the Committee shall have authority, in its discretion, to determine those Key Personnel and Directors who shall receive Awards, the time or times when each such Award shall be made and the type of Award to be made, whether an Incentive Stock Option or a Nonqualified Stock Option shall be granted and the number of shares to be subject to each Option.

(b) A Director shall not participate in a vote granting himself an Option.

(c) The Committee shall determine the terms, restrictions and provisions of the agreement relating to each Award,. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, or in any agreement relating to

an Award, in such manner and to the extent the Committee shall determine in order to carry out the purposes of the Plan. The Committee may, in its discretion, accelerate the date on which an Option may be exercised, if the Committee determines that to do so will be in the best interests of the Company and the Participant.

ARTICLE IV

AWARDS

4.1 Awards. Awards under the Plan shall consist of Nonqualified Stock Options. All Awards shall be subject to the terms and conditions of the Plan and to such other terms and conditions consistent with the Plan as the Committee deems appropriate. Awards need not be uniform.

4.2 Eligibility for Awards. Awards may be made to Key Personnel and Directors. Employees must be in Grade Level 15 or above unless otherwise selected by the Committee. In selecting Participants and in determining the form and amount of the Award, the Committee may give consideration to his or her functions and responsibilities, his or her present and potential contributions to the success of the Company, the value of his or her services to the Company, and other factors deemed relevant by the Committee.

4.3 Award of Stock Options. The Committee may, from time to time, subject to Section 3.2(b) and other provisions of the Plan and such terms and conditions as the Committee may prescribe, grant Nonqualified Stock Options to any Key Personnel or Director.

4.4 Period of Option. (a) Unless otherwise provided in the related Stock Option Agreement, an Option granted under the Plan shall be exercisable only after twelve (12) months have elapsed

from the date of grant and, after such twelve-month waiting period, the Option may be exercised in cumulative installments in the following manner:

(i) The Participant may purchase up to one-fourth (1/4) of the total optioned shares at any time after one year from the date of grant and prior to the termination of the Option.

(ii) The Participant may purchase an additional one-fourth (1/4) of the total optioned shares at any time after two years from the date of grant and prior to the termination of the Option.

(iii) The Participant may purchase an additional one-fourth (1/4) of the total optioned shares at any time after three years from the date of grant and prior to the termination of the Option.

(iv) The Participant may purchase an additional one-fourth (1/4) of the total optioned shares at any time after four years from the date of grant and prior to the termination of the Option.

The duration of each Option shall not be more than ten (10) years from the date of grant.

(b) Except as otherwise provided in the Stock Option Agreement, an Option may not be exercised by a Participant unless such Participant is then, and continually (except for sick leave, military service or other approved leave of absence) after the grant of an Option has been, an officer, director or employee of the Company or a Subsidiary.

4.5 Stock Option Agreement. Each Option shall be evidenced by a Stock Option Agreement, in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve.

4.6 Option Price and Exercise. (a) The Option Price of Stock under each Option shall be determined by the Committee but shall be not less than the Fair Market Value of the Stock on the trading day on the date on which the Option is granted, as determined by the Committee.

(b) Options may be exercised from time to time by giving written notice of exercise to the Company specifying the number of shares to be purchased. The notice of exercise shall be accompanied by (i) payment in full of the Option Price in cash, certified check or cashier's check or (ii) a copy of irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds sufficient to cover the Option Price.

4.7 Delivery of Option Shares. The Company shall not be obligated to deliver any shares upon the exercise of an Option unless and until, in the opinion of the Company's counsel, all applicable federal, state and other laws and regulations have been complied with. In the event the outstanding Stock is at the time listed on any stock exchange, no delivery shall be made unless and until the shares to be delivered have been listed or authorized to be added to the list upon official notice of issuance on such exchange. No delivery shall be made until all other legal matters in connection with the issuance and delivery of shares have been approved by the Company's counsel.

Without limiting the generality of the foregoing, the Company may require from the Participant or other person purchasing shares of Stock under the Plan such investment representation or such agreement, if any, as counsel for the Company may consider necessary in order to comply with the Securities Act of 1933, as amended, and the regulations thereunder. Certificates evidencing the shares may be required to bear a restrictive legend. A stop transfer order may be required to be placed with the transfer agent, and the Company may require that the Participant or such other person agree

that any sale of the shares will be made only on one or more specified stock exchanges or in such other manner as permitted by the Committee.

