As filed with the Securities and Exchange Commission on October 10, 2007

Registration No. 333-145526

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2 to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TITAN MACHINERY INC.

(Exact name of registrant as specified in its charter)

North Dakota	5080	45-0357838
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

4876 Rocking Horse Circle
Fargo, ND 58104-6049
(701) 356-0130
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

David J. Meyer
Chairman and Chief Executive Officer
Titan Machinery Inc.
4876 Rocking Horse Circle
Fargo, ND 58104-6049
(701) 356-0130
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Melodie R. Rose **Alexander Rosenstein** Fredrikson & Byron, P.A. 200 South Sixth Street Suite 4000 Minneapolis, MN 55402-1425 (612) 492-7000	**W. Morgan Burns** **Jonathan R. Zimmerman** Faegre & Benson LLP 2200 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402-1425 (612) 766-7000

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. ☐

If this Form is a post effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common stock, par value $0.01 per share	$35,000,000	$1,075

(1) In accordance with Rule 457(o) under the Securities Act of 1933, the number of shares being registered and the proposed maximum offering price per share are not included in this table.

(2) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457(o) under the Securities Act.

(3) Previously paid in connection with the original filing of the registration statement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION, DATED OCTOBER 10, 2007

The information in this prospectus is not complete and may be changed. We may not sell these securities until our registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

TITAN MACHINERY

Shares

Common Stock

$ per share

Titan Machinery Inc. is offering shares and selling stockholders are offering shares. This is our initial public offering and no public market currently exists for our shares. We anticipate that the initial public offering price will be between $ and $ per share. We have applied to have our common stock approved for quotation on the Nasdaq Global Market under the symbol "TITN." There is no guarantee that the Nasdaq Global Market will accept our application and no guarantee that our common stock will be

quoted.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Titan Machinery Inc.	$	$
Proceeds, before expenses, to the selling stockholders	$	$

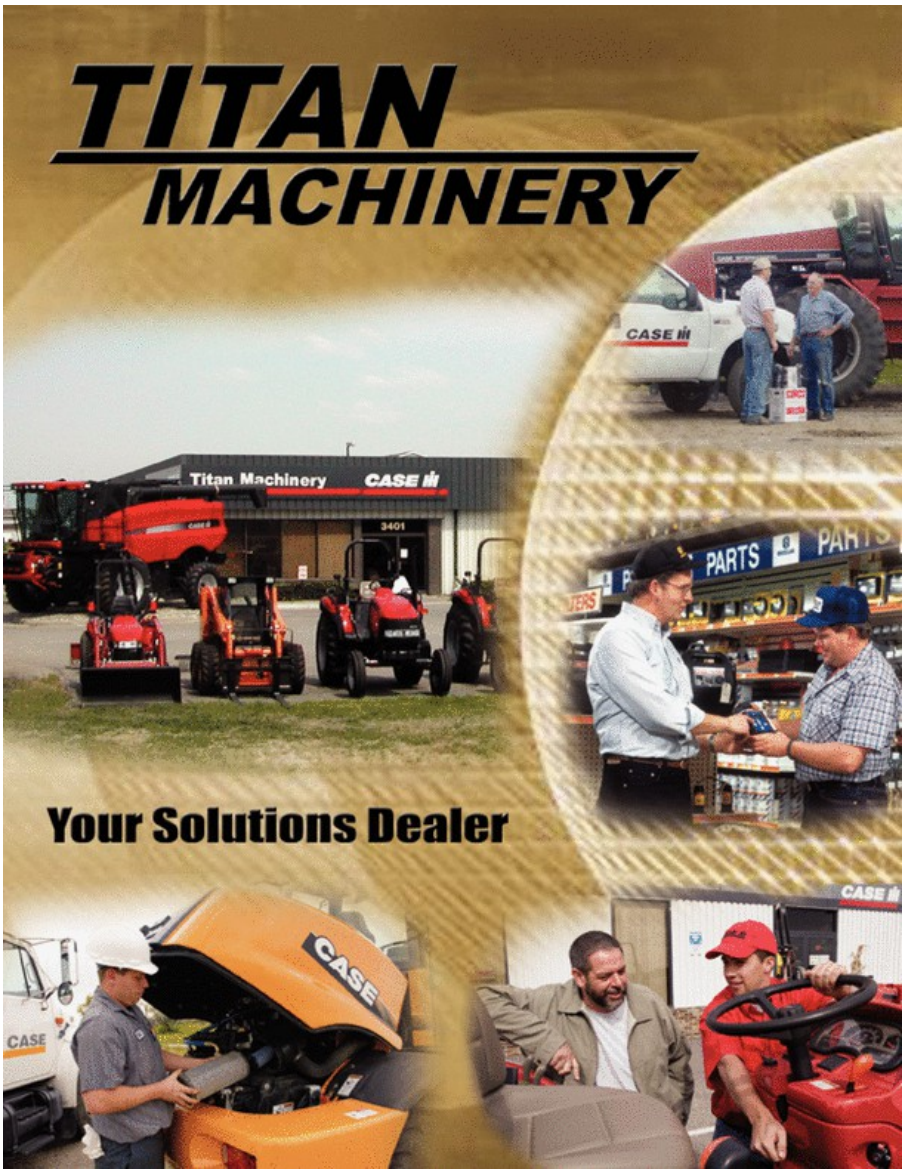
The underwriters have a 30-day option to purchase up to additional shares of common stock from us and up to an additional shares from the selling stockholders at the initial public offering price less the underwriting discount to cover over-allotments, if any.

This investment involves risk. See "Risk Factors" beginning on page 8.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Craig-Hallum Capital Group **Robert W. Baird & Co.**

The date of this prospectus is , 2007.



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SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read this entire prospectus carefully, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the notes thereto accompanying this prospectus, before making an investment in our common stock.

You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus is complete and accurate as of the date on the front cover of this prospectus, but the information may have changed since that date.

Our Company

We own and operate what we believe is one of the largest networks of full service agricultural and construction equipment stores in North America. We are the world's largest retail dealer of Case IH Agriculture equipment and a major retail dealer of New Holland Agriculture, Case Construction and New Holland Construction equipment in the U.S.

The agricultural equipment we sell and service includes machinery and attachments for uses ranging from large-scale farming to home and garden use. The construction equipment we sell and service includes heavy construction and light industrial machinery for commercial and residential construction, road and highway construction and mining applications. We offer our customers a one-stop solution for their equipment needs through:

- new and used equipment sales;
- parts sales;
- repair and maintenance services; and
- equipment rental and other activities.

The new equipment and parts we sell are supplied primarily by CNH Global N.V., or CNH. We acquire used equipment for resale through trade-ins from our customers and selective purchases. We sell parts and provide in-store and on-site repair and maintenance services. We rent equipment and provide other ancillary services such as equipment transportation, GPS signal subscriptions and finance and insurance products.

Throughout our 27 year operating history we have built an extensive, geographically contiguous network of 34 full service stores and two outlet stores located in the upper Midwest. We have a successful history of growth through acquisitions, including 13 acquisitions consisting of 29 stores operating in four states since January 1, 2003. We have a well-established track record of successfully integrating acquired stores, retaining acquired-store employees and maintaining acquired-store customer relationships. We expect that acquisitions will continue to be an important component of our growth.

For the six months ended July 31, 2007, our net revenue increased 28.4% to $165.6 million from $129.0 million for the six months ended July 31, 2006. For the six months ended July 31, 2007, our net income increased 54.3% to $2.3 million from $1.5 million for the six months ended July 31, 2006. The improvement in our profitability resulted primarily from acquisitions and growth in same-store sales.

Our Industry

Our business is driven by the demand for agricultural equipment, which is purchased primarily for the production of food, fiber, feed grain and renewable energy. Based on USDA data, farmers are currently enjoying historically strong economic fundamentals, which is driven in part by growing global demand for agricultural commodities, due in part to renewable energy and economic growth in developing countries.

Total revenue for U.S. farm and garden equipment dealers was $55.4 billion in 2006 and is projected to grow to $58.2 billion by 2012, as adjusted for inflation.

In addition, our business is impacted by the demand for construction equipment, which is purchased primarily for private and government commercial, residential and infrastructure construction. Demand for construction equipment in our markets is primarily driven by public infrastructure spending, including roads and highways, sewer and water. The Federal Highway Administration allocations to public infrastructure spending in the states in which we operate stores will increase from $1.3 billion, or 3.9% of federal funding, in 2005 to $1.6 billion, or 4.3% of federal funding, in 2009, as adjusted for inflation. Total revenue for U.S. construction equipment dealers was $72.4 billion in 2006 and is projected to grow to $78.3 billion by 2012, as adjusted for inflation.

Our Business Strengths

We believe our business has the following key strengths:

Titan Operating Model. Through the Titan Operating Model, we empower leadership and share best practices at the store level while realizing efficiencies at the corporate level. We believe exceptional customer service is most efficiently delivered through accountable store employees who are supported by centralized administrative, finance and marketing functions.

Leading North American Equipment Provider with Significant Scale. We believe our size and large, contiguous geographic market provide us with several competitive advantages, including efficient inventory management, a large distribution network, and our ability to capitalize on crop diversification and disparate weather conditions throughout the large geographic area in which we operate stores.

Customer Focus at the Local Level. As part of the Titan Operating Model, we centralize general, administrative, finance and marketing functions. This strategy enables our store employees to focus exclusively on their customers and eliminates redundant operating expenses.

Superior Customer Service to Attract and Retain Customers. We believe our ability to respond quickly to our customers' demands is a key to profitable growth. We spend significant time and resources training our employees to effectively service our customers in each of our local markets, which we believe will increase our revenue.

Unique Entrepreneurial Culture to Attract and Retain Superior Employees. Our unique entrepreneurial culture empowers our employees to make decisions and act within the parameters of a proven operating process and system. The balance we maintain between our entrepreneurial spirit and standardized operations enables us to attract and retain superior employees who can work independently yet consistently throughout our company based on defined objectives and frequent feedback.

Diverse and Stable Customer Base to Avoid Market Volatility. We believe our large and diverse customer base of over 25,000 customers in fiscal 2007 limits our exposure to risks associated with customer concentration and fluctuations in local market conditions.

Experienced Management Team to Implement our Growth Strategy. Our executive team is led by David Meyer, our Chairman and Chief Executive Officer, and Peter Christianson, our President and Chief Financial Officer, who have approximately 32 and 28 years, respectively, of industry experience. Our store managers and field marketers also have extensive industry knowledge and experience.

Our Growth Strategy

We believe our business strengths will enable us to grow our business as we implement the following growth strategies:

Increase Market Share and Same-Store Sales. We focus on increasing our share of the equipment sold in our markets because our market share impacts current period revenue and compounds our revenue over the life of the equipment sold through recurring parts and service business. We seek to generate

same-store sales growth and increase market share through significant marketing and advertising programs, supporting evolving technologies that are difficult for single-store operators to support, maintaining state-of-the-art service facilities and mobile service trucks and maximizing parts and equipment availability for our customers.

Make Selective Acquisitions to Grow Our Business. The agricultural and construction equipment industries are fragmented and consist of many relatively small, independent businesses servicing discrete local markets. We believe a favorable climate for dealership consolidation exists due to several factors, including the competitiveness of our industry, growing dealer capitalization requirements and lack of succession alternatives. We intend to evaluate and pursue acquisitions with the objectives of entering new markets, consolidating distribution within our established network and strengthening our competitive position. We also look to add construction stores in local markets in which we sell agriculture equipment but do not have construction dealership agreements with CNH.

Integrate New Dealers into the Titan Operating Model. We have developed the Titan Operating Model to optimize the performance and profitability of each of our stores. Upon consummation of each acquisition, we integrate acquired stores into our operations by implementing the Titan Operating Model and seeking to enhance each acquired store's performance within its target market.

Risk Factors

Our business is subject to a number of risks discussed under the heading "Risk Factors" and elsewhere in this prospectus. The principal risks facing our business include, among others, our substantial dependence upon our relationship with CNH, termination and other provisions in our agreements with CNH, economic conditions in the agriculture and construction industries, the availability of financing for the equipment we sell, our ability to execute our acquisition strategy, and competition in our industry. There are also several risks relating to this offering and the ownership of our common stock. You should carefully consider these factors, as well as all of the other information set forth in this prospectus.

Corporate Information

We were incorporated as a North Dakota corporation in 1980 and intend to reincorporate in Delaware prior to the consummation of this offering. Our executive offices are located at 4876 Rocking Horse Circle, Fargo, ND 58104-6049. Our telephone number is (701) 356-0130. We maintain a web site at titanmachinery.com. Our web site and the information contained on our web site shall not be deemed to be part of this prospectus.

The Offering

Common stock offered by us	shares
Common stock offered by the selling stockholders	shares
Common stock to be outstanding after this offering	shares
Over-allotment option	The underwriters have a 30-day option to purchase up to additional shares of common stock from us and up to an additional shares from the selling stockholders.
Initial public offering price	per share
Use of proceeds	We intend to use the net proceeds from this offering to fund future acquisitions of dealerships, for working capital and general corporate purposes, to pay accrued cash dividends upon the conversion of all of our outstanding preferred stock and to repay outstanding debt. We will not receive any proceeds from the sale of shares by the selling stockholders. See "Use of Proceeds" for additional information.
Proposed Nasdaq Global Market symbol	TITN

Unless otherwise indicated, the number of shares of our common stock that will be outstanding immediately after this offering is based on 6,789,921 shares, which includes 4,357,734 shares of common stock outstanding as of October 1, 2007, 790,206 shares to be issued upon the conversion, concurrent with this offering, of our outstanding preferred stock into the same number of shares of common stock, and 1,641,981 shares to be issued upon the exchange, concurrent with this offering, of certain outstanding convertible subordinated debentures and excludes:

- conversion of certain outstanding subordinated convertible debentures into 666,667 shares of common stock;
- 188,333 shares of common stock issuable upon the exercise of then outstanding stock options (of which 10,001 are exercisable) at a weighted average exercise price of $5.77 per share;
- 200,000 shares of common stock issuable upon the exercise of stock options authorized to be granted concurrent with this offering to David Meyer, our Chairman and Chief Executive Officer, and Peter Christianson, our President and Chief Financial Officer, at an exercise price equal to the public offering price of the shares issued in this offering;
- 394,493 shares of common stock issuable upon the exercise of then outstanding warrants (all of which are exercisable) at a weighted average exercise price of $4.13 per share; and
- 611,667 shares of common stock reserved and available for future issuances under our 2005 Equity Incentive Plan.

Except as otherwise noted, all information in this prospectus assumes:

- no exercise of the underwriters' over-allotment option;

- the conversion of all of our outstanding Series A and Series B preferred stock upon the closing of this offering into 466,673 shares of common stock and the payment of accrued cash dividends in the amount of $421,217 on this preferred stock (assuming the dividends are paid on October 1, 2007);
- the conversion of 323,533 shares of Series D preferred stock issued on August 1, 2007, which convert into the same number of shares of common stock;
- exchange of certain outstanding subordinated convertible debentures for 1,641,981 shares of common stock;
- our reincorporation under Delaware law and the filing of our certificate of incorporation in Delaware prior to the completion of this offering; and
- an initial public offering price of $ per share, the mid-point of the range set forth on the cover of this prospectus.

Summary Financial Data

The following tables set forth, for the periods and dates indicated, our summary financial data. The summary financial data as of and for our fiscal years ended January 31, 2005, 2006, and 2007 have been derived from our audited financial statements included elsewhere in this prospectus. The summary financial data as of and for the six months ended July 31, 2006 and 2007 have been derived from our unaudited financial statements included elsewhere in this prospectus. The unaudited financial statements have been prepared on the same basis as our audited financial statements and, in the opinion of our management, reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for those periods. The results included here and elsewhere in this prospectus are not necessarily indicative of future performance.

	Year ended January 31,			Six months ended July 31,	
	2005	2006	2007	2006	2007
				(unaudited)	
	(in thousands, except per share data)				
Statement of Operations Data:					
Revenue					
Equipment	$ 119,850	$ 175,549	$ 220,958	$ 95,088	$ 122,482
Parts	25,058	31,099	42,619	21,229	27,176
Service	13,141	16,572	21,965	10,506	13,041
Other	4,134	5,250	7,056	2,643	2,939
	162,183	228,470	292,598	129,467	165,639
Cost of revenue					
Equipment	$ 109,023	$ 160,814	$ 200,558	$ 86,192	$ 110,533
Parts	18,402	22,459	29,909	15,676	20,016
Service	5,236	6,404	8,183	3,954	4,888
Other	3,119	4,081	5,337	1,928	2,041
	135,780	193,758	243,987	107,750	137,478
Gross profit	26,403	34,712	48,611	21,717	28,161
Operating expenses	22,596	26,978	37,399	17,051	21,452
Income from operations	3,807	7,734	11,212	4,666	6,708
Other income (expense)					
Interest and other income	144	88	349	203	85
Floorplan interest expense	(1,009)	(2,296)	(3,294)	(1,467)	(1,831)
Other interest expense, including interest on subordinated debentures of $1,598 in 2007 and $544 in 2006 and $318 in 2005	(684)	(1,058)	(2,097)	(1,029)	(1,224)
Income before income taxes	2,258	4,468	6,170	2,373	3,737
Provision for income taxes	(911)	(1,721)	(2,450)	(902)	(1,468)
Income from continuing operations	1,347	2,747	3,720	1,471	2,270
Discontinued operations	(75)	—	—	—	—
Net income	$ 1,272	$ 2,747	$ 3,720	$ 1,471	$ 2,270
Adjustments to income:					
Unpaid accumulated preferred dividends	(90)	(102)	(102)	(51)	(51)
Income available to common stockholders	$ 1,182	$ 2,644	$ 3,618	$ 1,419	$ 2,218
Earnings per share					
Basic	$ 0.27	$ 0.61	$ 0.83	$ 0.33	$ 0.51
Diluted	$ 0.27	$ 0.61	$ 0.77	$ 0.33	$ 0.41
Weighted average shares outstanding					
Basic	4,341	4,341	4,345	4,345	4,345
Diluted	4,341	4,341	5,419	4,356	6,060
Non-GAAP Data:					
Adjusted EBIT (unaudited)	$ 2,942	$ 5,526	$ 8,267	$ 3,108	$ 4,962

The adjusted EBIT measure presented consists of net income before (1) interest and other income, (2) provision for income taxes and (3) discontinued operations. We are providing adjusted EBIT, a non-GAAP financial measure, along with GAAP measures, as a measure of income from operations because we believe interest and other income, floorplan interest expense are driven by decisions related to operating our business compared to other items of interest expense, which are associated with capitalizing our business. We believe that adjusted EBIT is meaningful information about our business operations that investors should consider along with our GAAP financial information. We use adjusted EBIT, as well as income from operations and net income, for planning purposes, including the preparation of internal operating budgets.

Adjusted EBIT is a non-GAAP measure that has limitations because it does not include all items of income and expense that impact our operations. This non-GAAP financial measure is not prepared in accordance with, and should not be considered an alternative to, measurements required by GAAP, such as operating income, net income, cash flow from continuing operating activities or any other measure of performance or liquidity derived in accordance with GAAP. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP measures.

The following is a reconciliation of our net income to adjusted EBIT:

	Year ended January 31,			Six months ended July 31,	
	2005	2006	2007	2006	2007
				(unaudited)	
	(dollars in thousands)				
Net Income	$ 1,272	$ 2,747	$ 3,720	$ 1,470	$ 2,270
Other Interest Expense	684	1,058	2,097	1,029	1,224

Provision for Income Taxes	911	1,721	2,450	902	1,468
Discontinued Operations	75	—	—	—	—
Adjusted EBIT	$ 2,942	$ 5,526	$ 8,267	$ 3,401	$ 4,962

	January 31,			July 31,
	2005	2006	2007	2007 (unaudited)
	(dollars in thousands)			
Balance Sheet Data:				
Cash	$ 1,108	$ 8,671	$ 7,572	$ 1,222
Inventories	67,826	83,074	107,316	123,537
Goodwill and intangibles, net	1,227	1,587	3,905	6,386
Total assets	79,106	105,073	138,793	155,459
Floorplan notes payable	51,617	61,908	84,699	90,089
Long-term debt	8,440	18,585	24,710	26,674
Total liabilities	70,889	93,820	123,734	138,022
Redeemable Securities	1,463	1,463	1,463	1,867
Total stockholders' equity	6,753	9,790	13,596	15,570

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following risk factors and all the other information contained in this prospectus before you decide to buy our common stock. If any of the following risks related to our business actually occurs, our business, financial condition and operating results would be adversely affected. The market price of our common stock could decline due to any of these risks and uncertainties related to our business, or related to an investment in our common stock, and you may lose part or all of your investment.

Risks Related to Our Business

We are substantially dependent upon our relationship with Case New Holland N.V.

We are an authorized dealer of Case New Holland N.V., or CNH, agricultural and construction equipment and parts. In fiscal 2007, CNH supplied approximately 77% of the new equipment we sold and represented a significant portion of our parts revenue. Our acquisition strategy contemplates the acquisition of additional CNH geographic areas of responsibility and store locations in both the agricultural and construction equipment areas. We depend on CNH for floorplan financing to purchase a substantial portion of our inventory. In addition, CNH provides a significant percentage of the financing used by our customers to purchase CNH equipment from us. CNH also provides incentive programs and discount programs from time to time that enable us to price our products more competitively. In addition, CNH conducts promotional and marketing activities on national, regional and local levels. Due to our substantial dependence on CNH, our success depends, in significant part, on (i) the overall reputation and success of CNH; (ii) the availability and terms of floorplan financing and customer financing from CNH; (iii) the incentive and discount programs provided by CNH and its promotional and marketing efforts for its industrial and agricultural products; (iv) the goodwill associated with CNH trademarks; (v) the introduction of new and innovative products by CNH; (vi) the manufacture and delivery of competitively-priced, high quality equipment and parts by CNH in quantities sufficient to meet our customers' requirements on a timely basis; (vii) the quality, consistency and management of the overall CNH dealership system; and (viii) the ability of CNH to manage its risks and costs, including those associated with being a multinational company. If CNH does not provide, maintain or improve any of the foregoing, or if CNH were sold or reduced or ceased operations, there could be a material adverse effect on our financial condition and results of operations.

CNH may terminate its dealership agreements with us or change the terms of those agreements, which could adversely affect our business.

Under our dealership agreements with CNH, CNH entities have the right to terminate these agreements immediately in certain circumstances, and, in some cases, for any reason 90 days following written notice. Furthermore, CNH entities may change the terms of their agreements with us, among other things, to change our sales and service areas and/or the product, pricing or delivery terms. CNH routinely conducts evaluations of dealership standards, customer satisfaction surveys and market share studies, the results of which can impact the relationships with its dealers. CNH uses the evaluation results to increase or decrease the pricing to dealers, or limit or expand the availability of financing, warranty reimbursements or other marketing incentives. If CNH were to change the terms of any or all of these agreements in a manner that adversely affects us, our business may be harmed, and if CNH were to terminate all or any of its dealer agreements with us, our business would be severely harmed.

Restrictions in our CNH dealership agreements may significantly affect our operations and growth.

We operate our stores pursuant to CNH's customary dealership agreements. These agreements impose a number of restrictions and obligations on us with respect to our operations, including our obligations to actively promote the sale of CNH equipment within our designated geographic areas of

responsibility, fulfill the warranty obligations of CNH, provide services to our customers, maintain sufficient parts inventory to service the needs of our customers, maintain inventory in proportion to the sales potential in each sales and service geographic area of responsibility, maintain adequate working capital and maintain stores only in authorized locations. Prior consent of CNH is required for any change in control and for our acquisition of other CNH dealerships. There can be no assurances that CNH will give any such consent. The restrictions and obligations in our CNH dealership agreements limit our flexibility in operating our current stores and acquiring new stores, which could have an adverse effect on our operations and growth.

Our agricultural equipment dealer appointments are not exclusive to the geographic areas we serve, which could adversely affect our operations and financial condition.

CNH could appoint other agricultural equipment dealers in close proximity to our existing stores. The sales and service geographic areas of responsibility assigned to our dealerships can be enlarged or reduced by CNH upon 30 days' prior written notice. CNH and other agricultural equipment dealers can also sell in our sales and service geographic areas of responsibility. To the extent CNH appoints other agricultural equipment dealers within our markets, enlarges or reduces the sales and service geographic areas of responsibility relating to our stores, amends the dealership agreements or imposes new or different terms or conditions under the dealer agreements, our operations and financial condition could be adversely affected.

If our acquisition plans are unsuccessful, we may not achieve our planned revenue growth.

We believe a significant portion of our future growth will depend on our ability to acquire additional dealerships. Our ability to continue to grow through the acquisition of additional CNH geographic areas of responsibility and store locations or other businesses will be dependent upon the availability of suitable acquisition candidates at acceptable costs, our ability to compete effectively for available acquisition candidates and the availability of capital to complete the acquisitions. In addition, CNH's consent is required for the acquisition of any CNH dealership, and the consent of Bremer Bank National Association is required for the acquisition of any dealership. CNH typically evaluates management, performance and capitalization of a prospective acquirer in determining whether to consent to the sale of a CNH dealership. There can be no assurance that CNH or Bremer will consent to any or all acquisitions of dealerships that we may propose.

Our potential inability to successfully integrate newly-acquired dealerships may adversely affect our financial results.

Once an acquisition is completed, we face many other risks commonly encountered with growth through acquisitions. These risks include incurring significantly higher than anticipated capital expenditures and operating expenses; failing to assimilate the operations and personnel of the acquired dealerships; disrupting our ongoing business; dissipating our management resources; failing to maintain uniform standards, controls and policies; and impairing relationships with employees and customers as a result of changes in management. Fully integrating an acquired dealership into our operations and realization of the full benefit of our strategies, operating model and systems may take several years. There can be no assurance that we will be successful in overcoming these risks or any other problems encountered with such acquisitions. To the extent we do not successfully avoid or overcome the risks or problems related to

acquisitions, our results of operations and financial condition could be adversely affected. Future acquisitions also will have a significant impact on our financial position and capital needs, and could cause substantial fluctuations in our quarterly and yearly results of operations. Acquisitions could include significant goodwill and intangible assets, which may result in future impairment charges that would reduce our stated earnings.

We have grown significantly through acquisitions in recent years and expect to continue to grow through acquisitions. Management has expended, and expects to continue to expend, significant time and effort in evaluating, completing and integrating acquisitions and opening new stores. There can be no assurance that our systems, procedures and controls will be adequate to support our expanding operations. Any future growth will also impose significant added responsibilities on our executives, including the need to identify, recruit and integrate new senior level managers and executives. There can be no assurance we will be able to identify and retain such additional management. If we are unable to manage growth efficiently and effectively, or are unable to attract and retain additional qualified management, there could be a material adverse effect on our financial condition and results of operations.

Substantial inventory financing is required for the equipment we sell but may not be available, which could adversely affect our growth and results of operations.

The sale of agricultural and construction equipment requires substantial inventories of equipment and parts to be maintained at each store to facilitate sales to customers on a timely basis. We generally purchase our inventories of equipment with the assistance of floorplan financing programs through CNH and other lenders. As we grow, whether internally or through acquisitions, our inventory requirements will increase and, as a result, our financing requirements also will increase. Certain financing has been guaranteed by David Meyer, our Chairman and Chief Executive Officer. To the extent that such guarantees were to be revoked or otherwise unavailable, we may not be able to maintain or obtain inventory financing. In the event that our available financing sources are not maintained or are insufficient to satisfy our future requirements, we would be required to obtain financing from other sources. There can be no assurance that additional or alternative financing could be obtained on commercially reasonable terms. To the extent such additional financing cannot be obtained on commercially reasonable terms, our growth and results of operations could be adversely affected.

We lease most of our dealership sites from related parties, and if we are unable to obtain commercially reasonable terms and conditions from these related parties or unrelated third parties in the future, our growth and financial condition may be adversely affected.

We lease 24 of our 34 dealership sites from entities affiliated with David Meyer, our Chairman and Chief Executive Officer, Tony Christianson, one of our directors, or Peter Christianson, our President and Chief Financial Officer. We expect that we may lease future dealership sites we acquire from parties related to our affiliates. There is no guarantee that related parties will offer us commercially reasonable terms and conditions or that unrelated third parties will provide alternate dealership sites on commercially reasonable terms and conditions. If we cannot obtain commercially reasonable terms and conditions on leases for our current or future dealership sites from entities related to Messrs. Meyer, Tony Christianson or Peter Christianson, or from unrelated third parties, our growth and financial condition may be adversely affected.

Failure to properly manage our equipment inventory, our largest asset, would have a significant adverse effect on our operations.

Our equipment inventory has generally represented 75% or more of our total assets. Thus, our success is significantly dependent upon our ability to manage the supply and cost of new and used equipment. The pricing of equipment can be highly volatile and subject to negotiation, particularly in the used equipment market. Pricing for and sales of used equipment can be significantly affected by the limited market for such equipment. Further, liquidation prices of used agricultural and construction equipment can have significant fluctuations due to economic cycles, utilization trends and degree of specialization. We are dependent upon the ability of our management and buyers to negotiate acceptable purchase prices, to affect a proper balance of new and used equipment and to manage the amount of equipment in inventory

to assure quick turnover. Our failure to manage our inventory and equipment costs could materially adversely affect our results of operations and financial condition.

An industry oversupply of used and rental equipment may adversely affect our operations.

In recent years, short-term lease programs and commercial rental agencies for construction equipment have expanded significantly in North America. Nationwide rental conglomerates have become sizeable purchasers of new equipment and can have a significant impact on industry sales and margins, particularly in light construction equipment. When equipment comes off of lease or is replaced with newer equipment by rental agencies, there may be a significant increase in the availability of late-model used equipment. An oversupply of used equipment could adversely affect demand for, or the market prices of, new and used equipment. In addition, a decline in used equipment prices could have an adverse effect on residual values for leased equipment, which could adversely affect our financial performance.

Our business could be harmed by adverse changes in the agricultural industries.

Our business depends to a great extent upon general activity levels in the agricultural industries. Changes in farm income and farmland value, the level of worldwide farm output and demand for farm products, commodity prices, animal diseases and crop pests, and limits on agricultural imports are all material factors that could adversely affect the agricultural industries and result in a decrease in the amount of agricultural equipment that our customers purchase. The nature of the agricultural equipment industries is such that a downturn in demand can occur suddenly, resulting in excess inventories, un-utilized production capacity and reduced prices for new and used equipment. These downturns may be prolonged and our revenue and profitability would be harmed.

Adverse changes in governmental agricultural policies may harm our business.

Changes in governmental agricultural policy could adversely affect sales of agricultural equipment. Government subsidies influence demand for agricultural equipment. Proposals for a new farm bill and the 2008 USDA budget, if adopted, may reduce the amount of payments to individual farmers. We cannot predict the outcome of these proposals, and to the extent that these proposals reduce payments to individual farmers, these proposals, if adopted, could reduce demand for agricultural equipment and we could experience a decline in revenue.

Our business could be harmed by adverse changes in the construction industry.

General economic conditions in markets in which we do business can impact the demand for our construction equipment. The construction industry in our geographical areas has experienced recent instances of economic down cycles and interest rate fluctuations that have affected the new residential housing market, which negatively impacts sales of light construction equipment. Decreased demand for our products can have a negative impact on our financial performance and cash flow. Our business and earnings are impacted by the changes in the residential construction industry. The ability of consumers to obtain mortgages for the purchase of newly constructed homes impacts the overall demand for new home construction. The uncertainties created by recent events in the sub-prime mortgage market and their impact on the overall mortgage market, including the tightening of credit standards, could adversely affect the ability of consumers to obtain financing for the purchase of new homes, thus reducing demand for new construction and in turn reducing our customers' demand for our construction equipment. Reduced demand for our construction equipment can negatively affect our financial performance and cash flow.

Our business is uniquely sensitive to climate fluctuations.

Weather conditions, particularly severe floods and droughts, can have a significant impact on the success of regional agricultural and construction markets and, therefore, the economic conditions of the

regions in which we operate stores. Accordingly, our financial condition and results of operations may be materially and adversely affected by any adverse cyclical trends or weather conditions.

Our results of operations may fluctuate from period to period due to interest rate adjustments.

The ability to finance affordable purchases, of which the interest rate charged is a significant component, is an important part of a customer's decision to purchase agricultural or construction equipment. Interest rate increases may make equipment purchases less affordable for customers and, as a result, our revenue and profitability may decrease as we manage excess inventory and reduce prices for equipment. To the extent we cannot pass on our increased costs of inventory to our customers, our net income may decrease. Partially as a result of the foregoing, our results of operations have in the past and in the future are expected to continue to fluctuate from quarter to quarter and year to year. We are unable to anticipate the timing and impact of interest rate adjustments. Recently, the sub-prime and alternative mortgage markets have been receiving negative attention, resulting in tighter lending standards throughout the mortgage industry and overall credit markets. This volatility in the credit markets may have a negative impact on our business by making it more difficult for certain of our customers to obtain financing to purchase agricultural or construction equipment. Conversely, the recent decrease in interest rates may positively affect a customer's decision to purchase agricultural or construction equipment. We are unable to predict with certainty any positive or negative affect on our business as a result of the recent interest rate decrease.

Aggressive pricing competition could adversely affect our results of operation and growth.

The agricultural and construction equipment sales and distribution industries are highly competitive and fragmented, with large numbers of companies operating on a regional or local scale. Historically, our competitors have competed aggressively on the basis of pricing or inventory availability resulting in decreased margins on our sales to the extent we choose to match our competitors' downward pricing. To the extent we choose not to match or remain within a reasonable competitive distance from our competitors' pricing, it could also have an adverse impact on our results of operations, as we may lose sales volume. In addition, to the extent CNH's competitors provide their dealers with more innovative and/or higher quality products, better customer financing, or have more effective marketing efforts, our ability to compete and financial condition and results of operations could be adversely affected.

We are substantially dependent on our Chief Executive Officer and President, the loss and replacement of whom could have a material adverse effect on our business.

We believe our success will depend to a significant extent upon the efforts and abilities of David Meyer, our Chairman and Chief Executive Officer, and Peter Christianson, our President and Chief Financial Officer. The employment relationships with both Mr. Meyer and Mr. Christianson are terminable by us or each of them at any time for any reason. The loss of the services of one or both of these persons and other key employees could have a material adverse effect on our operating results.

We are subject to product liability risks that could adversely affect our financial condition and reputation.

Products sold or serviced by us may expose us to potential liabilities for personal injury or property damage claims relating to the use of such products. There can be no assurance that we will not be subject to or incur any liability for such claims in the future. There can be no assurance that our product liability insurance will be adequate to cover product liability claims. There also can be no assurance that such insurance will continue to be available on economically reasonable terms. An uninsured or partially insured claim for which indemnification is not provided could have a material adverse effect on our financial condition. Furthermore, if any significant claims are made against us or against CNH or any of our other suppliers, our business may be adversely affected by any resulting negative publicity.

Risks Relating to this Offering and Ownership of Our Common Stock

Because there has not been a public market for our common stock and our stock price may be volatile, you may not be able to resell your shares at or above the initial public offering price.

Prior to this offering, you could not buy or sell our common stock publicly. We cannot predict the extent to which investors' interests will lead to an active trading market for our common stock or whether the market price of our common stock will be volatile following this offering. If an active trading market does not develop, you may have difficulty selling any of our common stock that you buy. The initial public offering price for our common stock was determined by negotiations between representatives of the underwriters and us and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell our common stock at prices equal to or greater than the price you paid in this offering. In addition, the stock markets have been extremely volatile. The risks related to our company discussed above, as well as decreases in market valuations of similar companies, could cause the market price of our common stock to decrease significantly from the price you pay in this offering.

In addition, securities class action litigation often has been initiated when a company's stock price has fallen below the company's initial public offering price soon after the offering closes or following a period of volatility in the market price of the company's securities. If class action litigation is initiated against us, we would incur substantial costs and our management's attention would be diverted from our operations. All of these factors could cause the market price of our stock to decline, and you may lose some or all of your investment.

If equity research analysts do not publish research or reports about our business or if they issue unfavorable research or downgrade our common stock, the price of our common stock could decline.

As a newly publicly-traded company, investors may look to reports of equity research analysts for additional information regarding our industry and operations. Therefore, the trading market for our common stock will rely in part on the research and reports that equity research analysts publish about us and our business. We do not control these analysts. Equity research analysts may elect not to provide research coverage of our common stock, which may adversely affect the market price of our common stock. If equity research analysts do provide research coverage of our common stock, the price of our common stock could decline if one or more of these analysts downgrade our common stock or if they issue other unfavorable commentary about us or our business. If one or more of these analysts ceases coverage of our company, we could lose visibility in the market, which in turn could cause our stock price to decline.

Future sales of our common stock by our existing stockholders could cause our stock price to decline.

If our stockholders sell substantial amounts of our common stock in the public market, the market price of our common stock could decrease significantly. The perception in the public market that our stockholders might sell shares of our common stock could also depress the market price of our common stock. All of our existing stockholders prior to this offering are subject to lock-up agreements that restrict their ability to transfer their shares of our common stock. In addition, we intend to file registration statements with the SEC covering any shares of our common stock acquired upon option exercises prior to the closing of this offering and all of the shares subject to options outstanding, but not exercised, as of the closing of this offering upon the closing of this offering. The market price of shares of our common stock may decrease significantly when the restrictions on resale by our existing stockholders lapse and our stockholders, warrant holders and option holders are able to sell shares of our common stock into the market. A decline in the price of shares of our common stock might impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities, and may cause you to lose part or all of your investment in our shares of common stock.

We have broad discretion in the use of the proceeds of this offering and may apply the proceeds in ways with which you do not agree.

Our net proceeds from this offering will be used, as determined by management in its sole discretion, for working capital and general corporate purposes, including possible acquisitions of dealers of CNH products. We have not, however, determined the allocation of these net proceeds among the various uses described in this prospectus. Our management will have broad discretion over the use and investment of these net proceeds, and, accordingly, you will have to rely upon the judgment of our management with respect to our use of these net proceeds, with only limited information concerning management's specific intentions. You will not have the opportunity, as part of your investment decision, to assess whether we use the net proceeds from this offering appropriately. We may place the net proceeds in investments that do not produce income or that lose value, which may cause our stock price to decline.

Our directors and executive officers will continue to have substantial control over us after this offering and could limit your ability to influence the outcome of key transactions, including changes of control.

We anticipate that our executive officers and directors and entities affiliated with them will, in the aggregate, beneficially own % of our outstanding common stock following the completion of this offering, assuming the underwriters do not exercise their over-allotment option. Our executive officers, directors and affiliated entities, if acting together, would be able to control or influence significantly all matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other significant corporate transactions. These stockholders may have interests that differ from yours, and they may vote in a way with which you disagree and that may be adverse to your interests. In particular, David Meyer, our Chairman and Chief Executive Officer, will own over % of our outstanding capital stock following the completion of this offering. As such, he alone is able to exercise significant influence over matters requiring approval by the stockholders, including the election of directors and approval of significant corporate transactions. The concentration of ownership of our

common stock may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and may affect the market price of our common stock. This concentration of ownership of our common stock may also have the effect of influencing the completion of a change in control that may not necessarily be in the best interests of all of our stockholders.

Our charter documents and Delaware law may inhibit a takeover that stockholders consider favorable.

We intend to reincorporate in Delaware prior to the consummation of this offering. Upon the closing of this offering, provisions of our certificate of incorporation and bylaws and applicable provisions of Delaware law may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. These provisions:

- permit our board of directors to issue up to 5,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change in our control;
- provide that the authorized number of directors may be changed by resolution of the board of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- divide our board of directors into three classes;
- provide that directors may only be removed for cause by the holders of at least two-thirds of the voting power of the shares eligible to vote for directors;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a stockholder's notice; and
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose).

In addition, Section 203 of the Delaware General Corporation Law generally limits our ability to engage in any business combination with certain persons who own 15% or more of our outstanding voting stock or any of our associates or affiliates who at any time in the past three years have owned 15% or more of our outstanding voting stock. These provisions may have the effect of entrenching our management team and may deprive you of the opportunity to sell your shares to potential acquirers at a premium over prevailing prices. This potential inability to obtain a control premium could reduce the price of our common stock. See "Description of Capital Stock—Anti-Takeover Provisions."

You will experience immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering.

If you purchase shares of our common stock in this offering, you will experience immediate dilution of $ per share (assuming an offering price of $ per share), because the price that you pay will be substantially greater than the adjusted net tangible book value per share of common stock that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the price of the shares being sold in this offering when they purchased their shares of our capital stock. In addition, if outstanding options to purchase our common stock are exercised, you will experience additional dilution. See "Dilution."

We can issue shares of preferred stock without stockholder approval, which could adversely affect the rights of common stockholders.

Our charter documents permit us to establish the rights, privileges, preferences and restrictions, including voting rights, of future series of our preferred stock and to issue such stock without approval from our stockholders. The rights of holders of our common stock may suffer as a result of the rights granted to holders of preferred stock that may be issued in the future. In addition, we could issue preferred stock to prevent a change in control of our company, depriving common stockholders of an opportunity to sell their stock at a price in excess of the prevailing market price.

We will incur increased costs as a result of having publicly traded common stock.

Compliance with publicly-traded company regulations will have an adverse impact on our resources. As a publicly-traded company, we will be subject to rules and regulations that will increase our legal and financial compliance costs, make some activities more time-consuming and costly, and divert our management's attention away from the operation of our business. We also expect these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, we may experience more difficulty attracting and retaining qualified individuals to serve on our board of directors or as executive officers. We cannot predict or estimate the amount of additional costs we may incur as a result of these requirements or the timing of such costs. Furthermore, our current management does not have prior experience in running a public company. The costs of becoming public and the diversion of management's time and attention may have a material adverse effect on our business, financial condition and results of operations.

Our internal controls over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.

We will be required to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and rules and regulations of the SEC thereunder for fiscal 2009. If we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. We cannot be certain as to the timing of completion of our evaluation, testing and any remedial actions or their impact on our operations. If we are not able to implement the requirements of Section 404 in a timely manner or with adequate compliance, our independent registered public accounting firm may not be able to certify as to the effectiveness of our internal control over financial reporting, we may be unable to report our financial results accurately or in a timely manner and we may be subject to sanctions or investigation by regulatory authorities, such as the SEC. As a result, there could be a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. We may be required to incur costs in improving our internal control system and the hiring of additional personnel. Any such action could negatively affect our results of operations.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties. In some cases, you can identify forward-looking statements by the following words: "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "should," "will," "would," or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. These statements involve known and unknown risks, uncertainties and other factors that may cause our results or our industry's actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Forward-looking statements are only predictions and are not guarantees of performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information.

These important factors include those that we discuss under the heading "Risk Factors." You should read these risk factors and the other cautionary statements made in this prospectus as being applicable to all related forward-looking statements wherever they appear in this prospectus. We cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. You should read this prospectus completely. Other than as required by law, we undertake no obligation to update these forward-looking statements, even though our situation may change in the future.

THIRD PARTY INFORMATION

All trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

We obtained industry and market data used throughout this prospectus through our research, surveys and studies conducted by third parties and industry and general publications. We have not independently verified market and industry data from third-party sources. While we believe internal company surveys are reliable and market definitions are appropriate, neither these surveys nor these definitions have been verified by any independent sources.

USE OF PROCEEDS

We estimate that the net proceeds from our sale of shares of common stock in this offering will be approximately $ million, or approximately $ million if the underwriters exercise their over-allotment option in full. This estimate is based upon an assumed initial public offering price of $ per share, the mid-point of our filing range, less estimated underwriting discounts and commissions and offering expenses payable by us.

We intend to use these net proceeds as follows:

- to fund potential acquisitions of CNH agricultural and construction equipment dealerships;
- for general corporate purposes, including working capital needs;
- to pay accrued cash dividends in the aggregate amount of $421,217 upon the conversion of all of our outstanding preferred stock (assuming the dividends are paid on October 1, 2007); and
- to repay subordinated debentures in the aggregate principal amount of $142,424. These debentures mature in November 2012 and accrue interest at a rate of 5% per annum.

In addition, we may use up to $10 million of the net proceeds to repay outstanding indebtedness under outstanding subordinated indebtedness issued to Titan Income Holdings, LLLP and CNH Capital America, LLC. The subordinated debentures issued to Titan Income Holdings were issued April 15, 2005 in an aggregate principal amount of $1.8 million, accrue interest at a rate of 10.5% per annum and mature in April 2012. The subordinated note issued to CNH Capital was issued January 31, 2006 in an aggregate principal amount of $7.5 million, accrues interest at a rate of 10.5% per annum and matures in April 2012.

We are not currently in negotiations for any acquisitions for which we intend to use the proceeds of this offering.

Pending the uses described above, we intend to invest the net proceeds of this offering in short- to medium-term, investment-grade, interest-bearing securities. We intend to use any interest earned by these investments for the purposes listed above.

DIVIDEND POLICY

We have not historically paid any dividends on our common stock. Following the completion of this offering, we intend to retain our future earnings, if any, to finance the expansion and growth of our business. We do not expect to pay cash dividends on our common stock in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, outstanding indebtedness and plans for expansion and restrictions imposed by lenders, if any. Currently, our credit facilities restrict our ability to pay cash dividends. Upon the consummation of this offering, we will pay accrued cash dividends in the aggregate amount of $421,217 upon the conversion of all of our outstanding preferred stock, assuming the dividends are paid on October 1, 2007.

CAPITALIZATION

The following table sets forth our capitalization as of July 31, 2007:

- on an actual basis;
- on a pro forma basis to reflect (1) the conversion of all preferred stock outstanding as of August 1, 2007 into 790,206 shares of common stock immediately prior to the completion of this offering, (2) the exchange of certain subordinated convertible debentures for 1,641,981 shares of common stock immediately prior to the completion of this offering and (3) the payment of accrued cash dividends on the preferred stock in the amount of $404,154 (assuming the dividends are paid on July 31, 2007); and
- on a pro forma as adjusted basis to reflect the conversions and exchange described above, as well as our sale of shares in this offering at an assumed initial public offering price of $ per share (the mid-point of the initial public offering price range), after deducting estimated underwriting discounts and commissions and offering expenses, and the application of the net proceeds from our sale of common stock in this offering.

You should read this information in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes appearing elsewhere in this prospectus.

	As of July 31, 2007		
	Actual	Pro Forma	Pro Forma As Adjusted
	(dollars in thousands)		
Cash	$ 1,222	$	$
Floorplan notes payable(1)	$ 90,089	$	$
Long-term debt:			
Senior term notes (including current maturities)	12,935		
Subordinated debentures	10,328		
Convertible subordinated debentures	6,350		
Other debt	1,210		
Total long-term debt	30,823	—	—
Equity:			
Series D convertible preferred stock, $.00001 par value, 323,533 shares authorized, no shares issued and outstanding, actual, and no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	—	—	—
Series C convertible preferred stock, $.00001 par value, 2,000,000 shares authorized, no shares issued and outstanding, actual, and no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	—	—	—
Series B convertible preferred stock, $.00001 par value, 2,000,000 shares authorized, 125,001 shares issued and outstanding actual, and no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	532	—	—
Series A convertible preferred stock, $.00001 par value, 2,000,000 shares authorized, 341,672 shares issued and outstanding actual, and no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	1,335	—	—
Undesignated preferred stock, $.00001 par value, 5,000,000 authorized, no shares issued and outstanding, actual, pro forma and pro forma as adjusted	—	—	—
Common stock $.00001 par value, 30,000,000 shares authorized, 4,356,240 shares issued and outstanding, actual, 30,000,000 authorized, 6,788,377 shares issued and outstanding pro forma, and 30,000,000 authorized, shares issued and outstanding pro forma as adjusted	43	—	—
Additional paid-in capital	605		

Retained earnings	15,255		
Syndication fees	(290)		
Total equity	17,437		
Total capitalization	$138,349	$	$

(1) Approximately $36.5 million of floorplan notes were interest-bearing.

DILUTION

If you invest in our common stock, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the adjusted net tangible book value per share of our common stock immediately after completion of this offering. Our net tangible book value as of July 31, 2007 was $9.5 million, or $2.17 per share of common stock, not taking into account the conversion of our outstanding convertible preferred stock, the conversion or exchange of certain convertible subordinated debentures into and for common stock or the exercise of outstanding options and warrants. Net tangible book value per share is equal to our total tangible assets (total assets less intangible assets) less our total liabilities (including our preferred stock) divided by the number of shares of common stock outstanding. The pro forma net tangible book value of our common stock as of July 31, 2007 was approximately $17.4 million, or approximately $2.34 per share, based on the number of shares outstanding as of July 31, 2007, after giving effect to the conversion of all outstanding convertible preferred stock into shares of common stock immediately prior to the closing of this offering, the conversion and exchange of certain convertible subordinated debentures into and for common stock upon the closing of this offering and the payment of accrued cash dividends on the preferred stock in the amount of $404,154 (assuming the dividends are paid on July 31, 2007).

After giving effect to our sale of shares at an assumed initial public offering price of $ per share (the mid-point of the initial public offering price range), deducting estimated underwriting discounts and commissions and offering expenses, and applying the net proceeds from this sale, the pro forma as adjusted net tangible book value of our common stock, as of July 31, 2007, would have been approximately $ million, or $ per share. This amount represents an immediate increase in net tangible book value to our existing stockholders of $ per share and an immediate dilution to new investors of $ per share. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of July 31, 2007	$	
Increase per share attributable to new investors	$	
Pro forma as adjusted net tangible book value per share after this offering		$
Dilution per share to new investors		$

If the underwriters exercise their over-allotment option in full, there will be an increase in pro forma as adjusted net tangible book value to existing stockholders of $ per share and an immediate dilution in pro forma net tangible book value to new investors of $ per share.

The following table summarizes, as of , 2007, on a pro forma as adjusted basis, the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by our existing stockholders and by new investors, based upon an assumed initial public offering price of $ per share (the mid-point of the initial public offering price range) and before deducting estimated underwriting discounts and commissions and offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders		%	$	%	$
New investors		%	$	%	$
Total		100%	$	100%	$

Because the exercise prices of our outstanding options and warrants are significantly below the assumed initial public offering price of $ per share (the midpoint of the offering range on the cover page of this prospectus), investors purchasing common stock in this offering will suffer additional dilution when and if these options and warrants are exercised.

SELECTED FINANCIAL DATA

You should read the following selected financial data together with our financial statements and the related notes appearing at the end of this prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which follows immediately after this section. We derived the statement of operations data for the years ended January 31, 2003, 2004, 2005, 2006 and 2007, and the balance sheet data as of those dates, from our audited financial statements, which for the years ended January 31, 2005, 2006 and 2007 are contained elsewhere in this prospectus. Those statements were audited by Eide Bailly LLP, our independent registered public accounting firm. The statement of operations data for the six months ended July 31, 2006 and 2007, and the balance sheet data as of July 31, 2007, are derived from our unaudited financial statements included elsewhere in this prospectus. Our management believes that the unaudited financial statements contain all adjustments needed to present fairly the information included in those statements, and that the adjustments made consist only of normal recurring adjustments. Our results are not necessarily indicative of the results we may achieve in any future period.

	Year ended January 31,					Six months ended July 31,	
	2003	2004	2005	2006	2007	2006	2007
						(unaudited)	
	(in thousands, except per share data)						
Statement of Operations Data:							
Revenue							
Equipment	$ 43,591	$ 66,091	$ 119,850	$ 175,549	$ 220,958	$ 95,088	$ 122,482
Parts	13,764	18,897	25,058	31,099	42,619	21,229	27,176
Service	7,415	9,940	13,141	16,572	21,965	10,506	13,040
Other	1,788	2,527	4,134	5,250	7,056	2,643	2,939
	66,558	97,455	162,183	228,470	292,598	129,467	165,639
Cost of revenue							
Equipment	39,903	60,287	109,023	160,814	200,558	86,192	110,533
Parts	10,148	13,401	18,402	22,459	29,909	15,676	20,016
Service	2,994	3,717	5,236	6,404	8,183	3,954	4,888
Other	1,144	1,864	3,119	4,081	5,337	1,928	2,041
	54,189	79,269	135,780	193,758	243,987	107,750	137,478
Gross profit	12,369	18,186	26,403	34,712	48,611	21,717	28,161
Operating expenses	11,130	16,609	22,596	26,978	37,399	17,051	21,452
Income from operations	1,239	1,577	3,807	7,734	11,212	4,666	6,708
Other income (expense)							
Interest and other income	144	48	144	88	349	203	85
Other interest expense	(701)	(1,346)	(1,693)	(3,354)	(5,391)	(2,496)	(3,055)
Income before income taxes	682	279	2,258	4,468	6,170	2,373	3,737
Provision for income taxes	(266)	(115)	(911)	(1,721)	(2,450)	(902)	(1,468)
Income from continuing operations	416	164	1,347	2,747	3,720	1,471	2,270
Discontinued operations	—	—	(75)	—	—	—	—
Net income	$ 416	$ 164	$ 1,272	$ 2,747	$ 3,720	$ 1,471	$ 2,270
Adjustment to income:							
Unpaid accumulated preferred dividends	—	(59)	(90)	(102)	(102)	(51)	(51)

Income available to common stockholders	$ 416	$ 105	$ 1,182	$ 2,644	$ 3,618	$ 1,419	$ 2,218
Earnings per share							
Basic	$ 0.11	$ 0.02	$ 0.27	$ 0.61	$ 0.83	$ 0.33	$ 0.51
Diluted	$ 0.11	$ 0.02	$ 0.27	$ 0.61	$ 0.77	$ 0.33	$ 0.41
Weighted average shares outstanding							
Basic	3,810	4,341	4,341	4,341	4,345	4,345	4,345
Diluted	3,810	4,341	4,341	4,341	5,419	4,356	6,060

	January 31,					July 31,
	2003	2004	2005	2006	2007	2007 (unaudited)
	(dollars in thousands)					
Balance Sheet Data:						
Cash	$ 1,681	$ 1,937	$ 1,108	$ 8,671	$ 7,572	$ 1,222
Receivables	2,312	3,084	4,969	5,794	10,921	11,436
Inventories	38,592	34,381	66,569	81,631	106,254	122,488
Prepaid expenses	34	50	45	33	186	244
Deferred income taxes	243	288	321	423	462	462
Goodwill and intangibles, net	1,273	1,280	1,227	1,587	3,905	6,386
Property and equipment	2,370	2,235	3,559	5,327	8,175	11,911
Other assets	1,067	1,413	1,308	1,607	1,318	1,308
Total assets	$ 47,572	$ 44,668	$ 79,106	$ 105,073	$ 138,793	$ 155,459
Accounts payable	$ 2,835	$ 3,316	$ 3,227	$ 5,488	$ 4,228	$ 7,878
Line of credit	1,500	400	2,644	—	—	—
Notes payable	757	—	—	—	—	—
Floorplan notes payable(1)	27,277	20,721	51,617	61,908	84,699	90,089
Current maturities of long-term debt	631	1,139	1,113	1,532	2,824	4,150
Customer deposits	908	3,641	2,135	4,015	4,608	6,460
Accrued expenses	603	914	1,023	1,942	2,287	2,386
Income taxes payable	14	61	691	350	378	386
Total current liabilities	34,525	30,192	62,450	75,235	99,024	111,348
Long-term liabilities	4,043	4,442	4,948	4,405	8,043	9,996
Subordinated debentures	3,492	3,492	3,492	14,180	16,667	16,678
Redeemable securities	—	1,025	1,463	1,463	1,463	1,867
Total stockholders' equity	5,512	5,517	6,753	9,790	13,596	15,570
	$ 47,572	$ 44,668	$ 79,106	$ 105,073	$ 138,793	$ 155,459

(1) Approximately 40.5% of floorplan notes payable are interest bearing.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Selected Financial Data and our financial statements and the accompanying notes. Our actual results could differ materially from those anticipated in the forward-looking statements included in this discussion as a result of certain factors, including, but not limited to, those discussed in "Risk Factors" and "Information Regarding Forward-Looking Statements" included elsewhere in this prospectus.

Overview

We own and operate what we believe is one of the largest networks of full service agricultural and construction equipment stores in North America. We are the world's largest retail dealer of Case IH Agriculture equipment and a major retail dealer of New Holland Agriculture, Case Construction and New Holland Construction equipment in the U.S. We sell and rent agricultural and construction equipment, sell parts, and service the equipment operating in the areas surrounding our stores.

The agricultural equipment we sell and service includes machinery and attachments for uses ranging from large-scale farming to home and garden use. The construction equipment we sell and service includes heavy construction and light industrial machinery for commercial and residential construction, road and highway construction and mining applications.

We offer our customers a one-stop solution for their equipment needs through new and used equipment sales, parts sales, repair and maintenance services and equipment rental and other activities. The new equipment and parts we sell are supplied primarily by CNH. CNH is a leading manufacturer and supplier of agricultural and construction equipment, primarily through the Case IH Agriculture, New Holland Agriculture, Case Construction and New Holland Construction brands. Sales of new CNH products accounted for approximately 77% of our new equipment revenue in fiscal 2007 with no other supplier accounting for more than 3%. We acquire used equipment for resale through trade-ins from our customers and selective purchases. We sell parts and provide in-store and on-site repair and maintenance services. We rent equipment and provide other ancillary services such as equipment transportation, GPS signal subscriptions and finance and insurance products.

Throughout our 27-year operating history we have built an extensive, geographically contiguous network of 34 full service stores and two outlet stores located in the upper Midwest. We have a successful history of growth through acquisitions, including 13 acquisitions consisting of 29 stores operating in four states since January 1, 2003. We believe we have a well-established track record of successfully integrating acquired stores, based on our historical growth from acquisitions and our ability to retain key acquired-store employees and acquired-store customer relationships.

Certain External Factors Affecting our Business

We are subject to a number of factors that affect our business as discussed in the sections entitled "Risk Factors" and "Information Regarding Forward-Looking Statements." Certain of the external factors include, but are not limited to, the following:

Industry Factors

Our business is primarily driven by the demand for agricultural equipment for use in the production of food, fiber, feed grain and renewable energy; home and garden applications; and the maintenance of commercial, residential and government properties. Based on USDA data, we believe farmers are currently enjoying historically strong economical fundamentals, driven by growing global demand for agricultural commodities in part due to growth in renewable energy and the economies of developing countries. We believe our operating model, as discussed in "Business—Titan Operating Model," enables us to maximize opportunities presented by strong economic fundamentals in the agricultural industries.

Thus, we also expect to enjoy strong economic fundamentals by expanding existing stores and acquiring additional stores.

Additionally, our business is impacted by the demand for construction equipment for use in private and government commercial, residential and infrastructure construction; demolition; maintenance; mining and forestry operations. Demand for construction equipment in our markets is primarily driven by public infrastructure spending, including roads and highways, sewer and water. The projected growth in federal allocations to public infrastructure spending over the next few years should positively impact our future results of operations. However, an offsetting factor may be the recent declines in residential and commercial real estate development to the extent such declines continue. To address the uncertainty of the construction industry, we expect to continue our focus on agricultural industries and acquisition opportunities to establish additional locations in the markets where we believe the local construction industry will maintain its current level or grow.

If the positive trends in the agricultural industries cease to continue, we believe we would be in a position to operate efficiently. Our large and diverse customer base and four state geographic footprint limits our exposure to negative trends that may occur in a particular area or crop. Our management also implements a conservative expenditure philosophy that emphasizes scalable costs, which we believe positions us to operate efficiently in the event of a significant downturn in the agricultural industries.

Seasonality

We generally experience a lower volume of equipment sales in our first fiscal quarter due to the crop growing season and winter weather patterns in the Midwest. Typically, farmers purchase agricultural equipment immediately prior to planting or harvesting crops, which occurs during our second and third quarters, or at the end of the calendar year. As a result, sales of agricultural equipment generally are lower in our first fiscal quarter. Winter weather in the Midwest also limits construction and, therefore, also typically results in lower sales of industrial equipment in the first and fourth quarter. A significant increase in the severity of weather cycles could increase the volatility of our results of operations and impact our financial condition. If we acquire businesses in geographic areas other than where we currently have operations, we may be affected more by the above-mentioned or other seasonal and equipment buying trends.

Economic Cyclicality

Sales of equipment, particularly new units, historically have fluctuated with general economic cycles. During economic downturns, equipment retailers tend to experience similar periods of decline and recession as the general economy. The impact of an economic downturn on retailers is generally less than the impact on manufacturers due to the sale of parts and service by retailers to maintain customer equipment. As noted above, the agricultural industries are in a positive economic cycle from which we expect to benefit.

Credit Market Changes

Changes in credit markets can affect our customers' ability and willingness to make capital expenditures, including purchasing our equipment. Creditors have recently heightened their lending standards, we believe in part due to difficulties in the sub-prime mortgage market. Heightened lending standards may have a negative impact on our business if our customers are unable to obtain financing for equipment purchases. However, if interest rates continue to decrease, as recently occurred, our business may be positively affected by customers who find financing purchases of our equipment more attractive due to lower borrowing costs. We cannot predict what future changes will occur in credit markets or how these changes will impact our business.

Inflation

Inflation has not had a material impact upon operating results and we do not expect it to have such an impact in the future. To date, in those instances in which we have experienced cost increases, we have been able to increase selling prices to offset such increases. There can be no assurance, however, that our business will not be affected by inflation or that we can continue to increase our selling prices to offset increased costs and remain competitive.

Acquisitions

We have a successful history of growth through acquisitions. Since January 1, 2003, we have completed 13 acquisitions consisting of 29 stores operating in four states. These acquisitions have been the most significant factor affecting our results of operations and liquidity over the last several years, as noted in the period-to-period comparisons below. We expect that acquisitions will continue to be an important component of our growth. Acquisitions are typically financed with floorplan debt, long-term debt and cash from operations. Although we cannot quantify the impact of any such potential acquisitions, we believe the nature of their impact on our financial statements to be similar to that experienced with our prior acquisitions as noted in our discussions of period comparisons.

The following is a summary of acquisitions completed during the identified periods.

Fiscal 2008

- On February 3, 2007, we acquired certain assets of Richland County Implement, Inc., resulting in the addition of a store located in Wahpeton, North Dakota.
- On April 13, 2007, we acquired certain assets of Aberdeen Equipment Co., Huron Equipment Co. and Redfield Equipment Co., three related dealerships, resulting in the addition of three stores located in Aberdeen, Huron and Redfield, South Dakota.
- On August 1, 2007, we acquired all of the outstanding stock of Red Power International, Inc., resulting in the addition of two stores located in Ada and Crookston, Minnesota. We subsequently merged Red Power into our company.

Fiscal 2007

- On March 31, 2006, we acquired all of the outstanding stock of Farm Power, Inc. of Minnesota and its wholly-owned subsidiary, Fergus International, Inc., resulting in the addition of two stores located in Elbow Lake and Fergus Falls, Minnesota. In addition, as of the same date, we purchased the inventory of FPI Leasing, an entity related to Farm Power through common ownership. We subsequently merged Farm Power into our company.
- On June 15, 2006, we acquired certain assets of Piorier Equipment Company, Inc. and RAJ Equipment, its related entity, resulting in the addition of four stores located in Sioux City, Iowa, Marshall, Minnesota and Rapid City and Sioux Falls, South Dakota.

Fiscal 2006

- On March 1, 2005, we acquired certain assets of Smith International, Inc., resulting in the addition of a store located in Waverly, Iowa.
- On May 16, 2005, we acquired certain assets of H.C. Clark Implement Co., Inc., resulting in the addition of a store located in Aberdeen, South Dakota.
- On November 1, 2005, we assumed management of the operations of a dealership formerly owned by Walterman Implement, Inc. located in Dike, Iowa. We subsequently acquired certain assets of the dealership and as of December 31, 2006 began to operate it as one of our stores.

- On November 1, 2005, we acquired certain assets of Vern Anderson, Inc., resulting in the addition of four stores located in Anthon, Cherokee, Kingsley and Le Mars, Iowa.

Fiscal 2005

- On February 21, 2004, we acquired certain assets of Consolidated Ag Service, Inc., resulting in the addition of three stores located in Graceville, Marshall and Pipestone, Minnesota.

Proposed Reincorporation in Delaware

In connection with the offering, we intend to reincorporate under Delaware Law. Following the conversion from North Dakota to Delaware, the rights of our stockholders will be governed by Delaware law. The rights, privileges, powers and interests in property of the North Dakota entity will become rights, privileges, powers and interests in property of the Delaware entity, and obligations and liabilities of the North Dakota entity will become obligations and liabilities of the Delaware entity. We do not believe the reincorporation will have an impact on our

results of operations.

Critical Accounting Policies and Estimates

During the preparation of our financial statements, we are required to make estimates, assumptions and judgments that affect reported amounts. These estimates, assumptions and judgments include those related to bad debts and credit sales, inventories, goodwill and intangibles, income taxes and legal proceedings, revenue recognition, allowance for doubtful accounts, inventory reserves, incentive plan accruals, deferred taxes and stock-based compensation. We update these estimates, assumptions and judgments as appropriate, which in most cases is at least quarterly. We use our technical accounting knowledge, cumulative business experience, judgment and other factors in the selection and application of our accounting policies. While we believe our estimates, assumptions and judgments we use in preparing our financial statements are appropriate, they are subject to factors and uncertainties regarding their outcome and therefore, actual results may materially differ from these estimates. We believe the following are our primary critical accounting policies and estimates.

Revenue Recognition

Revenue on equipment and parts sales is recognized upon delivery of product to customers. Rental and service revenue is recognized at the time the related services are provided. In addition to outright sales of new and used equipment, certain rental agreements may include rent-to-purchase options. Under these agreements, customers are given a period of time to exercise an option to purchase the related equipment, with a portion of the rental payments being applied to the purchase price. This equipment is included in inventory until the purchase option is exercised. Rental revenue is recognized during the rental period, with equipment sales revenue being recognized upon the exercise of the purchase option.

Inventories

New and used machinery are stated at the lower of cost (specific identification method) or market with adjustments for decreases in market value on inventory rented but available for sale being a percentage (80%) of the rental income received on such inventory. Equipment held specifically for lease is reported as inventory held for rental. Parts inventory is valued at the lower of average cost or market, and parts inventory not expected to be sold in the next operating cycle has been reported separately. Typically, there are no freight-in charges, except in cases of special orders where such freight-in charges are included in the cost of inventory.

Intangible Assets and Goodwill

Goodwill is reviewed for possible impairment at least annually, or more frequently upon the occurrence of events or circumstances that may affect its fair value. As of January 31, 2007, the carrying

value of goodwill was not considered impaired. Intangible assets include covenants not-to-compete that are being amortized using the straight-line method over the lives of the related agreements, which range from five to 15 years.

Key Financial Metrics

In addition to tracking our sales and expenses to evaluate our operational performance, we also monitor certain key financial metrics, including absorption and same-store sales.

Absorption

Absorption is an industry term that refers to the percentage of an equipment dealer's fixed operating expense covered by the gross margin of its combined parts and service businesses. Absorption in a given period is calculated by dividing our gross profit from parts and service sales in the period by the difference between (i) our operating expenses (including interest on floorplan notes) and (ii) our variable expense of sales commissions on equipment sales in the same period. We believe that absorption is an important management metric because during economic down cycles our customers tend to postpone new and used equipment purchases while continuing to run, maintain and repair their existing equipment. Thus, operating at a high absorption rate enables us to operate profitably throughout economic down cycles. We measure and track absorption on a company-wide basis as well as on a per store basis. For fiscal 2007, our company-wide absorption rate was 75.9% and ranged from 53.1% to 118.5% on a store level basis; for fiscal 2006, our company-wide absorption rate was 74.4% and ranged from 50.7% to 94.3% on a store level basis; and for fiscal 2005, our company-wide absorption rate was 70.8% and ranged from 58.8% to 87.5% on a store level basis.

Same-Store Sales

Same-store sales for any period represent sales by stores that were part of our company for the entire comparable period in the preceding fiscal year. We do not distinguish relocated or newly-expanded stores in this same-store analysis. Closed stores are excluded from the same-store analysis. We believe that tracking this metric is important to evaluating the success of the Titan Operating Model on a comparable basis.

Key Financial Statement Components

Revenue

Equipment. We derive equipment revenue from the sale of new and used agricultural and construction equipment.

Parts. We derive parts revenue from the sale of parts for equipment that we sell and rent, as well as for other equipment makes. Our parts sales provide us with a relatively stable revenue stream that is less sensitive to the economic cycles that affect our equipment sales.

Services. We derive services revenue from maintenance and repair services to our customers' equipment. Our repair and maintenance services provide a high-margin, relatively stable source of revenue through changing economic cycles.

Other. We derive other revenue from equipment rentals and ancillary equipment support activities such as equipment transportation, GPS signal subscriptions and reselling finance and insurance products.

Cost of Revenue

Equipment. Cost of equipment revenue is the lower of the acquired cost or the market value of the specific piece of equipment sold.

Parts. Cost of parts revenue is the lower of the acquired cost or the market value of the parts sold, based on average costing.

Service. Cost of service revenue represents costs attributable to services provided for the maintenance and repair of customer-owned equipment and equipment then on-rent by customers.

Other. Costs of other revenue represent costs associated with equipment rental, providing transportation, hauling, parts freight, GPS subscriptions and damage waivers, including, among other items, drivers' wages, fuel costs, shipping costs and our costs related to damage waiver policies.

Operating Expenses

Our operating expenses include sales and marketing expenses, sales commissions (which generally are based upon equipment gross profit margins), payroll and related benefit costs, insurance expenses, professional fees, property and other taxes, administrative overhead, and depreciation associated with property and equipment (other than rental equipment).

Floorplan Interest

The cost of financing inventory is an important factor affecting our results of operations. Floorplan financing from CNH Capital represents the primary source of financing for equipment inventories, particularly for equipment supplied by CNH. We also have credit facilities for financing of equipment inventories with Bremer Bank and GE Commercial Distribution Finance Corporation. Historically, approximately 80% to 90% of our inventory has been subject to floorplan financing. CNH regularly offers interest-free periods as well as additional incentives and special offers. As of July 31, 2007, approximately 52% of our equipment inventory was subject to non-interest bearing floorplan financing.

Other Interest Expense

Interest expense represents the interest on our outstanding debt instruments, other than floorplan financing facilities.

Results of Operations

Comparative financial data for each of our four sources of revenue for fiscal 2007, 2006 and 2005 and for the six months ended July 31, 2007 and 2006 are expressed below. The results for these periods include the operating results of the acquisitions made during these periods, as described above. The period-to-period comparisons included below are not necessarily indicative of future results.

	Year ended January 31,			Six months ended July 31,	
	2005	2006	2007	2006	2007
			(dollars in thousands)	(unaudited)	
Equipment					
Revenue	$ 119,850	$ 175,549	$ 220,958	$ 95,088	$ 122,482
Cost of revenue	109,023	160,814	200,558	86,192	110,532
Gross profit	$ 10,827	$ 14,735	$ 20,400	$ 8,896	$ 11,950
Parts					
Revenue	$ 25,058	$ 31,099	$ 42,619	$ 21,229	$ 27,176
Cost of revenue	18,402	22,459	29,909	15,676	20,016
Gross profit	$ 6,656	$ 8,640	$ 12,710	$ 5,553	$ 7,160
Service					
Revenue	$ 13,141	$ 16,572	$ 21,965	$ 10,506	$ 13,041
Cost of revenue	5,236	6,404	8,183	3,954	4,888
Gross profit	$ 7,905	$ 10,168	$ 13,782	$ 6,552	$ 8,153
Other, including trucking and rental					
Revenue	$ 4,134	$ 5,250	$ 7,056	$ 2,643	$ 2,939
Cost of revenue	3,120	4,081	5,337	1,928	2,041
Gross profit	$ 1,014	$ 1,169	$ 1,719	$ 715	$ 898

The following table sets forth our statements of operations data expressed as a percentage of net revenue for the periods indicated.

	Year ended January 31,			Six months ended July 31,	
	2005	2006	2007	2006	2007
				(unaudited)	
Revenue					
Equipment	73.9%	76.8%	75.5%	73.4%	73.9%
Parts	15.5%	13.6%	14.6%	16.4%	16.4%
Service	8.1%	7.3%	7.5%	8.1%	7.9%
Other, including trucking and rental	2.5%	2.3%	2.4%	2.0%	1.8%
Total revenue	100%	100%	100%	100%	100%
Cost of Revenue					
Equipment	67.2%	70.4%	68.5%	66.6%	66.7%
Parts	11.4%	9.8%	10.2%	12.1%	12.1%
Service	3.2%	2.8%	2.8%	3.1%	3.0%
Other, including trucking and rental	1.9%	1.8%	1.8%	1.5%	1.2%
Total cost of revenue	83.7%	84.8%	83.3%	83.5%	83.0%
Gross profit	16.3%	15.2%	16.7%	16.8%	17.0%
Operating expenses	13.9%	11.8%	12.8%	13.2%	13.0%
Income from operations	2.4%	3.4%	3.9%	3.6%	4.0%

Six Months Ended July 31, 2007 Compared to Six Months Ended July 31, 2006

Revenue

	Six months ended July 31, 2007	Six months ended July 31, 2006	Increase	Percent change
		(dollars in thousands)		
Total revenue	$ 165,638	$ 129,467	$ 36,171	27.9%
Equipment	$ 122,482	$ 95,088	$27,394	28.8%
Parts	$ 27,176	$ 21,229	$5,947	28.0%
Service	$ 13,041	$ 10,506	$2,535	24.1%
Other, including trucking and rental	$ 2,939	$ 2,643	$296	11.2%

The increase in revenue for our first six months of fiscal 2008 is primarily due to the two acquisitions completed during fiscal 2007 and the two acquisitions completed during the first six months of fiscal 2008 described above. In addition, our revenue growth is reflective of the strong market for our products in all stores resulting from the growth in the global demand for agricultural commodities, net farm income, governmental subsidies and public infrastructure spending. The fiscal 2007 acquisitions and the first six months fiscal 2008 acquisitions contributed $30.9 million in total revenue, or 85.4% of the increase. The remaining increase is attributable to same-store sales growth. Same-store sales of $134.7 million were recorded in the first six months of fiscal 2008, representing an 13.8% increase compared to the sales by these stores in the first six months of fiscal 2007.

Cost of Revenue

	Six months ended July 31, 2007	Six months ended July 31, 2006	Increase	Percent change
		(dollars in thousands)		
Total cost of revenue	$ 137,478	$ 107,749	$ 29,729	27.6%
Equipment	$ 110,533	$ 86,192	$24,341	28.2%
Parts	$ 20,016	$ 15,676	$4,340	27.7%
Service	$ 4,888	$ 3,954	$934	23.6%
Other, including trucking and rental	$ 2,041	$ 1,928	$113	5.9%

The increase in cost of revenue is primarily due to the additional costs associated with the operation of newly acquired stores. The acquisitions made in fiscal 2007 and the first six months of fiscal 2008 contributed $24.7 million to the cost of revenue for the first six months of fiscal 2008, which is 83.2% of the total increase in cost of revenue. The remainder of the increase is reflective of the corresponding increase in inventory costs as sales increase the cost of revenue generally. As a percentage of revenue, cost of revenue was 83.0% for the first six months of fiscal 2008, compared to 83.2% for the first six months of fiscal 2007. This percentage of revenue decrease is attributable to slightly higher margins in the equipment revenue.

Gross Profit

	Six months ended July 31, 2007	Six months ended July 31, 2006	Increase	Percent change
	(dollars in thousands)			
Total gross profit	$ 28,161	$ 21,717	$ 6,444	29.7%
Equipment	$ 11,950	$ 8,896	$ 3,054	34.3%
Parts	$ 7,160	$ 5,553	$ 1,607	28.9%
Service	$ 8,153	$ 6,552	$ 1,601	24.4%
Other, including trucking and rental	$ 898	$ 715	$ 183	25.6%

The fiscal 2007 acquisitions and the acquisitions during the first six months of fiscal 2008 contributed $6.2 million to gross profit, which is the primary reason for the increase over the first six months of fiscal 2007. Also contributing to the gross profit improvement was same store sales growth, which we believe was caused by the general strength of the agricultural industry increasing demand for our agricultural equipment and services. Gross profit margins were 17.0% for the first six months of fiscal 2008, compared to 16.8% for the first six months of fiscal 2007.

Operating Expenses

	Six months ended July, 2007	Six months ended July, 2006	Increase	Percent change
	(dollars in thousands)			
Operating expenses	$ 21,452	$ 17,051	$ 4,401	25.8%

The increase in operating expenses is primarily due to the additional costs associated with acquisitions. As a percentage of total revenue, operating expenses decreased to 13.0% for the first six months of fiscal 2008 from 13.2% for the first six months of fiscal 2007, due in part to strong same-store sales growth. We expect our operating expenses to increase in fiscal 2008 due to the costs incurred in connection with this offering and the costs associated with being a public company.

Other Income (Expense)

	Six months ended July 31, 2007	Six months ended July 31, 2006	Decrease	Percent change
	(dollars in thousands)			
Interest and other income	$ 85	$ 203	$ (118)	(58.1)%
Floorplan interest	$ (1,831)	$ (1,467)	$ (364)	24.8%
Interest expense	$ (1,224)	$ (1,029)	$ (195)	19.0%

The primary reason for the increase in floorplan interest expense is the increased amount of floorplan debt related to the increased inventory levels maintained during the first six months of fiscal 2008 compared to the first six months of fiscal 2007. The net increase in floorplan interest expense is attributable to a $375,000 increase related to additional inventory for stores acquired in fiscal 2007 and the first six months of fiscal 2008 less an $11,000 decrease related to changes in inventory for same-stores. The primary reason for the increase in interest expense relates to additional long-term debt incurred primarily in connection with acquisitions.

Provision for Income Taxes

	Six months ended July 31, 2007	Six months ended July 31, 2006	Increase	Percent change
	(dollars in thousands)			
Provision for income taxes	$ (1,468)	$ (902)	$ (566)	62.7%

The effective tax rate as a percentage of income before taxes increased to 39.3% for the first six months of fiscal 2008 from 38.0% for the first six months of fiscal 2007. Our effective tax rate reflects the full federal and state statutory rates on taxable income. Variations in the effective tax rate reflects the changing mix of sales made in states with different tax rates.

Fiscal Year Ended January 31, 2007 Compared to Fiscal Year Ended January 31, 2006

Revenue

	Fiscal year ended January 31, 2007	Fiscal year ended January 31, 2006	Increase	Percent change
	(dollars in thousands)			
Total revenue	$ 292,598	$ 228,470	$ 64,128	28.1%
Equipment	$ 220,958	$ 175,549	$ 45,409	25.9%
Parts	$ 42,619	$ 31,099	$ 11,520	37.0%
Service	$ 21,965	$ 16,572	$ 5,393	32.5%
Other, including trucking and rental	$ 7,056	$ 5,250	$ 1,806	34.4%

The increase in revenue is primarily due to the two acquisitions completed during fiscal 2007 described above. In addition, our revenue growth is reflective of the strong market for our products and resulting from the growth in the global demand for agricultural commodities, net farm income, governmental subsidies and public infrastructure spending. The fiscal 2007 acquisitions contributed $34.9 million in total revenue, or 54.4% of the year-over-year increase. The remaining increase is attributable to the impact of having stores acquired in fiscal 2006 in our operating system for a full fiscal year and same-store sales growth. Same-store sales of $194.6 million were recorded in fiscal 2007, representing a 5.1% increase compared to the sales by these stores in fiscal 2006. Same-store sales growth in fiscal 2007 was lower than in fiscal 2006 due to a significant decrease in equipment sales at our then highest equipment volume store resulting from that store's change in sales practice away from high-volume, low-margin sales.

Cost of Revenue

	Fiscal year ended January 31, 2007	Fiscal year ended January 31, 2006	Increase	Percent change
	(dollars in thousands)			
Total cost of revenue	$ 243,987	$ 193,758	$ 50,229	25.9%
Equipment	$ 200,558	$ 160,814	$ 39,744	24.7%

Parts	$ 29,909	$ 22,459	$ 7,450	33.2%
Service	$ 8,183	$ 6,404	$ 1,779	27.8%
Other, including trucking and rental	$ 5,337	$ 4,081	$ 1,256	30.8%

The increase in cost of revenue is primarily due to the additional costs associated with the operation of newly acquired stores. The acquisitions made in fiscal 2007 contributed $27.9 million to the cost of revenue for fiscal 2007, which is 55.6% of the total increase in cost of revenue year-over-year. The remainder of the increase in cost of revenue is due to inventory costs to support our higher sales. As a percentage of revenue, cost of revenue was 83.3% in fiscal 2007, compared to 84.8% in fiscal 2006. This

percentage of revenue decrease is attributable to growth in the higher margin parts and services revenue relative to equipment revenue.

Gross Profit

	Fiscal year ended January 31, 2007	Fiscal year ended January 31, 2006	Increase	Percent change
	(dollars in thousands)			
Total gross profit	$ 48,611	$ 34,712	$ 13,899	40.0%
Equipment	$ 20,400	$ 14,735	$ 5,665	38.4%
Parts	$ 12,710	$ 8,640	$ 4,070	47.1%
Service	$ 13,782	$ 10,168	$ 3,614	35.5%
Other, including trucking and rental	$ 1,719	$ 1,169	$ 550	47.0%

The fiscal 2007 acquisitions contributed $7.0 million to gross profit, which is the primary reason for the increase over fiscal 2006. Also contributing to the gross profit improvement was the impact of having stores acquired in fiscal 2006 in our operating system for a full fiscal year and same-store sales growth. Gross profit margins were 16.7% in fiscal 2007, compared to 15.2% in fiscal 2006.

Operating Expenses

	Fiscal year ended January 31, 2007	Fiscal year ended January 31, 2006	Increase	Percent change
	(dollars in thousands)			
Operating expenses	$ 37,399	$ 26,978	$ 10,421	38.6%

The increase in operating expenses is primarily due to the additional costs associated with acquisitions. As a percentage of total revenue, operating expenses increased to 12.8% in fiscal 2007 from 11.8% in fiscal 2006, primarily due to an increase in sales commissions based upon increased equipment gross profits. Other factors contributing to the increase in operating expenses include an increase in sales and other promotional activities and administrative costs in fiscal 2007.

Other Income (Expense)

	Fiscal year ended January 31, 2007	Fiscal year ended January 31, 2006	Increase	Percent change
	(dollars in thousands)			
Interest and other income	$ 349	$ 88	$ 261	296.6%
Floorplan interest expense	$ 3,294	$ 2,296	$ 998	43.5%
Interest expense	$ 2,097	$ 1,059	$ 1,038	98.0%

The increase in interest and other income is attributable to acquisitions made in fiscal 2007 increasing our total amount of debt. The primary reason for the increase in floorplan interest expense is the increased amount of floorplan debt related to inventory that we incurred in fiscal 2007. Of the increase in floorplan interest expense, $475,000 is attributable to additional inventory related to stores acquired in fiscal 2007 and $523,000 is attributable to additional inventory related to the other stores. The primary reason for the increase in interest expense relates to the issuance of $7.5 million of subordinated debt to CNH Capital and additional long-term debt primarily in connection with acquisitions.

Provision for Income Taxes

	Fiscal year ended January 31, 2007	Fiscal year ended January 31, 2006	Increase	Percent change
	(dollars in thousands)			
Provision for income taxes	$ 2,450	$ 1,721	$ 729	42.4%

The effective tax rate as a percentage of income before taxes increased to 39.7% in fiscal 2007 from 38.5% in fiscal 2006. Our effective tax rate reflects the full federal and state statutory rates on taxable income. Variations in the effective tax rate reflects the changing mix of sales made in states with different tax rates.

Fiscal Year Ended January 31, 2006 Compared to Fiscal Year Ended January 31, 2005

Revenue

	Fiscal year ended January 31, 2006	Fiscal year ended January 31, 2005	Increase	Percent change
	(dollars in thousands)			
Total revenue	$ 228,470	$ 162,183	$ 66,287	40.9%
Equipment	$ 175,549	$ 119,850	$ 55,699	46.5%
Parts	$ 31,099	$ 25,058	$ 6,041	24.1%
Service	$ 16,572	$ 13,141	$ 3,431	26.1%
Other, including trucking and rental	$ 5,250	$ 4,134	$ 1,116	27.0%

The increase in revenue is primarily due to the acquisitions completed during fiscal 2006 described above and is reflective of the strong market for our products resulting from the growth in the global demand for agricultural commodities, net farm income, governmental subsidies and public infrastructure spending. The acquisitions contributed $43.2 million in total revenue, or 65.3% of the year-over-year increase. The remaining increase is attributable to impact of having stores acquired in fiscal 2005 in our operating system for a full fiscal year and same-store sales growth. Same-store sales of $149.2 million were recorded in fiscal 2006, representing a 15.7% increase compared to the sales by these stores in fiscal 2005 due to the above-referenced growth in demand for our products.

Cost of Revenue

	Fiscal year ended January 31, 2006	Fiscal year ended January 31, 2005	Increase	Percent change
	(dollars in thousands)			
Total cost of revenue	$ 193,758	$ 135,780	$ 57,978	42.7%

Equipment	$ 160,814	$ 109,023	$ 51,791	47.5%
Parts	$ 22,459	$ 18,402	$ 4,057	22.0%
Service	$ 6,404	$ 5,236	$ 1,168	22.3%
Other, including trucking and rental	$ 4,081	$ 3,119	$ 962	30.8%

The increase in cost of revenue was primarily due to the additional costs associated with the operation of the newly acquired stores. The acquisitions made in fiscal 2006 contributed $38.8 million to the cost of revenue for fiscal 2006, which is 66.9% of the total increase in cost of revenue year-over-year. The remainder of the increase in cost of revenue is due to inventory costs to support our higher sales. As a percentage of revenue, cost of revenue was 84.8% in fiscal 2006, compared to 83.7% in fiscal 2005. This percentage of revenue increase is attributable to growth in the lower margin equipment revenue relative to parts and services revenue.

Gross Profit

	Fiscal year ended January 31, 2006	Fiscal year ended January 31, 2005	Increase	Percent change
	(dollars in thousands)			
Total gross profit	$ 34,712	$ 26,403	$ 8,309	31.5%
Equipment	$ 14,735	$ 10,827	$ 3,908	36.1%
Parts	$ 8,640	$ 6,656	$ 1,984	29.8%
Service	$ 10,168	$ 7,905	$ 2,263	28.6%
Other, including trucking and rental	$ 1,169	$ 1,015	$ 154	15.2%

The fiscal 2006 acquisitions contributed $4.5 million to gross profit, which is the primary reason for the increase over fiscal 2005. Also contributing to the gross profit improvement was the impact of having stores acquired in fiscal 2005 in our operating system for a full fiscal year and same-store sales growth. Gross profit margins were 15.2% in fiscal 2006, compared to 16.3% in fiscal 2005. The decline in gross profit percentage is attributable in part to the strong growth of equipment sales relative to parts and services.

Operating Expenses

	Fiscal year ended January 31, 2006	Fiscal year ended January 31, 2005	Increase	Percent change
	(dollars in thousands)			
Operating expenses	$ 26,978	$ 22,597	$ 4,381	19.4%

The increase in operating expenses related to the additional costs associated with acquisitions and the increase in commissions payable to our sales force based on equipment gross profit margins. As a percentage of total revenue, operating expenses decreased to 11.8% in fiscal 2006 from 13.9% in fiscal 2005, due in part to strong same-store growth in revenue. Other factors contributing to the increase in operating expenses include an increase in sales and other promotional activities and administrative costs in fiscal 2006.

Other Income (Expense)

	Fiscal year ended January 31, 2006	Fiscal year ended January 31, 2005	Increase/ (Decrease)	Percent change
	(dollars in thousands)			
Interest and other income	$ 88	$ 144	$ (56)	(39.0)%
Floorplan interest expense	$ 2,296	$ 1,009	$ 1,287	127.0%
Interest expense	$ 1,059	$ 684	$ 375	54.8%

The primary reason for the increase in floorplan interest expense is the increased amount of floorplan debt related to inventory that we incurred in fiscal 2006. Of the increase in floorplan interest expense, $200,000 is attributable to additional inventory related to stores acquired in fiscal 2006 and $1.1 million is attributable to additional inventory related to the other stores. The primary reason for the increase in interest expense relates to the issuance of additional long-term debt primarily in connection with acquisitions.

Provision for Income Taxes

	Fiscal year ended January 31, 2006	Fiscal year ended January 31, 2005	Increase	Percent change
	(dollars in thousands)			
Provision for income taxes	$ 1,721	$ 911	$ 810	88.9%

The effective tax rate as a percentage of income before taxes decreased to 38.5% in fiscal 2006 from 40.3% in fiscal 2005. Our effective tax rate reflects the full federal and state statutory rates on taxable income.

Liquidity and Capital Resources

Cash Flow From Operating Activities

For the six months ended July 31, 2007, our cash flow provided by operating activities was $471,000. Our cash flows from operations were primarily the result of our reported net income of $2.3 million, an increase in floorplan notes payable of $2.8 million, an increase in customer deposits of $1.7 million, and an increase in accounts payable of $1.0 million. This amount was principally offset by a receivables increase of $400,000, and an inventory increase of $8.1 million.

Our cash flow provided by operating activities for the six months ended July 31, 2006 was $1.8 million. Our cash flows from operations were primarily the result of our reported net income of $1.5 million, an increase in accounts payable of $2.7 million, and an increase in floorplan notes payable of $21.2 million. This amount was principally offset by a receivables increase of $2.0 million, a decrease in customer deposits of $2.3 million, and an inventory increase of $18.9 million.

The decrease in net cash flow from operating activities when comparing the six month period ended July 31, 2007 with the prior year six month period was primarily attributed to a significant decrease in floor plan notes payable.

During fiscal 2007, our operating activities provided net cash flow of $6.8 million. Our cash flows from operations were primarily the result of our reported net income of $3.7 million, a receivables increase of $5.1 million and an inventory increase of $7.2 million, which were offset by an increase in floorplan notes payable (unrelated to acquisitions) of $10.0 million and floorplan notes payable (related to acquisitions) of $4.9 million.

Our net cash flow from operating activities for fiscal 2006 was $5 million. The increase in net cash flow from operating activities when comparing fiscal 2007 against the prior year was primarily attributed to an increase in net income of $973,000, increases in receivables and inventory, and increases in floorplan notes payable (related to and unrelated to acquisitions).

Cash Flow From Investing Activities

For the six months ended July 31, 2007, cash used for investing activities was $9.1 million. Our cash used for investing activities related to purchases of equipment dealerships (net of cash purchased) was $5.1 million and our cash used for purchases of property and equipment was $4.0 million.

For the six months ended July 31, 2006, cash used for investing activities was $13 million. Our cash used for investing activities related to purchases of equipment dealerships (net of cash purchased) was $12.1 million and our cash used for purchases of property and equipment was $1.0 million.

The decrease in cash used for investing activities when comparing the six-month period ended July 31, 2007 against the prior year six-month period was the result of a decrease in the cash used for the purchase of equipment dealerships (net of cash purchased) of $7.0 million, partly offset by an increase in cash used for property and equipment purchases of $3.1 million.

During fiscal 2007, cash used for investing activities was $14.0 million. Our cash used for investing activities related to purchases of equipment dealerships (net of cash purchased) of $12.1 million and property and equipment purchases of $2.0 million. This was partially offset by net proceeds from equipment disposals of $120,000.

Our cash used for investing activities for fiscal 2006 was $3.8 million. The increase in cash used for investing activities when comparing fiscal 2007 against the prior year was primarily the result of an increase in the cash used for the purchase of equipment dealerships (net of cash purchased) of $9.5 million and an increase in cash used for property and equipment purchases of $808,000, which was partially offset by an increase in net proceeds from equipment disposals of $98,000.

Cash Flow From Financing Activities

For the six months ended July 31, 2007, cash provided by financing activities was $2.3 million. Cash provided by financing activities was primarily the result of proceeds from long-term debt borrowings and subordinated debentures of $4.1 million and principal payments on long term debt of $1.7 million.

For the six months ended July 31, 2006, cash provided by financing activities was $7 million. Cash provided by financing activities was primarily the result of proceeds from long term debt borrowings and subordinated debentures of $7.8 million and principal payments on long term debt of $611,000.

The decrease in cash provided by financing activities when comparing the six-month period ended July 31, 2007 against the prior year six-month period was the result of a decrease in proceeds received from long-term debt borrowings and subordinated debentures and an increase in the principal payments on long term debt, partially offset by a relatively smaller increase in net change in subordinated debt interest accrual and an increase of $113,000 in proceeds from the exercise of stock options and warrants.

During fiscal 2007, cash provided by financing activities was $6.1 million. Cash provided by financing activities was primarily the result of proceeds from long-term debt borrowings and subordinated debentures related to acquisitions of $5.5 million, proceeds from fixed asset financing related to acquisitions of $1.6 million and proceeds from long-term debt borrowings and subordinated debentures unrelated to acquisitions of $1.2 million. Partially offsetting the cash provided by financing activities were principal payments on long-term debt of $2.1 million and an increase in subordinated debt interest accruals of $202,000.

Our cash provided by financing activities for fiscal 2006 was $6.4 million. The decrease in cash provided by financing activities when comparing fiscal 2007 against the prior year was primarily the result of a decrease in the proceeds received from long-term debt borrowings and subordinated debentures, which was partially offset by a decrease in the principal payments on long-term debt.

Debt Facilities

Bremer Bank Credit Facility. We currently have a credit facility with Bremer that provides for a $2.0 million floorplan line of credit, a $12.0 million operating line of credit and an $8 million term loan. The floorplan and operating lines of credit each have a variable interest rate of 0.25% per annum below the prime rate. The term debt has an 8% per annum fixed interest rate. The floorplan and operating lines of credit require monthly payments of interest due and have maturity dates of August 1, 2008, and the term loan requires monthly payments of principal and interest of $162,000 and has a maturity date of August 1, 2012. The Bremer credit facility is secured by substantially all of our assets. As of July 31, 2007, we had no amount outstanding on the Bremer operating line of credit, $5.3 million outstanding on the term debt and $1.3 million of outstanding floorplan financing. The Bremer credit facility contains various restrictive covenants which require prior consent of Bremer if we desire to make any loans or advances to any person. In addition, the Bremer credit facility restricts our ability to incur indebtedness or liens, places restrictions on our ability to merge or consolidate with any person, or sell, lease, assign, transfer or otherwise dispose of any of our assets other than in the ordinary course of business. In addition, the consent of Bremer is required for the acquisition of any dealership.

CNH Capital Credit Facility. We currently have a credit facility with CNH Capital that provides for an aggregate principal balance of up to $125 million for floorplan financing. The CNH Capital facility also provides for term loans, which typically have one to three year terms. The interest rate under the CNH Capital floorplan line of credit is equal to the prime rate plus 0.3% per annum, subject to any interest-free periods offered by CNH Capital. The CNH Capital term loans have an interest rate equal to the prime rate plus 1.6% per annum. Cumulative and unpaid balance of advances under the CNH Capital credit facility accrues interest each month and requires monthly payments. The expiration date for the CNH Capital credit facility is May 31, 2008. The CNH Capital credit facility is secured by substantially all of our assets. As of July 31, 2007 we had approximately $78.9 million outstanding on the CNH Capital credit facility. The CNH Capital credit facility contains various restrictive covenants that require prior consent of CNH Capital if we desire to engage in any acquisition of, consolidation or merger with any other business entity in which we are not the surviving company; move any collateral outside of the U.S.; or sell, rent, lease or otherwise dispose or transfer any of the collateral, other than in the ordinary course of business. CNH's consent is also required for the acquisition of any CNH dealership. In addition, the CNH Capital credit facility restricts our ability to incur any liens upon any substantial part of our assets.

Other Indebtedness with CNH Capital. We have a $7.5 million unsecured, subordinated note with CNH Capital, which is due on April 15, 2012 and bears interest at 10.5% per annum. This note is used for working capital and general corporate purposes, including acquisitions. We may repay the amounts outstanding under this note with a portion of the proceeds from this offering. We also issued CNH Capital a $3.0 million convertible subordinated note on November 10, 2005. This note is due on November 30, 2012, bears interest at 7% per annum and converts into common stock at $4.50 per share. CNH Capital also periodically provides loans for fixed asset financing in connection with acquisitions. We have a term loan with CNH Capital in the principal amount of $599,720, which is payable in four quarterly installments beginning on August 1, 2007 and due on July 31, 2008. This note does not bear interest, but CNH Capital has a right to a security interest in all of our assets. Finally, we periodically incur indebtedness with CNH Capital in the form of parts term notes when we acquire new dealerships. These notes typically have terms of two to three years and either bear no interest or bear interest at variable rates. At January 31, 2007, we had approximately $2.3 million in parts term notes outstanding.