The Participant shall notify the Company when any disposition of the shares, whether by sale, gift or otherwise, is made. The Company shall use its best efforts to effect any such compliance and listing, and the Participant or other person shall take any action reasonably requested by the Company in such connection.

4.8 Termination of Service. Except as otherwise provided in this Plan, or in the applicable Stock Option Agreement, if the service of a Participant (i.e., as an officer, director or employee of the Company or a Subsidiary) terminates for any reason other than death, permanent disability or retirement with the consent of the Company, all Options held by the Participant shall expire and may not thereafter be exercised. For purposes of this section, the employment or other service in respect to Options held by a Participant shall be treated as continuing in tact while the participant is on military leave, sick leave, or other bona fide leave of absence (such as temporary employment with the Government) if the period of such leave does not exceed 90 days, or, if longer, so long as the Participant's right to reestablish his service with the Company is guaranteed either by statute or by contract. Where the period of leave exceeds 90 days and where the Participant's right to reestablish his service is not guaranteed by statute or by contract, his service shall be deemed to have terminated on the ninety-first day of such leave. Anything herein to the contrary notwithstanding and unless the Stock Option Agreement provides otherwise, other than due to a termination for Cause, the Participant may exercise such Option within 30 days of such termination. Except as so exercised, such Option shall expire at the end of such period. In no event, however, may any Option be exercised after the expiration of ten (10) years from the date of grant of such Option.

For the purpose of the Plan, termination for Cause shall mean (i) termination due to (a) willful or gross neglect of duties or (b) willful misconduct in the performance of such duties, so as to cause material harm to the Company or any Subsidiary as determined by the Board of Directors, (ii) termination due to the Participant committing fraud, misappropriation or embezzlement in the performance of his or her duties or (iii) termination due to the Participant committing any felony he is convicted of and which, as determined in good faith by the Board of Directors, constitutes a crime involving moral turpitude and results in material harm to the Company or a Subsidiary.

4.9 Death. Except as otherwise provided in the applicable Stock Option Agreement, if a Participant dies at a time when his Option is not fully exercised, then at any time or times within such period after his death, not to exceed 12 months, as may be provided in the Stock Option Agreement, such Option may be exercised as to any or all of the shares which the Participant was entitled to purchase under the Option immediately prior to his death, by his executor or administrator or the person or persons to whom the Option is transferred by will or the applicable laws of descent and distribution. In no

event, however, may any Option be exercised after the expiration of ten (10) years from the date of grant of such Option.

4.10 Retirement or Permanent Disability. Except as otherwise provided in the applicable Stock Option Agreement, if a Participant retires from service with the consent of the Company, or suffers Permanent Disability, at a time when he is entitled to exercise an Option, then at any time or times within three years after his termination of service because of such retirement or Permanent Disability the Participant may exercise such Option as to all or any of the shares which he was entitled to purchase under the Option immediately prior to such termination. Except as so exercised, such Option shall expire at the end of such period. In no event, however, may any Option be exercised after the expiration of ten (10) years from the date of grant of such Option.

The Committee shall have authority to determine whether or not a Participant has retired from service or has suffered Permanent Disability, and its determination shall be binding on all concerned. In the sole discretion of the Committee, a transfer of service to an affiliate of the Company other than a Subsidiary (the latter type of transfer not constituting a termination of service for purposes of the Plan) may be deemed to be a retirement from service with the consent of the Company so as to entitle the Participant to exercise the Option within 90 days after such transfer.

4.11 Stockholder Rights and Privileges. A Participant shall have no rights as a stockholder with respect to any Stock covered by an Option until the issuance of a stock certificate to the Participant representing such Stock.

ARTICLE V

MISCELLANEOUS PROVISIONS

5.1 Nontransferability. No Award under the Plan shall be transferable by the Participant other than by will or the laws of descent and distribution. All Awards shall be exercisable during the Participant's lifetime only by such Participant or his Personal Representative. Any transfer contrary to this Section 5.1 will nullify the Award.

5.2 Amendments. The Committee may at any time discontinue granting Awards under the Plan. The Board may at any time amend the Plan or amend any outstanding Option for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which may at the time be permitted by law; provided that no such amendment shall result in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, becoming inapplicable to any Options or without the approval of the stockholders of the Company (a) increase the maximum number of shares of Stock available under the Plan (subject to adjustment as provided in Section

5.6), (b) reduce the exercise price of Options below the prices provided for in the Plan, (c) extend the time within which Options may be granted, (d) extend the period of an outstanding Option beyond ten (10) years from the date of grant or (e) change the designation of the persons or classes of persons eligible to receive Awards under the Plan. No amendment shall adversely affect the right of any Participant under any Award theretofore granted to him except upon his written consent to such amendment. Amendments requiring the approval of stockholders may be effected by the Board subject to such approval.

5.3 Termination. The Board may terminate the Plan at any time prior to its scheduled expiration date but no such termination shall adversely affect the rights of any Participant under any Award theretofore granted without his written consent.

5.4 Nonuniform Determinations. The Committee's determinations under the Plan, including without limitation (i) the determination of the Key Personnel and Directors to receive Awards, (ii) the form, amount and timing of such Awards, (iii) the terms and provisions of such Awards and (iv) the Agreements evidencing the same, need not be uniform and may be made by it selectively among Key Personnel and Directors who receive, or who are eligible to receive, Awards under the Plan, whether or not such Key Personnel or Directors are similarly situated.

5.5 No Right to Employment. Neither the action of the Company in establishing the Plan, nor any action taken by it or by the Board or the Committee under the Plan, nor any provision of the Plan, shall be construed as giving to any person the right to be retained in the employ, or as an officer or director, of the Company or any Subsidiary.

5.6 Changes in Stock. In the event of a stock dividend, split-up, or a combination of shares, recapitalization or merger in which the Company is the surviving corporation or other similar capital change, the number and kind of shares of stock or securities of the Company to be subject to the Plan and to Options then outstanding or to be granted thereunder, the maximum number of shares of stock or security which may be issued on the exercise of Options granted under the Plan, the Option Price and other relevant provisions shall be appropriately adjusted by the Board, whose determination shall be binding on all persons. In the event of a consolidation or a merger in which the Company is not the surviving corporation, or any other merger in which the stockholders of the Company exchange their shares of stock in the Company for stock of another corporation, or in the event of complete liquidation of the Company, or in the case of a tender offer accepted by the Board of Directors, all outstanding Options shall thereupon terminate, provided that the Board may, prior to the effective date of any such consolidation or merger, either (i) make all outstanding Options immediately exercisable or (ii) arrange to have the surviving corporation grant to the Participants replacement Options on terms which the Board shall determine to be fair and reasonable.

Exhibit 10.34

L.B. FOSTER COMPANY
1998 LONG-TERM INCENTIVE PLAN
AS AMENDED AND RESTATED*

ARTICLE I

PURPOSE, EFFECTIVE DATE AND AVAILABLE SHARES

1.1 Purpose. The purpose of this Plan is to provide financial incentives for selected key personnel and directors of L.B. Foster Company (the "Company") and its subsidiaries, thereby promoting the long-term growth and financial success of the Company by (i) attracting and retaining personnel and directors of outstanding ability, (ii) strengthening the Company's capability to develop, maintain and direct a competent management team, (iii) motivating officers to achieve long-range performance goals and objectives, and (iv) providing incentive compensation opportunities competitive with those of other corporations.

1.2 Effective Date and Expiration of Plan. The Plan was initially adopted by the Board of Directors of the Company on October 23, 1998 and was made effective as of that date. An amended and restated Plan was approved by the Board of Directors of the Company on February 24, 1999 and by the Company's shareholders at the May 20, 1999 Annual Meeting of Shareholders. A subsequent amended and restated Plan was approved by the Board of Directors of the Company on February 2, 2001, subject to the approval of the Company's shareholders at the May 9, 2001 Annual Meeting of Shareholders and certain immaterial amendments to the Plan were approved by the Board of Directors of the Company on May 25, 2005. Unless earlier terminated by the Board pursuant to Section 5.3, the Plan shall terminate on October 22, 2008. No Award shall be made pursuant to the Plan after its termination date, but Awards made on or prior to the termination date may extend beyond that date.

1.3 Shares Available Under the Plan. L.B. Foster Company stock to be offered under the Plan pursuant to Options may be authorized but unissued common stock or previously issued shares of common stock which have been reacquired by the Company and are held in its treasury. Subject to adjustment under Section 5.6, no more than 900,000 shares of common stock shall be issuable upon the exercise of Options. Any shares of stock subject to an Option which for any reason is canceled or terminated without having been exercised shall again be available for Awards under the Plan.