GE Credit Facility. We currently have a credit facility with GE, whereby GE may make loans to us from time to time to purchase inventory from GE-approved vendors and for other working capital purposes. The credit limit on the GE facility is $5.0 million. The GE facility has a variable, transaction-based interest rate that has typically been equal to the prime rate plus 0.25% per annum. The GE facility is secured by all of our equipment inventory that is financed by the GE facility, as well as our accounts receivable, deposit accounts and our other assets. The GE credit facility contains various restrictive covenants that require prior consent of GE if we desire to engage in the sale, consignment or other disposal of any collateral financed by GE outside of the ordinary course of business, merge or consolidate with any other entity, or move any collateral outside of the U.S.

Certain Other Debt. In connection with our acquisition of the dealerships of Titan Machinery LLC, effective as of January 1, 2003, we issued subordinated debentures with an aggregate principal amount of $3,492,424 to the owners of Titan Machinery LLC, including stockholders of ours and other related parties. Of this amount, debentures with an aggregate principal amount of $3,350,000 bear interest at 9% or 10% per annum and will be exchanged for an aggregate of 1,641,981 shares of common stock upon the consummation of this offering, and debentures with an aggregate principal amount of $142,424 bear interest at 5% per annum and will be repaid with a portion of the proceeds of this offering.

In April 2005, we sold $1.8 million in subordinated convertible debentures to Titan Income Holdings, a related party. These debentures mature in April 2012 and bear interest at 10.5% per annum. We may repay the amounts outstanding under these debentures with a portion of the proceeds from this offering.

In connection with various acquisitions, we have issued subordinated debentures in an aggregate principal amount of $1.3 million. These debentures bear interest at 9% or 10% per annum and mature in March 2010, May 2010 and December 2010.

Sources of Liquidity

Our primary sources of liquidity are cash flow from operations, proceeds from the issuance of debt and our borrowings under the Bremer, CNH Capital, and GE credit facilities. We expect that ongoing requirements for debt service and capital expenditures will be funded from these sources.

Adequacy of Capital Resources

Our primary uses of cash have been to fund our strategic acquisitions, finance the purchase of inventory, meet debt service requirements and fund operating activities, working capital, payments due under building space operating leases and manufacturer floorplans payable. The primary factors affecting our ability to generate cash and to meet existing, known or reasonably likely cash requirements are the timing and extent of acquisitions and our operating performance as impacted by (i) industry factors, which are currently positive, (ii) competition, (iii) general economic conditions and (iv) other business factors as identified in the "Risk Factors" section of this prospectus.

For fiscal 2007 and fiscal 2006, we spent $2.0 million and $1.2 million on property and equipment, respectively, exclusive of acquisitions. We expect our equipment expenditures, exclusive of acquisitions, for 2008 to be generally consistent with 2007. The actual amount of our fiscal 2008 equipment expenditures will depend upon factors such as general economic conditions, growth prospects for our industry and our acquisition activity. We currently expect to finance equipment purchases with borrowings under the existing credit facilities, the proceeds of this offering and cash flow from operations. We may need to incur additional debt if we pursue any future acquisitions.

Our ability to service our debt will depend upon our ability to generate the necessary cash. This will depend on our future acquisitions activity, operating performance, general economic conditions, and financial, competitive, business and other factors, some of which are beyond our immediate control. Based on our current operational performance, we believe our cash flow from operations, the proceeds of this offering, available cash and available borrowings under the existing credit facilities will adequately provide our liquidity needs for, at a minimum, the next 12 months assuming no acquisitions.

We cannot assure you, however, that our business will generate sufficient cash flow from operations or that future borrowings will be available under the Bremer, CNH Capital, and GE credit facilities in amounts sufficient to allow us to service our indebtedness and to meet our other commitments. If we are unable to generate sufficient cash flow from operations or to obtain sufficient future borrowings, we may be required to seek one or more alternatives such as refinancing or restructuring our indebtedness, selling material assets or operations or seeking to raise additional debt or equity capital. We cannot assure you that we will be able to succeed with one of these alternatives on commercially reasonable terms, if at all. In addition, if we pursue strategic acquisitions, we may require additional equity or debt financing to consummate the transactions, and we cannot assure you that we will succeed in obtaining this financing on favorable terms or at all. If we incur additional indebtedness to finance any of these transactions, this may place increased demands on our cash flow from operations to service the resulting increased debt. Our existing debt agreements contain restrictive covenants that may restrict our ability to adopt any of these alternatives. Any non-compliance by us under the terms of our debt agreements could result in an event of default which, if not cured, could result in the acceleration of our debt.

Certain Information Concerning Off-Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We are, therefore, not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in these relationships. In the normal course of our business activities, we lease rental equipment under operating leases.

Contractual and Commercial Commitment Summary

Our contractual obligations and commercial commitments as of January 31, 2007 are summarized below:

	Payments Due by Period				
Contractual Obligations	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(dollars in thousands)				
Long-term debt obligations (1)	$ 11,245	$ 3,415	$ 4,709	$ 2,842	$ 279
Operating lease obligations (2)	25,215	2,278	3,737	3,124	16,076
Other long-term liabilities (3)	25,690	1,623	3,247	4,359	16,461
Total	$ 62,150	$ 7,316	$ 11,693	$ 10,325	$ 32,816

(1) Includes obligations under notes payable issued in favor of our lenders and estimates of interest payable.

(2) Includes rental payment obligations under operating leases related to our stores. Amounts do not include insurance, tax, or maintenance costs, which we include in operating expenses. See Note 11 to our audited financial statements for a description of our operating lease obligations.

(3) Includes outstanding amounts under our subordinated debentures and estimates of interest payable. Of this amount, $3,350,000 will be exchanged for common stock immediately prior to this offering, $142,424 will be repaid with a portion of the proceeds from this offering, and up to $10 million may be repaid with a portion of the proceeds from this offering.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk from changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices such as interest rates. For fixed rate debt, interest rate changes affect the fair value of financial instruments but do not impact earnings or cash flows. Conversely, for floating rate debt, interest rate changes generally do not affect the fair market value but do impact future earnings and cash flows, assuming other factors are held constant. During fiscal 2007, we renegotiated and/or signed several new credit facilities. Many of these credit agreements are floating rate facilities now containing minimum rates of interest to be charged. We have also entered into fixed rate financing. Based upon balances and interest rates as of January 31, 2007, holding other variables constant, a one percentage point increase in interest rates for the next 12-month period would decrease pre-tax earnings and cash flow by approximately $404,000. Conversely, a one percentage point decrease in interest rates for the next 12-month period would result in an increase to pre-tax earnings and cash flow of approximately $404,000. At January 31, 2007, we had variable rate floorplan notes payable of $84.7 million, of which approximately $33.6 million was interest-bearing, variable notes payable and long-term debt of $7.0 million, and fixed rate notes payable and long-term debt of $2.6 million.

Our policy is not to enter into derivatives or other financial instruments for trading or speculative purposes.

New Accounting Pronouncements

In December 2006, the FASB issued Financial Interpretations No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109 (Issued 6/06)*. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The interpretation is effective for fiscal years beginning after December 15, 2006. We are currently assessing the effects of FIN 48.

In February 2006, the FASB issued SFAS No. 155, *Accounting for Certain Hybrid Financial Instruments, an amendment of FASB Statements No. 133 and 140*. SFAS 155 clarifies certain issues relating to embedded derivatives and beneficial interests in securitized financial assets. The provisions of SFAS 155 were effective for all financial instruments acquired or issued after fiscal years beginning after September 15, 2006. The application of this pronouncement did not have an impact on our financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard applies under other accounting pronouncements that require or permit fair value measurements, but does not require any new fair value measurements. SFAS 157 is effective for the fiscal year beginning after November 15, 2007. We are in the process of evaluating the effect that the adoption of this standard will have on our financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* . SFAS 159 provides companies with an option to report

selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective for fiscal years beginning after November 15, 2007. We are in the process of evaluating the effect that the adoption of this standard will have on our financial statements.

BUSINESS

Our Company

Overview

We own and operate what we believe is one of the largest networks of full service agricultural and construction equipment stores in North America. We are the world's largest retail dealer of Case IH Agriculture equipment and a major retail dealer of New Holland Agriculture, Case Construction and New Holland Construction equipment in the U.S. We sell and rent agricultural and construction equipment, sell parts, and service the equipment in the areas surrounding our stores.

The agricultural equipment we sell and service includes machinery and attachments for uses ranging from large-scale farming to home and garden use. The construction equipment we sell and service includes heavy construction and light industrial machinery for commercial and residential construction, road and highway construction and mining. We engage in four principal business activities:

- new and used equipment sales;
- parts sales;
- repair and maintenance services; and
- equipment rental and other activities.

The new equipment and parts we sell are supplied primarily by CNH Global N.V., or CNH. CNH is a leading manufacturer and supplier of agricultural and construction equipment, primarily through the Case IH Agriculture, New Holland Agriculture, Case Construction and New Holland Construction brands. We acquire used equipment for resale through trade-ins from our customers and selective purchases. We also sell parts and provide in-store and on-site repair and maintenance services. We also rent equipment and provide other ancillary services such as equipment transportation, GPS signal subscriptions and finance and insurance products.

We offer our customers a one-stop solution by providing equipment and parts sales, repair and maintenance services and rental functions in each store. Our full service approach provides us with multiple points of customer contact and substantial cross-selling opportunities. We believe our mix of equipment and recurring parts and service sales enables us to operate effectively throughout economic cycles. We also believe our significant scale, superior customer service, diverse and stable customer base, strong information management system and experienced management team provide us with a competitive advantage in many of our local markets.

Throughout our 27 year operating history we have built an extensive, geographically contiguous network of 34 full service stores and two outlet stores. Our agricultural equipment stores are located in highly productive farming regions, including the Red River valley in eastern North Dakota and northwestern Minnesota and western portions of the corn belt in Iowa, eastern South Dakota and southern Minnesota. Our construction equipment stores operate in markets where we also sell agriculture equipment and are located close to the growing regional trade centers of Fargo and Bismarck, North Dakota, and Rapid City and Sioux Falls, South Dakota.

Our executives have extensive industry experience. David Meyer, our Chairman and Chief Executive Officer, founded our company in 1980. In 2002, we acquired two stores owned by C.I. Farm Power, Inc., a business owned by our President and Chief Financial Officer, Peter Christianson, which he co-founded in 1988. Based on our collective industry experience, we developed the Titan Operating Model, which combines management accountability and decision-making at the store level with centralized, back-office support. In addition, our executives work closely with our store managers to develop the managers'

industry knowledge and ensure these managers achieve operational excellence in line with our management philosophy.

We have a history of successful growth through acquisitions. Since January 1, 2003, we have completed 13 acquisitions consisting of 29 stores operating in four states. We have a well-established track record of successfully integrating acquired stores through the Titan Operating Model, retaining acquired-store employees and maintaining acquired-store customer relationships. We expect that acquisitions will continue to be an important component of our growth.

Industry Overview

Agricultural Equipment Industry

Agricultural equipment is purchased primarily for the production of food, fiber, feed grain and renewable energy. It is also purchased for home and garden applications and maintenance of commercial, residential and government properties. Total revenue for U.S. farm and garden equipment dealers was $55.4 billion in 2006 and is projected to grow to $58.2 billion by 2012, as adjusted for inflation. Deere & Company, CNH and AGCO Corporation are the largest global manufacturers and supply a full line of equipment and parts that address the primary machinery requirements of farmers. In 2006, revenue from agriculture operations was $10.2 billion for Deere & Company, $7.8 billion for CNH and $5.4 billion for AGCO. In addition to the major manufacturers, several short-line manufacturers produce specialized equipment that addresses regional and niche requirements of farmers. Agricultural equipment manufacturers typically grant dealers in the U.S. authorized store locations, not exclusive territories, to distribute their products.

There are many factors that influence demand for agricultural equipment, parts and repair and maintenance services, including commodity prices, interest rates, general economic conditions and weather. Conditions can fluctuate drastically in a short time period, creating volatility in demand, especially for equipment, in a given year. Government subsidies also influence demand for agricultural equipment. Legislation, most notably the U.S. Farm Bill and the Farm Security and Rural Investment Act of 2002, attempts to stabilize the agriculture industry through USDA subsidies. USDA subsidies include (i) commodity programs consisting of direct, counter-cyclical and price support payments to farmers; (ii) conservation programs; and (iii) disaster relief programs. In 2005, total USDA subsidies in the U.S. equaled $21.1 billion dollars, with $5.2 billion paid to farmers in the states in which we operate stores: Iowa, Minnesota, North Dakota and South Dakota. We believe USDA subsidies reduce financial volatility and help ensure that farmers operate their farms and equipment during economic down cycles, thus stabilizing demand for equipment, replacement parts and repair and maintenance services.

Currently, U.S. farmers are enjoying historically strong economic fundamentals. U.S. annual net farm income since 2000 has averaged $58.7 billion, compared to average annual net farm income during the 1990s of approximately $48 billion, as adjusted for inflation. In 2006, U.S. net farm income was $60.6 billion and the USDA projects this amount to grow to an annual average of $66.7 billion for the next 10 years, as adjusted for inflation. In addition, farm balance sheets are strong, with the average debt-to-asset ratio for U.S. farmers in 2006 equal to 10.5%, the lowest level since the late 1950s.

Growing global demand for agricultural commodities is primarily responsible for the current and projected strength of the U.S. farm economy. Many factors are contributing to growth in demand, including rapid expansion of ethanol and biodiesel production throughout the world and the growing economies of developing countries, most notably India and China. In 2006, 2.2 billion bushels of corn, approximately 20.4% of the total U.S. crop, were used for ethanol production. In 2007, the ethanol industry's consumption of corn is projected to grow 58% to 3.2 billion bushels, or 27% of the U.S. crop, and continue to grow to 4.9 billion bushels of corn by 2010. These large increases in ethanol production

increase the demand for, and prices of, farm land and commodities. In addition, we believe the growing economies of developing countries will continue to increase demand for agricultural

products.

Construction Equipment Industry

Construction equipment is purchased primarily for commercial, residential and infrastructure construction, as well as for demolition, maintenance, mining and forestry operations. The market for construction equipment is larger than the market for agricultural equipment and is segmented across multiple categories including earth moving, lifting, light industrial, asphalt and paving, and concrete and aggregate equipment. Total revenue for U.S. construction equipment dealers was $72.4 billion in 2006 and is projected to grow to $78.3 billion by 2012, as adjusted for inflation. We believe Caterpillar, Inc., Komatsu Ltd., Deere & Company, CNH and Ingersoll-Rand Co. Ltd. are the largest global manufacturers of construction equipment. In 2006, these companies generated revenue from their construction operations of $38.9 billion for Caterpillar, $11.0 billion for Komatsu, $5.8 billion for Deere & Company, $4.3 billion for CNH, and $4 billion for Ingersoll-Rand. As in the agricultural equipment market, distribution of construction equipment in the U.S. is executed primarily by manufacturer authorized dealers; however, manufacturers' dealership agreements in the construction industry typically assign exclusive distribution territories.

Construction machinery is generally divided into heavy and light subgroups. Heavy machinery includes large wheel loaders, large tracked excavators, crawler dozers, motor graders and articulated haul trucks. Light machinery includes backhoe landscape tractors, forklifts, compact excavators and skid steers. Heavy machinery is generally purchased by construction companies, municipalities, local governments, rental fleet owners, quarrying and mining companies, waste management companies and forestry-related organizations. Typically, light machinery is purchased by contractors, rental fleet owners, landscapers, logistics companies, farmers and recreational users. Although demand for construction equipment is affected by weather and seasonal factors, it is usually less susceptible to seasonal changes than the agricultural equipment industry.

Demand for construction equipment in our markets is primarily driven by public infrastructure spending, including roads and highways, sewer and water. The Federal Highway Administration allocations to public infrastructure spending in the states in which we do business - Iowa, Minnesota, North Dakota and South Dakota—will increase from $1.3 billion, or 3.9% of federal funding, in 2005 to $1.6 billion, or 4.3% of federal funding, in 2009, as adjusted for inflation.

Titan Operating Model

We believe the Titan Operating Model is a key element to our continued success. Through the Titan Operating Model, we empower leadership and share best practices at the store level while realizing efficiencies at the corporate level. We believe exceptional customer service is most efficiently delivered through accountable store employees who are supported by centralized administrative, finance and marketing functions. By managing our business as a network of independent stores supported by a centralized, shared resources group, we ensure coordination of the entire enterprise while promoting local business relationships on a store-by-store basis.

Strong Stores

Each of our stores is run by a store manager who is reviewed and compensated based on the store's achievement of revenue, profitability, market share and balance sheet objectives. Also, each store is typically staffed by a parts manager, a service manager and field marketers, all of whom report directly to the store manager. Under our operating model, decision-making for customer-related issues is decentralized, with each store manager responsible for matters such as the type of equipment to stock,

equipment pricing, customer credit approvals, staffing levels and customer satisfaction. This operating model enables each trained and motivated store manager to concentrate on customers' equipment, parts and service needs, while our shared resources group manages the administrative functions of the store. We believe customers in our industry view store managers and sales and service personnel as important partners in operating their businesses. Therefore, we believe developing and supporting strong store managers enables us to grow same-store sales through fostering new relationships and further developing existing relationships with our customers. In addition, we believe other regional operators that choose to centralize customer-related decisionmaking at the corporate level risk undermining the partnership many customers seek to build with their dealer.

Shared Resources

Our shared resources group provides a range of services to support our stores, including warranty and service administration, information technology support, administration, marketing campaigns, human resources management, finance and insurance, central purchasing, accounting, data administration and cash management. We believe these functions can be run more efficiently when combined and provide more sophisticated tools to our store managers than an independent dealership could support alone. We maintain accountability on a daily basis through our management information systems, which provide real time data on key operational and financial metrics, as well as monthly reviews of financial performance. We believe the services provided by our shared resources group enables our stores to achieve a higher level of customer service by freeing them from certain general and administrative functions and a more competitive market presence at a lower cost than would be feasible if our stores operated independently. Furthermore, as we acquire new stores, we believe the shared services required to support these stores will grow at a lower rate than our overall growth in store count.

Management Development and Succession Planning

Our executives work closely with our store managers and mid-level corporate managers to ensure the managers benefit from our executives' industry knowledge and execute operational excellence in line with our management philosophy. We also conduct formal store manager meetings every month to assess operational and financial objectives, develop near-term strategies and share best practices across the organization. We believe the relationships between our executives, our store managers and mid-level corporate managers will sustain our financial success through continued implementation of our effective operating model, by providing a strong pool of capable successors to our current team of executives and store managers. Further, we have deliberately structured our store personnel with entrepreneurial individuals trained, including through our programs, to move up the management ladder. We believe that other regional operators that choose to centralize customer related decision making at the corporate level risk undermining the partnership many customers seek to build with their dealer. In addition, we sponsor a program with Minnesota State Technical College that offers scholarships to students who will ultimately work for us in various capacities empowered with the basic knowledge and tools to succeed. This program was the first of its kind among CNH dealers and is now being replicated elsewhere in the CNH network.

Business Strengths

In addition to the Titan Operating Model, we believe the following attributes of our business model and market position are important factors in our ability to compete effectively and achieve our long-term financial objectives:

Leading North American Equipment Provider with Significant Scale

We are the world's largest retail dealer of Case IH Agriculture equipment and a major retail dealer of New Holland Agriculture, Case Construction and New Holland Construction equipment in the U.S. We

believe our size and large, contiguous geographic market provide us with several competitive advantages including:

- our ability to efficiently manage inventory by empowering each individual store with inventory management responsibility and access to our centralized inventory management system, thus allowing inventory exchanges among the stores, which permits us to maintain only the inventory deemed needed by each store while providing significant breadth of parts and equipment to our customers;
- our ability to use expanded sales channels, including used equipment listings and periodic auctions hosted on our website, which enables us to offer our customers alternative purchasing options; and
- our ability to sell inventory to customers in a large geographic area covering North Dakota, South Dakota, Iowa and Minnesota, which enables us to capitalize on crop diversification and disparate weather throughout this area.

Customer Focus at the Local Level

As part of the Titan Operating Model, we centralize general and administrative functions and finance resources. This strategy enables our store employees to focus exclusively on customers and eliminates redundant operating expenses. We also centralize our marketing resources to offer our stores and field marketers professional marketing support that includes targeted direct mailings, advertising with targeted local media outlets, participation in and sponsorship of trade shows and industry events, our Titan Trader monthly magazine, and our hosting of open houses, service clinics, equipment demonstrations, product showcases and customer appreciation outings. We believe this operating structure, which focuses on serving our customers on a local level, will allow us to increase market share.

Superior Customer Service to Attract and Retain Customers

We believe our ability to respond quickly to our customers' demands is a key to profitable growth. Our executives are committed to maintaining a customer-focused culture. We spend significant time and resources training our employees to effectively service our customers in each of our local markets, which we believe will increase our revenue. Our training program involves active participation in all manufacturer-sponsored training programs and the use of industry experts as consultants for customized training programs and a training team to assist in the integration of newly-acquired operations. We also partner with a local technical college to sponsor students' seeking a degree who we plan to ultimately employ. In particular, the following capabilities enable us to better service our customers:

- our ability to staff a large number of highly-trained service technicians across our network of stores, which makes it possible to schedule repair services on short notice without affecting our technician utilization rates;
- our ability to staff and leverage product and application specialists across our network of stores, which makes it possible to offer valuable pre-sale and aftermarket services, including equipment training, best practices education and precision farming technology support; and
- our ability to innovate and lead our industry through initiatives such as Rural Tower Network, our joint venture with certain local Caterpillar and John Deere dealerships to deploy a GPS guidance system in support of precision farming in our core geographic market, which provides our customers with the latest advances in technology and operating practices.

Unique Entrepreneurial Culture to Attract and Retain Superior Employees

We created a unique entrepreneurial culture that empowers our employees to make decisions and act within the parameters of a proven operating process and system. We believe this culture and our size gives us a competitive advantage in attracting and retaining the best employees in our industry. We developed an operating system and process that provides our employees with defined objectives and frequent feedback of results within an entrepreneurial environment that allows them to work independently yet consistently throughout our company. Through this operating system and process we have established defined financial metrics on a balanced scorecard, which is used monthly with each store manager to assess performance. Each store manager is empowered to operate the individual store as appropriate within the guidelines set by the operating system and process. This balanced management philosophy enables our employees to understand clearly how they succeed in our organization and how to interact with customers who expect a level of autonomy from our employees. Our compensation system focuses on rewarding our employees for high performance, thus enabling us to retain most of those employees who perform at or above expectations. This system also enables us to attract talented individuals outside of our industry and train them to perform at a high level within a relatively short period of time.

Diverse and Stable Customer Base to Avoid Market Volatility

We believe our large and diverse customer base limits our exposure to risks associated with customer concentration and fluctuations in local market conditions. We have long and stable relationships with many of our customers. During fiscal 2007, we conducted business with over 25,000 customers and no customer accounted for more than 2.6% of our total revenue and our top ten customers combined represented approximately 10.6% of our total revenue. In addition, we believe current economic conditions for our customer base are historically strong. For example, U.S. annual net farm income since 2000 has averaged $58.7 billion and the USDA projects an annual average of $66.7 billion for the next 10 years. This compares to average U.S. annual net farm income during the 1990s of approximately $48 billion. In addition, farm balance sheets are strong, with the average debt-to-asset ratio for U.S. farmers in 2006 equal to 11.8%, the lowest level since the late 1950s. Our construction customers have multiple needs requiring equipment spending, including commercial construction, residential construction, local road, state and federal highway construction, commercial and government facilities maintenance and mining.

Efficient Management Reporting Systems

Our management information systems provide the data and reports that facilitate our ability to make rapid and informed decisions. We use these systems to actively manage our business and enable each store to access the available inventory of our other stores before ordering additional parts or equipment from our suppliers. As a result, we minimize our investment in inventory while promptly satisfying our customers' parts and equipment needs. Our customer relationship management system provides real-time sales and customer information, a quote system and other organizational tools to assist our field marketers, parts managers and service managers. In addition, our management reporting systems facilitate training and foster development of management personnel.

Experienced Management Team to Implement our Growth Strategy

Our executive team is led by David Meyer, our Chairman and Chief Executive Officer, and Peter Christianson, our President and Chief Financial Officer, who have approximately 32 and 28 years, respectively, of industry experience. Our store managers and field marketers also have extensive knowledge and experience in our industry. In addition, we compensate, develop and review our store managers based on an approach that aligns their incentives with the goals and objectives of our company, including achievement of revenue, profitability, market share and balance sheet objectives. We believe the strength of our management team will help our success in the marketplace.

Growth Strategy

We believe our business strengths will enable us to grow our business as we continue to pursue the following growth strategies:

Increase Market Share and Same-Store Sales

We focus on increasing our share of the equipment sold in our markets because our market share impacts current period revenue and compounds our revenue over the life of the equipment sold through recurring parts and service business. We seek to generate same-store growth and increase market share through:

- employing significant marketing and advertising programs, including targeted direct mailings, advertising with targeted local media outlets, participation in and sponsorship of trade shows and industry events, our Titan Trader monthly magazine, and by hosting open houses, service clinics, equipment demonstrations, product showcases and customer appreciation outings;
- supporting and providing customers with training for evolving technologies, such as precision farming, that are difficult for single-store operators to support;
- maintaining state-of-the-art service facilities, mobile service trucks and trained service technicians to maximize our customers' equipment uptime through preventative maintenance programs and seasonal 24/7 service support; and
- utilizing a sophisticated, real-time inventory system to maximize parts and equipment availability for our customers.

Make Selective Acquisitions

The agricultural and construction equipment industries are fragmented and consist of many relatively small, independent businesses servicing discrete local markets. We believe a favorable climate for dealership consolidation exists due to several factors, including the competitiveness of our industry, growing dealer capitalization requirements and lack of succession alternatives. We intend to evaluate and pursue acquisitions with the objectives of entering new markets, consolidating distribution within our established network and strengthening our competitive position.

We have a track record of completing and integrating acquisitions and have successfully used acquisitions to enter new markets, as demonstrated by the expansion of our agricultural business from the Red River valley region into the western portion of the corn belt and our entry into and expansion of our construction equipment business in four states where we also sell agriculture equipment. We look to add stores through acquisitions that offer attractive growth opportunities, high demand for the equipment we sell and services we offer, management strength, and contiguity with our existing geography. We also look to add construction stores in local markets in which we sell agriculture equipment but do not have construction dealership agreements with CNH. We believe our track record of successful acquisitions and expansion increases the probability that our future expansion will be profitable.

Due to our leadership position in the industry and our track record of completing and integrating acquisitions, we believe attractive acquisition candidates will continue to become available to us. We regularly assess the acquisition landscape, evaluating potential acquisition candidates in terms of their availability and desirability to our long-term growth strategy. In addition, we believe acquisition economics in our industry have been and will continue to be conducive to executing our long-term growth strategy. Typically, we acquire only the fixed assets, working capital and selected inventory we believe are necessary to run an efficient store according to the Titan Operating Model and assume only the liabilities related to financing the inventory and working capital acquired. We, therefore, calculate our net purchase price of an

acquisition as the value paid for the assets acquired less the amount of any liabilities assumed. Upon completion of an acquisition we seek to re-finance the inventory acquired according to the parts and floor plan financing parameters of the Titan Operating Model. In addition to the purchase price, we track the adjusted net purchase price of our acquisitions by subtracting any incremental parts inventory or floorplan financing incurred through re-financing the inventory according to the Titan Operating Model.

The aggregate net purchase price and adjusted net purchase price of the acquisitions we have completed since January 1, 2003 equals $27.3 million and $16.8 million, respectively. We estimate that the aggregate trailing twelve-month revenue and income before taxes at the time of acquisition for the acquisitions completed to date equals $178.9 million and $3.8 million, respectively. For the acquisitions that have at least one year of operating results under our management, the aggregate purchase price and implied net purchase price equals $18.8 million and $11.1million, respectively. We estimate that the aggregate trailing twelve-month revenue and income before taxes at the time of acquisition for these locations was approximately $125.3 million and $2.0 million, respectively. The aggregate trailing twelve-month revenue and income before taxes as of July 31, 2007 for these same dealerships was approximately $192.7 million and $4.4 million, respectively. We intend to pursue acquisitions in the future that reflect economics similar to the aggregate economics summarized above. We believe our management team's experience in evaluating potential acquisition candidates helps them determine whether a particular dealership can be successfully integrated into our existing operations and enables them to structure mutually beneficial purchase terms.

The consent of CNH is required to acquire any CNH dealership, and the consent of Bremer is required for the acquisition of any dealership.

The following table summarizes our acquisition of 13 dealers, totaling 29 stores, since January 1, 2003:

Acquired Dealer	Location of Stores
Titan Machinery, LLC *January 2003*	Watertown, South Dakota Wahpeton, North Dakota Casselton, North Dakota Fargo, North Dakota
Krider Equipment Co., Inc. *January 2003*	Fargo, North Dakota Bismarck, North Dakota
Fargo Tractor & Equipment, Inc. *January 2003*	West Fargo, North Dakota
Consolidated Ag Service, Inc. *February 2004*	Graceville, Minnesota Marshall, Minnesota Pipestone, Minnesota
Smith International, Inc. *March 2005*	Waverly, Iowa
H.C. Clark Implement Co., Inc. *May 2005*	Aberdeen, South Dakota
Vern Anderson,. Inc *November 2005*	Anthon, Iowa Cherokee, Iowa Kingsley, Iowa Le Mars, Iowa
Walterman Implement, Inc. *November 2005*	Dike, Iowa
Farm Power, Inc. of Minnesota and related entities *March 2006*	Elbow Lake, Minnesota Fergus Falls, Minnesota
Piorier Equipment Company, Inc. and related entities *June 2006*	Sioux City, Iowa Marshall, Minnesota Rapid City, South Dakota Sioux Falls, South Dakota
Richland County Implement, Inc. *February 2007*	Wahpeton, North Dakota
Aberdeen Equipment Co., Huron Equipment Co. and Redfield Equipment Co. *April 2007*	Aberdeen, South Dakota Huron, South Dakota Redfield, South Dakota
Red Power International, Inc. *August 2007*	Ada, Minnesota Crookston, Minnesota

Integrate New Dealers into the Titan Operating Model

We have developed the Titan Operating Model to optimize the performance and profitability of each of our stores. Upon consummation of each acquisition, we integrate acquired stores into our operations by implementing the Titan Operating Model to enhance each acquired store's performance within its target market. We generally complete integration of a store in six to 18 months, although it may take several years before acquired stores fully realize the benefits of the Titan Operating Model. We believe the Titan

Operating Model provides us with multiple points of customer contact, creates cross-selling opportunities, fosters strong customer relationships and supports a culture of individual accountability that increases our revenue and provides a strong platform for future growth.

Suppliers

CNH—Case IH Agriculture, Case Construction, New Holland Agriculture and New Holland Construction

We have a longstanding relationship with CNH and are the world's largest retail dealer of Case IH Agriculture equipment. We have been an authorized dealer of Case agricultural equipment since the inception of our company in 1980 and added the other CNH brands as Case grew, acquired other brands and merged with New Holland in 1999 to form CNH. CNH supplied approximately 77% of the new equipment we sold in fiscal 2007.

CNH is a global leader in the agricultural and construction equipment industries. In 2006, CNH had $13.0 billion in worldwide revenue, with agricultural equipment accounting for approximately 60% and construction equipment accounting for approximately 33% of CNH's total revenue. In addition, CNH provides financing and insurance products and services to its end-user customers and authorized dealers through its CNH Capital business unit. CNH is a publicly-traded company and a majority-owned subsidiary of Fiat S.p.A.

CNH is the world's second largest manufacturer of agricultural equipment. CNH owns and operates the Case IH Agriculture and New Holland Agriculture brands. Case IH Agriculture, recognized by the red color of its equipment, possesses over 160 years of farm equipment heritage. New Holland Agriculture, recognized by the blue color of its tractors and the yellow color of its harvesting and hay equipment, has over 100 years of farm equipment industry experience. CNH's agricultural equipment dealers are assigned authorized store locations but do not have exclusive territories.

CNH is the world's fourth largest manufacturer of construction equipment, owning and operating the Case Construction, New Holland Construction and Kobelco brands. CNH's construction equipment dealers are assigned a specific geographic area of responsibility, which typically include an entire state, within which they have the exclusive right to sell new Case Construction, New Holland Construction and/or Kobelco equipment.

We have entered into separate dealership agreements with certain CNH entities to sell the Case IH Agriculture, New Holland Agriculture, Case Construction and New Holland Construction brands. These dealer agreements authorize us to sell CNH equipment and parts and entitle us to use CNH trademarks and trade names, with certain restrictions. The CNH entities have the right to terminate their dealer agreements with us immediately in certain circumstances, and, in some cases, for any reason 90 days following written notice. The dealership agreements and industry practices generally provide that payment on equipment and parts purchased from CNH entities is due within 30 days and is typically subject to floor plan financing as discovered below. With respect to sales of equipment, payments from customers, which are typically financed by a third party, are due upon sale. Payments from customers for parts and services are due within 30 days.

We are one of the largest dealers of CNH equipment. Thus, our relationship with CNH entities is more than a typical supply relationship; it is strategic for both our company and CNH. In that regard, it is in our mutual interests to maintain the strong longstanding relationship we share. If, however, that relationship were to significantly weaken or terminate, we believe our experience, reputation and industry knowledge would enable us to identify reasonable alternatives.

Other Suppliers

In addition to products supplied by CNH, we sell a variety of new equipment, parts and attachments from other manufacturers. These products tend to address specialized niche markets and complement the CNH products we sell by filling gaps in the CNH line of products. We believe our offering of products for specialized niche markets supports our goal of being a one-stop solution for equipment needs at each of our stores. Approximately 23% of our total new equipment sales in fiscal 2007 resulted from sales of products manufactured by companies other than CNH with our single largest manufacturer other than CNH representing less than 3% of our total new equipment sales. The terms of our arrangements with these other suppliers vary, but most of the dealership agreements contain termination provisions allowing the supplier to terminate the agreement after a specified notice period, which is typically 30 days. Payment and financing practices with these other suppliers are similar to those practices described above with respect to CNH entities.

Products and Services

We have four principal sources of revenue: new and used equipment sales, parts sales, repair and maintenance service and equipment rental and other business activities.

Equipment Sales

We sell new agricultural and construction equipment manufactured under the CNH family of brands as well as equipment from a variety of other manufacturers. The used equipment we sell is from inventory acquired through trade-ins from our customers and selective purchases. The agricultural equipment we sell and service includes application equipment and sprayers, combines and attachments, hay and forage equipment, planting and seeding equipment, precision farming technology, tillage equipment, and tractors. The construction equipment we sell and service includes articulated trucks, compact track loaders, compaction equipment, cranes, crawler dozers, excavators, forklifts, loader/backhoes, loader/tool carriers, motor graders, skid steer loaders, telehandlers and wheel loaders. We sell new and used equipment through our professional in-house retail sales force, which is organized by geography and product type. We also sell used equipment through an outlet store and the internet. We believe this organizational structure improves the effectiveness of our sales force, better serves our customers and helps us negotiate advantageous trade-in purchase terms. Equipment sales generate cross-selling opportunities for us by populating our markets with equipment we repair and maintain and for which we sell parts. For the six months ended July 31, 2007 and the year ended January 31, 2007 equipment revenue was $122.5 million and $221.0 million, respectively, representing 74.0% and 75.6%, respectively, of total revenue for those periods.

Parts Sales

We sell a broad range of maintenance and replacement parts on equipment that we sell and rent, as well as other types of equipment. We maintain an extensive in-house parts inventory to provide timely parts and repair and maintenance support to our customers. We generally are able to acquire out-of-stock parts directly from manufacturers within two business days. Our parts sales provide us with a relatively stable revenue stream that is less sensitive to economic cycles than our equipment sales and rental operations. For the six months ended July 31, 2007 and the year ended January 31, 2007 parts revenue was $27.2 million and $42.6 million, respectively representing 16.4% and 14.6%, respectively, of a total revenue for those periods.

Repair and Maintenance Services

We provide repair and maintenance services, including warranty repairs, for our customers' equipment. Each of our stores includes service bays staffed by trained service technicians. Our technicians are also available to make on-site repairs. In addition, we provide proactive and comprehensive customer service by maintaining service histories for each piece of equipment owned by our customers, maintaining 24/7 service hours in times of peak service usage, providing on-site repair services, scheduling off-season maintenance activities with customers, notifying customers of periodic service requirements and providing training programs to customers to educate them as to standard maintenance requirements. At the time equipment is purchased, we also offer customers the option of purchasing guaranteed maintenance contracts. These after-market services have historically provided us with a high-margin, relatively stable source of revenue through changing economic cycles. For the six months ended July 31, 2007 and the year ended January 31, 2007 service revenue was $13.0 million and $22.0 million, respectively representing 7.9% and 7.5%, respectively of total revenue for those periods.

Equipment Rental and Other Business Activities

We rent equipment to our customers on a short-term basis for periods ranging from a few days to a few weeks. We actively manage the size, quality, age and composition of our rental fleet and use our information technology systems to closely monitor and analyze customer demand and rate trends. We maintain the quality of our fleet through our on-site parts and services support and dispose of rental equipment through our retail sales force. Our rental business creates cross-selling opportunities for us in equipment sales. In addition, we provide ancillary equipment support activities such as equipment transportation, GPS signal subscriptions in connection with precision farming and reselling CNH finance and insurance products. For the six months ended July 31, 2007 and the year ended January 31, 2007 other revenue was $2.9 million and $7.1 million, respectively representing 1.8% and 2.4%, respectively of total revenue for

those periods.

Customers

We serve over 25,000 customers in the U.S., primarily in North Dakota, South Dakota, Minnesota and Iowa. Our customers include a wide range of farmers, construction contractors, public utilities, municipalities and maintenance contractors. They vary from small, single machine owners to large farming or contracting firms that operate under sophisticated capital equipment and maintenance budgets. Our stores enable us to closely service local and regional customers. We believe the Titan Operating Model enables us to satisfy customer requirements and increase revenue through cross-selling opportunities presented by the various products and services that we offer. In fiscal 2007, no single customer accounted for more than 2.6% of our revenue and our top ten customers combined accounted for less than 10.6% of our total revenue. In addition to our U.S. customers, we began sell equipment on a limited basis to international customers, primarily in Eastern Europe. Our U.S. customers primarily finance their equipment purchases through CNH Capital.

Floorplan Financing

We attempt to maintain at each store, or have readily available at other stores in our network, sufficient inventory to satisfy customer needs. Inventory levels fluctuate throughout the year and tend to increase before the primary sales seasons for agricultural equipment. The cost of financing our inventory is an important factor affecting our financial results.

CNH Capital

CNH Capital offers floorplan financing to CNH dealers for extended periods to finance products from both CNH and other suppliers. CNH Capital provides this financing in part to enable dealers to carry representative inventories of equipment and encourage the purchase of goods by dealers in advance of seasonal retail demand. CNH Capital charges variable market rates of interest at or over the prime rate on balances outstanding after any interest-free periods and retains a security interest in all of our assets, including inventories, which it inspects periodically. The interest-free periods, which CNH offers periodically in the form of additional incentives or special offers, typically average four months. CNH Capital also provides financing for used equipment accepted in trade, repossessed equipment and approved equipment from other suppliers, and receives a security interest in such equipment. CNH Capital is obligated to make available to us any finance plans, lease plans, floorplans, parts return programs, sales or incentive programs or similar plans or programs it offers to other dealers, and provide us with promotional items and marketing materials.

Other Financing Sources for Equipment

In addition to the financing provided by CNH Capital, we have floorplan lines of credit with other lenders, including GE Capital and Bremer Bank. The GE facility has a credit limit of $5.0 million, available, transaction based interest rate typically equal to the prime rate plus 0.25%, and is secured by equipment inventory financed by the facility and certain receivables. The Bremer facility has a credit limit of $2.0 million, a variable interest rate of 0.25% below the prime rate payable monthly, and is secured by substantially all of our assets. Financing also may be available through floorplan financing programs provided by the suppliers, which may be financed by such suppliers themselves or through third party lenders.

Other Financing

We have a revolving operating line of credit with Bremer Bank for up to $12.0 million. The revolving operating line of credit is to provide for our short term working capital requirements. Additionally, under the agreement, Bremer Bank, in its discretion, (i) may make up to a $2.0 million dollars floor plan loan for the purposes of purchase and floor planning of equipment inventory; and (ii) issue a standby letters of credit for up to $1.0 million. Furthermore, Bremer Bank has agreed to make a single term loan in the amount of $8.0 million, which is to assist us in meeting our long term working capital requirements.

Sales and Marketing

As part of the Titan Operating Model, we have centralized sales support and marketing management. All of our stores benefit from our centralized media buys, strategic planning, sales support and training, and we provide our store managers and their sales teams with flexibility to localize sales and marketing.

We currently market our products and services through:

- field marketers, our direct sales representatives who operate out of our network of local stores and call on customers in the markets surrounding each store;
- parts counter and service managers, who provide our customers with comprehensive after-market support;
- local and national advertising efforts, including broadcast, cable, print and web-based media; and
- our remarketing division, which trades and sells used equipment through our outlet store and website.

Field Marketers

We believe our sales force is one of the industry's most productive and highly trained. Our field marketers perform a variety of functions, such as servicing customers at our stores, calling on existing customers and soliciting new business at farming, construction and industrial sites. These field marketers target customers in specific areas, and we develop customized marketing programs for our sales force by analyzing each customer group for profitability, buying behavior and product selection. All members of our sales force are required to attend frequent in-house training sessions to develop product and application knowledge, sales techniques and financial acumen. Our sales force is supported by our corporate marketing department.

Parts Counter and Service Managers

Our parts counter and service managers are involved in our uptime service efforts, taking advantage of our seasonal marketing campaigns in parts and service sales. As a group, they have won multiple awards from our suppliers for their efforts benefiting both our customers and our key strategic partners. We believe they rank among the most well-trained and efficient parts and service groups in our industry.

Print, Broadcast and Web-Based Advertising Campaigns

Each year we initiate several targeted direct mail, print and broadcast advertising and marketing campaigns. CNH and other suppliers periodically provide us with advertising funds, which we primarily use to promote new equipment, parts and financing programs. We will continue to explore and launch new internet-based efforts to provide additional sales channels.

Remarketing Division

Our remarketing division capitalizes on after-market sales opportunities for used equipment. We have opened an outlet store that sells used equipment. In addition, we are actively engaged in selling equipment through our website, both through direct purchases and auctions.

Competition

The agricultural and construction equipment sales and distribution industries are highly competitive and fragmented, with large numbers of companies operating on a regional or local scale. Our competitors range from multi-location, regional operators to single-location, local dealers and include dealers and distributors of competing equipment brands, including John Deere, Caterpillar and the AGCO family of brands, as well as other dealers and distributors of the CNH family of brands. Competition among equipment dealers is primarily based on the price, value, reputation, quality and design of the products offered by the dealer, the customer service and repair and maintenance service provided by the dealer, the availability of equipment and parts and the accessibility of stores. While we believe we compete favorably on each of the identified competitive factors, our sales and margins may be impacted depending on (i) the extent of aggressive pricing competition through manufacturer discount programs or other competitive pricing tactics, (ii) our ability to obtain higher service gross margins based on our service quality and reputation and (iii) our ability to attract new and maintain existing customers based on the availability and quality of the products we offer and our local relationship and reputation.

The number of agricultural and construction equipment dealers operating on a regional scale is limited and we are one of the principal regional-scale, agricultural and construction equipment dealers in the U.S. The primary regional-scale equipment dealers with whom we compete include RDO Equipment Co., Butler Machinery and Brandt Holdings Co. RDO Equipment Co. is a John Deere agricultural and construction equipment dealer with 25 locations in North Dakota, South Dakota and Minnesota, as well as 32 locations in Arizona, California, Montana, Oregon, Texas and Washington. Butler Machinery is a

Caterpillar dealer with nine locations in North Dakota and South Dakota. Brandt Holdings owns John Deere, Vermeer and Bobcat equipment dealers with 70 locations in California, Connecticut, Iowa, Massachusetts, Minnesota, Nebraska, North Dakota, South Carolina and South Dakota. Other agricultural and construction equipment dealers that have consolidated stores in other regions of the country include Pioneer Equipment, which has 14 locations that sell Case IH Agriculture and Case Construction equipment in California, Idaho and Texas; Western Power and Equipment, which has eight Case Construction locations in California, Nevada, Oregon and Washington; Scott Companies, which has ten Case Construction and eight Case IH Agriculture dealerships, located in Arkansas, Louisiana, Mississippi, Tennessee and Texas; and Birkey's Farm Store, which has ten Case IH Agriculture and New Holland dealerships located in Illinois and Indiana and four Case Construction dealerships located in Illinois.

Information Technology Systems

We use an integrated information system developed and supported by Dealer Information Systems Corporation to manage our operating information. Dealer Information Systems Corporation is a supplier of dealer management systems to more than 1,700 agricultural and construction equipment dealerships and distributors in North America. The information system we use enables us to closely monitor our performance and actively manage our business and includes features that were enhanced to support the Titan Operating Model, including detailed store-based financial reporting, inventory management and customer relationship management.

Through this information system we maintain a complete database on inventory of parts and equipment and supports a centralized real-time inventory control system. This system enables each store to access the available inventory of our other stores before ordering additional parts or equipment from our suppliers. As a result, we minimize our investment in inventory while effectively and promptly satisfying our customers' needs. Using this system, we also monitor inventory levels and mix at each store and make adjustments in accordance with our operating plan. Finally, the information system we use is externally connected to CNH, enabling us to locate CNH parts, communicate with other CNH dealers, make electronic payments to CNH and register and reimburse warranty expenses.

Our customer relationship management system provides real-time sales and customer information, a quote system and other organizational tools to assist our sales force. We maintain an extensive customer database that allows us to monitor the status and maintenance history of our customers' equipment and enables us to more effectively provide parts and services to meet their needs. In addition, our system includes, among other features, on-line contract generation, automated billing, local sales tax computation and automated rental purchase option calculation. We also use our relationship management information system and customer database to monitor market conditions, sales information and customer demand, as well as to assess product merchandising strategies.

The data we store with this information system is replicated on a daily basis and stored at an off-site data center. Thus, if our system were to become inoperable, we would be able to continue operations through the off-site data center. Further, we own the software and hardware necessary to operate this system and have on staff employees trained to manage and maintain the software without reliance on Dealer Information Systems Corporations direct involvement.

Intellectual Property

We do not have any registered intellectual property. Case IH, Case and New Holland are registered trademarks of CNH, which we use in connection with advertisements and sales as authorized under our dealership agreements. We license trademarks and tradenames of new equipment obtained from suppliers other than CNH from their respective owners. We operate each of our stores under either the Titan Machinery name or, if there was strong local name recognition and customer loyalty at a location we

acquired, the name historically used by the dealership in that location for a transition period, the length of which can vary depending upon the location.

Product Warranties

Product warranties for new equipment and parts are provided by our suppliers. The term and scope of these warranties vary greatly by supplier and by product. We occasionally provide additional warranties to retail purchasers of new equipment. CNH pays us for repairs we perform to CNH equipment under warranty. We generally sell used equipment "as is" and without manufacturer's warranty, although manufacturers sometimes provide limited warranties if the supplier's original warranty is transferable and has not expired. Typically, we provide no additional warranties on used equipment.

Seasonality

We generally experience a lower volume of equipment sales in our first fiscal quarter, due to the crop growing season and winter weather patterns in the Midwest. Typically, farmers purchase agricultural equipment immediately prior to planting or harvesting crops, which occurs during our second and third quarters, or at the end of the calendar year. As a result, sales of agricultural equipment generally are lower in our first fiscal quarter. Winter weather in the Midwest also limits construction to some degree and, therefore, also typically results in lower sales of industrial equipment in the first and fourth quarter.

Employees

As of July 31, 2007, we employed 555 full-time employees. None of our employees is covered by a collective bargaining agreement. We believe our relations with our employees are good.