*As amended and restated by the Board of Directors on May 25, 2005,.

ARTICLE II

DEFINITIONS

2.1 “Award” means, individually or collectively, any Option under this Plan.

2.2 “Board” means the Board of Directors of L.B. Foster Company.

2.3 “Committee” means directors of the Company, not to be less than two, appointed by the Board, each of who is a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. In the absence of such a committee or if the Board, in its discretion, elects to act, the term “Committee” shall mean the Board with respect to any such action.

2.4 “Company” means L.B. Foster Company and its successors and assigns.

2.5 “Director” means a director of the Company or of a Subsidiary.

2.6 “Effective Date” means the date on which the Plan is effective as provided in Section 1.2.

2.7 “Fair Market Value” of the Stock as to a particular time or date means the last sale price of the Stock as reported in the NASDAQ National Market System or, if the Stock is listed on a securities exchange, the last reported sale price of the Stock on such exchange that shall be for consolidated trading if applicable to such exchange, or if neither so reported or listed, the last reported bid price of the Stock.

2.8 “Key Personnel” means officers and employees of the Company and its Subsidiaries who occupy responsible executive, professional, sales or administrative positions and who have the capacity to contribute to the success of the Company.

2.9 “Nonqualified Stock Option” means a stock option granted under the Plan.

2.10 “Option” means a Nonqualified Stock Option to purchase common stock of the Company.

2.11 “Option Price” means the price at which common stock of the Company may be purchased under an Option as provided in Section 4.6.

2.12 “Participant” means a person to whom an Award is made under the Plan.

2.13 “Personal Representative” means the person or persons who, upon the death, disability or incompetency of a Participant, shall have acquired, by will or by the laws of

descent and distribution or by other legal proceedings, the right to exercise an Option theretofore granted to such Participant.

2.14 “Plan” means this 1998 Long-Term Incentive Plan.

2.15 “Stock” means common stock of the Company.

2.16 “Stock Option Agreement” means an agreement entered into between a Participant and the Company under Section 4.5.

2.17 “Subsidiary” means a corporation or other business entity, domestic or foreign, the majority of the voting stock or other voting interests in which is owned directly or indirectly by the Company.

ARTICLE III

ADMINISTRATION

3.1 Committee to Administer.

(a) The Plan shall be administered by the Committee. The Committee shall have full power and authority to interpret and administer the Plan and to establish and amend rules and regulations for its administration. The Committee’s decisions shall be final and conclusive with respect to the interpretation of the Plan and any Award made under it.

(b) A majority of the members of the Committee shall constitute a quorum for the conduct of business at any meeting. The Committee shall act by majority vote of the members present at a duly convened meeting, including a telephonic meeting in accordance with Section 1708 of the Pennsylvania Business Corporation Law (“BCL”). Action may be taken without a meeting if written consent thereto is given in accordance with Section 1727 of the BCL.

3.2 Powers of Committee.

(a) Subject to the provisions of the Plan, the Committee shall have authority, in its discretion, to determine those Key Personnel and Directors who shall receive Awards, the time or times when each such Award shall be made and the number of shares to be subject to each Option.

(b) A Director shall not participate in a vote granting himself an Option.

(c) The Committee shall determine the terms, restrictions and provisions of the agreement relating to each Award, including such terms, restrictions and provisions as shall be necessary to cause certain Options to qualify as Incentive

Stock Options. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, or in any agreement relating to an Award, in such manner and to the extent the Committee shall determine in order to carry out the purposes of the Plan. The Committee may, in its discretion, accelerate the date on which an Option may be exercised, if the Committee determines that to do so will be in the best interests of the Company and the Participant.

ARTICLE IV

AWARDS

4.1 Awards. Awards under the Plan shall consist of Nonqualified Stock Options. All Awards shall be subject to the terms and conditions of the Plan and to such other terms and conditions consistent with the Plan as the Committee deems appropriate. Awards need not be uniform.

4.2 Eligibility for Awards. Awards may be made to Key Personnel and Directors. In selecting Participants and in determining the form and amount of the Award, the Committee may give consideration to his or her functions and responsibilities, his or her present and potential contributions to the success of the Company, the value of his or her services to the Company, and other factors deemed relevant by the Committee.

4.3 Award of Stock Options.

(a) The Committee may, from time to time, subject to Section 3.2(b) and other provisions of the Plan and such terms and conditions as the Committee may prescribe, grant Nonqualified Stock Options to any Key Personnel or Directors.

(b) Subject to adjustment in accordance with Section 5.6 and for the period commencing after January 1, 2000, Nonqualified Stock Options to acquire 5,000 shares of Stock shall be awarded to each Director who is not an employee of the Company or a subsidiary thereof on each date such Director is elected to serve as a Director at an annual meeting of the Company's shareholders or such Director's term otherwise continues after the adjournment of such annual meeting of shareholders. Awards under this Section 4.3(b) shall be automatic and shall not require action by the Committee.

4.4 Period of Option.

(a) Unless otherwise provided in the related Stock Option Agreement, an Option granted under the Plan, other than to a Director, shall be exercisable only after twelve (12) months have elapsed from the date of grant and, after such twelve-

month waiting period, the Option may be exercised in cumulative installments in the following manner:

(i) The Participant may purchase up to one-fourth (1/4) of the total optioned shares at any time after one year from the date of grant and prior to the termination of the Option.

(ii) The Participant may purchase an additional one- fourth (1/4) of the total optioned shares at any time after two years from the date of grant and prior to the termination of the Option.

(iii) The Participant may purchase an additional one- fourth (1/4) of the total optioned shares at any time after three years from the date of grant and prior to the termination of the Option.

(iv) The Participant may purchase an additional one- fourth (1/4) of the total optioned shares at any time after four years from the date of grant and prior to the termination of the Option.

The duration of each Option shall not be more than ten (10) years from the date of grant.

(b) Except as otherwise provided in the Stock Option Agreement or the Plan, an Option may not be exercised by a Participant, other than a Director, unless such Participant is then, and continually (except for sick leave, military service or other approved leave of absence) after the grant of an Option has been, an officer or employee of the Company or a Subsidiary.

(c) An Option granted to a Director, who is not an employee of the Company or a subsidiary thereof, while a Director, whether pursuant to Section 4.3(b) or otherwise, shall be immediately exercisable.

4.5 Stock Option Agreement. Each Option shall be evidenced by a Stock Option Agreement, in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time shall approve.

4.6 Option Price and Exercise.

(a) The Option Price of Stock under each Option shall be determined by the Committee but shall be not less than the Fair Market Value of the Stock on the date on which the Option is granted.

(b) Options may be exercised from time to time by giving written notice of exercise to the Company specifying the number of shares to be purchased. The notice of exercise shall be accompanied by (i) payment in full of the Option Price in cash, certified check, cashier's check or other medium accepted by the

Company in its sole discretion or (ii) a copy of irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds sufficient to cover the Option Price. An option shall be deemed exercised upon the date the Company receives the notice of exercise and all the requirements of this Section 4.6(b) have been fulfilled.

4.7 Delivery of Option Shares. The Company shall not be obligated to deliver any shares upon the exercise of an Option unless and until, in the opinion of the Company's counsel, all applicable federal, state and other laws and regulations have been complied with. In the event the outstanding Stock is at the time listed on any stock exchange, no delivery shall be made unless and until the shares to be delivered have been listed or authorized to be added to the list upon official notice of issuance on such exchange. No delivery shall be made until all other legal matters in connection with the issuance and delivery of shares have been approved by the Company's counsel. Without limiting the generality of the foregoing, the Company may require from the Participant or other person purchasing shares of Stock under the Plan such investment representation or such agreement, if any, as counsel for the Company may consider necessary in order to comply with the Securities Act of 1933, as amended, and the regulations thereunder. Certificates evidencing the shares may be required to bear a restrictive legend. A stop transfer order may be required to be placed with the transfer agent, and the Company may require that the Participant or such other person agree that any sale of the shares will be made only on one or more specified stock exchanges or in such other manner as permitted by the Committee.

The Participant shall notify the Company when any disposition of the shares, whether by sale, gift or otherwise, is made. The Company shall use its best efforts to effect any such compliance and listing, and the Participant or other person shall take any action reasonably requested by the Company in such connection.