Properties

Equipment Stores

We currently operate 34 full service agricultural and construction equipment stores and two outlet stores in the following locations:

North Dakota *(13 stores)*		**Minnesota** *(8 stores)*	
Bismarck	Lamoure	Ada	Graceville
Casselton	Lidgerwood	Crookston	Marshall
Fargo	Lisbon	Elbow Lake	Moorhead
Fargo (outlet)	Wahpeton (2 stores)	Fergus Falls	Pipestone
Jamestown	West Fargo		
Kulm	Wishek		

Iowa *(8 stores)*		**South Dakota** *(7 stores)*	
Anthon	Kingsley	Aberdeen (2 stores)	Redfield
Cherokee	Le Mars	Huron	Sioux Falls
Dike	Sioux City	Rapid City	Watertown
Dike (outlet)	Waverly		

Our stores are generally located in rural areas on property zoned for commercial use. The stores typically range from 5,000 square feet with three acres of land to 40,000 square feet with 14 acres of land. We fully utilize the leased space for each of our stores and believe the respective square footage and related acreage is adequate to meet our current and anticipated needs.

Store Lease Arrangements

We lease real estate for 24 of our stores from entities affiliated with David Meyer, our Chairman and Chief Executive Officer, Tony Christianson, one of our directors and/or Peter Christianson, our President and Chief Financial Officer. We lease three dealership sites from Meyer Family Limited Partnership, an entity affiliated by common ownership with Mr. Meyer; 18 dealership sites from Dealer Sites, LLC, an entity affiliated by common ownership with Messrs. Meyer and Tony Christianson; the site for our outlet store from C.I. Farm Power, an entity affiliated by common ownership with Mr. Peter Christianson; one dealership site from Padre Partnership, an entity affiliated by common ownership with Mr. Peter Christianson; and one dealership site from Landco LLC, an entity affiliated by common ownership with Messrs. Meyer and Peter Christianson. We lease 11 additional locations under operating lease agreements with unrelated parties. The leases for our dealership sites generally expire between 2008 and 2022, other than those leases which are currently automatically renewed on a year-to-year-basis until either we or the lessor terminate them. We do not intend to own significant amounts of real estate. Therefore, we anticipate that when we need real estate, including as part of acquiring dealerships, we will lease such real estate from third parties, which may include affiliates of our investors, directors or management. We intend for the terms of all of our leases to be commercially reasonable. We do not believe the terms of our leases with entities affiliated with Messrs. Meyer, Tony Christianson and Peter Christianson are any less favorable to us than could be obtained in an arm's length transaction with an unrelated party. For additional information regarding our store lease arrangements, please see "Certain Relationships and Related Party Transactions."

Our store lease agreements with entities affiliated with David Meyer, Peter Christianson, and/or Tony Christianson all contain substantially similar terms. The leases with Dealer Sites, LLC and C.I. Farm Power provide for fixed lease periods ranging from five to fifteen years, and leases with the Meyer Family Limited Partnership and Landco LLC have single-year terms that are automatically renewed on a year-to-year basis. All of the leases provide for fixed monthly rental payments and require us to pay the real estate taxes on the properties for the lease periods. The leases require that we maintain public liability and personal property insurance on each of the leased premises, and require us to indemnify the lessor in connection with any claims arising from the leased premises during our occupation of the property. The leases generally prohibit us from assigning the lease agreements or subletting the leased premises without the prior written consent of the lessor. The lease agreements with Dealer Sites, LLC provide that in the event Dealer Sites, LLC sells the leased premises to a party other than us or our affiliates, then we shall share in half of any surplus or deficit resulting to Dealer Sites, LLC from that sale.

Our store lease agreements with unrelated parties contain terms comparable to the agreements with descried above. The lease periods range from automatically renewable month-to-month terms to twelve years in length. A majority of the lease agreements either give us the option to renew or extend the lease for an additional period at the conclusion of the original lease term or automatically renew the lease term at the conclusion of the original lease period on a month-to-month or year-to-year basis. A majority of the leases provide for fixed monthly rental payments and require us to pay the real estate taxes on the properties for the lease periods. All of the leases require that we maintain public liability and personal property insurance on each of the leased premises, and a majority of the leases require us to indemnify the lessor in connection with any claims arising from the leased premises during our occupation of the property. Most of the leases prohibit us from assigning the lease agreements or subletting the leased premises without the prior written consent of the lessor. We have been granted a right of first refusal to purchase the Watertown, Marshall, and one of the Aberdeen properties during the applicable lease terms. The lease agreements for the West Fargo, Kingsley, Le Mars, Watertown and Redfield properties grant us the option to purchase the leased premises during or at the conclusion of the lease term. The Kingsley, Le Mars and Redfield lease agreements grant the lessor the right to require us to purchase the leased premises during or at the conclusion of the lease term.

As part of our due diligence review prior to a dealership acquisition, we evaluate the adequacy, suitability and condition of the related real estate. Our evaluation typically includes a Phase I environmental study of the real property to determine whether there are any environmental concerns. If any environmental concerns exist, we generally require that such concerns be addressed prior to acquisition of the dealership.

Headquarters

We currently lease and occupy approximately 12,700 square feet in Fargo, North Dakota for our headquarters. This lease expires on January 31, 2015, with an option to extend for two additional five-year terms. We believe this facility is adequate to meet our current and expected administration and shared resource needs.

Governmental Regulation

We are subject to numerous federal, state, and local rules and regulations, including regulations promulgated by the Environmental Protection Agency and similar state agencies, with respect to storing, shipping, disposing, discharging and manufacturing hazardous materials and hazardous and non-hazardous waste. These activities are associated with the repair and maintenance of equipment at our stores. Currently, none of our stores or operations exceeds small quantity generation status. Compliance with these rules and regulations have not had any material effect on our operations, nor do we expect it to in the future. Further, we have not made, and do not anticipate making, any material capital expenditures in compliance with environmental regulations. However, there can be no assurance that these expectations are accurate, particularly if regulations change, unforeseen incidents occur or unknown past contamination or non-compliance is discovered, among other similar events.

Legal Proceedings

We are not currently a party to any material pending legal proceedings.

Proposed Reincorporation in Delaware

Our Board of Directors believes that the conversion of our state of incorporation from the State of North Dakota to the State of Delaware will benefit us and our stockholders. The State of Delaware is recognized for adopting comprehensive modern and flexible corporate laws, which are periodically revised to respond to the changing legal and business needs of corporations. For this reason, many major corporations have initially incorporated in Delaware or have changed their corporate domiciles to Delaware in a manner similar to that proposed by our Board. Consequently, the Delaware judiciary has become particularly familiar with corporate law matters and a substantial body of court decisions has developed interpreting Delaware law. Delaware corporate law, accordingly, has been, and is likely to continue to be, interpreted in many significant judicial decisions, a fact which may provide greater clarity and predictability with respect to our legal affairs.

The conversion from North Dakota to Delaware will be accomplished by converting Titan Machinery Inc., a North Dakota corporation, into, Titan Machinery Inc., a Delaware corporation, pursuant to Section 265 of the Delaware General Corporation Law, which will result in a change in domicile of Titan Machinery Inc. from the State of North Dakota to the State of Delaware.

Following the conversion from North Dakota to Delaware, the rights of our stockholders will be governed by Delaware law. The rights, privileges, powers and interests in property of the North Dakota entity will become rights, privileges, powers and interests in property of the Delaware entity, and obligations and liabilities of the North Dakota entity will become obligations and liabilities of the Delaware entity.

MANAGEMENT

Executive Officers and Directors

The following table set forth the names and positions of our directors and executive officers:

Name	Age	Position
David Meyer	54	Chairman and Chief Executive Officer
Peter Christianson	50	President, Chief Financial Officer and Director
Ted Christianson	48	Vice President, Finance and Treasurer
Gordon Paul Anderson	62	Director
John Bode	59	Director
Tony Christianson	55	Director
James Irwin	65	Director
James Williams	67	Director

David Meyer is our Chairman and Chief Executive Officer. Mr. Meyer was a founder of our company in 1980 and has been a director of our company since its creation. From 1976 to 1980, Mr. Meyer was a partner in a Case and New Holland dealership with locations in Lisbon and Wahpeton, North Dakota.

Peter Christianson has been our President and a director since January 2003 and our Chief Financial Officer since August 2007. Prior to joining us and since 1988, he was a partner and owner of Fargo Farm Power, Inc., the operator of two of the dealership locations acquired by Titan Machinery LLC in 2002. Peter Christianson, Tony Christianson and Ted Christianson are brothers.

Ted Christianson has been our Vice President, Finance and Treasurer since August 2007 and was previously our Chief Financial Officer from 2003 until August 2007. Mr. Christianson has spent over 15 years with startups and high growth companies in a variety of financial management roles, including as chief financial officer. Mr. Christianson was the full-time Managing Partner for Adam Smith Properties, a private real estate development company from 1997 to 2003. Mr. Christianson was formerly with US Bank (First Bank System).

Gordon Paul Anderson has been a director since 2003. Dr. Anderson is a cardiologist who retired in December 2002, the founding member of Consultants in Cardiovascular Diseases, Inc., and the former Chief of Cardiology and President of the medical staff, Saint Vincent Health Center, Erie, Pennsylvania. Dr. Anderson has been an active investor and board member of several private business and technology ventures and has active farming operations in North Dakota.

John Bode has been a director since 2005. Mr. Bode is a retired partner of KPMG, LLP with over 34 years of experience in public accounting. Mr. Bode was elected to the partnership in 1981 and retired in 2005. Mr. Bode was the lead audit partner for numerous clients in the consumer products, food, agribusiness and manufacturing industries. Mr. Bode also currently serves on the board of The Valspar Corporation.

Tony Christianson has been a director since January 2003. Mr. Christianson is a founder of Titan Machinery LLC. Since 1981, Mr. Christianson has been the Chairman of Cherry Tree Companies, an affiliated group of investment banking, venture capital and asset management firms in Minneapolis. Mr. Christianson has been a director of numerous public and private companies over his career and is currently a director of Dolan Media Company, Fair Isaac Corporation, Peoples Educational Holdings, Inc. and Ameripride Services.

James Irwin has been a director since 2005. Mr. Irwin is a former vice president of Case IH's North American Agricultural Business, with over 40 years of experience in various executive positions in CNH prior to his retirement in January 2005. Mr. Irwin helped manage the mergers and buyouts of International Harvester and New Holland. Mr. Irwin was recently named the 2005 Agribusiness Leader of the Year by the National Agri-Marketing Association.

James Williams has been a director since 2003. Mr. Williams is currently Chairman of First State Bank of North Dakota and Goose River Bank. Mr. Williams has been an owner of Arthur Mercantile, a farm equipment dealership, since 1972. Mr. Williams is managing partner of Williams Farms in Arthur, North Dakota. Mr. Williams previously worked at Bank of New York.

Messrs. Meyer, Peter Christianson and Tony Christianson were elected to our board of directors pursuant to the Shareholder Agreement described in "Certain Relationships and Related Party Transactions." Mr. Meyer designated himself as a director and Adam Smith Companies designated Messrs. Peter and Tony Christianson as directors.

Board Composition

Our board of directors has determined that four of our seven directors are independent directors, as defined under the applicable regulations of the SEC and under the applicable rules of the Nasdaq Global Market. The four independent directors are Gordon Paul Anderson, John Bode, James Irwin and James Williams.

Upon the completion of this offering, our directors will be divided into three classes: Class I, Class II and Class III. Class I directors will initially serve until our 2008 annual meeting, Class II directors will initially serve until our 2009 annual meeting, and Class III directors will initially serve until our 2010 annual meeting. Directors in each Class will serve for terms of three years following each such annual meeting. The following will be the designations of each of our directors upon the closing of this offering:

Class I Directors	Class II Directors	Class III Directors
Tony Christianson	Peter Christianson	David Meyer
James Irwin	James Williams	John Bode
	Gordon Paul Anderson	

Board Committees

The board of directors has established three committees: the audit committee, the compensation committee and the governance committee. The audit committee recommends the appointment of our auditors and oversees our accounting and audit functions. The compensation committee determines executive officers' and key employees' salaries and bonuses and administers our 2005 Equity Incentive Plan. The governance committee assists the board in fulfilling its responsibility with respect to corporate governance. Each of our committees will have a charter in effect upon the closing of this offering and each charter will be posted on our website.

The following sets forth the membership of each of our committees upon completion of this offering.

Audit Committee	Governance Committee	Compensation Committee
John Bode (Chair)	James Williams (Chair)	Gordon Paul Anderson (Chair)
James Williams	James Irwin	James Irwin
Gordon Paul Anderson		

Audit Committee

Among other matters, our audit committee:

- assists the board of directors in fulfilling its oversight responsibility to our stockholders and other constituents with respect to the integrity of financial statements;
- appoints and has oversight over our independent auditors, determines the compensation of our independent auditors and the independence and quality control procedures and the experience and qualifications of our independent auditors' lead partner, and pre-approves the engagement of our independent auditors for audit and permitted non-audit services;
- meets with the independent auditors and reviews the scope and significant findings of audits and meets with management and internal financial personnel regarding these findings;
- reviews the performance of our independent auditors;

- discusses with management and our independent auditors the adequacy and sufficiency of our financial and accounting controls, practices and procedures, the activities and recommendations of our auditors and our reporting policies and practices, and reporting recommendations to the board of directors for approval;
- establishes procedures for the receipt, retention and treatment of complaints regarding internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
- following the completion of this offering, will prepare the committee reports required by the rules of the SEC to be included in our annual proxy statement.

Our independent auditors and other key committee advisors will have regular contact with our audit committee. Following each committee meeting, the audit committee will report to the full board of directors.

Each of Messrs. Bode, Williams and Anderson meets the requirements for financial literacy under the applicable rules and regulations of the SEC and the Nasdaq Global Market. Our board of directors has determined that Mr. Bode is an audit committee financial expert, as defined under the applicable rules of the SEC. Each member of our audit committee satisfies the Nasdaq Global Market independence standards and the independence standards of Rule 10A-3(b)(1) of the Securities Exchange Act. Each member of our audit committee possesses the financial qualifications required of audit committee members set forth in the rules and regulations of the Nasdaq Global Market and under the Securities Exchange Act.

Governance Committee

Our nominating and corporate governance committee makes recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors and its committees. In addition, our nominating and corporate governance committee oversees our codes of conduct and makes recommendations to our board of directors concerning governance matters.

Compensation Committee

Our compensation committee reviews and recommends policy relating to compensation and benefits of our officers, employees and directors. Our compensation committee reviews and approves corporate goals and objectives relevant to compensation of our Chief Executive Officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives and sets the compensation

of these officers based on such evaluations. Our compensation committee also administers the issuance of stock options and other awards under our equity award plans.

Non-Employee Director Compensation

In fiscal 2007, all of our non-employee directors, other than Tony Christianson, received annual cash compensation of $12,000 for attending board meetings and a grant of 2,667 warrants to purchase our common stock at an exercise price of $4.50. Mr. Christianson received cash compensation of $4,000 for attending board meetings and no warrant grant. In August 2007, our board of directors adopted a new director compensation policy that provides the following for non-employee directors:

- an annual retainer of $12,000, payable quarterly;
- an annual grant of options to purchase a number of shares of common stock equal to $12,000, based upon the fair market value of the underlying common stock on the date of grant, granted at the time of the annual meeting of stockholders; and
- reimbursement of reasonable expenses incurred in connection with their services as directors.

The following table provides compensation information for our non-employee directors during fiscal 2007:

Name	Fees Earned or Paid in Cash ($)	Options Awards ($)(1)(2)	Total ($)
Gordon Paul Anderson	12,000	2,929	14,929
John Bode	12,000	2,929	14,929
Tony Christianson	4,000	—	4,000
James Irwin	12,000	2,929	14,929
James Williams	12,000	2,929	14,929

(1) These amounts represent the amount recognized for financial statement reporting purposes for fiscal 2007 in accordance with FAS 123(R), and thus may include amounts from awards granted in and prior to fiscal 2007. The assumptions used to determine the valuation of the awards are discussed in Note 14 to our financial statements.

(2) Each award represents 2,667 warrants to purchase our common stock at an exercise price of $4.50 and expires on February 2, 2017.

Indemnification of Directors

Our certificate of incorporation limits the liability of our directors to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- breach of their duty of loyalty to us or our stockholders;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares as provided in Section 174 of the Delaware General Corporation Law; or
- transaction from which the directors derived an improper personal benefit.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

Our bylaws provide that we will indemnify and advance expenses to our directors and officers (and may choose to indemnify and advance expenses to other employees and agents) to the fullest extent

permitted by law and the terms of any indemnification agreements with the directors and officers. Our bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit indemnification. We intend to obtain a directors' and officers' liability insurance policy prior to the closing of this offering.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In the following Compensation Discussion and Analysis, we describe the material elements of the compensation awarded to, earned by or paid to David J. Meyer, our Chief Executive Officer, Peter Christianson, our President and Chief Financial Officer, and Ted Christianson, our Vice President, Finance and Treasurer. In this prospectus, we refer to Messrs. Meyer, Peter

Christianson and Ted Christianson as our "named executive officers."

Compensation Objectives and Philosophy

We have designed our compensation programs to reward performance and to attract, retain and motivate employees at all levels. Our goal is to establish pay levels for our named executive officers that are competitive with comparable positions in our industry and in the regions in which we operate. We believe the following:

There should be an appropriate relationship between executive compensation and our short-and long-term success, including creation of stockholder value.

Our overall compensation philosophy is that rewards to executives should reflect and reinforce our company-wide focus on financial management and bottom-line performance. We use annual cash incentives to motivate executives to achieve both short- and long-term interests. Incentives are available to executives under our management incentive program for annual achievement of company-wide quantitative financial goals. This approach increases the likelihood that we will experience sustained profitability and generate greater stockholder value over time.

Our compensation program should be designed and implemented in a manner that will attract, retain and motivate executives of outstanding ability.

We intend for the amount of compensation paid to each executive officer to reflect the officer's experience and individual performance and the performance of our company, all measured in the context of our industry and location. Our objectives are to attract, retain and motivate executives of outstanding ability. In order to motivate each executive to achieve his potential, certain components of our total compensation package are dependent on corporate and individual performance and are therefore at risk. Generally, as an executive officer's responsibility and ability to impact our financial performance increases, the individual's performance-based compensation increases as a portion of his total compensation. Ultimately, executives with greater roles and responsibilities associated with achieving our performance targets should bear a greater proportion of the risk if those goals are not achieved and should receive a greater proportion of the reward if the goals are met or surpassed.

Total compensation opportunities should be competitive within the industry and other comparable companies but also consistent with our conservative and prudent approach to executive compensation.

Our overall compensation levels are targeted to attract the type of talent needed to achieve and maintain a leadership position in our industry, while still focusing on bottom-line conservatism and avoiding the appearance of extravagance or compensation based on entitlements. Our compensation committee recently evaluated surveys of compensation levels to ensure that our executive officer compensation was comparable to companies of similar size in the Minneapolis and Fargo markets.

Compensation Committee

Our compensation committee oversees the design and administration of our executive compensation program according to the processes and procedures discussed in this prospectus. To implement our compensation objectives and philosophy, our board and compensation committee:

- consider individual performance, competence and leadership when setting base compensation, but focus our incentive cash compensation program on company-specific financial and business improvement goals to promote a cohesive, performance-focused culture among our executive team;
- compare our compensation programs with the executive compensation policies, practices and levels at comparable companies in the Fargo and Minneapolis markets and companies in our industry selected for comparison by our compensation committee, based upon size, complexity and growth profile; and
- structure compensation among the executive officers so that our Chief Executive Officer and President, with their greater responsibilities for achieving performance and strategic objectives, bear a greater proportion of the risk and rewards associated with achieving those goals by receiving a relatively large percentage of their total compensation in the form of cash-based incentives.

Setting Executive Compensation

The compensation committee selects the elements of executive compensation and determines the level of each element, the mix among the elements and total compensation based upon the objectives and philosophies set forth above, and by considering a number of factors, including:

- each executive's position within our company and the level of responsibility;
- the skills and experiences required by an executive's position;
- the executive's experience and qualifications;
- the competitive environment for comparable executive talent having similar experience, skills and responsibilities;
- company performance compared to specific objectives;
- individual performance measures;
- the executive's current and historical compensation levels;
- the executive's length of service to our company;
- compensation equity and consistency across all executive positions; and
- the stock ownership of each executive.

As a means of assessing the competitive market for executive talent, we review competitive compensation data gathered in comparative third-party surveys that we believe to be relevant, considering our size and industry. For fiscal 2007, we used an executive compensation assessment prepared for us by the Economic Research Institute. The assessment provided comparative compensation information for executive officer salaries at companies with comparable size, sales and growth levels to us in the Minneapolis and Fargo markets. Our compensation committee reviewed the assessment to assist it in setting fiscal 2007 base salary and short-term cash incentive compensation for our executive officers. Our executive officer compensation falls within the bottom quartile range of compensation levels at comparable companies. Our relatively low executive compensation is balanced, in part, by the significant share holdings of Mr. Meyer and Mr. Peter Christianson, each of whom has the potential to be rewarded by our growth

and bears the risk of our failure to grow. For this reason we have also not historically provided these executives with significant long-term incentive compensation.

The survey data is only one factor in the committee's overall compensation decision-making process and is not used as a stand-alone benchmarking tool.

Our compensation structure is designed so that our Chief Executive Officer evaluates the performance of each executive and works with the compensation committee to recommend the compensation for our executive officers. Mr. Meyer was a member of our compensation committee during fiscal 2007, but ceased to be a member in August 2007. Our compensation committee has the absolute authority to adjust Mr. Meyer's recommendations after evaluating all information that the compensation committee believes is relevant in implementing the principles for our compensation programs. Mr. Meyer does not give recommendations regarding his own salary or performance. Rather, the compensation committee determines his compensation after discussing with him how he performed against his written goals for the year.

In setting executive officer compensation, we have not historically considered the tax implications under Sections 162(m) and 409A of the Internal Revenue Code or compensation expense charges under FASB Statement 123(R), but may implement consideration of such tax implications when making compensation decisions for fiscal 2008.

Section 162(m) of the Internal Revenue Code restricts the ability of publicly held companies to take a federal income tax deduction for compensation paid to certain of their executive officers to the extent that compensation exceeds $1 million per covered officer in any fiscal year. However, this limitation does not apply, among other things, to compensation that is performance-based. We do not anticipate that the non-performance-based compensation to be paid to our executive officers for fiscal 2008 will exceed that limit.

On October 22, 2004, the American Jobs Creation Act of 2004 became law, implementing Section 409A of the Internal Revenue Code and changing the tax rules applicable to nonqualified deferred compensation arrangements, including certain severance arrangements. We have taken steps to bring our non-qualified deferred compensation plans into good faith compliance with the statutory provisions as currently in effect.

Executive Compensation Components for 2007

The principal elements of our executive compensation program for 2007 were:

- base salary;
- annual cash incentive compensation; and
- limited perquisites and other benefits made generally available to our employees.

In allocating compensation across these elements, the compensation committee does not follow any strict policy or guidelines. However, consistent with the general compensation objectives and philosophies outlined above, the compensation committee seeks to place a meaningful percentage of an executive's compensation at risk, subject to achievement of specific performance objectives and long-term equity value creation. In addition, the committee generally places a greater proportion of total compensation at risk for our Chief Executive Officer and President, based on their greater responsibility for, and ability to influence, overall company performance.

Base Salary

Base salary provides executives with a fixed, regular, non-contingent earnings stream. As a component of total compensation, we generally set base salaries at levels believed to attract and retain an experienced

management team in our market that will grow our company and create stockholder value. We also attempt to reward individual performance and contributions to our overall business objectives without detracting from the executive officers' incentive to realize additional compensation through our performance-based compensation program. When setting base salary, we consider pre-tax profit levels, increases in market share, inventory turns, process and system development goals, organic growth rate and growth through consolidation and acquisition, parts and service revenue as a percentage of revenue excluding variable selling expenses, and over-aged interest bearing inventory as a percentage of previous year's revenue. The compensation committee reviews each executive officer's salary at the end of each fiscal year.

We review performance for both our company (based upon achievement of strategic initiatives) and each executive officer. As a result of the committee's evaluation of these factors, the committee may adjust base salaries to better align individual compensation with comparative market compensation, to provide merit-based increases based upon individual or company achievement, or to account for changes in roles and responsibilities.

For fiscal 2007, base salaries remained unchanged for our named executive officers compared to fiscal 2006. For fiscal 2008, we have increased the base salaries of Mr. Meyer and Mr. Peter Christianson to $250,000 and the base salary of Mr. Ted Christianson to $155,000. The base salary increases for named executive officers from fiscal 2007 to fiscal 2008 are attributable primarily to a realigning market adjustment based on our survey of comparably sized companies in the Minneapolis and Fargo markets discussed above.

Short-Term Incentive Compensation

Short-term incentive compensation in the form of annual cash bonuses is a significant component of our compensation program. When setting bonus levels and determining bonus goals, we consider pre-tax profit levels, increases in market share, inventory turns, process and system development goals, organic growth rate and growth through consolidation and acquisition, parts and service revenue as a percentage of revenue, excluding variable selling expenses, and over-aged interest bearing inventory as a percentage of previous year's revenue. We do not set pre-determined quantitative goals with respect to any of these factors and our compensation committee has discretion to award bonuses based on these goals and our performance in a fiscal year. We believe that disclosure of the specific performance related targets would cause us competitive harm, but that the targets and goals set by the compensation committee are aggressive yet acheivable. Under our 2007 Executive Bonus Plan, Mr. Meyer and Mr. Peter Christianson were each eligible for a cash bonus of up to 50% of their annual base salary, and Mr. Ted Christianson was eligible for a cash bonus of up to 20% of his annual base salary. For fisal 2007, we paid each of our named executive officers 25% of the cash bonus for which he was eligible, based on upon his contribution to the acheivement of the performance goals described above.

Stock Option Awards

With the exception of one grant made in fiscal 2007 to Mr. Ted Christianson, we have not historically granted stock options as a meaningful component of our executive compensation program. All grants have been made pursuant to our 2005 Equity Incentive Plan, which is administered by our compensation committee. Options grants made under our plan have an exercise price equal to the fair market value of our common stock, as determined by our board of directors, on the date of the grant and typically vest over a six-year period. All stock options granted to our executive officers are incentive stock options, to the extent permissible under the Internal Revenue Code of 1986. Consistent with our compensation philosophies related to performance-based compensation, long-term stockholder value creation and alignment of executive interests with those of stockholders, we may make future grants of long-term compensation in the form of stock options or restricted stock grants to our executive officers.

We may implement stock option or restricted stock grants as a meaningful component of our compensation program because we believe they offer the incentives necessary to retain our executive officers, motivate them to enhance overall enterprise value and provide an incentive for them to remain employed by us during the vesting periods. If we determine to grant stock options or restricted stock as a meaningful component of our compensation program, we will grant such stock options or restricted stock on a performance basis. From time to time we may make one-time grants to recognize promotion or consistent long-term contribution, or for specific incentive purposes. We may also make grants in connection with the hiring of new executives. The compensation committee will have the authority to administer any equity incentive plan under which we make equity or equity-based awards. We have not adopted any formal policy with respect to stock option grants but may do so in the future if stock options become a more meaningful component of our compensation program.

Although we do not have any stock retention or ownership guidelines, our board of directors and compensation committee intend to encourage our executives to continue to have a financial stake in our company following the consummation of this offering in order to align the interests of our stockholders and management. We will continue to evaluate whether to implement a stock ownership policy for our officers and directors.

Perquisites and Other Benefits

Consistent with our conservative compensation philosophy, we offer only limited perquisites to our executive officers. We provide each of Mr. Meyer and Mr. Peter Christianson with an automobile and cellular phone service. We provide Mr. Ted Christianson with a cellular phone and cellular phone service. All of our executive officers are eligible for the same insurance, vacation and other benefits at the same levels provided to all of our employees.

Material Changes to Compensation Program

On , 2007, we entered into employment agreements with David Meyer to serve as our Chief Executive Officer and Peter Christianson to serve as our President and Chief Financial Officer. Each agreement has an initial term that expires on January 31, 2014, subject to earlier termination, as described below. Pursuant to the agreements, Messrs. Meyer and Christianson will each be paid a base salary of $250,000 per year, subject to annual review and adjustment by our compensation committee. Messrs. Meyer and Christianson are also eligible for an incentive bonus of up to 200% of their base salary pursuant to terms, conditions and annual objectives established by our compensation committee. Each agreement further provides that Messrs. Meyer and Christianson are eligible to participate in any employee benefit plans and programs generally available to our other executive officers. We also have agreed

to grant options to acquire 100,000 shares of common stock to each of Messrs. Meyer and Christianson upon the completion of this offering, exercisable at the offering price.

The agreements with Messrs. Meyer and Christianson each contain a restrictive covenant prohibiting them from owning, operating or being employed by competing agricultural or construction equipment stores during their employment with us and for 24 months following termination of their employment with us. Each agreement is terminable by either us or Messrs. Meyer and Christianson at any time for any reason. If Messrs. Meyer or Christianson is terminated by us without cause prior to the expiration of the term or if they resign for good reason, we are obligated to pay severance in an amount equal to two times the sum of the annual base salary then in effect, which would be $500,000 in the first year of the term, plus the annual incentive bonus last paid prior to the termination. These severance payments would be made in equal monthly installments, which would be $25,000 if such termination occurred in fiscal 2008. If this termination occurs we would also be required to allow Mr. Meyer or Mr. Christianson to continue to participate in our group medical and dental plans at our expense for a period of 24 months. In order to receive the severance and continued benefits, each officer would be required to sign a release of claims

against us, fulfill his non-competition obligations, cooperate with transitioning his duties and execute a non-disparagement agreement with us. We arrived at these terms based on a review of comparable public company employment agreements.

Summary Compensation Table

The following table provides information regarding the compensation earned during fiscal 2007 by our named executive officers:

Name and Principal Position	Year	Salary ($)(1)	Non-Equity Incentive Plan Compensation ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
David Meyer *Chief Executive Officer*	2007	200,000	25,000	—	10,299(3)(4)	235,299
Peter Christianson *President and Chief Financial Officer*	2007	200,000	25,000	—	9,609(3)(5)	234,609
Ted Christianson *Vice President, Finance and Treasurer*	2007	145,000	7,250	38,444(2)	—	190,694

(1) Amounts shown are not reduced to reflect the named executive officers' elections, if any, to contribute portions of their salaries to 401(k) plans.

(2) This amount represents the amount recognized for financial statement reporting purposes for fiscal 2007 in accordance with FAS 123(R), and thus may include amounts from awards granted in and prior to fiscal 2007. The assumptions used to determine the valuation of the awards are discussed in Note 14 to our financial statements. See the Grants of Plan-Based Awards table for further information regarding the awards granted in fiscal 2007 and the Outstanding Equity Awards at January 31, 2007 table for information regarding all outstanding awards.

(3) David Meyer and Peter Christianson each received a cash payment of $4,000 from us during fiscal 2007 for attending board of directors meetings. Our board of directors has adopted a new director compensation policy that eliminates any payments to our management directors.

(4) Includes a company match of $6,299 to Mr. Meyer's 401(k) plan.

(5) Includes a company match of $5,609 to Mr. Christianson's 401(k) plan.

Grants of Plan-Based Awards

The following table sets forth certain information regarding grants of plan-based awards to our named executive officers in fiscal 2007:

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
Ted Christianson	10/18/06	35,000(1)	4.50	63,022(2)

(1) This option was granted pursuant to our 2005 Equity Incentive Plan. The option vests ratably on October 18 of each year from 2007 through 2012, and expires on October 18, 2016.

(2) This amount represents the grant date fair value of the option award determined in accordance with FAS 123(R).

Outstanding Equity Awards at January 31, 2007

The following table sets forth certain information regarding equity awards granted to our named executive officers outstanding as of January 31, 2007:

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date
Ted Christianson	—	35,000(1)	$4.50	10/18/2016

(1) The option vests ratably on October 18 of each year from 2007 through 2012, and expires on October 18, 2016.

Option Exercises and Stock Vested

There were no option exercises by our named executive officers during fiscal 2007. We have not granted our named executive officers any restricted stock, restricted stock units or similar securities.

Compensation Committee Interlocks and Insider Participation

Upon the closing of this offering, our compensation committee will consist of Gordon Paul Anderson and James Irwin. For fiscal 2007, David Meyer, our Chief Executive Officer, also served on our compensation committee, but no longer does so because he is not considered an independent director under Nasdaq Global Market listing standards. None of our current compensation committee members has any related party transaction relationships with our company of a type that is required to be disclosed under Item 404 of Regulation S-K. None of our executive officers has served as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our board of directors or compensation committee during fiscal 2007.

Our directors who are not affiliated with venture capital firms that invested in us prior to this offering receive cash and/or stock option grants as compensation for their services as directors. Our directors who are affiliated with venture capital firms that invested in us prior to this offering do not receive cash compensation for their services as directors. All of our directors are reimbursed for their reasonable expenses in attending board and committee meetings.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Described below are transactions and series of similar transactions that have occurred this year or during each of our last three fiscal years to which we were a party or are a party in which:

- the amounts involved exceeded or will exceed $120,000; and
- a director, executive officer, beneficial owner of more than five percent of any class of our voting securities or any member of their immediate family had or will have a direct or indirect material interest.

Shareholder Agreements

We entered into a shareholder agreement dated April 7, 2003, as amended effective January 31, 2006, with David Meyer, our Chairman and Chief Executive Officer, Adam Smith Companies, LLP (a company owned by Tony Christianson, one of our directors, and his family trust), and C.I. Farm Power (an entity affiliated by common ownership with Peter Christianson, our President and Chief Financial Officer, and of which Mr. Christianson was one of the founders) that provides, among other things, that: (a) our board will consist of no more than seven members, with Mr. Meyer having the right to designate up to four directors, provided that three of the four are independent directors, and Adam Smith Companies (and in certain events, Adam Smith Companies and C.I. Farm Power collectively) having the right to designate up to two directors; (b) certain conflict of interest transactions involving Mr. Meyer require the consent of Adam Smith Companies or the vote of one its designated directors; and (c) in the event of Mr. Meyer's death, his estate will have a put option to require us to purchase, and we will have a second call option, to acquire, up to $5.0 million of his stock at fair market value (with respect to which we have obtained a life insurance policy on Mr. Meyer's life to fund the stock purchase). The shareholder agreement will automatically terminate upon consummation of this offering. Also, on April 7, 2003, as amended January 31, 2006, we entered into a shareholder rights agreement with the parties listed above and CNH that provides, among other things piggyback registration rights for the shareholders who are parties to the agreement in the event of certain registrations of our securities, but not including, among other things, registrations in connection with an initial public offering or registrations on Form S-8. These registration rights continue for a period of three years following this offering.

Loan Facility Agreement

We have entered into a ten-year Loan Facility Agreement with Mr. Meyer and C.I. Farm Power under which Mr. Meyer, in his discretion, may borrow up to $2.0 million and C.I. Farm Power, in its discretion, may borrow up to $500,000 from us, under certain conditions. Any loans made under the agreement will be made pursuant to notes that accrue interest at the same rate as our senior secured lending facility and will be due on December 31, 2017 (or earlier upon the occurrence of certain events, including a sale of our company or an initial public offering). Such notes will be non-recourse, but will be secured by a pledge of all of our securities held by Mr. Meyer and C.I. Farm Power (with an agreed value of $2.50 per share of common stock, and debentures or notes valued at the outstanding amount owed). We do not anticipate that we will make any such loans unless our primary lender or lenders are satisfied with the loans, and such loans cannot be made if doing so would cause a default under any material loan, financing or other agreement. If such loans are made, but thereafter their continuation would cause such a default, Mr. Meyer and C.I. Farm Power will be obligated to repay such loans accordingly. During fiscal 2005, 2006 and 2007, there were no amounts of principal outstanding to either Mr. Meyer or C.I. Farm Power under this lending agreement. As of July 31, 2007, there was no amount of principal outstanding under this agreement to either Mr. Meyer or C.I. Farm Power. For fiscal 2005, 2006 and 2007 there were no amounts paid by either Mr. Meyer or C.I. Farm Power in principal or interest. The parties will terminate this Loan Facility Agreement upon consummation of this offering.

Personal Guaranties

Mr. Meyer provides personal guaranties of all amounts that we owe under the following credit facilities: our credit facility with CNH Capital, pursuant to which CNH provides us with an aggregate principal balance of up to $125.0 million; our credit facility with Bremer, pursuant to which Bremer provides us with a $2.0 million floorplan line of credit, a $12.0 million operating line of credit, and an $8.0 million term loan; and our credit facility with GE, pursuant to which GE may make loans to us from time to time to purchase inventory from GE approved vendors and for other working capital purposes, up to $5.0 million.

Leases

We lease real estate for 24 of our 34 stores from entities affiliated with Messrs. Meyer, Tony Christianson and/or Peter Christianson. We lease three dealership sites from Meyer Family Limited Partnership, for which Mr. Meyer serves as general partner and of which certain members of Mr. Meyer's immediate family are limited partners; 18 dealership sites from Dealer Sites, LLC, an entity affiliated by common ownership with Mr. Meyer and Tony Christianson, who collectively owned 40% of Dealer Sites, LLC as of January 31, 2007, and for which Ted Christianson, our Vice President, Finance and Treasurer, serves as president and Mr. Meyer serves as an officer; the site for our Fargo outlet store from C.I. Farm Power, an entity affiliated by common ownership with Peter Christianson; one dealership site from Padre Partnership, an entity affiliated by common ownership with Peter Christianson, who is also the general partner; and one dealership site from Landco LLC, an entity affiliated by common ownership with Peter Christianson and Mr. Meyer.

Since fiscal 2005 through the end of the respective lease terms, the aggregate amount of all periodic payments or installments made or due, including any required or optional payments due at the conclusion of the respective leases, are as follows:

Lessor	Period	Aggregate Payments Made or Due
Meyer Family Limited Partnership	Fiscal 2005	$ 303,000
	Fiscal 2006	$ 304,100
	Fiscal 2007	$ 304,100
	Fiscal 2008	$ 276,000
Dealer Sites	Fiscal 2005	$ 274,920
	Fiscal 2006	$ 595,440
	Fiscal 2007	$ 940,988
	Fiscal 2008	$ 1,644,216
	Fiscal 2009, through August 31, 2022	$ 22,130,135
C.I. Farm Power	Fiscal 2006	$ 99,000
	Fiscal 2007	$ 99,000
	Fiscal 2008, through June 1, 2007	$ 33,000
Padre Partnership	Fiscal 2006	$ 96,000
	Fiscal 2007	$ 96,000
	Fiscal 2008	$ 96,000
	Fiscal 2009, through October 1, 2008	$ 64,000
Landco	Fiscal 2007	$ 40,000
	Fiscal 2008	$ 240,000
	Fiscal 2009, through December 31, 2008	$ 220,000

We intend for the terms of all of our leases to be commercially reasonable. We do not believe the terms of our leases with entities affiliated with Mr. Meyer, Tony Christianson and Peter Christianson are any less favorable to us than could be obtained in an arm's length transaction with an unrelated party.

Debentures

In connection with our acquisition of the dealerships of Titan Machinery LLC, effective as of January 1, 2003, the owners of Titan Machinery LLC, including Mr. Meyer, Adam Smith Companies, Earl Christianson (the father of Tony, Peter and Ted Christianson), and C.I. Farm Power, provided us with

financing in the form of subordinated debentures with an aggregate principal amount of $3,492,424, all of which mature on November 31, 2012, as follows:

Holder	Principal Amount	Interest Rate	Largest Principal Amount Outstanding Since Fiscal 2005
David Meyer	$ 500,000	9%	$ 500,000
	$ 36,965	5%	$ 36,965
Adam Smith Companies	$ 1,000,000	9%	$ 755,000(1)
	$ 51,500	5%	$ 51,500
Earl Christianson	$ 160,000	9%	$ 160,000
	$ 4,667	5%	$ 4,667
C.I. Farm Power	$ 1,690,000	10%	$ 1,690,000
	$ 49,292	5%	$ 49,292

(1) Adam Smith Companies subsequently assigned its debentures to Adam Smith Growth Partners, LP. Of the remaining original issuance to Adam Smith Companies, $100,000 of these debentures were transferred to David Christianson, the brother of Tony, Peter and Ted Christianson, and $145,000 of these debentures were transferred to Adam Smith Activist Fund, LLC, an affiliate of Cherry Tree, a company for which Tony Christianson is the Chairman. Each of these amounts has been outstanding since fiscal 2005.

Since fiscal 2005, we have paid interest on these subordinated debentures as follows:

Fiscal 2005

Holder	Interest Paid
Earl Christianson	$ 31,903
C.I. Farm Power	$ 99,967

Fiscal 2006

Holder	Interest Paid
David Meyer	$ 112,173
Adam Smith Growth Partners	$ 158,021
Earl Christianson	$ 14,633
C.I. Farm Power	$ 350,026
Adam Smith Activist Fund, LLC	$ 31,381

Fiscal 2007

Holder	Interest Paid
David Meyer	$ 79,304
Adam Smith Growth Partners	$ 132,915
Earl Christianson	$ 14,633
C.I. Farm Power	$ 250,154
David Christianson	$ 19,362
Adam Smith Activist Fund, LLC	$ 21,907

Fiscal 2008 (through July 31, 2007)

Holder	Interest Paid
David Meyer	$ 23,424
Adam Smith Growth Partners	$ 35,262
Earl Christianson	$ 7,316
C.I. Farm Power	$ 85,732
David Christianson	$ 4,500
Adam Smith Activist Fund, LLC	$ 6,525

As of October 1, 2007, the largest amounts outstanding since fiscal 2005 remained outstanding. We also issued 340,852 shares of common stock to each of Mr. Meyer and Adam Smith Companies in connection with the Titan Machinery LLC transaction.

Of these debentures, debentures with an aggregate principal amount of $3,350,000 will be exchanged for shares of common stock upon the consummation of this offering, as follows: Mr. Meyer—242,680 shares; Adam Smith Growth Partners—366,446 shares; David Christianson—48,536 shares; Adam Smith Activist Fund, LLC—70,377 shares; Earl Christianson—77,657 shares; and C.I. Farm Power—836,285 shares; and debentures with an aggregate principal amount of $142,424 will be repaid with a portion of the proceeds of this offering.

In connection with an offering completed on April 15, 2005, we sold $1.8 million in subordinated convertible debentures, along with a detachable warrant for the purchase of 115,650 shares of common stock, to Titan Income Holdings. These debentures mature in April 2012. Titan Income Holdings is a limited liability limited partnership in which one of its general partners is Adam Smith Companies. The interests in Titan Income Holdings were distributed to 15 investors, including our directors Gordon Paul Anderson, who holds a 2.5% interest, and James Irwin, through the Irwin Revocable Trust, which holds a 4.9% interest. Since fiscal 2006, the largest amount of principal outstanding of subordinated convertible debentures purchased by Titan Income Holdings was $1.8 million, and we have made interest payments of $29,429 and $188,022 in fiscal 2006 and fiscal 2007, respectively. As of July 31, 2007, the largest amount of principal outstanding since fiscal 2005 remained outstanding, and, through July 31, 2007, we have made interest payments of $93,723 in fiscal 2008. The debentures bear interest at 10.5% per annum. We may repay the amounts outstanding under these debentures with a portion of the proceeds from this offering.

On August 1, 2004 we issued a warrant for the purchase of 6,071 shares of common stock to Cherry Tree for serving as placement agent in connection with our Series B convertible preferred stock offering. In combination with previously issued warrants, Cherry Tree currently holds warrants for the purchase of 17,988 shares of our common stock.

Consulting Agreement

On April 1, 2006, as amended on July 17, 2007, we entered into a consulting agreement with Cherry Tree. Under this agreement, Cherry Tree acts as our financial advisor in connection with a public offering of our stock. We pay Cherry Tree a monthly retainer of $5,000 from July 1, 2007 through June 30, 2008 and, upon the closing of a public offering of our stock during that period or the 12-month period that follows, we must pay Cherry Tree a fee, which we anticipate will be $125,000. We also must pay all of Cherry Tree's reasonable out-of-pocket

expenses associated with the consulting agreement.

Policies and Procedures for Related Party Transactions

Upon the closing of this offering, our audit committee charter will require our audit committee to review and approve in advance any related party transaction of the type required to be disclosed by Item 404 of Regulation S-K. All of our directors, officers and employees will be required to report to our audit committee any related party transaction (as defined by applicable rules and regulations of the SEC and the Nasdaq Global Market) prior to its completion. Our board of directors reviewed all of the transactions described above, but we did not have a formal policy in place for the approval of such transactions. We do not believe the terms of any of the transactions and agreements described above are any less favorable to us than could be obtained in an arm's length transaction with an unrelated party.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our outstanding common stock by (i) each of our executive officers; (ii) each of our directors; (iii) all of our executive officers and directors as a group; and (iv) each of those known by us to be beneficial owners of more than 5% of our common stock.

The percentage ownership information shown in the table is based upon 6,789,921 shares outstanding as of October 1, 2007 (assuming the conversion of our preferred stock into 790,206 shares of common stock and the issuance of 1,641,981 shares to be issued upon the exchange, concurrent with this offering, of certain outstanding convertible subordinated debentures) and the issuance of shares in this offering. Shares of common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of October 1, 2007 are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The percentage ownership information assumes no exercise of the underwriters' over-allotment option.

Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws. Except as otherwise noted below, the address for each person or entity listed in the table is c/o Titan Machinery Inc., 4876 Rocking Horse Circle, Fargo, North Dakota 58104-6049.

	Beneficial Ownership Prior to Offering		Number of Shares Offered	Beneficial Ownership After Offering	
Name	Number	Percent		Number	Percent
Executive Officers and Directors					
David Meyer(1)	3,902,680	57.5%			%
Peter Christianson(2)	1,151,285	17.0%			%
Ted Christianson(3)	32,322	*	—		*
Gordon Paul Anderson(4)	91,668	1.3%	—		*
John Bode(5)	7,334	*	—		*
Tony Christianson(6)	936,001	13.5%	—		%
James Irwin(7)	13,009	*	—		*
James Williams(8)	41,668	*	—		*
Executive Officers and Directors as a group (8 persons)	6,175,967	86.9%			%
5% Stockholders					
Adam Smith Growth Partners(9)	732,298	10.8%	—		%
CNH Capital America LLC(10)	907,604	11.8%			%

* Indicates ownership of less than 1%.

(1) The shares Mr. Meyer is selling were acquired in connection with the acquisition of Titan Machinery LLC in January 2003 in the form of shares of common stock and a convertible subordinated debenture. The portion of Mr. Meyer's shares that are issuable upon conversion of the convertible subordinated debenture will be converted by Mr. Meyer into shares of common stock immediately prior to the offering at an exercise price of $2.50 per share.

(2) Includes 836,285 shares beneficially owned by C.I. Farm Power. Mr. Christianson may be deemed to be the beneficial owner of such shares by virtue of his status as a controlling owner of C.I. Farm Power. The shares C.I. Farm Power is selling are beneficially owned by Mr. Peter Christianson and such shares were acquired by C.I. Farm Power in connection with the acquisition of Titan Machinery LLC in January 2003 in the form of a convertible subordinated debenture. C.I. Farm Power's shares are issuable upon conversion of the convertible subordinated debenture and C.I. Farm Power will convert the convertible subordinated debenture into shares of common stock immediately prior to the offering at an exercise price of $2.50 per share.

(3) Includes 11,667 shares which may be purchased upon exercise of stock options by Mr. Christianson that were exercisable as of October 1, 2007, or within 60 days of such date. Includes 20,655 shares which may be purchased upon exercise of a cross-purchase option granted to Mr. Christianson by Adam Smith Growth Partners.

(4) Includes 91,668 shares which may be purchased upon exercise of stock options and warrants by Mr. Anderson that were exercisable as of October 1, 2007, or within 60 days of such date. Of these, 650 are beneficially owned by Titan Income Holdings, of which Mr. Anderson is a limited partner. Mr. Anderson expressly disclaims beneficial ownership of any shares held by Titan Income Holdings except to the extent of his pecuniary interest in that entity.

(5) Includes 7,334 shares which may be purchased upon exercise of stock options and warrants by Mr. Bode that were exercisable as of October 1, 2007, or within 60 days of this date.