4.8 Termination of Service.

(a) Except as otherwise provided in this Plan or in the applicable Stock Option Agreement, if the service of a Participant, other than as a Director, terminates for any reason other than death, permanent disability or retirement with the consent of the Company, all Options held by the Participant shall expire and may not thereafter be exercised 30 days after such termination. For purposes of this section, the employment or other service in respect to Options held by a Participant shall be treated as continuing intact while the participant is on military leave, sick leave, or other bona fide leave of absence (such as temporary employment with the Government) if the period of such leave does not exceed 90 days, or, if longer, so long as the Participant's right to reestablish his service with the Company is guaranteed either by statute or by contract. Where the period of leave exceeds 90 days and where the Participant's right to reestablish his service is not guaranteed by statute or by contract, his service shall be deemed to have terminated on the ninety-first day of such leave. Except as so exercised, such Option shall expire at the end of such period. In no event,

however, may any Option be exercised after the expiration of ten (10) years from the date of grant of such Option.

(b) Unless otherwise provided in the applicable stock option agreement, (i) a Director who has served as a director of the Company for 60 months or more and a Director whose services are terminated due to death, Permanent Disability (as determined in Section 4.10), or retirement with the consent of the Company (as determined in Section 4.10), shall be entitled to exercise his option until the expiration of the full term of the Option, unless the Director has been terminated for Cause; and (ii) a Director who has served as a Director of the Company for less than 60 months and whose services are not terminated due to death, Permanent Disability (as determined in Section 4.10) or retirement with the consent of the Company (as determined in Section 4.10) may exercise such option within 365 days after termination of such Director's services as a director. In the event that a Director is terminated for Cause, all options held by such Director shall expire and shall not thereafter be exercised.

(c) For the purpose of the Plan, termination for Cause shall mean (i) termination due to (a) willful or gross neglect of duties or (b) willful misconduct in the performance of such duties, so as to cause material harm to the Company or any Subsidiary as determined by the Board, (ii) termination due to the Participant committing fraud, misappropriation or embezzlement in the performance of his or her duties or (iii) termination due to the Participant committing any felony of which he or she is convicted and which, as determined in good faith by the Board, constitutes a crime involving moral turpitude and results in material harm to the Company or a Subsidiary.

4.9 Death. Except as otherwise provided in the applicable Stock Option Agreement and except with respect to Directors, if a Participant, dies at a time when his Option is not fully exercised, then at any time or times within such period after his death, not to exceed 12 months, as may be provided in the Stock Option Agreement, such Option may be exercised as to any or all of the shares which the Participant was entitled to purchase under the Option immediately prior to his death, by his executor or administrator or the person or persons to whom the Option is transferred by will or the applicable laws of descent and distribution. In no event, however, may any Option be exercised after the expiration of ten (10) years from the date of grant of such Option.

4.10 Retirement or Permanent Disability. Except as otherwise provided in the applicable Stock Option Agreement and except with respect to Directors, if a Participant retires from service with the consent of the Company, or suffers Permanent Disability, at a time when he or she is entitled to exercise an Option, then at any time or times within three years after his or her termination of service because of such retirement or Permanent Disability the Participant may exercise such Option as to all or any of the shares which he or she was entitled to purchase under the Option immediately prior to such termination. Except as so exercised, such Option shall expire at the end of such

period. In no event, however, may any Option be exercised after the expiration of ten (10) years from the date of grant of such Option.

The Committee shall have authority to determine whether or not a Participant has retired from service or has suffered Permanent Disability, and its determination shall be binding on all concerned. In the sole discretion of the Committee, a transfer of service to an affiliate of the Company other than a Subsidiary (the latter type of transfer not constituting a termination of service for purposes of the Plan) may be deemed to be a retirement from service with the consent of the Company so as to entitle the Participant to exercise the Option within 90 days after such transfer.

4.11 Stockholder Rights and Privileges. A Participant shall have no rights as a stockholder with respect to any Stock covered by an Option until the issuance of a stock certificate to the Participant representing such Stock.

ARTICLE V

MISCELLANEOUS PROVISIONS

5.1 Nontransferability. No Award under the Plan shall be transferable by the Participant other than by will or the laws of descent and distribution. All Awards shall be exercisable during the Participant's lifetime only by such Participant or his Personal Representative. Any transfer contrary to this Section 5.1 will nullify the Award.