(6) Includes 732,298 shares beneficially owned by Adam Smith Growth Partners, warrants to purchase 115,650 shares of common stock beneficially owned by Titan Income Holdings, 70,377 shares beneficially owned by Adam Smith Activist Fund, LLC, warrants to purchase 15,009 shares of common stock beneficially owned by Cherry Tree Companies, LLC, and warrants to purchase 2,667 common stock beneficially owned by Mr. Christianson. All of these warrants were exercisable as of October 1, 2007, or within 60 days of this date. Mr. Christianson may be deemed to share beneficial ownership of shares beneficially owned by Adam Smith Growth Partners, Titan Income Holdings, and Cherry Tree by virtue of his status as a controlling owner of such entities. Mr. Christianson expressly disclaims beneficial ownership of any shares held by Adam Smith Growth Partners, Titan Income Holdings, Adam Smith Activist Fund and Cherry Tree except to the extent of his pecuniary interest in such entities. Includes shares other individuals have the right to acquire from Adam Smith Growth Partners pursuant to options, including 20,655 acquirable by Ted Christianson.

(7) Includes 13,009 shares which may be purchased upon exercise of stock options and warrants by Mr. Irwin that were exercisable as of October 1, 2007, or within 60 days of this date. Of these, 6,425 are beneficially owned by Titan Income Holdings, of which the Irwin Revocable Trust is a limited partner. Mr. Irwin expressly disclaims beneficial ownership of any shares held by Titan Income Holdings except to the extent of his pecuniary interest in that entity.

(8) Includes 41,668 shares which may be purchased upon exercise of stock options and warrants by Mr. Williams that were exercisable as of October 1, 2007, or within 60 days of this date.

(9) Tony Christianson is a controlling owner of Adam Smith Growth Partners and by virtue of such status may be deemed to be the beneficial owner of the shares held by Adam Smith Growth Partners. The address of Adam Smith Growth Partners is 301 Carlson Parkway, Suite 103, Minnetonka, Minnesota 55305.

(10) The address of CNH Capital is 233 Lake Avenue, Racine, Wisconsin 53403. The shares CNH Capital is selling are issuable conversion of a convertible subordinated note we issued to CNH Capital on November 2005. CNH Capital will convert the convertible subordinated note into shares of common stock immediately prior to this offering at an exercise price of $4.50 per share.

Certain Relationships with Selling Stockholders

David Meyer is our Chairman and Chief Executive Officer. C.I. Farm Power, Inc. is a company owned by our President and Chief Financial Officer, Peter Christianson. CNH Capital America LLC provides us with financing, as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

DESCRIPTION OF CAPITAL STOCK

As of July 31, 2007, there were three stockholders of record of our common stock, 12 stockholders of record of our Series A convertible preferred stock, seven stockholders of record of our Series B convertible preferred stock, no stockholders of record of our Series C convertible preferred stock, and two stockholders of record of our Series D convertible preferred stock. All of this preferred stock will convert into common stock upon the closing of this offering and our new certificate of incorporation will not have any of these series of preferred stock authorized.

Prior to the completion of this offering, we intend to reincorporate in Delaware. The description of common stock and preferred stock reflect changes to our capital structure that will occur upon the closing of this offering in accordance with the terms of the certificate of incorporation that will be adopted by us in connection with the reincorporation. Upon the closing of this offering, our authorized capital stock will consist of 30,000,000 shares, consisting of 25,000,000 shares of common stock and 5,000,000 shares of undesignated stock, from which our board of directors is authorized to issue preferred stock and establish the rights, preferences and privileges with respect to such shares of preferred stock.

The following summarizes important provisions of our capital stock and describes all material provisions of our certificate of incorporation and bylaws, each of which will become effective immediately prior to the consummation of this offering. We also summarize our planned reincorporation in Delaware. This summary is qualified by our certificate of incorporation and bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part, and by the provisions of applicable law.

Common Stock

No outstanding share of common stock is entitled to preference over any other share, and each share is equal to any other share in all respects. Holders of the common stock are entitled to one vote for each share held of record at each meeting of stockholders. In any distribution of capital assets, such as liquidation, whether voluntary or involuntary, holders of the common stock are entitled to receive pro rata the assets remaining after creditors have been paid in full and after payment of the liquidation preference of all classes and series of preferred stock outstanding. Holders of shares of common stock have no preemptive rights.

Undesignated Shares

The board of directors may by resolution and without stockholder approval establish from the undesignated shares different classes or series of shares (including other classes or series of preferred stock), with such designations, voting power, preferences, rights qualifications, limitations, restrictions, dividends, time and prices of redemption, and conversion rights as the board of directors may establish. The issuance of such capital stock could adversely affect the rights and voting power of holders of common stock, entitle holders to greater liquidation preferences or board representation than holders of our

common stock or prevent or delay a change in control. No shares of preferred stock will be outstanding upon the closing of this offering.

Warrants

As of the date of this prospectus, the following warrants to purchase common stock are outstanding:

- 11,917 shares at $3.00 per share expiring in 2013;
- 121,721 shares at $3.50 per share, 115,650 of which expire in 2013 and 6,071 of which expire in 2014;
- 9,250 shares at $4.00 per share expiring in 2015; and
- 251,606 shares at $4.50 per share expiring in 2013.

Subordinated Convertible Debentures

As of the date of this prospectus, there is a total of $6,350,000 of subordinated convertible debentures issued and outstanding. Of these debentures, $3,350,000 are convertible into shares of common stock at a conversion price of $2.50 per share and $3,000,000 are convertible into shares of common stock at a conversion price of $4.50 per share. $1,690,000 of the subordinated convertible debentures accrue interest at 10% per annum, $1,660,000 accrue interest at 9% per annum and $3,000,000 accrue interest at 7% per annum. We issued $3,350,000 subordinated convertible debentures with the conversion price of $2.50 per share, including to certain of our officers and directors or their affiliates, in connection with our acquisition of the dealerships of Titan Machinery LLC. See "Certain Relationships and Related Party Transactions." These debentures will be exchanged for 1,641,981 shares of common stock upon the closing of this offering. In connection with this acquisition, we also issued $142,424 in non-convertible subordinated debentures, which debentures accrue interest at 5% per annum and are payable on or before November 30, 2012. These debentures will be repaid with a portion of the proceeds from this offering.

Registration Rights

Pursuant to a shareholder rights agreement dated April 7, 2003, as amended effective January 31, 2006, with David Meyer, our Chairman and Chief Executive Officer, Adam Smith Companies, C.I. Farm Power and CNH, these stockholders are entitled to piggyback registration rights upon certain registrations of our securities. The registration rights are not available to these stockholders for registrations in connection with an initial public offering, registrations on Form S-8, Form S-4 or other limited purposes forms, registrations relating solely to employee benefit plans, SEC Rule 145 transactions or transactions relating solely to the sale of debt or convertible debt instruments. The registration rights continue for a period of three years following this offering.

Proposed Reincorporation in Delaware

Our board of directors believes that the conversion of our state of incorporation from the State of North Dakota to the State of Delaware will benefit Titan and our stockholders. The State of Delaware is recognized for adopting comprehensive modern and flexible corporate laws, which are periodically revised to respond to the changing legal and business needs of corporations. For this reason, many major corporations have initially incorporated in Delaware or have changed their corporate domiciles to Delaware in a manner similar to that proposed by our board. Consequently, the Delaware judiciary has become particularly familiar with corporate law matters and a substantial body of court decisions has developed interpreting Delaware law. Delaware corporate law, accordingly, has been, and is likely to continue to be, interpreted in many significant judicial decisions, a fact which may provide greater clarity and predictability with respect to our legal affairs.

The conversion from North Dakota to Delaware will be accomplished by converting Titan Machinery Inc., a North Dakota corporation, into, Titan Machinery Inc., a Delaware corporation, pursuant to

Section 265 of the Delaware General Corporation Law. Following the conversion from North Dakota to Delaware, the rights of our stockholders will be governed by Delaware law. The rights, privileges, powers and interests in property of the North Dakota entity will become rights, privileges, powers and interests in property of the Delaware entity, and obligations and liabilities of the North Dakota entity will become obligations and liabilities of the Delaware entity. We have solicited proxies from our stockholders for the approval of the proposed reincorporation.

Anti-Takeover Provisions

Delaware Law

Upon our reincorporation under Delaware law prior to consummation of this offering, we will be subject to Section 203 of the Delaware General Corporation Law. Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (a) shares owned by persons who are directors and also officers and (b) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the date of the transaction, the business combination is approved by the board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

Certificate of Incorporation and Bylaws

Provisions of our certificate of incorporation and bylaws may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could

adversely affect the price of our common stock. Among other things, our certificate of incorporation and bylaws:

- permit our board of directors to issue up to 5,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate, including the right to approve an acquisition or other change in our control;
- provide that the authorized number of directors may be changed by resolution of the board of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- divide our board of directors into three classes;
- provide that directors may only be removed for cause by the holders of at least two-thirds of the voting power of the shares eligible to vote for directors;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a stockholder's notice; and
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose).

Limitation on Liability of Directors and Indemnification

Our certificate of incorporation, which will become effective upon the closing of this offering, limits the liability of our directors to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

- breach of their duty of loyalty to us or our stockholders;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares as provided in Section 174 of the Delaware General Corporation Law; or
- transaction from which the directors derived an improper personal benefit.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

Our bylaws, which will become effective upon the closing of this offering, provide that we will indemnify and advance expenses to our directors and officers to the fullest extent permitted by law subject to certain procedural and other requirements set forth in the bylaws; or, if applicable, pursuant to indemnification agreements, which, when executed, will supersede the bylaw provisions. They further provide that we may choose to indemnify other employees or agents of the corporation from time to time. Section 145(g) of the Delaware General Corporation Law and our bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit

indemnification. We intend to obtain a directors' and officers' liability insurance policy prior to the closing of this offering.

Upon consummation of the offering, we intend to enter into separate indemnification agreements with our directors and officers, in addition to the indemnification provisions set forth in our bylaws. These agreements, among other things, require us to indemnify our directors and officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her services as one of our directors or officers, including services provided to any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

At present, there is no pending litigation or proceeding involving any of our directors or officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission this indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against these liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by the director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether this indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Wells Fargo Shareowner Services.

Nasdaq Global Market

We have applied to have our common stock has approved for listing on the Nasdaq Global Market under the trading symbol "TITN." There is no guarantee that the Nasdaq Global Market will accept our application and no guarantee that our common stock will be quoted.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there was no public market for our common stock. We cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock. Sales of substantial amounts of our common stock in the public market could adversely affect the market prices of our common stock and could impair our future ability to raise capital through the sale of our equity securities.

Upon completion of this offering, based on our outstanding shares as of July 31, 2007, and assuming no exercise of outstanding options or warrants, we will have outstanding an aggregate of shares of our common stock (shares if the underwriters' over-allotment option is exercised in full). Of these shares, all of the shares sold in this offering (plus any shares sold as a result of the underwriters' exercise of the over-allotment option) will be freely tradable without restriction or further registration under the Securities Act, unless those shares are purchased by our affiliates as that term is defined in Rule 144 under the Securities Act.

The remaining shares of common stock to be outstanding after this offering will be "restricted securities" under Rule 144. Of these restricted securities, shares will be subject to transfer

restrictions for 180 days from the date of this prospectus pursuant to market stand-off agreements. Upon expiration of the 180-day transfer restriction period, shares will be eligible for resale under Rule 144(k) and shares will be eligible for resale under Rule 144, subject to volume limitations. Restricted securities may be sold in the public market only if they have been registered or if they qualify for an exemption from registration under Rules 144, 144(k) or 701 under the Securities Act.

Lock-up Agreements

All of our officers and directors, and holders of shares of our common stock and holders of shares of our common stock issuable upon exercise of outstanding options have entered into lock-up agreements pursuant to which they have agreed, subject to limited exceptions, not to offer, sell, or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or securities convertible into or exchangeable or exercisable for shares of common stock for a period of 180 days from the date of this prospectus without our prior written consent or, in some cases, the prior written consent of Craig-Hallum Capital Group and Robert W. Baird & Co. After the 180-day lock-up period, these shares may be sold, subject to applicable securities laws. See "Underwriting."

Rule 144

In general, under Rule 144, as currently in effect, beginning 90 days after the date of this prospectus, a person who has beneficially owned shares of our common stock that are deemed restricted securities for at least one year would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our common stock on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

In addition to the above requirements, sales under Rule 144 are also subject to manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 144(k)

In general, under Rule 144(k), a person who is not deemed to have been one of our affiliates at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, including the holding period of any prior owner other than an "affiliate," is entitled to sell those shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

Proposed Amendments to Rule 144

The SEC has recently proposed a number of amendments to Rule 144 which, if adopted, would generally shorten from one year to six months the holding period for restricted securities and substantially reduce the restrictions (including the volume limitations) on the resale of securities by non-affiliates. These amendments would also shorten the Rule 144(k) holding period to one year. To the extent these proposed amendments are adopted by the SEC in the near future, a substantial amount of our common stock would be available for sale in the public market earlier than currently permitted, which could adversely affect the market price of our common stock.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or written agreement relating to compensation and who is not deemed to have been an affiliate of our company to sell these shares in reliance upon Rule 144, but without being required

to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits our affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait 90 days after the date of this prospectus before selling shares pursuant to Rule 701. As of July 31, 2007, the aggregate number of shares eligible for resale under Rule 701 is 13,902.

Options

Upon completion of this offering, stock options to purchase a total of 188,333 shares of our common stock will be outstanding. These stock options have a weighted average exercise price of $5.77 and expire between April 1, 2016 and July 20, 2017.

Registration of Shares in Connection with Compensatory Benefit Plans

We are unable to estimate the number of shares that will be sold under Rules 144, 144(k) or 701 because that number will depend on the market price for the common stock, the personal circumstances of the sellers and other factors. Prior to the closing of this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering, among other things, shares of common stock covered by outstanding options under our stock plans. Based on the number of shares covered by outstanding options as of October 1, 2007 and shares currently reserved for issuance under the stock plans, the registration statement would cover approximately 1,000,000 shares. The registration statement will become effective upon filing. Accordingly, shares registered under the registration statement on Form S-8 will be available for sale in the open market immediately, after complying with Rule 144 volume limitations applicable to affiliates, with applicable lock-up agreements, and with the vesting requirements and restrictions on transfer affecting any shares that are subject to restricted stock awards.

Registration Rights

After the completion of this offering, holders of shares of common stock will be entitled to specific rights to register those shares for sale in the public market. See "Description of Capital Stock—Registration Rights." Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates, immediately upon the effectiveness of the registration statement relating to such shares.

UNDERWRITING

The underwriters named below have agreed to buy, subject to the terms of the purchase agreement, the number of shares listed opposite their names below. The underwriters are committed to purchase and pay for all of the shares if any are purchased.

Underwriters	Number of Shares
Craig-Hallum Capital Group	
Robert W. Baird & Co.	
Total	

The underwriters have advised us that they propose to offer the shares to the public at $ per share. The underwriters propose to offer the shares to certain dealers at the same price less a concession of not more than $ per share. The underwriters may allow and the dealers may reallow a concession of not more than $ per share on sales to certain other brokers and dealers. After the offering, these figures may be changed by the underwriters.

We have granted to the underwriters an option to purchase up to an additional shares of common stock from us, and the selling stockholders have granted to the underwriters an option to purchase up to an additional shares of common stock from them, all at the same price to the public, and with the same underwriting discount, as set forth in the table below. The underwriters may exercise this option any time during the 30-day period after the date of this prospectus, but only to cover over-allotments, if any. To the extent the underwriters exercise the option, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of the additional shares as it was obligated to purchase under the purchase agreement.

The following table summarizes the underwriting discounts and commissions that we and the selling stockholders will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the over-allotment option.

	Total with no over-allotment	Total, with over-allotment
Underwriting discount to be paid to the underwriters by us		
Underwriting discount to be paid to the underwriters by the selling stockholders		

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be $. These expenses are payable by us.

We have agreed to indemnify the underwriters against certain liabilities, including civil liabilities under the Securities Act, or to contribute to payments that the underwriters may be required to make in respect of those liabilities.

We and each of our directors, executive officers and certain principal stockholders have agreed to certain restrictions on our ability to sell additional shares of our common stock for a period of 180 days after the date of this prospectus. We have agreed not to directly or indirectly offer for sale, sell, contract to sell, grant any option for the sale of, or otherwise issue or dispose of, any shares of common stock, options or warrants to acquire shares of common stock, or any related security or instrument, without the prior written consent of Craig-Hallum Capital Group. The agreements provide exceptions for (i) sales to underwriters pursuant to the purchase agreement, (ii) sales in connection with the exercise of options granted and (iii) certain other exceptions.

Prior to the offering, there has been no established trading market for the common stock. The initial public offering price for the shares of common stock offered by this prospectus was negotiated by us and the underwriters. The factors considered in determining the initial public offering price include the history of and the prospects for the industry in which we compete, our past and present operations, our historical results of operations, our prospects for future earnings, the recent market prices of securities of generally comparable companies and the general condition of the securities markets at the time of the offering and other relevant factors. There can be no assurance that the initial public offering price of the common stock will correspond to the price at which the common stock will trade in the public market subsequent to this offering or that an active public market for the common stock will develop and continue after this offering.

To facilitate the offering, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock during and after the offering. Specifically, the underwriters may over-allot or otherwise create a short position in the common stock for their own account by selling more shares of common stock than have been sold to them by us and the selling stockholders. The underwriters may elect to cover any such short position by purchasing shares of common stock in the open market or by exercising the over-allotment option granted to the underwriters. In addition, the underwriters may stabilize or maintain the price of the common stock by bidding for or purchasing shares of common stock in the open market and may impose penalty bids. If penalty bids are imposed, selling concessions allowed to syndicate members or other broker-dealers participating in the offering are reclaimed if shares of common stock previously distributed in the offering are repurchased, whether in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the common stock at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also effect the price of the common stock to the extent that it discourages resales of the common stock. The magnitude or effect of any stabilization or other transactions is uncertain. These transactions may be effected on the Nasdaq Global Market or otherwise and, if commenced, may be discontinued at any time.

In connection with this offering, some underwriters (and selling group members) may also engage in passive market making transactions in the common stock on the Nasdaq Global Market. Passive market making consists of displaying bids on the Nasdaq Global Market limited by the prices of independent market makers and effecting purchases limited by those prices in response to order flow. Rule 103 of Regulation M promulgated by the SEC limits the amount of net purchases that each passive market maker may make and the displayed size of each bid. Passive market making may stabilize the market price of the common stock at a level above that which might otherwise prevail in the open market and, if commenced, may be discontinued at any time.

One or more of the underwriters may facilitate the marketing of this offering online directly or through one of its affiliates. In those cases, prospective investors may view offering terms and a prospectus online and, depending upon the particular underwriter, place orders online or through their financial advisors.

A managing director of Craig-Hallum Capital Group is a special limited partner of Titan Income Holdings LLLP, an investment partnership whose primary assets are subordinated debt and common stock warrants issued by us. His personal financial interest in the partnership is less than $10,000, as valued by the general partners of Titan Income Holdings as of July 30, 2007.

LEGAL MATTERS

The validity of the shares of common stock offered hereby and certain other legal matters will be passed upon for us by Fredrikson & Byron, P.A., Minneapolis, Minnesota. The underwriters have been represented in connection with this offering by Faegre & Benson LLP, Minneapolis, Minnesota.

EXPERTS

The financial statements of Titan Machinery Inc. as of January 31, 2006 and 2007 and for each of the three years in the period ended January 31, 2007 included in this prospectus have been so included in reliance on the report of Eide Bailly LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus does

not contain all of the information included in the registration statement, portions of which are omitted as permitted by the rules and regulations of the SEC. For further information pertaining to us and the common stock to be sold in this offering, you should refer to the registration statement and its exhibits. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document filed as an exhibit to the registration statement or such other document, each such statement being qualified in all respects by such reference. On the closing of this offering, we will be subject to the informational requirements of the Securities Exchange Act and will be required to file annual, quarterly and current reports, proxy statements and other information with the SEC. We anticipate making these documents publicly available, free of charge, on our website as soon as reasonably practicable after filing such documents with the SEC.

You can read the registration statement and our future filings with the SEC over the Internet at the SEC's website at www.sec.gov. You may request copies of the filing, at no cost, by telephone at (701) 356-0130 or by mail at Titan Machinery Inc., 4876 Rocking Horse Circle Fargo, ND 58104-6049. You may also read and copy any document we file with the SEC at its public reference facility at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

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REPORT
OF INDEPENDENT REGISTERED ACCOUNTING FIRM

The Audit Committee and Board of Directors
Titan Machinery Inc.
Fargo, North Dakota

We have audited the accompanying balance sheets of Titan Machinery Inc. as of January 31, 2007 and 2006, and the related statements of operations, stockholders' equity, and cash flows for the years ended January 31, 2007, 2006 and 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Titan Machinery Inc. as of January 31, 2007 and 2006, and the results of its operations and its cash flows for the years ended January 31, 2007, 2006 and 2005, in conformity with accounting principles generally accepted in the United States of America.

/s/ Eide Bailly LLP

Minneapolis, Minnesota
October 9, 2007

TITAN MACHINERY INC.
BALANCE SHEETS

JANUARY 31, 2006 AND 2007

	January 31, 2006	2007
Assets		
Current assets		
Cash	$ 8,671,420	$ 7,572,000
Receivables, net	5,794,144	10,921,049
Inventories	81,630,630	106,253,862
Prepaid expenses	32,972	186,137
Deferred income taxes	423,000	462,000
Total current assets	96,552,166	125,395,048
Intangibles and other assets		
Parts inventory in excess of amounts expected to be sold currently	1,443,000	1,062,000
Goodwill	1,365,147	3,736,147
Intangible assets, net of accumulated amortization	222,009	168,876
Other	164,202	256,127

	3,194,358	5,223,150
Property and equipment, net of accumulated depreciation	5,326,332	8,175,105
	$ 105,072,856	$ 138,793,303
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 5,488,024	$ 4,227,830
Floorplan notes payable	61,908,027	84,698,775
Current maturities of long-term debt	1,532,405	2,823,609
Customer deposits	4,014,401	4,608,345
Accrued expenses	1,941,822	2,287,677
Income taxes payable	350,113	377,729
Total current liabilities	75,234,792	99,023,965
Long-term liabilities		
Long-term debt, less current maturities	3,456,342	6,787,598
Accrued interest on subordinated debt	532,522	330,441
Deferred income taxes	416,000	925,000
	4,404,864	8,043,039
Subordinated debentures	14,180,336	16,667,336
Contingencies—Note 16		
Redeemable securities		
Series A Convertible Preferred stock - par value $.00001, authorized-2,000,000 shares; issued and outstanding-341,672 shares at January 31, 2007 and 2006	1,025,016	1,025,016
Series B Convertible Preferred stock - par value $.0001, authorized-2,000,000 shares; issued and outstanding-125,001 shares at January 31, 2007 and 2006	437,504	437,504
	1,462,520	1,462,520
Stockholders' equity		
Common stock, par value $.00001 per share, authorized-30,000,000 shares; issued and outstanding - 4,344,753 and 4,340,852 shares at January 31, 2007 and 2006, respectively	43	43
Additional paid-in-capital	325,957	497,064
Retained earnings	9,668,986	13,388,978
Less: Syndication fees	(204,642)	(289,642)
	9,790,344	13,596,443
	$ 105,072,856	$138,793,303

See Notes to Financial Statements

TITAN MACHINERY INC.
STATEMENTS OF OPERATIONS

YEARS ENDED JANUARY 31, 2005, 2006 AND 2007

	Year ended January 31,		
	2005	2006	2007
Revenue			
Equipment	$119,850,030	$175,548,847	$220,957,940
Parts	25,058,508	31,098,984	42,618,622
Service	13,140,763	16,572,415	21,964,966
Other, including trucking and rental	4,134,004	5,250,034	7,056,470
	162,183,305	228,470,280	292,597,998
Cost of revenue			
Equipment	109,022,660	160,814,335	200,557,976
Parts	18,401,691	22,458,546	29,909,043
Service	5,235,943	6,404,325	8,182,908
Other, including trucking and rental	3,119,557	4,080,916	5,336,741
	135,779,851	193,758,122	243,986,668
Gross profit	26,403,454	34,712,158	48,611,330
Operating expenses	22,596,560	26,977,881	37,399,182
Income from operations	3,806,894	7,734,277	11,212,148
Other income (expense)			
Interest and other income	143,744	87,686	348,809
Floorplan interest expense	(1,008,754)	(2,295,766)	(3,293,901)
Interest expense, including interest on subordinated debentures of $1,598,094, in 2007, $544,276 in 2006, and $318,420 in 2005	(683,803)	(1,058,697)	(2,097,064)
Income before income taxes	2,258,081	4,467,500	6,169,992
Provision for income taxes	(911,000)	(1,721,000)	(2,450,000)
Income from continuing operations	1,347,081	2,746,500	3,719,992
Discontinued operations			
Loss from operations of discontinued Main Street Sales division, net of income tax effect of $51,000	(75,573)	—	—
Net income	$ 1,271,508	$ 2,746,500	$ 3,719,992
Adjustments to income:			
Unpaid accumulated preferred dividends	(89,616)	(102,376)	(102,376)
Income available to common stockholders	$ 1,181,892	$ 2,644,124	$ 3,617,616
Earnings per share - basic			
Income from continuing operations less dividends	$ 0.29	$ 0.61	$ 0.83
Loss from discontinued operations	(0.02)	—	—
Income available to shareholders	$ 0.27	$ 0.61	$ 0.83
Earnings per share - diluted			
Income from continuing operations less dividends	$ 0.29	$ 0.61	$ 0.77
Loss from discontinued operations	(0.02)	—	—
Income available to shareholders	$ (0.27)	$ 0.61	$ 0.77

See Notes to Financial Statements

F-4

TITAN MACHINERY INC.
STATEMENTS OF STOCKHOLDERS' EQUITY

YEARS ENDED JANUARY 31, 2005, 2006 AND 2007

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Syndication Fees	Total
Balance, January 31, 2004	4,340,852	$43	$ 24,957	$ 5,650,978	$(159,511)	$ 5,516,467
Payment of syndication fees	—	—	—	—	(34,535)	(34,535)
Net income	—	—	—	1,271,508	—	1,271,508
Balance, January 31, 2005	4,340,852	$43	$ 24,957	$ 6,922,486	$(194,046)	$ 6,753,440
Issuance of stock warrants	—	—	301,000	—	—	301,000
Payment of syndication fees	—	—	—	—	(10,596)	(10,596)
Net income	—	—	—	2,746,500	—	2,746,500
Balance, January 31, 2006	4,340,852	$43	$325,957	$ 9,668,986	$(204,642)	$ 9,790,344
Issuance of stock warrants	—	—	113,000	—	—	113,000
Issuance of stock options	—	—	41,731	—	—	41,731
Exercise of stock options	3,901	—	16,376	—	—	16,376
Payment of syndication fees	—	—	—	—	(85,000)	(85,000)
Net income	—	—	—	3,719,992	—	3,719,992
Balance, January 31, 2007	4,344,753	$43	$497,064	$13,388,978	$(289,642)	$13,596,443

See Notes to Financial Statements

F-5

TITAN MACHINERY INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JANUARY 31, 2005, 2006 AND 2007

	Year ended January 31, 2005	2006	2007
Operating activities			
Net income	$ 1,271,508	$ 2,746,500	$ 3,719,992
Loss from discontinued operations	75,573	—	—
Adjustments to reconcile net income to cash provided from operating activities			
Depreciation	755,769	1,107,348	1,648,551
Amortization	73,602	79,608	53,133
(Gain) loss on sale of equipment	2,435	1,643	(26,207)
Deferred income taxes	140,000	(23,000)	74,000
Stock option compensation expense	—	—	58,107
Changes in assets and liabilities, net of purchase of dealership assets and assumption of liabilities			
Receivables	(1,885,036)	(758,299)	(5,104,174)
Inventories	(32,066,934)	(4,386,583)	(7,194,259)
Prepaid expenses	4,857	12,348	(153,165)
Credit plan reserves and other	(15,347)	(113,605)	(91,925)
Floorplan notes payable	30,896,399	(47,206)	9,997,853
Floorplan notes payable—acquisitions	—	1,621,682	4,946,269
Accounts payable	(561,337)	2,260,891	(1,472,855)
Customer deposits	(1,506,700)	1,879,975	593,944
Accrued expenses	474,811	918,374	(160,186)
Income taxes	629,870	(340,863)	(95,932)
Cash from (used for) operating activities—continuing operations	(1,710,530)	4,958,813	6,793,146
Cash from (used for) operating activities—discontinued operations	61,715	—	—
Net cash from (used for) operating activities	(1,648,815)	4,958,813	6,793,146
Investing activities			
Property and equipment purchases	(1,569,072)	(1,179,161)	(1,987,258)
Net proceeds from sale of equipment	1,150	21,929	119,674
Proceeds from sale of assets from discontinued operations	175,427	—	—
Payment for intangible asset	(19,977)	(40,000)	—
Purchase of dealerships, net of cash purchased	(680,600)	(2,576,014)	(12,088,053)
Net cash used for investing activities	(2,093,072)	(3,773,246)	(13,955,637)

See Notes to Financial Statements

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TITAN MACHINERY INC.
STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED JANUARY 31, 2005, 2006 AND 2007

	Year ended January 31,		
	2005	2006	2007
Financing activities			
Net change in line of credit	2,244,249	(2,644,249)	—
Proceeds from long-term debt borrowings and subordinated debentures	495,845	10,087,546	1,235,438
Proceeds from long-term debt borrowings and subordinated debentures—acquisitions	—	—	5,453,410
Proceeds from fixed asset financing—acquisitions	—	1,261,000	1,631,000
Principal payments on long-term debt	(435,801)	(2,577,633)	(2,082,696)
Net change in subordinated debt interest accrual	205,892	(39,006)	(202,081)
Proceeds from issuance of preferred stock and warrants	437,504	301,000	113,000
Payment of syndication fees	(34,535)	(10,596)	(85,000)
Net cash from financing activities	2,913,154	6,378,062	6,003,071
Net change in cash	(828,733)	7,563,629	(1,099,420)
Cash at beginning of year	1,936,524	1,107,791	8,671,420
Cash at end of year	$ 1,107,791	$ 8,671,420	$ 7,572,000
Supplemental disclosures of cash flow information			
Cash paid during the year			
Income taxes, net of refunds	$ 90,131	$ 2,084,863	$ 2,348,384
Interest	1,667,087	3,328,520	5,539,260
Supplemental disclosures of noncash investing and financing activities			
Purchase of equipment by issuance of long-term debt	$ 146,970	$ 453,430	$ 872,308
Acquisition of agricultural equipment dealership assets in exchange for cash and assumption of liabilities			
Accounts receivable	$ —	$ (66,728)	$ (22,731)
Inventories	—	(10,860,806)	(17,047,973)
Property and equipment	(680,600)	(1,265,239)	(1,731,225)
Goodwill	—	(400,000)	(2,371,000)
Floorplan notes payable	—	8,716,759	7,846,626
Subordinated debentures	—	1,300,000	—
Accounts payable	—	—	212,661
Income taxes payable	—	—	123,548
Deferred income taxes	—	—	396,000
Accrued expenses	—	—	506,041
Cash paid for dealerships	$ (680,600)	$ (2,576,014)	$ (12,088,053)

See Notes to Financial Statements

TITAN MACHINERY INC.
NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2005, 2006 AND 2007

NOTE 1—BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Titan Machinery Inc. is engaged in the retail sale, service and rental of agricultural and industrial machinery through stores in North Dakota, South Dakota, Minnesota, and Iowa.

Concentrations of Credit Risk

The Company's sales are to agricultural and construction equipment customers principally in southeastern and south-central North Dakota, eastern South Dakota, southwestern and west-central Minnesota and northern Iowa. The Company extends credit to its customers in the ordinary course of business and monitors its customers' financial condition to minimize its risks associated with trade receivables, however, does not generally require collateral on trade receivables.

The Company's cash balances are maintained in bank deposit accounts. Periodically, account balances are in excess of federally insured limits.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations in Operations

The Company currently purchases new and rental equipment and related parts from a limited number of manufacturers. Although no change in suppliers is anticipated, the occurrence of such a change could cause a possible loss of revenue and adversely affect operating results.

Receivables and Credit Policy

Trade receivables are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of trade receivables is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management reviews trade receivable balances that exceed 30 days from the invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected.

Finance receivables consist primarily of contracts in transit with manufacturers or manufacturer finance companies. These receivables do not generally have established payment terms and are collected in relatively short time periods.

Inventories

New and used machinery are stated at the lower of cost (specific identification) or market. All used inventory, including that which has been rented is subject to periodic lower of cost or market evaluation. Parts inventory is valued at the lower of average cost or market, and parts inventory not expected to be sold in the next operating cycle has been reported separately. Work in process is valued at the average cost of parts inventory plus the standard cost of labor incurred on service work in process at year end.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed principally using the straight-line and declining balance methods over useful lives of the assets, which range from three to forty years as follows:

Buildings and leasehold improvements	15-40 years
Machinery and equipment	3-10 years
Furniture and fixtures	3-10 years
Vehicles	5-10 years

The Company completes an evaluation, at each balance sheet date, whether or not events or circumstances have taken place to indicate that the remaining net book value of the assets may be unrecoverable. If necessary, the estimated future undiscounted cash flows of any assets in question are compared to their carrying value to determine if an adjustment to the recorded value is necessary.

Goodwill

Goodwill represents the excess of costs over the fair value of the assets of businesses acquired. Goodwill acquired in business combinations is assigned to the specific reporting unit for which it is related and is not amortized, rather tested for impairment at least annually, or more frequently upon the occurrence of an event or when circumstances indicate that a reporting unit's carrying amount of goodwill is greater than its fair value. As of January 31, 2007, the carrying value of goodwill was not considered impaired.

Intangible Assets

The covenants not to compete are being amortized using the straight-line method over the lives of the related agreements, which range from five to fifteen years.

Customer Deposits

Customer deposits consist of advance payments from customers for revenue to be recognized in the following year.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, inventory, property and equipment, intangible assets, and accrued expenses for financial and

income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Earnings Per Share

Basic earnings per share were computed by dividing income available to common stockholders by the weighted average number of shares of common stock outstanding during the year. Accumulated preferred dividends, which were unpaid as of January 31, 2007, were subtracted from net income to arrive at income available to common stockholders.

Diluted earnings per share were computed by dividing income available to common stockholders plus assumed conversions by the weighted-average common shares outstanding after adjusting for potential dilution related to the conversion of all dilutive securities into common stock. Prior to fiscal year ending January 31, 2007, all dilutive securities were excluded from the computation due to the antidilutive nature of such securities at that time. All potentially dilutive securities were included in the computation of diluted earnings per share in the current fiscal year.

The components of basic earnings per share are as follows:

Basic—Earnings Per Share	**2007**	**2006**	**2005**
Net Income	$ 3,719,992	$ 2,746,500	$ 1,271,508
Less: Preferred stock dividends—unpaid	(102,376)	(102,376)	(89,616)
Income available to common stockholders	$ 3,617,616	$ 2,644,124	$ 1,181,892
Basic weighted-average shares outstanding	4,344,753	4,340,852	4,340,852
Basic—Earnings Per Share	$ 0.83	$ 0.61	$ 0.27

The components of diluted earnings per share are as follows:

Diluted—Earnings Per Share	**2007**	**2006**	**2005**
Income available to common stockholders	$ 3,617,616	$ 2,644,124	$ 1,181,892

Plus: Income impact of assumed conversions			
Preferred stock dividends—unpaid	102,376	—	—
Interest on convertible debentures (net of tax effect)	437,614	—	—
Income available to common stockholders plus assumed conversions	$ 4,157,606	$ 2,644,124	$ 1,181,892
Diluted weighted-average shares outstanding:			
Basic weighted-average shares outstanding	4,344,753	4,340,852	4,340,852
Plus: Incremental shares from assumed conversions			
Warrants	58,011	—	—
Convertible preferred stock	166,669	—	—
Convertible debentures	849,158	—	—
Diluted weighted-average shares outstanding	5,418,591	4,340,852	4,340,852
Diluted—Earnings Per Share	$ 0.77	$ 0.61	$ 0.27

Revenue Recognition

Revenue on equipment and parts sales is recognized upon delivery of product to customers. Rental and service revenue is recognized at the time the related services are provided. In addition to outright sales of new and used equipment, certain rental agreements may include rent-to-purchase options. Under these agreements, customers are given a period of time to exercise an option to purchase the related equipment, with a portion of the rental payments being applied to the purchase price. Any such equipment is included in inventory until the purchase option is exercised. Rental revenue is recognized during the rental period, with equipment sales revenue being recognized upon the exercise of the purchase option.

Shipping and Handling Costs

Shipping and handling costs are recorded as cost of revenue and amounts billed to customers for shipping and handling costs are recorded in revenue.

Manufacturer Incentives and Discounts

The Company receives various manufacturer incentives and discounts, which are based on a variety of factors. All such incentive payments are accounted for as a reduction of cost of revenue as they are earned.

Advertising Costs

Costs incurred for producing and distributing advertising are expensed as incurred. Advertising expense amounted to $757,883, $613,325 and $537,589, respectively, for the years ended January 31, 2007, 2006 and 2005.

Stock Based Compensation

The Company accounted for stock options in accordance with the provisions of the Financial Accounting Standards Board (FASB) Statement No. 123 (Revised), *Share-Based Payments*. Statement FAS 123(R) requires that share-based compensation, which includes stock options, be accounted for at the fair value of the applicable equity instrument. The Company utilized the Black Scholes option pricing model to value stock options.

Recently Issued Accounting Pronouncements

In December 2006, the FASB issued Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109 (Issued 6/06)*. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. For the Company, the Interpretation is effective for fiscal years beginning after December 15, 2006. The Company is assessing the effects of Financial Interpretation No. 48.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (“SFAS 157”). This standard applies under other accounting pronouncements that require or permit fair value measurements but does not require any new fair value measurements. SFAS No. 157 is effective for the fiscal year

beginning after November 15, 2007. The Company is in the process of evaluating the effect that the adoption of this standard will have on the Company’s financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (“SFAS 159”). SFAS 159 provides companies with an option to report selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is in the process of evaluating the effect that the adoption of this standards will have on the Company’s financial statement.

NOTE 2—RECEIVABLES

	January 31,	
	2006	2007
Trade accounts, less allowance for doubtful accounts of $35,142 in 2007 and $34,116 in 2006	$ 2,359,289	$ 2,785,910
Finance receivables	1,743,779	5,190,428
Volume discounts	1,108,690	2,013,815
Warranty claims	440,247	749,811
Other	142,139	181,085
	$ 5,794,144	$ 10,921,049

NOTE 3—INVENTORIES

	January 31,	
	2006	2007
New equipment	$ 38,566,523	$ 48,431,945
Used equipment	29,508,102	41,913,153
Parts, tires and attachments	12,121,851	14,292,319
Work in process	1,434,154	1,616,445
	$ 81,630,630	$ 106,253,862

In addition to the above amounts, the Company has estimated that a portion of its parts inventory will not be sold in the next operating cycle. Accordingly, these balances have been classified as noncurrent assets.

NOTE 4—PROPERTY AND EQUIPMENT

	January 31,	
	2006	2007
Land, buildings and leasehold improvements	$ 931,635	$ 1,606,644
Furniture and fixtures	2,685,738	2,427,104
Vehicles	4,115,407	6,074,115
Machinery and equipment	1,886,021	3,846,009
	9,618,801	13,952,872
Less accumulated depreciation	(4,292,469)	(5,778,767)
	$ 5,326,332	$ 8,175,105

NOTE 5—INTANGIBLE ASSETS AND GOODWILL

The following is a summary of non-goodwill intangibles:

	January 31,	
	2006	2007
Covenants not to compete	$ 552,511	$ 552,511
Less accumulated amortization	(330,502)	(383,635)
	$ 222,009	$ 168,876

Future amortization expense is estimated as follows:

Years ending January 31,	Amount
2008	$ 38,533
2009	27,283
2010	20,466
2011	12,600
2012	11,504
Thereafter	58,490
	$ 168,876

Changes in the carrying amount of goodwill during the years ended January 31, 2007 and 2006 are summarized as follows:

Goodwill	
Balance, January 31, 2005	$ 965,147
Arising in completed business combinations	400,000
Impairment losses	—
Balance, January 31, 2006	1,365,147
Arising in completed business combinations	2,371,000
Impairment losses	—
Balance, January 31, 2007	$ 3,736,147

NOTE 6—LINE OF CREDIT

The Company had no amount outstanding on its line of credit with Bremer Bank National Association at January 31, 2007 and 2006. The agreement provides for available borrowings of $7,000,000 and carries a variable interest rate (9.0% at January 31, 2007) with monthly interest payments due, and has a maturity date of August 1, 2007. The line is secured by substantially all assets of the Company and guarantees by the stockholders.

NOTE 7—LONG-TERM DEBT

	January 31,	
	2006	2007
Variable rate note payable to Bremer Bank, (8.50% at January 31, 2007), due in monthly installments of $128,500, including interest, to August 2011, secured by substantially all assets and stockholder guarantees	$ 3,195,883	$ 5,892,701

Non-interest bearing note to manufacturer, monthly payments of $50,786, maturing June 2008, secured by parts	—	1,126,235
Note payable to manufacturer, non-interest bearing until June 2007, at which time interest will begin accruing at a variable rate, monthly payments of $32,903, due May 2008, secured by parts	—	1,164,831
Variable rate note payable to Bremer Bank, (8.00% at January 31, 2007), due in monthly installments of $11,742, including interest, to January 2014, secured by substantially all assets and stockholder guarantees	—	750,000
Fixed rate notes payable to Ford Motor Credit, (varying from 5.99% to 9.85%) due in varying monthly installments, including interest, to varying maturity dates, secured by vehicles	159,452	268,680
Variable rate notes payable (10.25-10.75% at January 31, 2007) to Case Credit, balance due at varying dates through 2010, secured by equipment	600,400	138,000
Variable rate note payable to CNH Capital America LLC, (9.85% at January 31, 2007), through April 2010, payments of $32,252 due annually, secured by equipment	161,262	129,010
Variable rate note payable with related party (8.25% at January 31, 2007), monthly interest only payments, balance due March 2008, unsecured	—	117,000
Non-interest bearing note payable to Fargo Tractor and Equipment, Inc., due in quarterly installments of $3,750, to January 2009, unsecured	33,750	18,750
Non-interest bearing note payable under non-compete agreement, due in annual installments on March 1 of each year through 2007	13,000	6,000
Variable rate note payable to CNH Capital America LLC, (8.75% at January 31, 2006), balance paid in 2007, secured by equipment	825,000	—
	4,988,747	9,611,207
Less current maturities	(1,532,405)	(2,823,609)
	$ 3,456,342	$ 6,787,598

Under covenants of the above Bremer Bank note payable and a Bremer Bank floorplan agreement, the Company has agreed, among other things, to (1) obtain written consent from the bank for non-financed fixed asset expenditures greater than $750,000 annually; (2) comply with equipment and parts inventory turn ratios; (3) obtain written consent from the bank for any distributions; and (4) maintain various financial ratio levels.

Additionally, under covenants of the above note payable with Case Credit Corporation, the Company has agreed, among other things, to maintain various financial ratio levels and to submit certain financial information.

As of January 31, 2007, the Company was in compliance with all of the above covenants.

Long-term debt maturities are as follows:

Years ending January 31,	Amount
2008	$ 2,823,609
2009	2,303,050
2010	1,625,744
2011	1,573,951
2012	1,029,252
Thereafter	255,601
	$ 9,611,207

NOTE 8—FLOORPLAN NOTES PAYABLE

Floorplan notes payable with a bank and manufacturers carry various interest rates ranging from 8.0 percent to 9.5 percent and are secured by substantially all assets of the Company and guarantees by the stockholders. Repayment terms vary by individual notes, but generally payments are made from sales proceeds or rental revenue from the related inventories.

NOTE 9—ACCRUED EXPENSES

	January 31,	
	2006	2007
Interest	$ 29,044	$ 82,830
Compensation	1,395,781	1,752,564
Sales and payroll taxes	365,980	228,071
Health insurance claims liability	145,000	172,000
Other	6,017	52,212
	$ 1,941,822	$ 2,287,677

NOTE 10—SUBORDINATED DEBENTURES

Principal and interest payable on subordinated debentures is summarized as follows:

	January 31, 2006	January 31, 2007
10.5% debentures to CNH Capital America, LLC, $7,500,000 available, interest payments due quarterly, balance due April 2012, unsecured, subordinated to bank and manufacturer debt	$ 4,813,912	$ 7,200,912
9%-10% debentures to stockholders, interest payments due annually, balance due November 2012, unsecured, subordinated to bank and manufacturer debt(1)	3,350,000	3,350,000
7% debentures to CNH Capital America, LLC, interest payments due annually, balance due November 2012, unsecured, subordinated to bank and manufacturer debt	3,000,000	3,000,000
10.5% debentures to Titan Income Holdings, LLLP, $2,000,000 available, interest payments due quarterly, balance due April 2012, unsecured, subordinated to bank and manufacturer debt(2)	1,574,000	1,674,000
10% debentures to Bernard Smith, former owner of Smith International, interest payments due annually, balance due March 2010, unsecured, subordinated to bank and manufacturer debt	300,000	300,000
10% debentures to former owners of H.C. Clark Implement Co., interest payments due annually, balance due May 2010, unsecured, subordinated to bank and manufacturer debt	550,000	550,000
9% debentures to Vern Anderson, former owner of Vern Anderson Inc., interest payments due quarterly, balance due December 2010, unsecured, subordinated to bank and manufacturer debt	450,000	450,000
5% debentures to stockholders, interest payments due annually, balance due November 2012, unsecured, subordinated to bank and manufacturer debt(1)	142,424	142,424
	$ 14,180,336	$ 16,667,336

(1) These debentures were issued in January 2003 to the following related parties: David Meyer, Chief Executive Officer, $536,965; C.I. Farm Power, affiliated with Peter Christianson, President and Chief Financial Officer, $1,739,292; Adam Smith Growth Partners, affiliated with Tony Christianson, a director, $755,000; David Christianson, the brother of Tony and Peter Christianson $100,000; Adam Smith Activist Fund, LLC, affiliated with Tony Christianson, $196,500; and Earl Christianson, father of Tony and Peter Christianson, $164,667.

(2) The Titan Income Holdings debentures were issued with an offering completed April 2005. Titan Income Holdings is a limited liability limited partnership in which one of its general partners is Adam Smith Companies, affiliated with Tony Christianson, a director. Titan Income Holdings were distributed to 15 investors, including Gordon Paul Anderson, a director, who holds a 2.5% interest, and James Irwin, a director, who holds a 4.9% interest through the Irwin Revocable Trust.

Scheduled future maturities of subordinated debentures are as follows: $1,300,000 in the year ending January 31, 2011 and $15,367,336 in the year ending January 31, 2013.

Unpaid principal and interest related to the 9%-10% debentures to stockholders are convertible to common stock at any time through November 2012. The exercise price is $2.50 per share at January 31, 2007. In addition, the notes may not be paid for any other reason than in connection with the sale of the Company unless warrants to acquire common stock are issued to the extent of the unpaid balance on the debentures. The exercise price will be the same as the conversion price in effect to acquire shares of common stock.

The 7% debentures to CNH Capital America, LLC are convertible to common stock at any time through November 2012. The exercise price is $4.50 per share at January 31, 2007. The notes may be paid at any time.

In addition, the 10.5% debentures to Titan Income Holdings, LLLP are convertible to common stock at any time through April 2012. The exercise price is $3.50 per share at January 31, 2007. The notes may be paid at any time.

Accrued interest payable related to the subordinated debentures totaled $330,441 and $532,522 as of January 31, 2007 and 2006.

NOTE 11—OPERATING LEASES AND RELATED PARTY TRANSACTIONS

Leases

The Company leases building space from Meyer Family Limited Partnership, an entity affiliated by common ownership, under five operating leases. The leases are on a month-to-month basis with rentals negotiated annually ($25,000 per month at January 31, 2007). The leases provide that the lessee pay all property taxes, utilities, insurance and all expenses necessary for the general upkeep of the buildings. The Company paid rent of $304,100, $304,100 and $303,000 under these leases for each of the years ended January 31, 2007, 2006 and 2005.

The Company leases buildings on sixteen different operating lease agreements from Dealer Sites, LLC, an entity affiliated by common ownership with monthly rentals of $127,733 at January 31, 2007. Rent expense for these leases totaled $940,988, $595,440 and $274,920 for the years ended January 31, 2007, 2006 and 2005, respectively. The leases expire on various dates through March 2022. The leases provide that the lessee pay all property taxes, utilities, insurance and all expenses necessary for the general upkeep of the building.

The Company leases buildings on operating leases from C.I. Farm Power, Inc., Padre Partnership, and Landco LLC, companies also affiliated through common ownership. The leases expire June 2007, October 2008, and December 2008, respectively and have monthly rentals of $8,250, $8,000, and $20,000, respectively. Rent expense for these leases totaled $235,000 for the year ended January 31, 2007 and $195,000 for the years ended January 31, 2006 and 2005.

The Company also leases ten additional buildings under operating lease agreements with unrelated parties. The leases expire at various dates through January 2015.

The Company also leases office equipment under various operating lease agreements. Rent and lease expense under these agreements and the leases noted above totaled $2,167,998, $1,603,468 and $1,286,024, respectively, during the years ended January 31, 2007, 2006 and 2005.

TITAN MACHINERY INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JANUARY 31, 2005, 2006 AND 2007

The Company's operating lease agreements are structured using straight-line payment terms over the minimum lease period.

Approximate future minimum lease payments are as follows:

Years ending January 31,	Amount
2008	$ 2,277,808
2009	2,057,320
2010	1,679,870
2011	1,623,669
2012	1,500,702
Thereafter	16,076,428
	$ 25,215,797

Loan Facility Agreement

The Company entered into a ten-year Loan Facility Agreement with Mr. Meyer and C.I. Farm Power under which Mr. Meyer, in his discretion, may borrow up to $2.0 million and C.I. Farm Power, in its discretion, may borrow up to $500,000 from the Company, under certain conditions. Any loans made under this agreement will be made pursuant to notes that accrue interest at the same rate as our senior secured lending facility and will be due on December 31, 2017 (or earlier upon certain events, including a sale of our company or an initial public offering). Such notes will be non-recourse, but will be secured by a pledge of our securities held by Mr. Meyer and C.I. Farm Power. During fiscal years 2007, 2006 and 2005, there were no amounts of principal oustanding to either Mr. Meyer or C.I. Farm Power under this lending agreement. For fiscal years 2007, 2006 and 2005 there were no amounts paid by either David Meyer or C.I. Farm Power in principal or interest.

NOTE 12—INCOME TAXES

Net deferred tax assets and liabilities consist of the following components:

	January 31, 2006	2007
Deferred tax assets		
Inventory allowances	$ 321,000	$ 353,000
Other accrued liabilities	68,000	94,000
Receivables	13,000	14,000
Accrued interest	21,000	1,000
Intangible assets	23,000	—
	$ 446,000	$ 462,000
Deferred tax liabilities		
Property and equipment	$ 439,000	$ 549,000
Intangibles	—	376,000
	$ 439,000	$ 925,000

The components giving rise to the net deferred tax assets and liabilities described above have been included in the accompanying balance sheets as follows:

	January 31, 2006	2007
Current assets	$ 423,000	$ 462,000
Noncurrent liabilities	(416,000)	(925,000)
	$ 7,000	$ (463,000)

The provision for income taxes charged to income consists of the following:

	2005	January 31, 2006	2007
Currently payable			
Federal	$ 568,000	$ 1,432,000	$ 1,949,000
State	152,000	312,000	427,000
Deferred	140,000	(23,000)	74,000
	$ 860,000	$ 1,721,000	$ 2,450,000

The reconciliation of the statutory federal income tax rate to the company's effective rate is as follows:

	2007	2006	2005
U.S. Statutory Rate	35.0%	35.0%	35.0%
State taxes on income net of federal tax benefit	4.5%	4.5%	4.4%
All other, net	0.2%	-1.0%	0.9%
	39.7%	38.5%	40.3%

NOTE 13—CAPITAL STRUCTURE

The Company's articles of incorporation provide the corporation with the authority to issue 37,000,000 shares of $0.00001 par value stock, consisting of 30,000,000 shares of common stock, 2,000,000 shares of Series A Convertible Preferred stock, 2,000,000 shares of Series B Convertible Preferred stock, 2,000,000 of Series C Convertible Preferred stock, and 1,000,000 shares classified as undesignated. The Company does not have sole control over the redemption features of our Convertible Preferred stock and therefore classifies all such stock as Redeemable Securities, which is excluded from Stockholder's Equity.

Series A Preferred Stock

Holders of Series A Convertible Preferred shares are entitled to annual dividends at the rate of $0.21 per share. These preferred dividends are cumulative, and no dividends or distributions may be paid on outstanding common shares until all accrued and unpaid dividends on the Series A Convertible Preferred shares have been paid. In addition, 10 years after the original issuance, the preferred stockholders can require the Company to redeem the preferred shares for the original preferred shares purchase price ($3.00 per share) plus any preferred return the stockholders would be entitled to. The holders of Series A Convertible Preferred shares have the right to convert the shares to common shares at any time at a conversion price of $3.00 per share at January 31, 2007.

There were 341,672 Series A Convertible Preferred shares issued and outstanding as of January 31, 2007 and 2006. There were no dividends declared or paid for the years ended January 31, 2007 and 2006. Accumulated unpaid dividends totaled $273,850 and $202,099 at January 31, 2007 and 2006, respectively.

Series B Preferred Stock

Holders of Series B Convertible Preferred shares are entitled to annual dividends at the rate of $0.245 per share. These preferred dividends are cumulative, and no dividends or distributions may be paid on outstanding common shares until all accrued and unpaid dividends on the Series B Convertible Preferred shares have been paid. In addition, 10 years after the original issuance, the preferred stockholders can require the Company to redeem the preferred shares for the original purchase price ($3.50 per share) plus any preferred return they would be entitled to. The holders of Series B Convertible Preferred shares have the right to convert the shares to common shares at any time at a conversion price of $3.50 per share at January 31, 2007. There were 125,001 Series B Convertible Preferred shares issued and outstanding as of January 31, 2007 and 2006. Accumulated unpaid dividends totaled $79,115 and $48,490, respectively, at January 31, 2007 and 2006.

Series C Preferred Stock

The Company designated an aggregate of 2,000,000 shares as Series C Convertible Preferred shares. Holders of Series C Preferred shares will be entitled to annual dividends at the rate of $0.315 per share. These preferred dividends are cumulative, and no dividends or distributions may be paid on outstanding common shares until all accrued and unpaid dividends on the Series C Convertible Preferred shares have been paid. In addition, on January 1, 2013, the preferred stockholders can require the Company to redeem the preferred shares for the original purchase price ($4.50 per share) plus any preferred return they would be entitled to. The holders of Series C Convertible Preferred shares have the right to convert the shares to common shares at any time at a conversion price of $4.50 per share at January 31, 2007. There were no Series C Convertible Preferred shares issued and outstanding as of January 31, 2007 and 2006.

The holders of Convertible Preferred shares are also entitled to certain liquidation preferences and voting privileges. In the event of any liquidation, holders of Convertible Preferred shares shall be entitled to receive out of the assets of the Company, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Common Stock, an amount equal to $3.00 per Series A Convertible Preferred share, $3.50 per Series B Convertible Preferred share, and $4.50 per Series C Convertible Preferred share, plus any dividends unpaid and accumulated or accrued thereon. The Series A, Series B, and Series C Convertible Preferred Stock shall be on par with each other.

Holders of Series A, Series B and Series C Convertible Preferred shares are entitled to a number of votes for each share of Preferred Stock held equal to the number of votes attributable to the shares of Common Stock into which such share of Convertible Preferred stock is then convertible.

NOTE 14—COMMON STOCK OPTIONS AND WARRANTS

Common Stock Warrants

The Company has issued stock warrants to Cherry Tree Securities, LLC, whose chairman is a director of the Company, for 17,988 shares of common stock at an exercise price of $3 per share. The warrants terminate on April 7, 2013.

In addition, the Company issued stock warrants in April 2005 to an outside party for 115,650 shares of common stock at an exercise price of $3.50 per share. These warrants expire on April 7, 2013.

In January 2006 and March 2006, the Company issued stock warrants to a manufacturer for 160,625 and 80,313 shares of common stock, respectively, at an exercise price of $4.50 per share. These warrants expire on April 7, 2013.

The following is a summary of outstanding stock purchase warrants as of January 31, 2007:

	Outstanding Warrants			
Issue Date	Number	Exercise Price	Fair Value Assigned	Purpose of Issuance
June 2003	8,938	$ 3.00	$ —	Facilitate preferred stock issuance
July 2004	9,050	$ 3.00	$ —	Facilitate preferred stock issuance
April 2005	115,650	$ 3.50	$ 126,000	Subordinated debt financing transaction
January 2006	160,625	$ 4.50	$ 175,000	Manufacturer debt transaction
March 2006	80,313	$ 4.50	$ 113,000	Manufacturer debt transaction

Outstanding stock warrants are valued using the Black Scholes option pricing model. Assumptions used to value the warrants are similar to those used in valuing the stock options as described below. Warrants issued in conjunction with a debt offering are valued and classified as Additional Paid-In Capital per APB 14, *Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants*.

Stock Options

The Company implemented the 2005 Equity Incentive Plan, a stock-based compensation plan, during the year ended January 31, 2006. The purpose of the plan was to provide incentive compensation to participants for services that have been or will be performed for continuing as employees or Board of Director members of the Company. Under the plan, the Company may grant options for up to 500,000 shares of common stock under all forms of awards. The Company has elected early adoption of SFAS 123(R) to account for the stock options using the fair value method.

The following is a summary of the status of the plan during the year ended January 31, 2007.

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding at January 31, 2006	9,250	$4.00	
Granted	121,055	$3.93	
Exercised	(3,901)	—	
Outstanding at January 31, 2007	126,404	$3.93	$ 242,100
Options exercisable at January 31, 2007	19,917	$4.27	$ 33,700
Weighted average fair value of options granted at market value during the year ended January 31, 2007	$ 190, 276		
Weighted average fair value of options granted at less than market value during the year ended January 31, 2007	$ 49,999		

The following is a summary of the status of the plan during the year ended January 31, 2006.

	Number of Options	Weighted Average Exercise Price
Outstanding at January 31, 2005	—	$ —
Granted	9,250	$4.00
Outstanding at January 31, 2006	9,250	$4.00
Options exercisable at January 31, 2006	9,250	$4.00
Weighted average fair value of options granted at market value during the year ended January 31, 2006	$ 14,500	
Weighted average fair value of options granted at less than market value during the year ended January 31, 2006	$ —	

The fair value of each option granted is estimated using the Black-Scholes option pricing model. The following assumptions were made in estimating fair value:

Assumption	Fixed Plan
Dividend Yield	0%
Risk-free interest rate	4.0-4.7%
Expected life	6 – 10 years
Expected volatility	14 – 18%

Expected volatility is based upon management's best estimate of the value of the shares based upon the Company's internal market. The expected life assumptions for options currently granted is based upon the average expected term of service by directors and contractual term of the agreements for employees.

The following is a summary of the status of options outstanding and exercisable at January 31, 2007 under the fixed share-based payment plan:

	Outstanding Options			Exercisable Options
Exercise Price Range	Number	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number
$4.00	9,250	9 years	$4.00	9,250
4.50	10,667	10 years	4.50	10,667
4.50	95,000	10 years	4.50	—
3.25	11,487	6 years	3.25	—

Compensation cost charged to operations under the equity incentive plan was $58,107 for the year ended January 31, 2007. For the years ended January 31, 2006 and January 31, 2005, the amount of compensation cost to be charged to operations was determined to be immaterial. The income tax benefit realized from all share-based payment arrangements was $6,550, $0 and $0, respectively, for the years ended January 31, 2007, 2006, and 2005. For the year ended January 31, 2007, 3,901 shares were exercised and for the years ended January 31, 2006 and 2005 no options were exercised. In accordance with Company policy, the shares were issued from a pool of shares reserved for issuance under the plan. As of January 31, 2007, there was $208,400 of unrecognized compensation cost on non-vested awards related to the stock incentive plan. That cost is expected to be recognized over a weighted-average period of 6 years.

NOTE 15—EMPLOYEE BENEFIT PLANS

The Company has a 401(k) profit-sharing plan for those full-time employees at least 19 years of age. The Company makes matching contributions of 50 percent of qualifying employee elective contributions to the plan. The Company's matching contributions to the plan of $505,797, $301,552 and $191,094 were charged to expense for the years ended January 31, 2007, 2006 and 2005, respectively. In addition, the Company may make a discretionary contribution to the plan as determined by the board of directors, with a maximum amount equal to the amount allowed under the Internal Revenue Service regulations. The Company did not make any discretionary contributions to the plan for the years ended January 31, 2007, 2006 or 2005.

NOTE 16—CONTINGENCIES

Sales Contracts

The Company is contingently liable at January 31, 2007 on sales contracts of approximately $2,879,000, which have been sold to manufacturers and banks. Sales contracts sold during the years ended January 31, 2007, 2006 and 2005 totaled approximately $83,000,000, $62,000,000 and $36,000,000, respectively. The sales contracts are secured by the equipment related to the original sale. Amounts held in reserve by the Company related to these contracts are included in other assets.

Non-Compete Agreement

As a result of the purchase of the two construction equipment dealers, the Company entered into a non-compete agreement with the previous shareholder for a total of $334,720 with a term of five years. The

agreement calls for monthly payments to be made in the amount of the lesser of 20 percent of the net income from the two locations or $3,333. Through January 31, 2007, the Company has made total payments of $103,740 since inception of this agreement.

NOTE 17—DISCONTINUED OPERATIONS

During the year ended January 31, 2005, the Company discontinued operations of its Main Street Sales division, a parts and small equipment dealership in Lisbon, ND, and placed the assets of the division up for sale. The Company decided to sell this division as a result of significant recurring operating losses. In May 2004, the Company completed the sale of the assets of this division for approximately $180,000.

Main Street's revenues, which are included in discontinued operations, totaled $153,331 for the four months ended May 31, 2004.

NOTE 18—BUSINESS COMBINATIONS

The Company continued to implement its strategy of consolidating agriculture dealerships in desired market areas. Below is a summary of the acquisitions completed for the years ended January 31, 2007 and 2006. In certain of the business combination transactions the Company recognized goodwill. Factors contributing to the recognition of goodwill include an evaluation of enterprise value, historical financial performance, estimated industry potential within the market, and the market territory relationship to other existing and future planned Company locations.

2007

Farm Power, Inc. of Minnesota and FPI Leasing

On March 31, 2006, the Company acquired 100% of the outstanding common stock of Farm Power, Inc. of Minnesota and its wholly-owned subsidiary, Fergus International, Inc. In addition, as of the same date, the Company purchased the inventory of FPI Leasing, an entity related to Farm Power, Inc. of Minnesota through common ownership. The total cash purchase price for the dealership was $7,868,158. The estimated fair values of the assets acquired and liabilities assumed as of the acquisition date are as follows:

Cash	$ 85,095
Accounts receivable	22,731
Inventories	9,106,919
Property and equipment	1,100,000
Goodwill	2,371,000
	$ 12,685,745
Floorplan notes payable	$ 3,579,337
Other liabilities assumed	842,250
Deferred tax liability	396,000
	$ 4,817,587

Piorier Equipment Company, Inc. & RAJ Equipment

On June 15, 2006, the Company acquired the assets of Piorier Equipment Company, Inc. and RAJ Equipment, its related entity. The total cash purchase price was $4,304,990. The estimated fair values of the assets acquired and liabilities assumed as of the acquisition date are as follows:

Inventories	$ 7,941,054
Property and equipment	631,225
	$ 8,572,279
Floorplan notes payable	$ 4,267,289

As a result of the acquisitions, the Company borrowed $2,500,000 in subordinated debt, $4,946,269 in additional floorplan notes payable, $2,953,410 in parts term notes, and $1,631,000 in long-term debt.

2006

Smith International Inc.

On March 1, 2005, the Company acquired the assets of Smith International, Inc. The total cash purchase price for the dealership was $1,222,271. The estimated fair values of the assets acquired and liabilities assumed as of the acquisition date are as follows:

Accounts receivable	$ 66,728
Inventories	4,275,742
Property and equipment	236,000
Goodwill	300,000
	$ 4,878,470
Floorplan notes payable	$ 3,356,199
Subordinated debt	300,000
	$ 3,656,199

H.C. Clark Implement Co., Inc.

On May 16, 2005, the Company acquired the assets of H.C. Clark Implement Co., Inc. The total cash purchase price for the dealership was $768,514. The estimated fair values of the assets acquired and liabilities assumed as of the acquisition date are as follows:

Inventories	$ 2,501,249
Property and equipment	200,000
Goodwill	100,000
	$ 2,801,249
Floorplan notes payable	$ 1,482,735
Subordinated debt	550,000
	$ 2,032,735

Dike, Iowa

On November 1, 2005, the Company assumed management of the operations of a dealership located in Dike, Iowa. The Company is operating the dealership as an independent contractor authorized by Case New Holland. A group with common ownership interests purchased the buildings at the site in December 2006. The Company leases the facility for $20,000 per month.

Vern Anderson, Inc.

On November 1, 2005, the Company acquired the assets of Vern Anderson, Inc. The total cash purchase price for the dealership was $585,229. The estimated fair values of the assets acquired and liabilities assumed as of the acquisition date are as follows:

Inventories	$ 4,083,816
Property and equipment	829,239
	$ 4,913,055
Floorplan notes payable	$ 3,877,826
Subordinated debt	450,000
	$ 4,327,826

As a result of the acquisitions, the Company borrowed $1,621,682 in additional floorplan notes payable, and $1,261,000 in long-term debt.

TITAN MACHINERY INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JANUARY 31, 2005, 2006 AND 2007

2005

Consolidated Ag Services, Inc.

During the year ended January 31, 2005, the Company acquired certain assets of Consolidated Ag Services, Inc. The total cash purchase price for the assets acquired was $680,600, which was the estimated fair value of property and equipment acquired.

NOTE 19—FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is generally defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Quoted market prices are generally not available for the Company's financial instruments. Accordingly, fair values are based on judgments regarding anticipated cash flows, future expected loss experience, current economic conditions, risk characteristics of various financial instruments and other factors. These estimates involve uncertainties and matters of judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. As explained in Note 1, actual results could differ from the estimates.

The carrying amount of cash, receivables, payables, short-term debt and other current liabilities approximates fair value because of the short maturity and/or frequent repricing of those instruments. Based upon current borrowing rates with similar maturities, the fair value of the long-term debt approximates the carrying value as of January 31, 2007 and 2006.

NOTE 20—SUBSEQUENT EVENTS

During February 2007, the Company entered into an agreement to purchase an agricultural equipment dealership in southeastern North Dakota for approximately $1.9 million, to be financed through floorplan payables and cash provided by operations.

During April 2007, the Company entered into agreements to purchase three related agricultural equipment dealerships in South Dakota for approximately $7.1 million, to be financed through floorplan payables, subordinated debt, and cash provided by operations.

On August 1, 2007, the Company entered into an agreement to acquire an agricultural equipment dealership in northwestern Minnesota. Under the agreement the Company acquired 100% of the common stock of Red Power International, Inc. in exchange for 323,533 shares of Series D convertible preferred stock issued by the Company. The transaction was valued at $2.4 million. The acquisition expands the Company's presence in market areas contiguous to existing dealerships.

On August 7, 2007, the Company renewed a loan agreement with Bremer Bank, N.A. Under the agreement, the revolving line of credit for the Company was increased to $12.0 million and carries a variable interest rate of prime minus .25%. Also, under the agreement, the Company renewed a revolving floor plan note and a term note. The floor plan note is for $2.0 million and carries a rate of prime minus .25%. The term note totals $8.0 million, carries an interest rate of 8.00% with a monthly principal and interest payment of $162,000 and matures on August 1, 2012. There were no changes in security interests provided under the notes.

On August 15, 2007, the board of directors of the Company declared a cumulative cash dividend, subject to the consummation of the initial public offering (IPO), of $.21 per share on the Series A Convertible Preferred stock, and $.245 per share on the Series B Convertible Preferred stock payable upon the closing date of the offering. The dividend is cumulative from the anniversary date of issuance through the IPO closing date.

On August 15, 2007, the board of directors of the Company approved an increase in the number of shares of the Company's common stock reserved for issuance under the Company's 2005 Equity Incentive Plan from 500,000 to 1,000,000 shares to be approved by shareholders upon the consummation of the IPO.

On August 16, 2007, the Company entered into a recapitalization agreement with and among the holders of $3,350,000 of subordinated convertible debt that was issued in April 2003 (2003 Debentures) when Titan Machinery LLC combined with Meyer Equipment to form the Company. The Company has requested that the 2003 Debenture holders voluntarily convert the 2003 Debentures immediately prior (and subject to) the IPO. In order to facilitate the IPO, the Company wishes to effect immediately prior to consummation of the IPO a recapitalization having the holders of the convertible debentures convert the convertible debentures into shares of common stock. Under the agreement, the holders agree that the convertible debentures will be converted into 1,641,981 shares of Common Stock of the Company.

TITAN MACHINERY INC.
BALANCE SHEETS

JANUARY 31, 2007 AND JULY 31, 2007

	January 31, 2007	July 31, 2007 (unaudited)
Assets		
Current assets		
Cash	$ 7,572,000	$ 1,222,122
Receivables, net	10,921,049	11,436,275
Inventories	106,253,862	122,488,451
Prepaid expenses	186,137	244,413
Deferred income taxes	462,000	462,000
Total current assets	125,395,048	135,853,261
Intangibles and other assets		
Parts inventory in excess of amounts expected to be sold currently	1,062,000	1,049,000
Goodwill	3,736,147	6,236,147
Intangible assets, net of accumulated amortization	168,876	149,727
Other	256,127	259,188
	5,223,150	7,694,062
Property and equipment, net of accumulated depreciation	8,175,105	11,911,380
	$ 138,793,303	$ 155,458,703
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 4,227,830	$ 7,877,468
Floorplan notes payable	84,698,775	90,088,976
Current maturities of long-term debt	2,823,609	4,149,596
Customer deposits	4,608,345	6,459,893
Accrued expenses	2,287,677	2,386,212
Income taxes payable	377,729	386,129
Total current liabilities	99,023,965	111,348,274
Long-term liabilities		
Long-term debt, less current maturities	6,787,598	8,785,233
Accrued interest on subordinated debt	330,441	285,173
Deferred income taxes	925,000	925,000
	8,043,039	9,995,406
Subordinated debentures	16,667,336	16,678,424
Redeemable Securities		
Series A Convertible Preferred Stock—par value $.00001, authorized—2,000,000 shares; issued and outstanding—341,672 shares at January 31, 2007 and July 31, 2007	1,025,016	1,334,742
Series B Convertible Preferred Stock—par value $.00001, authorized—2,000,000 shares; issued and outstanding—125,001 shares at January 31, 2007 and July 31, 2007	437,504	531,932
Stockholders' equity	1,462,520	1,866,674
Common stock, par value $.00001 per share authorized—30,000,000 shares; issued and outstanding—4,344,753 at January 31, 2007 and 4,344,753 at July 31, 2007	43	43
Additional paid-in-capital	497,064	605,064
Retained earnings	13,388,978	15,254,460
Less: syndication fees	(289,642)	(289,642)
	13,596,443	15,569,925
	$ 138,793,303	$ 155,458,703

See Notes to Financial Statements

TITAN MACHINERY INC.
STATEMENTS OF OPERATIONS

SIX MONTHS ENDED JULY 31, 2006 AND 2007
(UNAUDITED)

	Six months ended July 31,

	2006	2007
Revenue		
Equipment	$ 95,088,227	$ 122,482,367
Parts	21,229,016	27,176,063
Service	10,506,132	13,040,797
Other, including trucking and rental	2,643,465	2,939,352
	129,466,839	165,638,578
Cost of revenue		
Equipment	86,191,974	110,532,663
Parts	15,675,892	20,016,144
Service	3,953,969	4,887,586
Other, including trucking and rental	1,928,007	2,041,358
	107,749,842	137,477,751
Gross profit	27,716,997	28,160,827
Operating expenses	17,050,875	21,452,384
Income from operations	4,666,122	6,708,443
Other income (expense)		
Interest and other income	202,703	84,634
Floorplan interest expense	(1,467,076)	(1,831,354)
Interest expense, including interest on subordinated debentures of $838,152 in 2007 and $777,362 in 2006	(1,029,172)	(1,224,424)
Income before income taxes	2,372,577	3,737,299
Provision for income taxes	(902,000)	(1,467,663)
Net income	$ 1,470,577	$ 2,269,636
Adjustments to income:		
Unpaid accumulated prefered dividends	(51,188)	(51,188)
Income available to common stockholders	$ 1,419,389	$ 2,218,448
Earnings per share - basic	$ 0.33	$ 0.51
Earnings per share - diluted	$ 0.33	$ 0.41
Weighted average shares - basic	4,344,753	4,344,753
Weighted average shares - diluted	4,356,211	6,060,224

See Notes to Financial Statements

TITAN MACHINERY INC.
STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JULY 31, 2006 AND 2007
(UNAUDITED)

	Six months ended July 31,	
	2006	2007
Operating activities		
Net income	$ 1,470,577	$ 2,269,636
Adjustments to reconcile net income to net cash from operations		
Depreciation	733,611	1,042,241
Amortization	44,078	19,149
(Gain) Loss on sale of equipment	(36,930)	(21,668)
Stock option compensation expense	—	108,000
Changes in assets and liabilities, net of purchase of dealership assets and assumption of liabilities		
Receivables	(1,959,227)	(402,438)
Inventories	(18,871,304)	(8,114,174)
Prepaid expenses	(160,464)	(58,276)
Credit plan reserves and other	(74,986)	(3,061)
Floorplan notes payable	21,154,163	2,787,457
Accounts payable	2,741,669	1,016,070
Customer deposits	(2,322,927)	1,721,548
Accrued expenses	(881,845)	98,535
Income taxes	(70,847)	8,400
Net Cash from (used for) operating activities	1,765,569	471,419

See Notes to Financial Statements

TITAN MACHINERY INC.
STATEMENTS OF CASH FLOWS (Continued)
SIX MONTHS ENDED JULY 31, 2006 AND 2007
(UNAUDITED)

	Six months ended July 31,	
	2006	2007
Investing activities		
Property and equipment purchases	(966,289)	(4,087,337)
Net proceeds from sale of equipment	111,225	103,174
Purchase of equipment dealerships net of cash purchased	(12,088,053)	(5,126,577)
Net cash used for investing activities	(12,943,117)	(9,110,740)
Financing activities		
Proceeds from long-term debt borrowings and subordinated debentures	7,733,047	4,062,755
Proceeds from issuance of warrants	113,000	—
Principal payments on long-term debt	(611,398)	(1,728,045)

Net change in subordinated debt interest accrual	(241,668)	(45,268)
Net cash from financing activities	6,992,981	2,289,442
Net change in cash	(4,184,567)	(6,349,878)
Cash at beginning of period	8,671,420	7,572,000
Cash at end of period	$ 4,486,853	$ 1,222,122
Supplemental disclosures of cash flow information		
Cash paid during the period		
Income taxes, net of refunds	954,701	1,476,063
Interest	$ 2,443,515	$ 3,101,046
Supplemental disclosures of noncash investing and financing activities		
Dividends on preferred redeemable stock charged to retained earnings	$ —	$ 404,154
Purchase of equipment through issuance of long-term debt	$ 872,308	$ —
Acquisition of agricultural equipment dealership assets in exchange for cash and assumption of liabilities		
Accounts receivable	(22,731)	(112,788)
Inventories	(17,047,973)	(8,107,415)
Property and equipment	(1,731,225)	(772,685)
Goodwill	(2,371,000)	(2,500,000)
Floorplan notes payable	7,846,626	3,148,704
Accounts payable	212,661	1,385,932
Long-term debt	—	1,000,000
Income taxes payable	123,548	—
Deferred income taxes	396,000	—
Accrued expenses	506,041	831,675
Cash paid for dealerships	$(12,088,053)	$(5,126,577)

See Notes to Financial Statements

TITAN MACHINERY INC.
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2006 AND 2007

NOTE 1—BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for quarterly reporting. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six month period ended July 31, 2007 are not necessarily indicative of the results that may be expected for the year ending January 31, 2008. These unaudited financial statements should be read in conjunction with the financial statements and footnotes also included in this Form S-1 for the year ended January 31, 2007. The information contained in the balance sheet as of January 31, 2007 was derived from the Company's audited financial statements for the year then ended.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Nature of Business

Titan Machinery Inc. is engaged in the retail sale, service and rental of agricultural and industrial machinery through stores in North Dakota, South Dakota, Minnesota, and Iowa.

Redeemable Securities

The Company does not have sole control over the redemption features of our convertible preferred stock and therefore classifies all such stock as Redeemable Securities which is excluded from Stockholders' Equity. During the quarter ended July 31, 2007, the Company determined the redemption of these instruments to be probable based upon the Company's decision to file a registration statement and initiate a public offering. Accordingly, the Company accrued all accumulated dividends on preferred stock as an increase to Redeemable Securities.

Recently Issued Accounting Pronouncements

In June 2006, the FASB issued Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109* (FIN 48). This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. For the Company, the Statement is effective for fiscal years beginning after December 15, 2006. The Company adopted FIN 48 as of February 1, 2007. The adoption of FIN 48 had no impact on the Company's financial position, results of operations, or cash flows.

TITAN MACHINERY INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
JULY 31, 2006 AND 2007

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ("SFAS 157"). This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard applies under other accounting pronouncements that require or permit fair value measurements, but does not require any new fair value measurements. SFAS No. 157 is effective for the fiscal year beginning after November 15, 2007. The Company is in the process of evaluating the effect that the adoption of this standard will have on the Company's financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities ("SFAS 159"). SFAS 159 provides companies with an option to report selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company is in the process of evaluating the effect that the adoption of this standard will have on the Company's financial statements.

Earnings Per Share

Basic earnings per share were computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the year. Accumulated preferred dividends, which were unpaid as of January 31, 2007, were subtracted from net income to arrive at income available to common shareholders.

Diluted earnings per share were computed by dividing income available to common shareholders plus assumed conversions by the weighted-average common shares outstanding after adjusting for potential dilution related to the conversion of all dilutive securities into common stock. Prior to the six month period ending July 31, 2007, only outstanding warrants were included in the computation due to the antidilutive nature of all other securities. All potentially dilutive securities were included in the computation of diluted earnings per share in the current period ending July 31, 2007.

The components of basic earnings per share are as follows:

	Six Months Ended July 31,	
	2006 (Unaudited)	2007 (Unaudited)
Basic—Earnings Per Share		
Net Income	$ 1,470,577	$ 2,269,636
Less: Preferred stock dividends—unpaid	(51,188)	(51,188)
Income available to common shareholders	$ 1,419,389	$ 2,218,448
Basic weighted-average shares outstanding	4,344,753	4,344,753
Basic—Earnings Per Share	$ 0.33	$ 0.51

The components of diluted earnings per share are as follows:

	Six Months Ended July 31,	
	2006	2007 (Unaudited)
Diluted—Earnings Per Share		
Income available to common shareholders	$ 1,419,389	$ 2,218,448
Plus: Income impact of assumed conversions		
Preferred stock dividends—unpaid	—	51,188
Interest on convertible debentures net of tax effect	—	218,807
Income available to common shareholders plus assumed conversions	$ 1,419,389	$ 2,488,443
Diluted weighted-average shares outstanding:		
Basic weighted-average shares outstanding	4,344,753	4,344,753
Plus: Incremental shares from assumed conversions		
Warrants	11,458	145,946
Stock options	—	5,976
Convertible preferred stock	—	250,003
Convertible debentures	—	1,313,545
Diluted weighted-average shares outstanding	4,356,211	6,060,224
Diluted—EPS	$ 0.33	$ 0.41

NOTE 2—INVENTORIES

	January 31, 2007	July 31, 2007 (unaudited)
New equipment	$ 48,431,945	$ 64,941,460
Used equipment	41,913,153	37,857,493
Parts, tires and attachments	14,292,319	17,090,376
Work in process	1,616,445	2,599,121
	$ 106,253,862	$122,488,451

In addition to the above amounts, the Company has estimated that a portion of its parts inventory will not be sold in the next operating cycle. Accordingly, these balances have been classified as noncurrent assets. Parts inventory is valued at the lower of average cost or market, and parts inventory not expected to be sold in the next operating cycle has been reported separately. Work in process is valued at the average cost of parts inventory plus the standard cost of labor incurred on service work in process at year end.

NOTE 3—LINE OF CREDIT

The Company had no amount outstanding on its line of credit at July 31, 2007 and January 31, 2007. The agreement provides for available borrowings of $7,000,000 and carries a variable interest rate (9.0% at July 31, 2007) with monthly interest payments due, and has a maturity date of August 1, 2007. The line is secured by substantially all assets of the Company and guarantees by the stockholders. See Note 10 regarding the renewal of the line of credit.

NOTE 4—LONG-TERM DEBT

	January 31, 2007	July 31, 2007 (unaudited)
Variable rate note payable to Bremer Bank, (8.25% at July 31, 2007), due in monthly installments of $128,500, including interest, to August 2011, secured by substantially all assets and stockholder guarantees	$ 5,892,701	$ 5,346,957
Variable rate note payable to CNH, (8.55% at July 31, 2007), due in monthly installments of $28,408 maturing July 2012. Secured by rental fleet equipment. Variable interest at prime +.30%	—	2,130,822

6.5% Aberdeen Equipment Co., principal and interest payment of $34,206 due quarterly balance due July 13, 2011, unsecured	—	982,044
Non-interest bearing note to CNH, monthly payments of $50,786, maturing June 2008 secured by parts	1,126,235	558,647
Variable rate note to CNH, (9.85% at July 31, 2007) monthly payments of $32,903 maturing May 2008, secured by parts. Variable interest rate at CNH schedule 9 cost of funds rate	1,164,831	949,121
Non-interest bearing note to CNH, monthly payments of $37,434 maturing April 2009, secured by parts. Variable interest rate at CNH schedule 9 cost of funds rate beginning May 2008	—	939,956
Variable rate note payable to Bremer Bank, (8.25% at July 31, 2007), due in monthly installments of $11,742, including interest, to January 2014, secured by substantially all assets and stockholder guarantees	750,000	709,719
Variable rate notes to CNH, (9.75% at July 31, 2007) due in quarterly installments of $38,630, including interest. Balance due April, 2008. Secured by equipment. Variable interest rate at prime +1.5%	—	733,970
Fixed rate note payable to Ford Motor Credit, (5.99% to 9.85%) due in monthly installments of $3,803, including interest, to August 2009, secured by vehicles	268,680	226,963
Variable rate notes payable (6.5% to 9.5% at July 31, 2007) to Case Credit, balance due at varying dates through 2010, secured by equipment	138,000	131,621
Variable rate note payable to CNH Capital America LLC, (9.5% at July 31, 2007), through April 2010, payments of $32,252 due annually, secured by equipment	129,010	96,758
Variable interest note payable with related party (8.25% at July 31, 2007). Monthly interest only payments adjusting to Wells Fargo prime. Matures in March 2008	117,000	117,000
Non-interest bearing note payable to Fargo Tractor and Equipment, Inc., due in quarterly installments of $3,750, to January 2009, unsecured	18,750	11,250
Non-interest bearing note payable under non-compete agreement, due in annual installments on March 1 of each year through 2007	6,000	—
	9,611,207	12,934,830
Less current maturities	(2,823,609)	(4,149,596)
	$ 6,787,598	$ 8,785,233

Under covenants of the above Bremer Bank note payable and a Bremer Bank floor plan agreement, the Company has agreed, among other things, to (1) obtain written consent from the bank for non-financed fixed asset expenditures greater than $750,000 annually; (2) comply with equipment and parts inventory turn ratios; (3) obtain written consent from the bank for any distributions; and (4) maintain various financial ratio levels.

Additionally, under covenants of the above note payable with Case Credit Corporation, the Company has agreed, among other things, to maintain various financial ratio levels and to submit certain financial information.

As of July 31, 2007, the Company was in compliance with all of the above covenants.

Long-term debt maturities are as follows:

Years ending July 31,	Amount
2008	4,149,596
2009	2,786,892
2010	2,084,344
2011	2,694,241
2012	1,025,566
Thereafter	194,191
	$ 12,934,830

NOTE 5—FLOORPLAN NOTES PAYABLE

Floor plan notes payable with a bank and manufacturers carry various interest rates ranging from 8.00 percent to 9.5 percent and are secured by substantially all assets of the Company and guarantees by the stockholders. Repayment terms vary by individual notes, but generally payments are made from sales proceeds or rental revenue from the related inventories.

NOTE 6—SUBORDINATED DEBENTURES

Principal and interest payable on subordinated debentures is summarized as follows:

	January 31, 2007	July 31, 2007 (unaudited)
10.5% debentures to CNH Capital America, LLC, $7,500,000 available, interest payments due quarterly, balance due April 2012, unsecured, subordinated to bank and manufacturer debt	$ 7,200,912	$ 7,212,000
9%-10% debentures to stockholders, interest payments due annually, balance due November 2012, unsecured, subordinated to bank and manufacturer debt(1)	3,350,000	3,350,000
7% debentures to CNH Capital America, LLC, interest payments due annually, balance due November 2012, unsecured, subordinated to bank and manufacturer debt	3,000,000	3,000,000
10.5% debentures to Titan Income Holdings, LLLP, $2,000,000 available, interest payments due quarterly, balance due April 2012, unsecured, subordinated to bank and manufacturer debt(2)	1,674,000	1,674,000
10% debentures to Bernard Smith, former owner of Smith International, interest payments due annually, balance due March 2010, unsecured, subordinated to bank and manufacturer debt	300,000	300,000

10% debentures to former owners of Aberdeen division, interest payments due annually, balance due May 2010, unsecured, subordinated to bank and manufacturer debt	550,000	550,000
9% debentures to Vern Anderson, former owner of Vern Anderson Inc., interest payments due quarterly, balance due December 2010, unsecured, subordinated to bank and manufacturer debt	450,000	450,000
5% debentures to stockholders, interest payments due annually, balance due November 2012, unsecured, subordinated to bank and manufacturer debt(1)	142,424	142,424
	$ 16,667,336	$16,678,424

(1) These debentures were issued in January 2003 to the following related parties: David Meyer, Chief Executive Officer, $536,965; C.I. Farm Power, affiliated with Peter Christianson, President and Chief Financial Officer, $1,739,292; Adam Smith Growth Partners, affiliated with Tony Christianson, a director, $755,000; David Christianson, the brother of Tony and Peter Christianson, $100,000; Adam Smith Activist Fund, LLC, affiliated with Tony Christianson, $196,500; and, Earl Christianson, father of Tony and Peter Christianson, $164,667.

(2) The Titan Income Holdings debentures were issued with an offering completed April 2005. Titan Income Holdings is a limited liability limited partnership in which one of its general partners is Adam Smith Companies, affiliated with Tony Christianson, a director. Titan Income Holdings were

distributed to 15 investors, including Gordon Paul Anderson, a director, who holds a 2.5% interest, and James Irwin, a director, who holds a 4.9% interest through the Irwin Revocable Trust.

Scheduled future maturities of subordinated debentures are as follows:

$1,300,000 in the year ending January 31, 2011 and $15,378,424 in the year ending January 31, 2013.

Unpaid principal and interest related to the 9%-10% debentures to stockholders are convertible to common stock at any time through November 2012. The exercise price was $2.50 per share. In addition, the notes may not be paid for any other reason than in connection with the sale of the Company unless warrants to acquire common stock are issued to the extent of the unpaid balance on the debentures. The exercise price will be the same as the conversion price in effect to acquire shares of common stock.

The 7% debentures to CNH Capital America, LLC are convertible to common stock at any time through November 2012. The exercise price was $4.50 per share. The notes may not be paid for any other reason than in connection with the sale of the Company unless warrants to acquire common stock are issued to the extent of the unpaid balance on the debentures. The exercise price will be the same as the conversion price in effect to acquire shares of common stock.

In addition, the 10.5% debentures to Titan Income Holdings, LLLP are convertible to common stock at any time through April 2012. The exercise price is $3.50 per share. The notes may not be paid for any other reason than in connection with the sale of the Company unless warrants to acquire common stock are issued to the extent of the unpaid balance on the debentures. The exercise price will be the same as the conversion price in effect to acquire shares of common stock.

NOTE 7—COMMON STOCK OPTIONS AND WARRANTS

Common Stock Warrants

The Company has issued stock warrants to an entity Cherry Tree Securities, LLC, whose chairman is a director of the Company, for 17,988 shares of common stock at an exercise price of $3 per share. The warrants terminate on April 7, 2013.

In addition, the Company issued stock warrants to an outside party for 115,650 shares of common stock at an exercise price of $3.50 per share. These warrants expire on April 7, 2013

In January 2006 and March 2006, the Company issued stock warrants to a manufacturer for 160,625 and 80,313 shares of common stock respectively, at an exercise price of $4.50 per share. These warrants expire on April 7, 2013.

	Outstanding Warrants			
Issue Date	Number	Exercise Price	Fair Value Assigned	Purpose of Issuance
June 2003	8,938	$3.00	$ —	Facilitate preferred stock issuance
July 2004	9,050	$3.00	$ —	Facilitate preferred stock issuance
April 2005	115,650	$3.50	$ 126,000	Subordinated debt financing transaction
January 2006	160,625	$4.50	$ 175,000	Manufacturer debt transaction
March 2006	80,313	$4.50	$ 113,000	Manufacturer debt transaction

Outstanding stock warrants are valued using the Black Scholes option pricing model. Assumptions used to value the warrants are similar to those used in valuing the stock options as described below. Warrants issued in conjunction with a debt offering are valued and classified as Additional Paid-In Capital per APB 14, *Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants*.

Stock Options

The Company implemented the 2005 Equity Incentive Plan, a stock-based compensation plan, during the year ended January 31, 2006. The purpose of the plan was to provide incentive compensation to participants for services that have been or will be performed for continuing as employees or Board of Director members of the Company. Under the plan, the Company may grant options for up to 500,000 shares of common stock under all forms of awards. The Company has elected early adoption of SFAS 123(R) to account for the stock options using the fair value method.

The following is a summary of stock option activity for the six months ended July 31, 2007.

Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value

Outstanding at January 31, 2007	126,404	$3.93	$ 242,100
Granted	93,335	$7.07	
Exercised	—	—	
Forfeited	—	—	
Outstanding at July 31, 2007	219,739	$5.34	$ 544,300
Options exercisable at July 31, 2007	43,252	$4.39	$ 79,200
Weighted average fair value of options granted at market value during the six months ended July 31, 2007	$ 302,300		
Weighted average fair value of options granted at less than market value during the six months ended July 31, 2007	$ —		

The fair value of each option granted is estimated using the Black-Scholes option pricing model. The following assumptions were made in estimating fair value:

Assumption	Fixed Plan
Dividend Yield	0%
Risk-free interest rate	4.0 to 4.9%
Expected life	6 - 10 years
Expected volatility	14 - 22%

Expected volatility is based upon management's best estimate of the value of the shares based upon the Company's internal market. The expected life assumptions for options currently granted is based upon the average expected term of service by directors and contractual term of the agreements for employees.

The following is a summary of the status of options outstanding and exercisable at July 31, 2007 under the fixed share-based payment plan:

	Outstanding Options			Exercisable Options	
Exercise Price	Number	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
$ 4.00	9,250	9 years	$4.00	9,250	$4.00
4.50	10,667	10 years	4.50	10,667	4.50
4.50	95,000	10 years	4.50	10,000	4.50
3.25	11,487	6 years	3.25	—	—
4.50	13,335	10 years	4.50	13,335	4.50
7.50	80,000	10 years	7.50	—	7.50

Compensation cost charged to operation under the equity incentive plan was $108,000 for the six months ended July 31, 2007. For the six months ended July 31, 2006 the amount of compensation cost to be charged to operations was determined to be immaterial. The income tax benefit realized from all share-based payment arrangements was $42,100 and $0, respectively, for the six month periods ended July 31, 2007 and 2006. In accordance with Company policy, the shares were issued from a pool of shares reserved for issuance under the plan. As of July 31, 2007, there was $367,900 of unrecognized compensation cost on non-vested awards related to the stock incentive plan. That cost is expected to be recognized over a weighted-average period of 6 years.

NOTE 8—BUSINESS COMBINATIONS

The Company continued to implement its strategy of consolidating agriculture dealerships in desired market areas. Below is a summary of the acquisitions completed for the six month period ended July 31, 2007. In certain of the business combination transactions the Company recognized goodwill. Factors contributing to the recognition of goodwill include an evaluation of enterprise value, historical financial performance, estimated industry potential within the market, and the market territory relationship to other existing and future planned Company locations. Operating results for each acquisition are included in the Company's Statement of Operations from the date of acquisition. Pro forma results are not presented as the acquisitions are not considered material, individually or in aggregate, to the Company.

2007

Aberdeen Equipment, Huron Equipment, and Redfield Equipment

On April 13, 2007, the Company acquired the assets of the related entities of Aberdeen Equipment, Huron Equipment and Redfield Equipment. The dealerships are located in South Dakota and contiguous to existing markets. The acquisition expands the Company's market share in the state. The total cash purchase price was $4,095,864. The estimated fair values of the assets acquired and liabilities assumed as of the acquisition date are as follows:

Accounts receivable	$ 112,788
Inventories	4,648,779
Property and equipment	600,000
Goodwill	2,500,000
	$ 7,861,567
Floorplan notes payable	$ 928,096
Long term debt	$ 1,000,000
Other liabilities assumed	$ 1,837,607
	$ 3,765,703

Richland County Equipment

On February 20, 2007, the Company acquired the assets of Richland County Implement. The total cash purchase price was $1,030,713. Through the acquisition, the Company increased its market share in existing markets in the Wahpeton area and gained control of the New Holland dealership. The estimated fair values of the assets acquired and liabilities assumed as of the acquisition date are as follows:

Inventories	$ 3,458,636
Property and equipment	172,685
	$ 3,631,321
Floorplan notes payable	$ 2,220,608
Other liabilities assumed	380,000
	$ 2,600,608

NOTE 9—FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is generally defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Quoted market prices are generally not available for the Company's financial instruments. Accordingly, fair values are based on judgments regarding anticipated cash flows, future expected loss experience, current economic conditions, risk characteristics of various financial instruments and other factors. These estimates involve uncertainties and matters of judgment, and therefore cannot be determined with

precision. Changes in assumptions could significantly affect the estimates. As explained in Note 1, actual results could differ from the estimates.

The carrying amount of cash, receivables, payables, short-term debt and other current liabilities approximates fair value because of the short maturity and/or frequent repricing of those instruments. Based upon current borrowing rates with similar maturities, the fair value of the long-term debt approximates the carrying value as of July 31, 2007 and January 31, 2007.