5.2 Amendments. The Committee may at any time discontinue granting Awards under the Plan. The Board may at any time amend the Plan or amend any outstanding Option for the purpose of satisfying the requirements of any changes in applicable laws or regulations or for any other purpose which may at the time be permitted by law; provided that no such amendment shall be permissible if it shall result in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, becoming inapplicable to any Options. No amendment shall adversely affect the right of any Participant under any Award theretofore granted to him or her except upon his or her written consent to such amendment.

5.3 Termination. The Board may terminate the Plan at any time prior to its scheduled expiration date but no such termination shall adversely affect the rights of any Participant under any Award theretofore granted without his or her written consent.

5.4 Nonuniform Determinations. The Committee's determinations under the Plan, including without limitation (i) the determination of the Officers and Directors to receive Awards, (ii) the form, amount and timing of such Awards, (iii) the terms and provisions of such Awards and (iv) the Agreements evidencing the same, need not be uniform and may be made by it selectively among Officers and Directors who receive, or who are

eligible to receive, Awards under the Plan, whether or not such Officers or Directors are similarly situated.

5.5 No Right to Employment. Neither the action of the Board in establishing the Plan, nor any action taken by the Committee under the Plan, nor any provision of the Plan, shall be construed as giving to any person the right to be retained in the employ, or as an officer or director, of the Company or any Subsidiary.

5.6 Changes in Stock. In the event of a stock dividend, split-up, or a combination of shares, recapitalization or merger in which the Company is the surviving corporation or other similar capital change, the number and kind of shares of stock or securities of the Company to be subject to the Plan and to Options then outstanding or to be granted thereunder, the maximum number of shares of stock or security which may be issued on the exercise of Options granted under the Plan, the Option Price and other relevant provisions shall be appropriately adjusted by the Board, whose determination shall be binding on all persons. In the event of a consolidation or a merger in which the Company is not the surviving corporation, or any other merger in which the shareholders of the Company exchange their shares of stock in the Company for stock of another corporation, or in the event of complete liquidation of the Company, or in the case of a tender offer accepted by the Board of Directors, all outstanding Options shall thereupon terminate, provided that the Board may, prior to the effective date of any such consolidation or merger, either (i) make all outstanding Options and SARs immediately exercisable or (ii) arrange to have the surviving corporation grant to the Participants replacement Options on terms which the Board shall determine to be fair and reasonable.

5.7 Tax Withholding Whenever Stock is to be delivered to a Participant upon exercise of an Option, the Company may (i) require such Participant to remit an amount in cash sufficient to satisfy all federal, state and local tax withholding requirements related thereto ("Required Withholding"), (ii) withhold such Required Withholding from compensation otherwise due to such Participant, or (iii) any combination of the foregoing.

5.8 Status A Participant's status as Key Personnel or a Director shall be determined for each Option as of the date the Option is awarded to the Participant.

Exhibit 10.53.1

MAY 25, 2005

L.B. FOSTER COMPANY
BOARD OF DIRECTORS' RESOLUTION

RESOLVED, that Stan L. Hasselbusch's base salary be, and it hereby is, adjusted to $400,000 per annum, effective July 1, 2005.

Exhibit 10.53.2

JULY 26, 2005

L.B. FOSTER COMPANY
BOARD OF DIRECTORS' RESOLUTION

RESOLVED, that the base annual salary of David L. Voltz be, and it hereby is, increased from $166,000 to $175,000, effective October 1, 2005.

Exhibit 31.1

Certification under Section 302 of the
Sarbanes-Oxley Act of 2002

I, Stan L. Hasselbusch, President and Chief Executive Officer of L. B. Foster Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of L. B. Foster Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d – 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 9, 2005

/s/ Stan L. Hasselbusch

Name: Stan L. Hasselbusch
Title: President and Chief Executive Officer

Exhibit 31.2

Certification under Section 302 of the
Sarbanes-Oxley Act of 2002

I, David J. Russo, Senior Vice President, Chief Financial Officer and Treasurer of L. B. Foster Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of L. B. Foster Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d – 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 9, 2005

/s/ David J. Russo

Name: David J. Russo
Title: Senior Vice President,
Chief Financial Officer and Treasurer

Exhibit 32.0

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of L. B. Foster Company (the "Company") on Form 10-Q for the period ended June 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2005

By: /s/ Stan L. Hasselbusch
Stan L. Hasselbusch
President and
Chief Executive Officer

Date: August 9, 2005

By: /s/ David J. Russo
David J. Russo
Senior Vice President,
Chief Financial Officer and
Treasurer