NOTE 10—SUBSEQUENT EVENTS

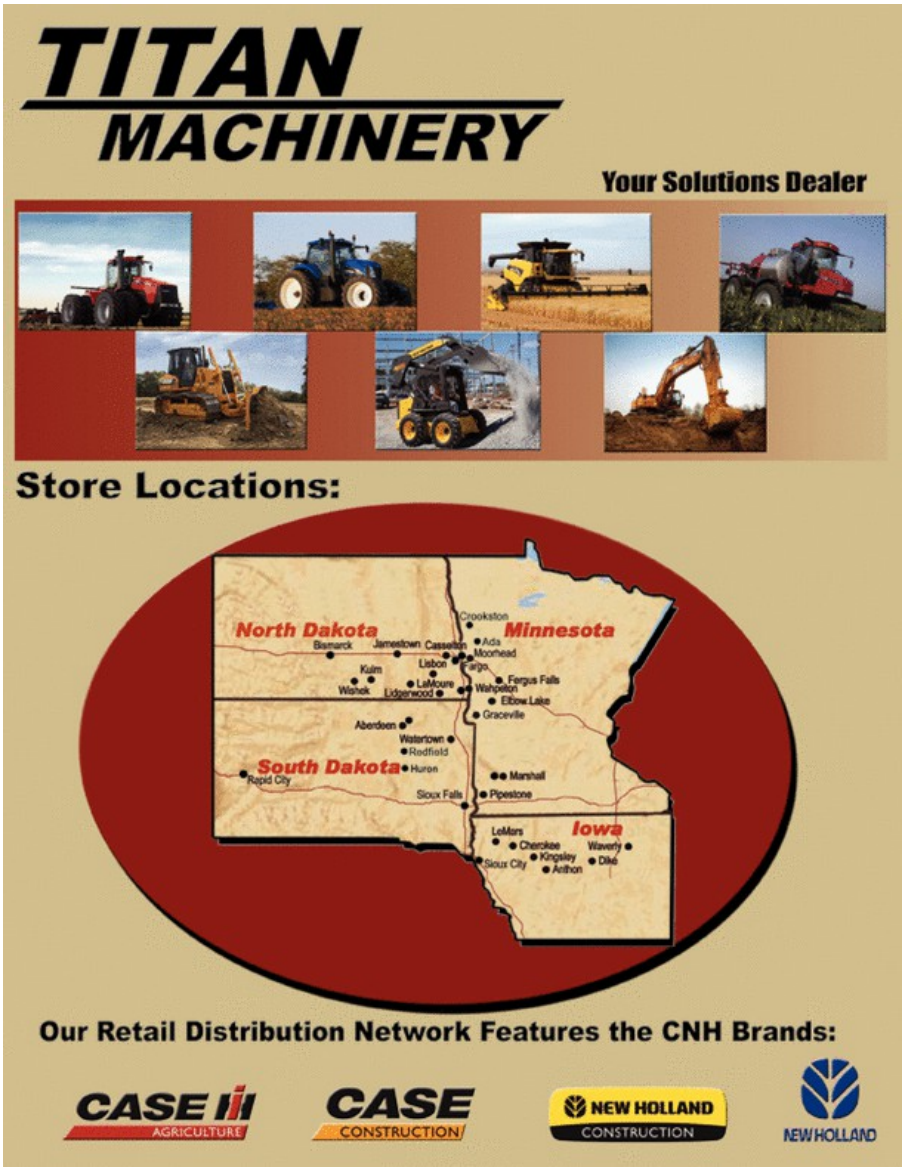
On August 1, 2007, the Company entered into an agreement to acquire an agricultural equipment dealership in northwestern Minnesota. Under the agreement, the Company acquired 100% of the common stock of Red Power International, Inc in exchange for 323,533 shares of Series D convertible preferred stock issued by the Company. The transaction was valued at $2.4 million. The acquisition expands the Company's presence in market areas contiguous to existing dealerships.

On August 7, 2007, the Company renewed a loan agreement with Bremer Bank N.A. Under the agreement, the revolving line of credit for the Company was increased to $12.0 million and carries a variable interest rate of prime minus 0.25%. Also under the agreement, the Company renewed a revolving floorplan note and a term note. The floorplan note is for $2.0 million and carries a rate of prime minus 0.25%. The term note totals $8.0 million, and carries an interest rate of 8.0% with a monthly principal and interest payment of $162,000 and matures on August 1, 2012. There were no changes in security interests provided under the notes.

On August 15, 2007, the Board of Directors declared a cumulative cash dividend, subject to the consummation of the initial public offering (IPO), of $.21 per share on the Series A preferred stock, and $.245 per share on the Series B preferred stock payable upon the closing of the offering. The dividend is cumulative from the anniversary date of issuance through the offering closing date.

On August 15, 2007, the Board of Directors approved an increase in the number of shares of the Company's common stock reserved for issuance under the Company's 2005 Equity Incentive Plan from 500,000 to 1,000,000 shares, to be approved by shareholders upon consummation of the IPO.

On August 16, 2007, the Company entered into a recapitalization agreement with and among the holders of $3,350,000 subordinated convertible debt that was issued in April 2003 (2003 Debentures) when Titan Machinery LLC combined with Meyer Equipment to form the Company. The Company has requested that the 2003 Debenture holders voluntarily convert the 2003 Debentures immediately and prior (and subject to) the initial public offering. In order to facilitate the IPO, the company wishes to effect immediately prior to consummation of the IPO a recapitalization having the holders of the convertible debentures convert the convertible debentures into shares of common stock. Under the agreement the holders agree that the convertible debentures will be converted into 1,641,981 shares of common stock of the Company.



Shares

TITAN MACHINERY

Common Stock

PROSPECTUS

Until , 2007, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotment or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by us in connection with the sale of common stock being registered. All amounts shown are estimates, except the SEC registration fee, the Financial Industry Regulatory Authority, Inc. filing fee and the Nasdaq Global Market listing fee.

	Amount
SEC registration fee	$ 1,075
FINRA fee	$ 4,000
Nasdaq Global Market listing fee	$ 105,000
Blue sky fees and expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Printing expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous	*
Total	$ *

* To be filed by amendment

Item 14. Indemnification of Directors and Officers.

We intend to reincorporate under Delaware law prior to consummation of this offering. Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to an action by reason of the fact that he or she was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of an action by or in right of the corporation, no indemnification may generally be made in respect of any claim as to which such person is adjudged to be liable to the corporation. Our bylaws, which will become effective upon the closing of this offering, provide that we will indemnify and advance expenses to our directors and officers (and may choose to indemnify and advance expenses to other employees and other agents) to the fullest extent permitted by law, subject to certain procedural and other requirements set forth in the bylaws; provided, however, that in the event the corporation enters into an indemnification agreement with such directors or officers, such agreement controls. Our bylaws also permit us to carry insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit indemnification. We intend to obtain a directors' and officers' liability insurance policy prior to the closing of this offering.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- breach of a director's duty of loyalty to the corporation or its stockholders;

- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- transaction from which the director derives an improper personal benefit.

Our certificate of incorporation provides that our directors are not personally liable for breaches of fiduciary duties to the fullest extent permitted by the Delaware General Corporation Law.

These limitations of liability do not apply to liabilities arising under federal securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

Section 145(g) of the Delaware General Corporation Law permits a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation. Our bylaws, which will become effective upon the closing of this offering, permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit indemnification. We intend to obtain a directors' and officers' liability insurance policy prior to the closing of this offering.

As permitted by the Delaware General Corporation Law, we intend to enter into indemnity agreements with each of our directors and officers that require us to indemnify such persons against various actions including, but not limited to, third-party actions where such director or officer, by reason of his or her corporate status, is a party or is threatened to be made a party to an action, or by reason of anything done or not done by such director or officer in any such capacity. We intend to indemnify directors and officers against all costs, judgments, penalties, fines, liabilities, amounts paid in settlement by or on behalf such directors and officers, and for any expenses actually and reasonably incurred by such directors and officers in connection with such action, if such directors or officers acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal proceeding, had no reasonable cause to believe their conduct was unlawful. We also intend to advance to our directors and officers expenses (including attorney's fees) incurred by such directors or officers in advance of the final disposition of any action after the receipt by the corporation of a statement or statements from directors or officers requesting such payment or payments from time to time, provided that such statement or statements are accompanied by an undertaking, by or on behalf of such directors or officers, to repay such amount if it shall ultimately be determined that they are not entitled to be indemnified against such expenses by the corporation.

The indemnification agreements also set forth certain procedures that will apply in the event of a claim for indemnification or advancement of expenses, including, among others, provisions about providing notice to the corporation of any action in connection with which a director or officer seeks indemnification or advancement of expenses from the corporation, and provisions concerning the determination of entitlement to indemnification or advancement of expenses.

Prior to the closing of this offering we plan to enter into an underwriting agreement, which will provide that the underwriters are obligated, under some circumstances, to indemnify our directors, officers and controlling persons against specified liabilities.

Item 15. Recent Sales of Unregistered Securities.

In the three years preceding the filing of this registration statement, we issued the securities described below that were not registered under the Securities Act of 1933, as amended (the "Securities Act"). None of the transactions involved any underwriters, underwriting discounts, or commissions or any public offering, and we believe each transaction, if deemed to be a sale of a security, was exempt from the

registration requirements of the Securities Act by virtue of Section 4(2) thereof, Regulation D promulgated thereunder, or Rule 701 pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701 based on the limited number of offerees in any such offering, representations and warranties made by such offerees in the particular transactions, or the identity of such offerees as either accredited investors or our executive officers.

1. On April 15, 2005, we completed the sale of $1.8 million in subordinated convertible debentures, along with a warrant for the purchase of 115,650 shares of common stock, to a single accredited investor, Titan Income Holdings, LLLP. The proceeds from this offering were used for working capital and general corporate purposes, including acquisitions. No other offerings were integrated with this offering.

2. In November 2005, we completed the sale of a $3,000,000 subordinated convertible note to a single accredited investor, CNH Capital America, LLC. The aggregate amount raised in the offering was $3,000,000. The proceeds from this offering were used for an acquisition.

3. In January 2006, we issued a warrant for the purchase of 160,625 shares of common stock to CNH Capital America, LLC, an accredited investor, in connection with a lending arrangement pursuant to which CNH Capital provided a line of credit in the aggregate amount of $7,500,000 and we received $50 in cash consideration. The proceeds from the lending arrangement were used for working capital and general corporate purposes including acquisitions.

4. On March 24, 2006, we issued a warrant for the purchase of 80,313 shares of common stock to CNH Capital America, LLC, an accredited investor, in connection with a draw under the $7,500,000 loan facility with CNH Capital.

5. On April 1, 2006 and October 18, 2006, we issued options to purchase an aggregate of 95,000 shares of common stock to four employees, and on March 17, 2006 and August 1, 2006, we issued an aggregate of 15,388 shares of restricted stock to two employees. These options were issued pursuant to Rule 701.

6. On August 1, 2007, we issued an aggregate of 323,533 shares of Series D Preferred Stock to individuals affiliated with Red Power International, Inc., each of whom is an accredited investor, in connection with our acquisition of Red Power's Case IH and New Holland dealership in Crookston, Minnesota.

7. Effective immediately prior to the closing of the offering contemplated by this registration statement, we intend to issue an aggregate of 1,641,981 shares of common stock to David Meyer, Adam Smith Growth Partners, David Christianson, Adam Smith Activist Fund, Earl Christianson and C.I. Farm Power in exchange for the cancellation of $3,350,000 in principal amount of convertible subordinated debentures that bear interest at 9% or 10% per annum. We received no proceeds in connection with this exchange. Each of these debenture holders is an accredited investor.

8. On August 1, 2007, we issued 1,544 shares of restricted stock to one employee. These restricted shares were issued pursuant to Rule 701.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

The exhibits filed with this registration statement are set forth on the Exhibit Index filed as part of this registration statement on page II-6.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered, and the offering of these securities at that time shall be deemed to be the initial bona fide offering.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Fargo, State of North Dakota on this 10th day of October, 2007.

TITAN MACHINERY INC.

By: /s/ DAVID J. MEYER
David J. Meyer
Chairman of the Board and Chief Executive Officer

POWER OF ATTORNEY

In accordance with the Securities Act of 1933, this Registration Statement was signed by the following persons in the capacities and on the date stated.

Signature	Title	Date
/s/ DAVID J. MEYER David J. Meyer	Chairman of the Board and Chief Executive Officer (principal executive officer)	October 10, 2007
* Peter Christianson	President, Chief Financial Officer and Director (principal financial and accounting officer)	October 10, 2007
* Gordon Paul Anderson	Director	October 10, 2007

*	Director	October 10, 2007
John Bode		
*	Director	October 10, 2007
Tony Christianson		
*	Director	October 10, 2007
James Irwin		
*	Director	October 10, 2007
James Williams		

* /s/ DAVID J. MEYER
By: David J. Meyer
Attorney-in-fact

TITAN MACHINERY INC.
REGISTRATION STATEMENT ON FORM S-1
EXHIBIT INDEX

No.	Description
1.1***	Form of Underwriting Agreement.
3.1*	Certificate of Incorporation of the registrant to be effective immediately prior to the closing of the offering.
3.2*	Bylaws of the registrant to be effective immediately prior to the closing of the offering.
4.1*	Specimen Certificate representing shares of common stock of Titan Machinery Inc.
5.1*	Opinion of Fredrikson & Byron, P.A.
10.1	2005 Equity Incentive Plan.**
10.2*	Employment Agreement, dated , 2007, between David Meyer and the registrant.**
10.3*	Employment Agreement, dated , 2007, between Peter Christianson and the registrant.**
10.4*	Non-employee Director Compensation Policy.**
10.5	Agricultural Equipment Sales & Service Agreement, dated December 31, 2002, between Case, LLC and the registrant.
10.6	Construction Equipment Sales & Service Agreement, dated effective April 8, 2003, between Case, LLC and the registrant.
10.7	Dealer Agreement, dated April 14, 2003, between New Holland North America, Inc. and the registrant, as amended December 27, 2005 and December 9, 2006.
10.8	Construction Equipment Sales & Service Agreement, dated effective June 15, 2006, between CNH America, LLC and the registrant.
10.9	Dealer Agreement, effective February 20, 2007, between CNH America LLC and the registrant.
10.10	Dealer Agreement, dated effective June 22, 2006, between CNH America LLC and the registrant.
10.11	Dealer Agreement, dated April 1, 2006, between CNH America and the registrant.
10.12	Dealer Agreement, dated April 1, 2005, between CNH America LLC and the registrant.
10.13	Dealer Agreement, dated effective January 1, 2000 between New Holland North America, Inc. and the registrant.
10.14	Dealer Security Agreements between New Holland North America, Inc. and the registrant.
10.15	Dealer Security Agreements between CNH America LLC and the registrant.
10.16	Lease by and between Rocking Horse Farm, LLC and the registrant, dated August 2, 2004, and Addendum No. 1 thereto dated September 13, 2005.
10.17	Wholesale Floor Plan Credit Facility and Security Agreement, dated as of February 21, 2006, between CNH Capital America LLC and the registrant.
10.18	Agreement for Wholesale Financing, dated June 29, 2004, between GE Commercial Distribution Finance Corporation and the registrant (and amendments dated January 24, 2007, November 7, 2005, June 29, 2004).
10.19	Loan Agreement, dated August 7, 2007, between Bremer Bank, N.A. and the registrant.
10.20	Shareholder Rights Agreement dated April 7, 2003 by and between the Company and the individuals listed on Schedule A.
10.21	Amendment No. 1 to Shareholder Rights Agreement dated January 31, 2006 by and between the Company and the individuals listed on Schedule A.
10.22	Form of Incentive Stock Option Agreement under the 2005 Equity Incentive Plan.
10.23	Form of Non-Qualified Stock Option Agreement under the 2005 Equity Incentive Plan.
10.24	Form of Restricted Stock Agreement under the 2005 Equity Incentive Plan.
23.1	Consent of Eide Bailly LLP.
23.2*	Consent of Fredrikson & Byron, P.A. (included in Exhibit 5.1).

24.1*** Power of Attorney.

* To be filed by amendment.

** Indicates management contract or compensatory plan or arrangement.

*** Previously filed.

TITAN MACHINERY INC.
2005 EQUITY INCENTIVE PLAN

SECTION 1.
DEFINITIONS

As used herein, the following terms shall have the meanings indicated below:

(a) **"Affiliate"** shall mean the Parent or a Subsidiary of the Company.

(b) **"Committee"** shall mean a Committee of two or more directors who shall be appointed by and serve at the pleasure of the Board. If the Company's securities are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, then, to the extent necessary for compliance with Rule 16b-3, or any successor provision, each of the members of the Committee shall be a "non-employee director." Solely for purposes of this Section 1(a), "non-employee director" shall have the same meaning as set form in Rule 16b-3, or any successor provision, as then in effect, of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended.

(c) The **"Company"** shall mean Titan Machinery Inc., a North Dakota corporation.

(d) **"Fair Market Value"** as of any date shall mean (i) if such stock is listed on the Nasdaq National Market, Nasdaq SmallCap Market, or an established stock exchange, the price of such stock at the close of the regular trading session of such market or exchange on such date, as reported by The Wall Street Journal or a comparable reporting service, or, if no sale of such stock shall have occurred on such date, on the next preceding day on which there was a sale of stock; (ii) if such stock is not so listed on the Nasdaq National Market, Nasdaq SmallCap Market, or an established stock exchange, the average of the closing "bid" and "asked" prices quoted by the OTC Bulletin Board, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted "bid" and "asked" prices on such date, on the next preceding date for which there are such quotes; or (iii) if such stock is not publicly traded as of such date, the per share value as determined by the Board, or the Committee, in its sole discretion by applying principles of valuation with respect to the Company's Common Stock.

(e) The **"Internal Revenue Code"** or **"Code"** shall mean the Internal Revenue Code of 1986, as amended from time to time.

(f) The **"Participant"** means (i) an employee of the Company or any Affiliate to whom an incentive stock option has been granted pursuant to Section 9, (ii) a consultant or advisor to or director, employee or officer of the Company or any Affiliate to whom a nonqualified stock option has been granted pursuant to Section 10, or (iii) a consultant or advisor to, or director, employee or officer of the Company or any Affiliate to whom a restricted stock award has been granted pursuant to Section 11.

(g) **"Parent"** shall mean any corporation which owns, directly or indirectly in an unbroken chain, fifty percent (50%) or more of the total voting power of the Company's outstanding stock.

(h) The **"Plan"** means the Titan Machinery Inc. 2005 Equity Incentive Plan, as amended hereafter from time to time, including the form of Option and Award Agreements as they may be modified by the Board from time to time.

(i) **"Stock," "Option Stock"** or **"Common Stock"** shall mean Common Stock of the Company (subject to adjustment as described in Section 12) reserved for incentive and nonqualified stock options and restricted stock awards pursuant to this Plan.

(j) A **"Subsidiary"** shall mean any corporation of which fifty percent (50%) or more of the total voting power of outstanding stock is owned, directly or indirectly in an unbroken chain, by the Company.

SECTION 2.
PURPOSE

The Plan has been established to promote the interests of the Company, its Subsidiaries and its stockholders by (i) attracting and retaining exceptional employees, consultants and directors; (ii) motivating such employees, consultants and directors by means of performance-related incentives to achieve long-range performance goals; and (iii) enabling such employees, consultants and directors to participate in the long-term growth and financial success of the Company.

It is the intention of the Company to carry out the Plan through the granting of stock options which will qualify as "incentive stock options" under the provisions of Section 422 of the Internal Revenue Code, or any successor provision, pursuant to Section 9 of this Plan, through the granting of nonqualified stock options pursuant to Section 10 of this Plan, and through the granting of restricted stock awards pursuant to Section 11 of this Plan. With respect to incentive stock options, adoption of this Plan shall be and is expressly subject to the condition of approval by the shareholders of the Company within 12 months before or after the adoption of the Plan by the Board of Directors. Any incentive stock options granted after adoption of the Plan by the Board of Directors shall be treated as nonqualified stock options if shareholder approval is not obtained within such 12-month period.

SECTION 3.
EFFECTIVE DATE OF PLAN

The Plan shall be effective as of the date of adoption by the Board of Directors, subject to approval by the shareholders of the Company as required in Section 2.

SECTION 4.
ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Company (hereinafter referred to as the **"Board")** or by a Committee which may be appointed by the Board from time to time or by one or more officers designated by the Board or Committee (collectively referred to as the **"Administrator").** Except as otherwise provided herein, the Administrator shall have all of the powers vested in it under the provisions of the Plan, including but not limited to exclusive authority (where applicable and within the limitations described in the Plan) to determine, in its

sole discretion, whether an incentive stock option, nonqualified stock option or restricted stock award shall be granted, the individuals to whom, and the time or times at which, options and awards shall be granted, the number of shares subject to each option or award, the option price, and terms and conditions of each option or award. The Administrator shall have full power and authority to administer and interpret the Plan, to make and amend rules, regulations and guidelines for administering the Plan, to prescribe the form and conditions of the respective stock option and restricted stock award agreements (which may vary from Participant to Participant) evidencing each option or award and to make all other determinations necessary or advisable for the administration of the Plan. The Administrator's interpretation of the Plan, and all actions taken and determinations made by the Administrator pursuant to the power vested in it hereunder, shall be conclusive and binding on all parties concerned.

No member of the Board or the Committee shall be liable for any action taken or determination made in good faith in connection with the administration of the Plan. In the event the Board appoints a Committee as provided hereunder, any action of the Committee with respect to the administration of the Plan shall be taken pursuant to a majority vote of the Committee members or pursuant to the written resolution of all Committee members.

SECTION 5.
PARTICIPANTS

The Administrator shall from time to time, at its discretion and without approval of the shareholders, designate those employees to whom incentive stock options shall be granted pursuant to Section 9 of the Plan; those employees, officers, directors, consultants and advisors of the Company or of any Affiliate to whom nonqualified stock options shall be granted pursuant to Section 10 of the Plan; and those employees, officers, directors, consultants and advisors of the Company or any Affiliate to whom restricted stock awards shall be granted pursuant to Section 11 of the Plan; provided, however, that consultants or advisors shall not be eligible to receive stock options or restricted stock awards hereunder unless such consultant or advisor renders bona fide services to the Company or Affiliate and such services are not in connection with the offer or sale of securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities. The Administrator may grant additional incentive stock options, nonqualified stock options and restricted stock awards under this Plan to some or all Participants then holding options or awards or may grant options and awards solely or partially to new Participants. In designating Participants, the Administrator shall also determine the number of shares to be optioned or awarded to each such Participant. The Board may from time to time designate individuals as being ineligible to participate in the Plan.

SECTION 6.
STOCK

The Stock to he optioned or awarded under this Man shall consist of authorized but unissued shares of Stock. One Million (1,000,000) shares of Stock shall be reserved and available for stock options and restricted stock awards under the Plan; provided, however, that the total number of shares of Stock reserved for options and restricted stock awards under this Plan shall be subject to adjustment as provided in Section 12 of the Plan; and provided, further, that all shares of Stock reserved and available under the Plan shall constitute the maximum

aggregate number of shares of Stock that may be issued through incentive stock options. If (i) any portion of an outstanding stock option or restricted stock award under the Plan for any reason expires, (ii) any portion of an outstanding stock option is terminated prior to the exercise of such option, or (iii) any portion of a restricted stock award is terminated prior to the lapsing of any risks of forfeiture on such stock, the shares of Stock allocable to such portion of the option or award shall continue to be reserved for stock options and restricted stock awards under the Plan and may be optioned or awarded hereunder.

SECTION 7.
DURATION OF PLAN

Incentive stock options may be granted pursuant to the Plan from time to time during a period often (10) years from the effective date as defined in Section 3. Nonqualified stock options and restricted stock awards may be granted pursuant to the Plan from time to time after the effective date of the Plan and until the Plan is discontinued or terminated by the Board. Any incentive stock option granted during such ten-year period and any nonqualified stock option or restricted stock award granted prior to the termination of the Plan by the Board shall remain in full force and effect until the expiration of the option or award as specified in the written stock option or restricted stock award agreement and shall remain subject to the terms and conditions of this Plan.

SECTION 8.
PAYMENT

Participants may pay for shares of Stock upon exercise of stock options granted pursuant to this Plan with cash, personal check, certified check, previously-owned shares of the Company's Common Stock, or such other form of payment as may be authorized by the Administrator. Any Stock so tendered as part of such payment shall be valued at such Stock's then Fair Market Value. The Administrator may, in its sole discretion, limit the forms of payment available to the Participant and may exercise such discretion any time prior to the termination of the option granted to the Participant or upon any exercise of the option by the Participant. "Previously-owned shares" means shares of the Company's Common Stock which the Participant has owned for at least six (6) months prior to the exercise of the stock option, or for such other period of time as may be required by generally accepted accounting principles.

With respect to payment in the form of Common Stock of the Company, the Administrator may require advance approval or adopt such rules as it deems necessary to assure compliance with Rule 16b-3, or any successor provision, as then in effect, of the General Rules and Regulations under the Securities Exchange Act of 1934, if applicable.

SECTION 9.
TERMS AND CONDITIONS OF INCENTIVE STOCK OPTIONS

Each incentive stock option granted pursuant to this Section 9 shall be evidenced by a written incentive stock option agreement (the **"Option Agreement"**). The Option Agreement shall be in such form as may be approved from time to time by the Administrator and may vary

from Participant to Participant; provided, however, that each Participant and each Option Agreement shall comply with and be subject to the following terms and conditions:

(a) Number of Shares and Option Price. The Option Agreement shall state the total number of shares covered by the incentive stock option. To the extent required to qualify the Option as an incentive stock option under Section 422 of the Internal Revenue Code, or any successor provision, the option price per share shall not be less than one hundred percent (100%) of the per share Fair Market Value of the Common Stock on the date the Administrator grants the option; provided, however, that if a Participant owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Affiliate, the option price per share of an incentive stock option granted to such Participant shall not be less than one hundred ten percent (110%) of the per share Fair Market Value of the Common Stock on the date of the grant of the option. The Administrator shall have full authority and discretion in establishing the option price and shall be fully protected in so doing.

(b) Term and Exercisability of Incentive Stock Option. The term during which any incentive stock option granted under the Plan may be exercised shall be established in each case by the Administrator. To the extent required to qualify the Option as an incentive stock option under Section 422 of the Internal Revenue Code, or any successor provision, in no event shall any incentive stock option be exercisable during a term of more than 10 years after the date on which it is granted; provided, however, that if a Participant owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Affiliate, the incentive stock option granted to such Participant shall be exercisable during a term of not more than five years after the date on which it is granted.

The Option Agreement shall state when the incentive stock option becomes exercisable and shall also state the maximum term during which the option may be exercised. In the event an incentive stock option is exercisable immediately, the manner of exercise of the option in the event it is not exercised in full immediately shall be specified in the Option Agreement. The Administrator may accelerate the exercisability of any incentive stock option granted hereunder which is not immediately exercisable as of the date of grant.

(c) Nontransferability. No incentive stock option shall be transferable, in whole or in part, by the Participant other than by will or by the laws of descent and distribution. During the Participant's lifetime, the incentive stock option may be exercised only by the Participant. If the Participant shall attempt any transfer of any incentive stock option granted under the Plan during the Participant's lifetime, such transfer shall be void and the incentive stock option, to the extent not fully exercised, shall terminate.

(d) No Rights as Shareholder. A Participant (or the Participant's successor or successors) shall have no rights as a shareholder with respect to any shares covered by an incentive stock option until the date of the issuance of a stock certificate evidencing such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date such stock certificate is actually issued (except as otherwise provided in Section 12 of the Plan).

(e) Withholding. The Company or its Affiliate shall be entitled to withhold and deduct from future wages of the Participant all legally required amounts necessary to satisfy any and all withholding and employment-related taxes attributable to the Participant's exercise of an incentive stock option or a "disqualifying disposition" of shares acquired through the exercise of an incentive stock option as defined in Code Section 421(b). In the event the Participant is required under the Option Agreement to pay the Company, or make arrangements satisfactory to the Company respecting payment of, such withholding and employment-related taxes, the Board may, in its discretion and pursuant to such rules as it may adopt, permit the Participant to satisfy such obligation, in whole or in part, by electing to have the Company withhold shares of Common Stock otherwise issuable to the Participant as a result of the exercise of the incentive stock option having a Fair Market Value equal to the minimum required tax withholding, based on the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to the supplemental income resulting from the option. In no event may the Company or any Affiliate withhold shares having a Fair Market Value in excess of such statutory minimum required tax withholding. The Participant's election to have shares withheld for this purpose shall be made on or before the date the incentive stock option is exercised or, if later, the date that the amount of tax to be withheld is determined under applicable tax law. Such election shall be approved by the Board and otherwise comply with such rules as the Board may adopt to assure compliance with Rule 16b-3, or any successor provision, as then in effect, of the General Rules and Regulations under the Securities Exchange Act of 1934, if applicable.

(f) Other Provisions. The Option Agreement authorized under this Section 9 shall contain such other provisions as the Administrator shall deem advisable. Any such Option Agreement shall contain such limitations and restrictions upon the exercise of the option as shall be necessary to ensure that such option will be considered an "incentive stock option" as defined in Section 422 of the Internal Revenue Code or to conform to any change therein.

SECTION 10.
TERMS AND CONDITIONS OF NONQUALIFIED STOCK OPTIONS

Each nonqualified stock option granted pursuant to this Section 10 shall be evidenced by a written nonqualified stock option agreement (the **"Option Agreement"**). The Option Agreement shall be in such form as may be approved from time to time by the Administrator and may vary from Participant to Participant; provided, however, that each Participant and each Option Agreement shall comply with and be subject to the following terms and conditions:

(a) Number of Shares and Option Price. The Option Agreement shall state the total number of shares covered by the nonqualified stock option. Unless otherwise determined by the Administrator, the option price per share shall be one hundred percent (100%) of the per share Fair Market Value of the Common Stock on the date the Administrator grants the option.

(b) Term and Exercisability of Nonqualified Stock Option. The term during which any nonqualified stock option granted under the Plan may be exercised shall be established in each case by the Administrator. The Option Agreement shall state when the nonqualified stock option becomes exercisable and shall also state the maximum term during which the option may be exercised. In the event a nonqualified stock option is exercisable immediately, the manner of exercise of the option in the event it is not exercised in full immediately shall be specified in the

Option Agreement. The Administrator may accelerate the exercisability of any nonqualified stock option granted hereunder which is not immediately exercisable as of the date of grant.

(c) Withholding. The Company or its Affiliate shall be entitled to withhold and deduct from future wages of the Participant all legally required amounts necessary to satisfy any and all withholding and employment-related taxes attributable to the Participant's exercise of a nonqualified stock option. In the event the Participant is required under the Option Agreement to pay the Company or Affiliate, or make arrangements satisfactory to the Company or Affiliate respecting payment of such withholding and employment-related taxes, the Administrator may, in its discretion and pursuant to such rules as it may adopt, permit the Participant to satisfy such obligation, in whole or in part, by delivering shares of the Company's Common Stock or by electing to have the Company or Affiliate withhold shares of Common Stock otherwise issuable to the Participant as a result of the exercise of the nonqualified stock option having a Fair Market Value equal to the minimum required tax withholding, based on the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to the supplemental income resulting from such exercise. In no event may the Company or Affiliate withhold shares having a Fair Market Value in excess of such statutory minimum required tax withholding. The Participant's election to have shares withheld for this purpose shall be made on or before the date the nonqualified stock option is exercised or, if later, the date that the amount of tax to be withheld is determined under applicable tax law. Such election shall be approved by the Administrator and otherwise comply with such rules as the Administrator may adopt to assure compliance with Rule 16b-3, or any successor provision, as then in effect, of the General Rules and Regulations under the Securities Exchange Act of 1934, if applicable.

(d) Transferability. The Administrator may, in its sole discretion, permit the Participant to transfer any or all nonqualified stock options to any member of the Participant's "immediate family" as such term is defined in Rule 16a-l(e) promulgated under the Securities Exchange Act of 1934, or any successor provision, or to one or more trusts whose beneficiaries are members of such Participant's "immediate family" or partnerships in which such family members are the only partners; provided, however, that the Participant cannot receive any consideration for the transfer and such transferred nonqualified stock option shall continue to be subject to the same terms and conditions as were applicable to such nonqualified stock option immediately prior to its transfer.

(e) No Rights as Shareholder. A Participant (or the Participant's successor or successors) shall have no rights as a shareholder with respect to any shares covered by a nonqualified stock option until the date of the issuance of a stock certificate evidencing such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date such stock certificate is actually issued (except as otherwise provided in Section 11 of the Plan).

(f) Other Provisions. The Option Agreement authorized under this Section 10 shall contain such other provisions as the Administrator shall deem advisable.

SECTION 11.
RESTRICTED STOCK AWARDS

Each restricted stock award granted pursuant to the Plan shall be evidenced by a written restricted stock agreement (the **"Restricted Stock Agreement**). The Restricted Stock Agreement shall be in such form as may be approved from time to time by the Administrator and may vary from Participant to Participant; provided, however, that each Participant and each Restricted Stock Agreement shall comply with and be subject to the following terms and conditions:

(a) Number of Shares. The Restricted Stock Agreement shall state the total number of shares of Stock covered by the restricted stock award.

(b) Risks of Forfeiture. The Restricted Stock Agreement shall set forth the risks of forfeiture, if any, which shall apply to the shares of Stock covered by the restricted stock

award, and shall specify the manner in which such risks of forfeiture shall lapse. The Administrator may, in its sole discretion, modify the manner in which such risks of forfeiture shall lapse but only with respect to those shares of Stock which are restricted as of the effective date of the modification.

(c) Issuance of Restricted Shares. The Company shall cause to be issued a stock certificate representing such shares of Stock in the Participant's name, and shall deliver such certificate to the Participant; provided, however, that the Company shall place a legend on such certificate describing the risks of forfeiture and other transfer restrictions set forth in the Participant's Restricted Stock Agreement and providing for the cancellation and return of such certificate if the shares of Stock subject to the restricted stock award are forfeited.

(d) Rights as Shareholder. Until the risks of forfeiture have lapsed or the shares subject to such restricted stock award have been forfeited, the Participant shall be entitled to vote the shares of Stock represented by such stock certificates and shall receive all dividends attributable to such shares, but the Participant shall not have any other rights as a shareholder with respect to such shares.

(e) Withholding Taxes. The Company or its Affiliate shall be entitled to withhold and deduct from future wages of the Participant all legally required amounts necessary to satisfy any and all withholding and employment-related taxes attributable to the Participant's restricted stock award. In the event the Participant is required under the Restricted Stock Agreement to pay the Company or Affiliate, or make arrangements satisfactory to the Company or Affiliate respecting payment of, such withholding and employment-related taxes, the Administrator may, in its discretion and pursuant to such rules as it may adopt, permit the Participant to satisfy such obligations, in whole or in part, by delivering shares of Common Stock, including shares of Stock received pursuant to a restricted stock award on which the risks of forfeiture have lapsed. Such shares shall have a Fair Market Value equal to the minimum required tax withholding, based on the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to the supplemental income resulting from the lapsing of the risks of forfeiture on such restricted stock. In no event may the Participant deliver shares having a Fair Market Value in excess of such statutory minimum required tax withholding. The

Participant's election to deliver shares of Common Stock for this purpose shall be made on or before the date that the amount of tax to be withheld is determined under applicable tax law. Such election shall be approved by the Administrator and otherwise comply with such rules as the Administrator may adopt to assure compliance with Rule 16b-3, or any successor provision, as then in effect, of the General Rules and Regulations under the Securities Exchange Act of 1934, if applicable.

(f) Nontransferability. No restricted stock award shall be transferable, in whole or in part, by the Participant, other than by will or by the laws of descent and distribution, prior to the date the risks of forfeiture described in the restricted stock agreement have lapsed. If the Participant shall attempt any transfer of any restricted stock award granted under the Plan prior to such date, such transfer shall be void and the restricted stock award shall terminate.

(g) Other Provisions. The Restricted Stock Agreement authorized under this Section 11 shall contain such other provisions as the Administrator shall deem advisable.

SECTION 12.
RECAPITALIZATION, SALE, MERGER, EXCHANGE OR LIQUIDATION

In the event of an increase or decrease in the number of shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company, the Board may, in its sole discretion, adjust the number of shares of Stock reserved under Section 6 hereof, the number of shares of Stock covered by each outstanding stock option and restricted stock award, and, if applicable, the price per share thereof to reflect such change. Additional shares which may be credited pursuant to such adjustment shall be subject to the same restrictions as are applicable to the shares with respect to which the adjustment relates.

Unless otherwise provided in the Option or Restricted Stock Agreement, in the event of an acquisition of the Company through the sale of substantially all of the Company's assets and the consequent discontinuance of its business or through a merger, consolidation, exchange, reorganization, reclassification, extraordinary dividend, divestiture or liquidation of the Company (collectively referred to as a "transaction"), the Board may provide for one or more of the following:

(a) the equitable acceleration of the exercisability of any outstanding options and the lapsing of the risks of forfeiture on any restricted stock awards;

(b) the complete termination of this Plan, the cancellation of outstanding options not exercised prior to a date specified by the Board (which date shall give Participants a reasonable period of time in which to exercise the options prior to the effectiveness of such transaction), and the cancellation of any restricted stock awards for which the risks of forfeiture have not lapsed;

(c) that Participants holding outstanding stock options shall receive, with respect to each share of Stock subject to such options, as of the effective date of any such transaction, cash in an amount equal to the excess of the Fair Market Value of such Stock on the date immediately preceding the effective date of such transaction over the option price per share of such options;

provided that the Board may, in lieu of such cash payment, distribute to such Participants shares of Common Stock of the Company or shares of stock of any corporation succeeding the Company by reason of such transaction, such shares having a value equal to the cash payment herein;

(d) that Participants holding outstanding restricted stock awards shall receive, with respect to each share of Stock subject to such awards, as of the effective date of any such transaction, cash in an amount equal to the Fair Market Value of such Stock on the date immediately preceding the effective date of such transaction; provided that the Board may, in lieu of such cash payment, distribute to such Participants shares of Common Stock of the Company or shares of stock of any corporation succeeding the Company by reason of such transaction, such shares having a value equal to the cash payment herein;

(e) the continuance of the Plan with respect to the exercise of options which were outstanding as of the date of adoption by the Board of such plan for such transaction and provide to Participants holding such options the right to exercise their respective options as to an economically equivalent number of shares of stock of the corporation succeeding the Company by reason of such transaction; and

(f) the continuance of the Plan with respect to restricted stock awards for which the risks of forfeiture have not lapsed as of the date of adoption by the Board of such plan for such transaction and provide to Participants holding such awards the right to receive an economically equivalent number of shares of stock of the corporation succeeding the Company by reason of such transaction.

The Board may restrict the rights of or the applicability of this Section 12 to the extent necessary to comply with Section 16(b) of the Securities Exchange Act of 1934, the Internal Revenue Code or any other applicable law or regulation. The grant of an option, restricted stock or award pursuant to the Plan shall not limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, exchange or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 13.
SECURITIES LAW COMPLIANCE AND
RESTRICTIONS ON TRANSFER

No shares of Stock shall be issued pursuant to the Plan unless and until there has been compliance, in the opinion of Company's counsel, with all applicable legal requirements,

including without limitation, those relating to securities laws and stock exchange listing requirements. As a condition to the issuance of Stock to Participant, the Administrator may require Participant to (i) represent that the shares of Stock are being acquired for investment and not resale and to make such other representations as the Administrator shall deem necessary or appropriate to qualify the issuance of the shares of Stock as exempt from the Securities Act of 1933 and any other applicable securities laws, and (ii) represent that Participant shall not dispose of the shares of Stock in violation of the Securities Act of 1933 or any other applicable securities laws or any company policies then in effect.

As a further condition to the grant of any stock option or the issuance of Stock to Participant, Participant agrees to the following:

(a) In the event the Company advises Participant that it plans an underwritten public offering of its Common Stock in compliance with the Securities Act of 1933, as amended, and the underwriter(s) seek to impose restrictions under which certain shareholders may not sell or contract to sell or grant any option to buy or otherwise dispose of part or all of their stock purchase rights of the underlying Common Stock, Participant will not, for a period not to exceed 180 days from the prospectus, sell or contract to sell or grant an option to buy or otherwise dispose of any stock option granted to Participant pursuant to the Plan or any of the underlying shares of Common Stock without the prior written consent of the underwriter(s) or its representative(s).

(b) In the event the Company makes any public offering of its securities and determines in its sole discretion that it is necessary to reduce the number of issued but unexercised stock purchase rights so as to comply with any state's securities or Blue Sky law limitations with respect thereto, the Board of Directors of the Company shall have the right (i) to accelerate the exercisability of any stock option and the date on which such option must be exercised, provided that the Company gives Participant prior written notice of such acceleration, and (ii) to cancel any options or portions thereof which Participant does not exercise prior to or contemporaneously with such public offering.

(c) In the event of a transaction (as defined in Section 12 of the Plan), Participant will comply with Rule 145 of the Securities Act of 1933 and any other restrictions imposed under other applicable legal or accounting principles if Participant is an "affiliate" (as defined in such applicable legal and accounting principles) at the time of the transaction, and Participant will execute any documents necessary to ensure compliance with such rules.

The Company reserves the right to place a legend on any stock certificate issued upon the exercise of an option or upon the grant of a restricted stock award pursuant to the Plan to assure compliance with this Section 13.

SECTION 14.
AMENDMENT OF THE PLAN

The Board may from time to time, insofar as permitted by law, suspend or discontinue the Plan or revise or amend it in any respect; provided, however, that no such revision or amendment, except as is authorized in Section 12, shall impair the terms and conditions of any stock option or restricted stock award which is outstanding on the date of such revision or amendment to the material detriment of the Participant without the consent of the Participant. Notwithstanding the foregoing, no such revision or amendment shall (i) materially increase the number of shares subject to the Plan except as provided in Section 12 hereof, (ii) change the designation of the class of employees eligible to receive stock options or restricted stock awards, (iii) decrease the price at which options may be granted, or (iv) materially increase the benefits accruing to Participants under the Plan, without the approval of the shareholders of the Company if such approval is required for compliance with the requirements of any applicable law or regulation. Furthermore, the Plan may not, without the approval of the shareholders, be amended

in any manner that will cause incentive stock options to fail to meet the requirements of Section 422 of the Internal Revenue Code.

SECTION 15.
NO OBLIGATION TO EXERCISE OPTION

The granting of a stock option shall impose no obligation upon the Participant to exercise such option. Further, the granting of a stock option or restricted stock award hereunder shall not impose upon the Company or any Affiliate any obligation to retain the Participant in its employ for any period.

AGRICULTURAL EQUIPMENT
SALES & SERVICE
AGREEMENT

CASE, LLC, a Delaware company (hereinafter called "Company"), and the undersigned dealer (hereinafter called "Dealer") agree as follows:

Dealer Appointment

1. Company hereby appoints Dealer as an authorized Dealer for the marketing and servicing of the Company's Products within the Sales and Service Area specified in this Agreement. Dealer accepts this appointment and agrees that the relationship between Dealer and Company shall be governed by the terms and conditions of this Agreement.

Duration

2. This Agreement shall continue in effect until terminated by one or both Products of the parties as provided by this Agreement.

Products

3. The Products to which this Agreement applies are the complete machines (wholegoods) for the categories of equipment authorized by this Agreement, together with the attachments, accessories and service parts therefore, all of which are collectively referred to herein as "Products".

Facilities

4. Dealer agrees to provide and maintain at the location or locations specified in this Agreement, facilities acceptable in appearance to the Company and with adequate size and space in relation to the Dealer's sales and service potential to properly sell, service, display and store Products. Dealer agrees not to change any location of Dealer's facilities nor establish any other additional locations without Company's prior written consent.

Sales & Service Area

5. The Sales and Service Area assigned to the Dealer by this Agreement is non-exclusive, and the Company shall have the right to enlarge or reduce it upon at least thirty (30) days prior written notice. Dealer's sales and service performance shall be measured only within this Sales and Service Area.

Sales & Service Responsibilities

6. Company and Dealer agree that it is essential that the Dealer use its best efforts to effectively sell and service the Products. In order to carry out these responsibilities, Dealer agrees at a minimum to:

(a) Promote and sell Products sufficient to achieve sales objectives and a share of market satisfactory to the Company within the Dealer's Sales and Service Area;

Sales & Service Responsibilities Continued

(b) Display Company identification signs of the type and in a manner and in places approved by Company, including but not limited to signs on the Dealer's facilities and service vehicles;

(c) Maintain an inventory of those Products suitable for the geographic area where the Dealer's facilities are located and adequate in relation to the sales and service potential for such area;

(d) Employ and maintain an efficient and adequately trained staff of sales, service and other personnel, and to send them to Company's training conferences and schools;

(e) Invest and maintain sufficient working capital to achieve sales objectives and a share of market satisfactory to the Company within Dealer's Sales and Service Area;

(f) Meet Company's service certification standards including pre-delivery, delivery and after-delivery requirements for all Products;

(g) Render prompt, workmanlike, courteous and willing service, including warranty, with respect to all Products for which service is requested by owners, regardless of where or by whom such Products were sold;

(h) Sell Products only to other authorized Dealers or end users. An end user is any customer who purchases Products for use, lease or rent, but not for resale;

(i) Meet such other reasonable standards of performance as may be established from time to time by the Company.

Sales and Service Fee

7. The Company shall assess a Sales & Service Fee when Products are sold outside of the Dealer's Sales and Service Area. This fee shall not apply to parts, attachments and accessories sold separately.

The selling Dealer shall report any sale outside of its Sales and Service Area at the time the warranty registration documents for such sale are filed. Claims for payment of this Fee shall be made in writing to the Company by the non-delivering Dealer within one (1) year after the sale of the Products involved and shall be accompanied by evidence satisfactory to the Company that the non-delivering Dealer has provided the end user with warranty or non-preventive maintenance service.

Sales and Service Fee Continued

This Fee shall be charged by the Company to the selling Dealer and credited to the non-delivering Dealer to reimburse that Dealer for a portion of its marketing and service expenses. In the event of a dispute, the Company shall be the sole judge and the Dealer agrees to abide by the Company's decision.

The amount of this Fee, the operative regulations, and the Products to which it applies are published in the current Schedule of Discounts and Terms, which can be modified from time to time by the Company.

Performance Reviews

8. In order to promote a satisfactory level of Dealer performance in meeting sales and service responsibilities and operating standards specified in this Agreement, Company shall conduct periodic reviews of Dealer's performance. Dealer agrees to make available upon the occasion of such reviews, all Dealer's records and employees which would contribute to the overall value of these reviews.

A written report, including specific recommendations and objectives developed through mutual discussions during these reviews, shall be prepared by the Company and submitted to the Dealer for appropriate and timely implementation by the Dealer.

Computer Business System

9. Dealer shall install and maintain in good working order a computerized dealer business system which is in communication with the Case Communication Network ("CCN System") and shall:

(a) Maintain all of the necessary hardware and integrated accounting and inventory software which is compatible with the CCN System.

(b) Conform to any modifications made by the Company to the CCN System. The Company shall provide the Dealer at least forty-five (45) days prior notice of any such modification.

(c) Input in accordance with Company's instructions reasonable and pertinent specified data into the CCN System and furnish computer reports as may be requested by the Company from lime to time.

(d) Pay all costs, including a regular Monthly charge by Company for use of the CCN System, license fees, and taxes incurred in obtaining and maintaining this dealer business system.

Computer Business System Continued

(e) Keep confidential any information and data contained in the CCN System and not use such information and data for purposes unrelated to the Company's business.

(f) The Company shall not be responsible and shall not be liable for any defects, problems or resulting damages incurred by Dealer from the operation and use of this dealer business system.

Orders, Prices, Delivery and Transfers

10. Dealer's transmission of an order for Product through the CCN System will be a binding offer to purchase the Product ordered, which shall be accepted unless Company rejects the order. All orders for Products accepted by Company shall be subject to Company's applicable conditions of sale and prices as published and modified from time to time by the Company in its then current Price Lists, Sales Promotion Bulletins, and Schedules of Discounts and Terms.

Company shall use its best efforts to ship Products promptly, but it shall not be responsible for failure to ship on time or fill orders where prevented by any cause beyond Company's reasonable control or if the demand for any Products shall exceed Company's available supply.

Delivery of Products by Company to any carrier for transportation to Dealer shall constitute delivery to Dealer and Dealer shall bear all risk of physical loss or damage thereafter.

The transfer of Products from one Dealer to another shall be in accordance with the Company's transfer program described in the Schedule of Discounts and Terms.

Warranty

11. COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS), EXCEPT THOSE SET FORTH IN COMPANY'S CURRENT APPLICABLE PUBLISHED WARRANTY POLICIES AND PROCEDURES. Dealer agrees to deliver to purchasers at the time of retail sales the document containing the Case Express Limited Warranty to Retail Buyer prescribed by Company and in force at the time of such sales. Dealer is not authorized to assume for Company any additional obligations or liabilities in connection with the resale of Products covered by this Agreement, and Dealer agrees not to do so. Company and Dealer shall promptly fulfill their respective obligations with respect to any warranty claims.

Warranty Continued

Company shall reimburse Dealer for all warranty service performed on Products in accordance with Company's warranty policies and Certified Service Program requirements in effect at the time warranty work is performed.

Dealer Succession

12. The Company shall provide to the Dealer the following succession options:

(a) Change in Control or Ownership:

Upon written request made by Dealer and Dealer's owner(s), Company shall give good faith consideration to any succession plan for a change in the control or ownership of the dealership. If such consent is given, it shall be contingent upon the following at the time the change occurs:

(i) The consent of all other owner(s) of the dealership.

(ii) The vesting of the control or ownership with the person or persons designated.

(iii) The approval by the Company of the dealership's sales performance, facilities and financial strength.

(iv) The designation by the Company that the Dealer's Sales and Service Area is a replacement market.

(v) The execution of a new Sales and Service Agreement.

If such consent is withheld by the Company and the Dealer, nonetheless, proceeds with the change, this Agreement shall terminate immediately.

Change in control or ownership shall mean any event which may affect the operation of Dealer's business, including but not limited to withdrawal of an individual proprietor, any addition to or subtraction from the partners involved if the Dealer is a partnership, or any substantial change in the shareholders, if the Dealer is a corporation.

(b) Death or Incapacity:

Dealer Succession Continued

Upon written request made within thirty (30) days of the date of death or physical or mental incapacity of Dealer or Dealer's owner(s), by the appointed representative of the deceased or incapacitated person and all other persons having ownership interest in the Dealer's business, Company shall refrain for a period of one hundred eighty (180) days from exercising its right to terminate this Agreement because of the death or incapacitation of said Dealer or Dealer's owner(s), and if the Dealer's Sales and Service Area is a replacement market, the Company shall during such 180-day period give good faith consideration to any request for the transfer of the dealership, together with its fights and obligations under this Agreement, to one or more other parties. If such consent is given, a new Agreement shall be executed. If such consent is withheld, this Agreement shall terminate automatically at the expiration of the 180-day period referred to herein.

Termination

13. This Agreement shall continue in effect until terminated by one or both of the parties as hereinafter provided:

(a) This Agreement may be terminated at any time for any reason upon thirty (30) days' written notice by Dealer to Company, or upon ninety (90) days' written notice by Company to Dealer, or as mutually agreed upon in writing by both parties; or

(b) Company may terminate this Agreement immediately upon the occurrence of any of the following events:

(i) Dealer's default in the payment when due of any obligations to the Company or Case Credit Corporation, or the termination of one or more significant lines of credit, or the withdrawal of a guaranty of indebtedness by one or more personal guarantors;

(ii) Dealer's closing of its business or suspension or other revocation of licenses, permits or authorization necessary to conduct a business in accordance with this Agreement;

(iii) Dealer's sale, lease or other transfer of assets which in Company's reasonable judgment may adversely affect the ability of Dealer to operate the business pursuant to this Agreement;

(iv) Dealer's falsification of any statements, records or reports to the Company;

Termination Continued

(v) Dealer's failure to pay debts as they mature, or assignment for benefits of creditors, or becoming subject to any receivership, insolvency or bankruptcy proceedings;

(vi) Change in control or ownership of dealership, unless Company grants in writing its consent to such change in the manner defined in this Agreement;

(vii) Dealer's or Dealer's owner(s) death or physical or mental incapacity, unless Company grants in writing an extension of time in the manner defined in this Agreement;

(viii) Dealer's failure to comply with any provision of this Agreement.

Dealer agrees to notify Company in writing immediately upon the occurrence of any of the events described in this paragraph.

Effect of Termination

14. Upon termination of this Agreement:

(a) Company is relieved of any obligation to make any further shipments hereunder, and may without liability cancel any unshipped orders of Dealer for Products.

(b) Neither party shall be released from the payment of any sum then owing to the other.

(c) All indebtedness of Dealer shall become immediately due and payable to Company and Case Credit Corporation.

(d) On any Products which may be shipped after termination or notice thereof, Company may establish terms of cash on delivery or cash prior to shipment.

(e) Dealer shall cease to operate as or represent that Dealer is an authorized Dealer and shall remove and discontinue use of any identification and any promotions or advertising that associates Dealer with Company.

Effect of Termination Continued

(f) Dealer shall remove all signs and advertising displays bearing the name "J. I. Case", "Case", "IH", "Case IH", "Case Corporation", "Case, LLC" or any other trade names or trademarks of Company or any of its affiliated companies from Dealer's business establishment and vehicles and thereafter shall not use such names or trademarks in connection with any business conducted by Dealer.

(g) Dealer agrees to deliver to Company all sales records, mailing lists, service history records, microfiche, catalogs, registrations and any other material of any kind relating to the promotion, marketing, sale, operation or servicing of Products covered by this Agreement.

(h) Final settlement of Dealer's account with the Company shall not be made until all requirements of this Agreement are complied with by the Dealer. Further, neither Company nor Dealer shall be liable to the other for any damages caused by the termination of this Agreement, whether based upon loss of anticipated sales or prospective profits, expenditures, investments, leases, property improvements or other matters related to the business of the parties.

(i) The Company, after notifying the Dealer of termination, shall have the right to consummate arrangements with a replacement Dealer.

Repurchase Upon Termination

15. Upon the termination of this Agreement, except where otherwise provided by the laws of the state where the Dealer is located, the Company shall repurchase from Dealer all of the following items purchased from Company, on the terms specified, and the Dealer shall return such items to the Company on such terms:

(a) New, current, undamaged, salable and unused Company machines (wholegoods), including attachments and accessories, shipped to Dealer. Such items shall be repurchased by Company at the price paid by the Dealer or the current net price, whichever is lower, plus transportation costs previously paid or incurred by Dealer, less any discounts which may have been allowed or paid thereon by Company.

(b) New, current, undamaged, salable and unused parts. Such parts shall be repurchased by Company in accordance with the terms of the Parts Return Policy issued by Company and in effect at the time of termination. Dealer shall be responsible for proper identification of all such parts.

Repurchase Upon Termination Continued

(c) Any business signs, which were sold to Dealer by Company, bearing trade names or registered trademarks of Company. Such signs shall be repurchased by Company for the amount paid by Dealer, less an annual depreciation of 20%.

(d) Any Company endorsed computer hardware which the Company required the Dealer to obtain. Such computer hardware shall be repurchased by Company for the amount of the original purchase price, less an annual depreciation of 25%.

(e) All catalogs, price lists, service manuals, bulletins, owners' manuals and current advertising material, and other material or literature relating to the sale, merchandising, operation or servicing of Products which were purchased by the Dealer from the Company. Such materials shall be repurchased by Company at 50% of their current price.

Dealer shall return all required items in accordance with this Agreement within thirty (30) days after notification to return is given by Company to Dealer. All items returned to Company shall be packed and loaded by Dealer and returned to the destination or destinations specified by Company. Any costs incurred by Company in discharging all or any part of Dealer's obligation hereunder shall be debited against any amount owed by Company to Dealer. Upon receipt of such items, Company shall inspect the same and shall as soon as practicable issue credit to the Dealer for all such items returned that meet the requirements specified herein. Dealer shall not be entitled to payment or credit under this paragraph until Dealer has complied with all applicable laws, rules, regulations and other legal requirements governing the bulk transfer of inventory and furnishes evidence to Company that such items are free and clear of all claims, liens and encumbrances.

Records and Inspections

16. Dealer shall submit to Company within ninety (90) days after the end of its fiscal year, audited and certified balance sheets and operating statements for the year. Dealer shall maintain and submit current reports of sales, owner registration and inventory, service and warranty reports and such other reports as may be requested by Company.

Dealer shall permit Company or its authorized representatives during normal business hours to enter and inspect Dealer's place of business and facilities, and to examine Dealer's books and records and all supporting data of Dealer's business, and to make copies upon Company's request of any such records or accounts.

Insurance and Taxes

17. Dealer shall keep all Products and other items (i) which are owned by the Company or its assignee or (ii) in which the Company has a security interest and which, in either event, are under Dealer's direct or indirect control, insured against all risk of physical loss or damage in an amount which shall be sufficient to prevent Company from sustaining any financial loss. Such insurance shall name Company as an additional insured, and provide that in the event of loss the insurer shall pay the proceeds of all such insurance to the insureds as their interests may appear. Dealer shall furnish to Company certificates evidencing such insurance which shall provide for ten (10) days' prior written notice to Company of cancellation, lapse or expiration.

Dealer shall carry public liability insurance with bodily injury and property damage limits satisfactory to Company. Dealer shall furnish to Company certificates of such insurance, which shall provide for ten (10) days' prior written notice to Company of cancellation, lapse or expiration.

Dealer shall pay all license fees, sales, use, personal property, and excise taxes, duties, and any other fees, assessments or taxes which may be assessed or levied by any government authority against any Products which are shipped to, or are in the possession of Dealer, and Dealer shall hold Company harmless therefrom and with respect thereto.

Trademarks and Trade Names

18. Dealer agrees not to use the names "J. I. Case", "Case", "IH", "Case IH", "Case Corporation", "Case, LLC" or any other trademark or trade name of Company or of any of its affiliated companies in connection with Dealer's business except when selling items containing such marks or names and furnished to Dealer by Company, or as otherwise specifically approved in writing by Company.

Product Discontinuance

19. Company may discontinue the manufacture of any and all Products, with or without replacement of the discontinued Products, and may make changes and improvements at any time in the specifications, construction, color and design of Products, without incurring any obligation to Dealer or customers of Dealer. Any Products, so changed or improved will be accepted by Dealer in fulfillment of existing orders.

Sales to Others

20. The Company retains the right to select, in addition to authorized Dealers, end users to whom it will directly sell, rent, lease, service and warrant Products, without restrictions and wherever located, including but not limited to such parties as the following:

(a) Any government or any agency, institution or subdivision thereof.

(b) Educational and charitable institutions.

(c) Accounts classified by the Company as national accounts.

Dealer Relationship to Company

21. Dealer and the Company are independent businesses and neither has any fiduciary obligation to the other. Nothing in this Agreement shall be construed as constituting Dealer an employee, agent or legal representative of Company for any purpose whatever. Dealer has no right or authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of Company, or to bind Company in any manner whatever, except to the extent provided for by this Agreement relating to warranties.

Assignment

22. Dealer may not sell, assign, delegate, convey or otherwise transfer in any way whatever this Agreement or Dealer's rights or obligations under this Agreement to any person or other entity without the prior written consent of the Company.

Entire Agreement

23. This Agreement is and shall be deemed to be the complete and final expression of the agreement between the parties hereto as to the matters herein contained and provided for and supersedes all previous agreements between the parties pertaining to such matters. IT IS CLEARLY UNDERSTOOD THAT NO PROMISE OR REPRESENTATION NOT CONTAINED HEREIN WAS AN INDUCEMENT TO EITHER PARTY OR WAS RELIED ON BY EITHER PARTY IN ENTERING INTO THIS AGREEMENT.

Except as expressly provided for herein, this Agreement may not be amended or altered, or any of its provisions waived on behalf of Company, except in writing, signed by one of Company's duly authorized agents.

In the event any part of this Agreement is held to be invalid or unenforceable under the laws of any place where this Agreement is to be performed or is sought to be enforced, this Agreement shall be enforceable to the maximum extent permitted by such law, without invalidating the remainder of this Agreement, or invalidating the effect of such portion of this Agreement elsewhere.

Entire Agreement Continued

This Agreement shall be governed by and construed in accordance with the laws where the Dealer's principal place of business is located.

AGRICULTURAL EQUIPMENT
SALES & SERVICE AGREEMENT

This Agreement shall become effective as of December 31, 2002

Dealer

Titan Machinery Inc.
Firm Name

By

Title (authorized owner, officer, partner)

Date

Signature of Other Partner(s) or Owner(s)

Business Structure

(Check One)

- ☒ Corporation
- ☐ Partnership
- ☐ Individual Proprietorship
- ☐ Limited Liability Company
- ☐ Other:

Company

CASE, LLC

By

Title

Date

ATTACHMENT TO AGRICULTURAL EQUIPMENT
SALES & SERVICE AGREEMENT

Facilities

The Dealer agrees to maintain facilities only at the following authorized location(s):

Casselton, North Dakota
Fargo, North Dakota
Jamestown, North Dakota
Kulm, North Dakota
La Moure, North Dakota
Lidgerwood, North Dakota
Lisbon, North Dakota
Wahpeton, North Dakota
Watertown, South Dakota
Wishek, North Dakota

Sales and Service Area

The assigned Sales and Service Area is:

Lisbon Complex, North & South Dakota
Casselton, North Dakota
35% Cass County, North Dakota

Fargo, North Dakota
25% Becker County, Minnesota
75% Clay County, Minnesota
30% Cass County, North Dakota

Jamestown, North Dakota
25% Barnes County, North Dakota
25% Griggs County, North Dakota
50% Kidder County, North Dakota
100% Stutsman County, North Dakota

Kulm, North Dakota
25% Dickey County, North Dakota
25% La Moure County, North Dakota
25% McIntosh, North Dakota

Dealer Titan Machinery Inc., Lisbon, North Dakota Dated December 31, 2002
(Firm Name, City, State)

La Moure, North Dakota
75% Dickey County, North Dakota
75% La Moure County, North Dakota
25% Sargent County, North Dakota

Lidgerwood, North Dakota
25% Marshall County, South Dakota
25% Richland County, North Dakota
25% Roberts County, South Dakota
50% Sargent County, North Dakota

Lisbon, North Dakota
100% Ransom County, North Dakota
25% Richland County, North Dakota
25% Sargent County, North Dakota

Wahpeton, North Dakota
50% Richland County, North Dakota
50% Wilkin County, Minnesota

Watertown, South Dakota
50% Clark County, South Dakota
100% Codington County, South Dakota
25% Day County, South Dakota
25% Deuel County, South Dakota
75% Hamlin County, South Dakota

Wishek, North Dakota
50% Emmons County, North Dakota
100% Logan County, North Dakota
75% McIntosh County, North Dakota

Dealer Titan Machinery Inc., Lisbon, North Dakota Dated December 31, 2002
(Firm Name, City, State)

Products

The Products to which this Agreement applies are:
(Check All That Apply)

☒ Agricultural Equipment

- ☒ Compact Tractors (Only at Casselton & Fargo, North Dakota)
- ☒ Under 60 HP Tractors
- ☒ 4WD Tractors
- ☒ Combines
- ☒ Skid Steers
- ☐ Cotton Harvesting
- ☒ Hay and Forage
- ☒ Yield Till
- ☐ DMI Chemical Fertilizer Application
- ☐ Other:

Dealer Titan Machinery Inc., Lisbon, North Dakota Dated December 31, 2002
(Firm Name, City, State)

Revision No. 1 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date: December 31, 2002 **Revision Effective Date:**

Products The products to which this Agreement applies are (check all that apply):

☒ **AG**
- ☒ Compact Tractor
- ☒ Under 60 HP Tractor
- ☒ 4WD Tractor
- ☒ Combines
- ☐ Cotton Harvesting
- ☒ Hay and Forage
- ☒ Skid Steer
- ☒ Yield Till
- ☐ DMI Chemical Fertilizer Application
- ☐ SP Forage Harvester

☐ **AG LO HP**
- ☐ Compact Tractor
- ☐ Under 60 HP Tractor
- ☐ Hay and Forage
- ☐ Skid Steer

☐ **PARTS & SERVICE ONLY**
- ☐ AG
- ☐ Under 60 HP Tractor
- ☐ 4WD Tractor
- ☐ Combines
- ☐ Cotton Harvesting
- ☐ Hay and Forage

Location(s) (City and State/Province)
Casselton, North Dakota
Fargo, North Dakota
Jamestown, North Dakota
Kulm, North Dakota (No Compacts)
La Moure, North Dakota
Lidgerwood, North Dakota (No Compacts)
Lisbon, North Dakota
Wahpeton, North Dakota (No Compacts)
Watertown, South Dakota (No Compacts)
Wishek, North Dakota (No Compacts)

COMPANY

By: _____

Dated: _____

Titan Machinery Inc.
(Dealership Name)
Lisbon, North Dakota
(Dealer Location)

By: _____

Dated: _____

Revision No. 2 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date: December 31, 2002 **Revision Effective Date:**

Facilities The Dealer agrees to maintain facilities only at the following authorized location(s):

Casselton, North Dakota Fargo,
North Dakota
Graceville, Minnesota
Jamestown, North Dakota
Kulm, North Dakota
La Moure, North Dakota
Lidgerwood, North Dakota
Lisbon, North Dakota
Marshall, Minnesota
Pipestone, Minnesota
Wahpeton, North Dakota
Watertown, South Dakota
Wishek, North Dakota

Sales and Service Area The assigned Sales and Service Area is:

Casselton, North Dakota
35% Cass County, ND

Fargo, North Dakota
25% Becker County, MN
75% Clay County, MN
30% Cass County, ND

Graceville, Minnesota
100% Big Stone County, MN
25% Stevens County, MN
25% Swift County, MN
75% Traverse County, MN
25% Roberts County, SD

Titan Machinery Inc.
(Dealership Name)
Lisbon, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement
Effective Date: December 31, 2002

Revision
Effective Date:

Jamestown, North Dakota
25% Barnes County, ND
25% Griggs County, ND
50% Kidder County, ND
100% Stutsman County, ND

Kulm, North Dakota
25% Dickey County, ND
25% La Moure County, ND
25% McIntosh County, ND

La Moure, North Dakota
75% Dickey County, ND
75% LaMoure County, ND
25% Sargent County, ND

Lidgerwood, North Dakota
25% Marshall County, ND
25% Richland County, ND
50% Sargent County, ND
25% Roberts County, SD

Lisbon, North Dakota
100% Ransom County, ND
25% Richland County, ND
25% Sargent County, ND

Marshall, Minnesota
50% Lincoln County, MN
100% Lyon County, MN
25% Redwood County, MN
25% Yellow Medicine County, MN

Titan Machinery Inc.
(Dealership Name)
Lisbon, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement
Effective Date: December 31, 2002

Revision
Effective Date:

Pipestone, Minnesota
50% Lincoln County, MN
25% Murray County, MN
100% Pipestone County, MN
25% Moody County, SD

Wahpeton, North Dakota
50% Richland County, ND
50% Wilkin County, MN

Watertown, South Dakota
50% Clark County, SD
100% Codington County, SD
25% Day County, SD
25% Deuel County, SD
75% Hamlin County SD

Wishek, North Dakota
50% Emmons County, ND
100% Logan County, ND
75% McIntosh County, ND

	Titan Machinery Inc.
	(Dealership Name)
	Lisbon, North Dakota
COMPANY	(Dealer Location)
By: _____	By: _____
Dated: _____	Dated: _____

Revision No. 3 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement
Effective Date: December 31, 2002

Revision
Effective Date:

Products The products to which this Agreement applies are (check all that apply):

		Location(s) (City and State/Province)
☒	**AG**	
☐	Compact Tractor	Casselton, North Dakota
☒	Under 60 HP Tractor	
☒	4WD Tractor	Fargo, North Dakota
☒	Combines	
☐	Cotton Harvesting	Graceville, Minnesota
☒	Hay and Forage	
☒	Skid Steer	Jamestown, North Dakota
☒	Yield Till	
☐	DMI Chemical Fertilizer Application	Kulm, North Dakota
☐	SP Forage Harvester	La Moure, North Dakota
☐	**AG LO HP**	Lidgerwood, North Dakota
☐	Compact Tractor	
☐	Under 60 HP Tractor	Lisbon, North Dakota
☐	Hay and Forage	
☐	Skid Steer	Marshall, Minnesota
☐	**PARTS & SERVICE ONLY**	Pipestone, Minnesota
☐	AG	
☐	Under 60 HP Tractor	Wahpeton, North Dakota
☐	4WD Tractor	
☐	Combines	Watertown, South Dakota
☐	Cotton Harvesting	
☐	Hay and Forage	Wishek, North Dakota

	Titan Machinery Inc.
	(Dealership Name)
	Lisbon, North Dakota
COMPANY	(Dealer Location)
By: _____	By: _____
Dated: _____	Dated: _____

Revision No. 4 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

Facilities

The Dealer agrees to maintain facilities only at the following authorized location(s):

Casselton, North Dakota
Fargo, North Dakota
Graceville, Minnesota
Jamestown, North Dakota
Kulm, North Dakota
La Moure, North Dakota
Lidgerwood, North Dakota
Lisbon, North Dakota
Marshall, Minnesota
Pipestone, Minnesota
Wahpeton, North Dakota
Watertown, South Dakota
Wishek, North Dakota

Sales and Service Area

The assigned Sales and Service Area is:

Casselton, North Dakota
35% Cass County, ND

Fargo, North Dakota
25% Becker County, MN
75% Clay County, MN
30% Cass County, ND

Graceville, Minnesota
100% Big Stone County, MN
25% Stevens County, MN
25% Swift County, MN
75% Traverse County, MN
25% Roberts County, SD

	Titan Machinery Inc.
	(Dealership Name)
	Lisbon, North Dakota
COMPANY	(Dealer Location)
By: _____	By: _____
Dated: _____	Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

Jamestown, North Dakota
25% Barnes County, ND
25% Griggs County, ND
50% Kidder County, ND
100% Stutsman County, ND

Kulm, North Dakota
25% Dickey County, ND
25% La Moure County, ND
25% McIntosh County, ND

La Moure, North Dakota
75% Dickey County, ND
75% LaMoure County, ND
25% Sargent County, ND

Lidgerwood, North Dakota
25% Marshal County, ND
25% Richland County, ND
50% Sargent County, ND
25% Roberts County, SD

Lisbon, North Dakota
100% Ransom County, ND
25% Richland County, ND
25% Sargent County, ND

Marshall, Minnesota
25% Lac Qui Parle County, MN
50% Lincoln County, MN
100% Lyon County, MN
25% Redwood County, MN
75% Yellow Medicine County, MN

	Titan Machinery Inc.
	(Dealership Name)
	Lisbon, North Dakota
COMPANY	(Dealer Location)
By: _____	By: _____
Dated: _____	Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

Pipestone, Minnesota
50% Lincoln County, MN
25% Murray County, MN
100% Pipestone County, MN
25% Moody County, SD

Wahpeton, North Dakota
50% Richland County, ND
50% Wilkin County, MN

Watertown, South Dakota
50% Clark County, SD
100% Codington County, SD
25% Day County, SD
25% Deuel County, SD
75% Hamlin County SD

Wishek, North Dakota
50% Emmons County, ND
100% Logan County, ND
75% McIntosh County, ND

	Titan Machinery Inc.
	(Dealership Name)
	Lisbon, North Dakota
COMPANY	(Dealer Location)
By: _____	By: _____
Dated: _____	Dated: _____

Revision No. 5 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

Facilities

The Dealer agrees to maintain facilities only at the following authorized location(s):
Casselton, North Dakota
Fargo, North Dakota
Graceville, Minnesota
Jamestown, North Dakota
Kulm, North Dakota
La Moure, North Dakota
Lidgerwood, North Dakota
Lisbon, North Dakota
Marshall, Minnesota
Pipestone, Minnesota
Wahpeton, North Dakota
Watertown, South Dakota
Waverly, Iowa
Wishek, North Dakota

Sales and Service Area

The assigned Sales and Service Area is:

	AG	SL	UN
Casselton, North Dakota			
35% Cass County, ND	35%	0%	35%
Fargo, North Dakota			
25% Becker County, MN	25%	0%	25%
75% Clay County, MN	75%	0%	75%
30% Cass County, ND	30%	0%	30%
Graceville, Minnesota			
100% Big Stone County, MN	100%	50%	100%
25% Stevens County, MN	25%	50%	25%
25% Swift County, MN	25%	50%	25%
75% Traverse County, MN	75%	0%	75%
25% Roberts County, SD	25%	50%	25%

COMPANY

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

	AG	SL	UN
Jamestown, North Dakota			
25% Barnes County, ND	25%	0%	25%
25% Griggs County, ND	25%	0%	25%
50% Kidder County, ND	50%	0%	50%
100% Stutsman County, ND	100%	0%	100%
Kulm, North Dakota			
25% Dickey County, ND	25%	0%	25%
25% La Moure County, ND	25%	0%	25%
25% McIntosh County, ND	25%	0%	25%
La Moure, North Dakota			
75% Dickey County, ND	75%	0%	75%
75% LaMoure County, ND	75%	0%	75%
25% Sargent County, ND	25%	0%	25%
Lidgerwood, North Dakota			
25% Richland County, ND	25%	0%	25%
50% Sargent County, ND	50%	0%	50%
25% Marshall County, ND	25%	0%	25%
25% Roberts County, SD	25%	0%	25%

Lisbon, North Dakota			
100% Ransom County, ND	100%	0%	100%
25% Richland County, ND	25%	0%	25%
25% Sargent County, ND	25%	0%	25%
Marshall, Minnesota			
25% Lac Qui Parle County, MN	25%	0%	25%
50% Lincoln County, MN	50%	50%	50%
100% Lyon County, MN	100%	50%	100%
25% Redwood County, MN	25%	0%	25%
75% Yellow Medicine County, MN	75%	50%	75%

	Titan Machinery Inc.
	(Dealership Name)
	Fargo, North Dakota
COMPANY	(Dealer Location)
By: _____	By: _____
Dated: _____	Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

	AG	SL	UN
Pipestone, Minnesota			
50% Lincoln County, MN	50%	0%	50%
25% Murray County, MN	25%	0%	25%
100% Pipestone County, MN	100%	0%	100%
25% Moody County, SD	25%	0%	25%
Wahpeton, North Dakota			
50% Richland County, ND	50%	0%	50%
50% Wilkin County, MN	50%	0%	50%
Watertown, South Dakota			
50% Clark County, SD	50%	50%	50%
100% Codington County, SD	100%	50%	100%
25% Day County, SD	25%	50%	25%
25% Deuel County, SD	25%	50%	25%
75% Hamlin County SD	75%	50%	75%
Waverly, Iowa			
25% Blackhawk County, Iowa	25%	50%	25%
100% Bremer County, Iowa	100%	100%	100%
25% Butler County, Iowa	25%	0%	25%
Wishek, North Dakota			
50% Emmons County, ND	50%	0%	50%
100% Logan County, ND	100%	0%	100%
75% McIntosh County, ND	75%	0%	75%

	Titan Machinery Inc.
	(Dealership Name)
	Fargo, North Dakota
COMPANY	(Dealer Location)
By: _____	By: _____
Dated: _____	Dated: _____

Revision No. 6 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

Products The products to which this Agreement applies are (check all that apply):

			Location(s) (City and State/Province)
☒	**AG**		
☒		Compact Tractor (CA)	Casselton, North Dakota (w/CA)
☒		Under 60 HP Tractor (LT)	Fargo, North Dakota (w/CA)
☒		4WD Tractor (FW)	Graceville, Minnesota
☒		Combines (GH)	Jamestown, North Dakota (w/CA)
☐		Cotton Harvesting	Kulm, North Dakota
☒		Hay and Forage (HF)	La Moure, North Dakota (w/CA)
☒		Skid Steer (UN)	Lidgerwood, North Dakota
☒		SL Skid Steer Loaders (SL)	Lisbon, North Dakota (w/CA)
☒		Yield Till (DT)	Marshall, Minnesota
☐		DMI Chemical Fertilizer Application	Pipestone, Minnesota
☐		SP Forage Harvester	Wahpeton, North Dakota
			Watertown, South Dakota
☐	**AG LO HP**		Waverly, Iowa (w/CA)
☐		Compact Tractor	Wishek, North Dakota
☐		Under 60 HP Tractor	
☐		Hay and Forage	
☐		Skid Steer	
☐		SL Skid Steer Loaders	
☐	**PARTS & SERVICE ONLY**		
☐		AG	
☐		Under 60 HP Tractor	
☐		4WD Tractor	
☐		Combines	
☐		Cotton Harvesting	
☐		Hay and Forage	

		Titan Machinery Inc. (Dealership Name)
	COMPANY	Fargo, North Dakota (Dealer Location)
By:	_____	By: _____
Dated:	_____	Dated: _____

Revision No. 7 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date:	December 31, 2002	**Revision Effective Date:**	

Products The products to which this Agreement applies are (check all that apply):

			Location(s) (City and State/Province)
☒	**AG**		
☒		Compact Tractor (CA)	
☒		Under 60 HP Tractor (LT)	Anthon, Iowa (w/SL)
☒		4WD Tractor (FW)	Casselton, North Dakota (w/CA)
☒		Combines (GH)	Cherokee, Iowa (w/CA & SL)
☐		Cotton Harvesting	Fargo, North Dakota (w/CA)
☒		Hay and Forage (HF)	Graceville, Minnesota (w/SL)
☒		Skid Steer (UN)	Jamestown, North Dakota (w/CA)
☒		SL Skid Steer Loaders (SL)	Kingsley, Iowa (w/CA)
☒		Yield Till	Kulm, North Dakota
☐		DMI Chemical Fertilizer Application	La Moure, North Dakota (w/CA)

☐	SP Forage Harvester	Le Mars, Iowa (w/CA & SL) Lidgerwood, North Dakota
☐ **AG LO HP**		Lisbon, North Dakota (w/CA)
Marshall, Minnesota		Marshall, Minnesota (w/SL)
Pipestone, Minnesota		Pipestone, Minnesota (w/SL)
☐	Hay and Forage	Wahpeton, North Dakota
☐	Skid Steer	Watertown, South Dakota (w/SL)
☐	SL Skid Steer Loaders	Waverly, Iowa (w/SL) Wishek, North Dakota
☐ **PARTS & SERVICE ONLY**		
☐	AG	
☐	Under 60 HP Tractor	
☐	4WD Tractor	
☐	Combines	
☐	Cotton Harvesting	
☐	Hay and Forage	

COMPANY	Titan Machinery Inc. (Dealership Name) Fargo, North Dakota (Dealer Location)
By: _____	By: _____
Dated: _____	Dated: _____

Revision No. 8 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date:	December 31, 2002	**Revision Effective Date:**

Facilities The Dealer agrees to maintain facilities only at the following authorized location(s):

Anthon, Iowa	Casselton, North Dakota
Cherokee, Iowa	Fargo, North Dakota
Graceville, Minnesota	Jamestown, North Dakota
Kingsley, Iowa	Kulm, North Dakota
La Moure, North Dakota	Le Mars, Iowa
Lidgerwood, North Dakota	Lisbon, North Dakota
Marshall, Minnesota	Pipestone, Minnesota
Wahpeton, North Dakota	Watertown, South Dakota
Waverly, Iowa	Wishek, North Dakota

Sales and Service Area The assigned Sales and Service Area is:

	AG	SL	UN
Anthon, Iowa			
Woodbury County, IA	50%	50%	50%
Casselton, North Dakota			
Cass County, ND	35%	0%	35%
Cherokee, Iowa			
Cherokee County, IA	50%	50%	50%
O'Brien County, IA	25%	0%	25%

COMPANY	Titan Machinery Inc. (Dealership Name) Fargo, North Dakota (Dealer Location)
By: _____	By: _____
Dated: _____	Dated: _____

Original Agreement Effective Date:	December 31, 2002	**Revision Effective Date:**

	AG	SL	UN
Fargo, North Dakota			
Becker County, MN	25%	0%	25%
Clay County, MN	75%	0%	75%
Cass County, ND	30%	0%	30%
Graceville, Minnesota			
Big Stone County, MN	100%	50%	100%
Stevens County, MN	25%	50%	25%
Swift County, MN	25%	50%	25%
Traverse County, MN	75%	0%	75%
Roberts County, SD	25%	50%	25%
Jamestown, North Dakota			
Barnes County, ND	25%	0%	25%
Griggs County, ND	25%	0%	25%
Kidder County, ND	50%	0%	50%
Stutsman County, ND	100%	0%	100%
Kingsley, Iowa			
Cherokee County, IA	50%	0%	50%
Plymouth County, IA	50%	0%	50%
Kulm, North Dakota			
Dickey County, ND	25%	0%	25%
La Moure County, ND	25%	0%	25%
McIntosh County, ND	25%	0%	25%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

La Moure, North Dakota			
Dickey County, ND	75%	0%	75%
LaMoure County, ND	75%	0%	75%
Sargent County, ND	25%	0%	25%
Le Mars, Iowa			
Plymouth County, IA	50%	50%	50%
Lidgerwood, North Dakota			
Richland County, ND	25%	0%	25%
Sargent County, ND	50%	0%	50%
Marshall County, SD	25%	0%	25%
Roberts County, SD	25%	0%	25%
Lisbon, North Dakota			
Ransom County, ND	100%	0%	100%
Richland County, ND	25%	0%	25%
Sargent County, ND	25%	0%	25%
Marshall, Minnesota			
Lac Qui Parle County, MN	25%	0%	25%
Lincoln County, MN	50%	50%	50%
Lyon County, MN	100%	50%	100%
Redwood County, MN	25%	0%	25%
Yellow Medicine County, MN	75%	50%	75%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

	AG	SL	UN
Pipestone, Minnesota			
Lincoln County, MN	50%	0%	50%
Murray County, MN	25%	0%	25%
Pipestone County, MN	100%	50%	100%
Moody County, SD	25%	0%	25%
Wahpeton, North Dakota			
Richland County, ND	50%	0%	50%
Wilkin County, MN	50%	0%	50%
Watertown, South Dakota			
Clark County, SD	50%	50%	50%
Codington County, SD	100%	50%	100%
Day County, SD	25%	50%	25%
Deuel County, SD	25%	50%	25%
Hamlin County SD	75%	50%	75%
Waverly, Iowa			
Blackhawk County, Iowa	25%	50%	25%
Bremer County, Iowa	100%	100%	100%
Butler County, Iowa	25%	0%	25%
Wishek, North Dakota			
Emmons County, ND	50%	0%	50%
Logan County, ND	100%	0%	100%
McIntosh County, ND	75%	0%	75%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Revision No. 9 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date: December 31, 2002

Revision Effective Date: May 31, 2006

Products The products to which this Agreement applies are (check all that apply):

☒ **AG**
- ☒ Compact Tractor (CA)
- ☒ Under 60 HP Tractor (LT)
- ☒ 4WD Tractor (FW)
- ☒ Combines (GH)
- ☐ Cotton Harvesting
- ☒ Hay and Forage (HF)
- ☒ Skid Steer (UN)
- ☒ SL Skid Steer Loaders (SL)
- ☒ Yield Till (DT)
- ☐ DMI Chemical Fertilizer Application
- ☐ Air Seeders (AS)

☐ **AG LO HP**
- ☐ Compact Tractor
- ☐ Under 60 HP Tractor
- ☐ Hay and Forage
- ☐ Skid Steer
- ☐ SL Skid Steer Loaders

☐ **PARTS & SERVICE ONLY**
- ☐ AG
- ☐ Under 60 HP Tractor
- ☐ 4WD Tractor
- ☐ Combines
- ☐ Cotton Harvesting
- ☐ Hay and Forage

Location(s) (City and State/Province)

Anthon, Iowa (w/SL)
Casselton, North Dakota (w/CA & AS)
Cherokee, Iowa (w/CA & SL)
Fargo, North Dakota (w/CA & AS)
Graceville, Minnesota (w/SL)
Jamestown, North Dakota (w/CA & AS)
Kingsley, Iowa (w/CA)
Kulm, North Dakota (w/AS)
La Moure, North Dakota (w/CA & AS)
Le Mars, Iowa (w/CA & SL)
Lidgerwood, North Dakota (w/AS)
Lisbon, North Dakota (w/CA & AS)
Marshall, Minnesota (w/SL)
Pipestone, Minnesota (w/SL)
Wahpeton, North Dakota
Watertown, South Dakota (w/SL & AS)
Waverly, Iowa (w/SL)
Wishek, North Dakota (w/AS)

COMPANY	Titan Machinery Inc. (Dealership Name) Fargo, North Dakota (Dealer Location)
By:	By:
Dated:	Dated:

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

Products The products to which this Agreement applies are (check all that apply):

		Location(s) (City and State/Province)
☒	**AG**	
☒	Compact Tractor (CA)	Anthon, Iowa (w/SL)
☒	Under 60 HP Tractor (LT)	Casselton, North Dakota (w/CA)
☒	4WD Tractor (FW)	Cherokee, Iowa (w/CA & SL)
☒	Combines (GH)	Dike, Iowa
☐	Cotton Harvesting	Fargo, North Dakota (w/CA)
☒	Hay and Forage (HF)	Graceville, Minnesota (w/SL)
☒	Skid Steer (UN)	Jamestown, North Dakota (w/CA)
☒	SL Skid Steer Loaders (SL)	Kingsley, Iowa (w/CA)
☒	Yield Till (DT)	Kulm, North Dakota
☐	DMI Chemical Fertilizer Application	La Moure, North Dakota (w/CA)
☐	SP Forage Harvester	Le Mars, Iowa (w/CA & SL)
☐	**AG LO HP**	Lidgerwood, North Dakota
	Marshall, Minnesota	Lisbon, North Dakota (w/CA)
	Pipestone, Minnesota	Marshall, Minnesota (w/SL)
☐	Hay and Forage	Pipestone, Minnesota (w/SL)
☐	Skid Steer	Wahpeton, North Dakota
☐	SL Skid Steer Loaders	Watertown, South Dakota (w/SL)
		Waverly, Iowa (w/SL)
☐	**PARTS & SERVICE ONLY**	Wishek, North Dakota
☐	AG	
☐	Under 60 HP Tractor	
☐	4WD Tractor	
☐	Combines	
☐	Cotton Harvesting	
☐	Hay and Forage	

COMPANY	Titan Machinery Inc. (Dealership Name) Fargo, North Dakota (Dealer Location)
By:	By:
Dated:	Dated:

Revision No. 10 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

Facilities The Dealer agrees to maintain facilities only at the following authorized location(s):

Anthon, Iowa	Casselton, North Dakota
Cherokee, Iowa	Dike, Iowa
Fargo, North Dakota	
Graceville, Minnesota	Jamestown, North Dakota
Kingsley, Iowa	Kulm, North Dakota
La Moure, North Dakota	Le Mars, Iowa
Lidgerwood, North Dakota	Lisbon, North Dakota
Marshall, Minnesota	Pipestone, Minnesota
Wahpeton, North Dakota	Watertown, South Dakota
Waverly, Iowa	Wishek, North Dakota

Sales and Service Area The assigned Sales and Service Area is:

AG	SL	UN

Anthon, Iowa			
Woodbury County, IA	50%	50%	50%
Casselton, North Dakota			
Cass County, ND	35%	0%	35%
Cherokee, Iowa			
Cherokee County, IA	50%	50%	50%
O'Brien County, IA	25%	0%	25%
Dike, Iowa			
Blackhawk County, IA	50%	0%	50%
Butler County, IA	25%	0%	25%
Grundy County, IA	75%	0%	75%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

	AG	SL	UN
Fargo, North Dakota			
Becker County, MN	25%	0%	25%
Clay County, MN	75%	0%	75%
Cass County, ND	30%	0%	30%
Graceville, Minnesota			
Big Stone County, MN	100%	50%	100%
Stevens County, MN	25%	50%	25%
Swift County, MN	25%	50%	25%
Traverse County, MN	75%	0%	75%
Roberts County, SD	25%	50%	25%
Jamestown, North Dakota			
Barnes County, ND	25%	0%	25%
Griggs County, ND	25%	0%	25%
Kidder County, ND	50%	0%	50%
Stutsman County, ND	100%	0%	100%
Kingsley, Iowa			
Cherokee County, IA	50%	0%	50%
Plymouth County, IA	50%	0%	50%
Kulm, North Dakota			
Dickey County, ND	25%	0%	25%
La Moure County, ND	25%	0%	25%
McIntosh County, ND	25%	0%	25%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

La Moure, North Dakota			
Dickey County, ND	75%	0%	75%
LaMoure County, ND	75%	0%	75%
Sargent County, ND	25%	0%	25%

Le Mars, Iowa			
Plymouth County, IA	50%	50%	50%
Lidgerwood, North Dakota			
Richland County, ND	25%	0%	25%
Sargent County, ND	50%	0%	50%
Marshall County, SD	25%	0%	25%
Roberts County, SD	25%	0%	25%
Lisbon, North Dakota			
Ransom County, ND	100%	0%	100%
Richland County, ND	25%	0%	25%
Sargent County, ND	25%	0%	25%
Marshall, Minnesota			
Lac Qui Parle County, MN	25%	0%	25%
Lincoln County, MN	50%	50%	50%
Lyon County, MN	100%	50%	100%
Redwood County, MN	25%	0%	25%
Yellow Medicine County, MN	75%	50%	75%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

	AG	SL	UN
Pipestone, Minnesota			
Lincoln County, MN	50%	0%	50%
Murray County, MN	25%	0%	25%
Pipestone County, MN	100%	50%	100%
Moody County, SD	25%	0%	25%
Wahpeton, North Dakota			
Richland County, ND	50%	0%	50%
Wilkin County, MN	50%	0%	50%
Watertown, South Dakota			
Clark County, SD	50%	50%	50%
Codington County, SD	100%	50%	100%
Day County, SD	25%	50%	25%
Deuel County, SD	25%	50%	25%
Hamlin County SD	75%	50%	75%
Waverly, Iowa			
Blackhawk County, Iowa	25%	50%	25%
Bremer County, Iowa	100%	100%	100%
Butler County, Iowa	25%	0%	25%
Wishek, North Dakota			
Emmons County, ND	50%	0%	50%
Logan County, ND	100%	0%	100%
McIntosh County, ND	75%	0%	75%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

Facilities The Dealer agrees to maintain facilities only at the following authorized location(s):

Anthon, Iowa	Casselton, North Dakota
Cherokee, Iowa	Dike, Iowa
Fargo, North Dakota	
Graceville, Minnesota	Jamestown, North Dakota
Kingsley, Iowa	Kulm, North Dakota
La Moure, North Dakota	Le Mars, Iowa
Lidgerwood, North Dakota	Lisbon, North Dakota
Marshall, Minnesota	Pipestone, Minnesota
Wahpeton, North Dakota	Watertown, South Dakota
Waverly, Iowa	Wishek, North Dakota
Aberdeen, South Dakota	Huron, South Dakota
Redfield, South Dakota	Glyndon, Minnesota

Sales and Service Area The assigned Sales and Service Area is:

	AG	SL	UN
Anthon, Iowa			
Woodbury County, IA	50%	50%	50%
Casselton, North Dakota			
Cass County, ND	35%	0%	35%
Cherokee, Iowa			
Cherokee County, IA	50%	50%	50%
O'Brien County, IA	25%	0%	25%
Dike, Iowa			
Blackhawk County, IA	50%	0%	50%
Butler County, IA	25%	0%	25%
Grundy County, IA	75%	0%	75%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002 **Revision Effective Date:**

	AG	SL	UN
Glyndon, Minnesota			
Becker County, MN	25%	0%	25%
Clay County, MN	75%	0%	75%
Cass County, ND	30%	0%	30%
Graceville, Minnesota			
Big Stone County, MN	100%	50%	100%
Stevens County, MN	25%	50%	25%
Swift County, MN	25%	50%	25%
Traverse County, MN	75%	0%	75%
Roberts County, SD	25%	50%	25%
Redfield, South Dakota			
Clark County, SD	25%	0%	25%
Faulk County, SD	50%	0%.	50%
Hand County, SD	50%	0%	50%
Spink County, SD	75%	50%	75%
Jamestown, North Dakota			
Barnes County, ND	25%	0%	25%
Griggs County, ND	25%	0%	25%
Kidder County, ND	50%	0%	50%
Stutsman County, ND	100%	0%	100%
Fargo, North Dakota	0%	0%	0%
Kingsley, Iowa			
Cherokee County, IA	50%	0%	50%
Plymouth County, IA	50%	0%	50%
Kulm, North Dakota			
Dickey County, ND	25%	0%	25%
La Moure County, ND	25%	0%	25%

McIntosh County, ND	25%	0%	25%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

La Moure, North Dakota			
Dickey County, ND	75%	0%	75%
LaMoure County, ND	75%	0%	75%
Sargent County, ND	25%	0%	25%
Le Mars, Iowa			
Plymouth County, IA	50%	50%	50%
Lidgerwood, North Dakota			
Richland County, ND	25%	0%	25%
Sargent County, ND	50%	0%	50%
Marshall County, SD	25%	0%	25%
Roberts County, SD	25%	0%	25%
Lisbon, North Dakota			
Ransom County, ND	100%	0%	100%
Richland County, ND	25%	0%	25%
Sargent County, ND	25%	0%	25%
Marshall, Minnesota			
Lac Qui Parle County, MN	25%	0%	25%
Lincoln County, MN	50%	50%	50%
Lyon County, MN	100%	50%	100%
Redwood County, MN	25%	0%	25%
Yellow Medicine County, MN	75%	50%	75%
Huron, South Dakota			
Beadle County, SD	100%	50%	100%
Clark County, SD	25%	0%	25%
Jerauld County, SD	50%	100%	50%
Sanborn County, SD	50%	0%	50%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

	AG	SL	UN
Pipestone, Minnesota			
Lincoln County, MN	50%	0%	50%
Murray County, MN	25%	0%	25%
Pipestone County, MN	100%	50%	100%
Moody County, SD	25%	0%	25%
Wahpeton, North Dakota			
Richland County, ND	50%	0%	50%
Wilkin County, MN	50%	0%	50%
Watertown, South Dakota			
Clark County, SD	50%	50%	50%
Codington County, SD	100%	50%	100%
Day County, SD	25%	50%	25%

Deuel County, SD	25%	50%	25%
Hamlin County SD	75%	50%	75%
Waverly, Iowa			
Blackhawk County, Iowa	25%	50%	25%
Bremer County, Iowa	100%	100%	100%
Butler County, Iowa	25%	0%	25%
Wishek, North Dakota			
Emmons County, ND	50%	0%	50%
Logan County, ND	100%	0%	100%
McIntosh County, ND	75%	0%	75%
Aberdeen, South Dakota			
Brown County, SD	75%	50%	75%
Day County, SD	25%	0%	25%
Edmunds County, SD	50%	0%	50%
Faulk County, SD	25%	0%	25%
McPherson County, SD	50%	0%	50%

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

Revision No. 11 to the

AGRICULTURAL EQUIPMENT SALES & SERVICE AGREEMENT

Original Agreement Effective Date: December 31, 2002

Revision Effective Date:

Products The products to which this Agreement applies are (check all that apply):

☒ **AG**
- ☒ Compact Tractor (CA)
- ☒ Under 60 HP Tractor (LT)
- ☒ 4WD Tractor (FW)
- ☒ Combines (GH)
- ☐ Cotton Harvesting
- ☒ Hay and Forage (HF)
- ☐ Skid Steer (UN)
- ☒ SL Skid Steer Loaders (SL)
- ☒ Yield Till (DT)
- ☐ DMI Chemical Fertilizer Application
- ☒ Air Seeders (AS)

☐ **AG LO HP**
Marshall, Minnesota
Pipestone, Minnesota
- ☐ Hay and Forage
- ☐ Skid Steer
- ☐ SL Skid Steer Loaders

☐ **PARTS & SERVICE ONLY**
- ☐ AG
- ☐ Under 60 HP Tractor
- ☐ 4WD Tractor
- ☐ Combines
- ☐ Cotton Harvesting
- ☐ Hay and Forage

Location(s) (City and State/Province)

Aberdeen, South Dakota (w/SL)
Anthon, Iowa (w/SL)
Casselton, North Dakota (w/CA & AS)
Cherokee, Iowa (w/CA & SL)
Dike, Iowa

Fargo, North Dakota (No Product Offering)

Glyndon, Minnesota (w/CA & AS)
Graceville, Minnesota (w/SL)
Huron, South Dakota (w/SL)
Jamestown, North Dakota (w/CA & AS)
Kingsley, Iowa (w/CA)
Kulm, North Dakota (w/AS)
La Moure, North Dakota (w/CA & AS)
Le Mars, Iowa (w/CA & SL)
Lidgerwood, North Dakota (w/AS)
Lisbon, North Dakota (w/CA & AS)
Marshall, Minnesota (w/SL)
Pipestone, Minnesota (w/SL)
Redfield, South Dakota (w/SL)
Wahpeton, North Dakota
Watertown, South Dakota (w/SL & AS)
Waverly, Iowa (w/SL)
Wishek, North Dakota (w/AS)

Titan Machinery Inc.
(Dealership Name)
Fargo, North Dakota
(Dealer Location)

COMPANY

By: _____ By: _____

Dated: _____ Dated: _____

CONSTRUCTION EQUIPMENT
SALES & SERVICE
AGREEMENT

CASE, LLC, a Delaware company (hereinafter called "Company"), and the undersigned dealer (hereinafter called "Dealer") agree as follows:

Dealer Appointment

1. Company hereby appoints Dealer as an authorized Dealer for the marketing and servicing of the Company's Products within the Sales and Service Area specified in this Agreement. Dealer accepts this appointment and agrees that the relationship between Dealer and Company shall be governed by the terms and conditions of this Agreement.

Duration

2. This Agreement shall continue in effect until terminated by one or both of the parties as provided by this Agreement.

Products

3. The Products to which this Agreement applies are the complete machines (wholegoods) for the categories of equipment authorized by this Agreement, together with the attachments, accessories and service parts therefore, all of which are collectively referred to herein as "Products".

Facilities

4. Dealer agrees to provide and maintain at the location or locations specified in this Agreement, facilities acceptable in appearance to the Company and with adequate size and space in relation to the Dealer's sales and service potential to properly sell, service, display and store Products. Dealer agrees not to change any location of Dealer's facilities nor establish any other additional locations without Company's prior written consent.

Sales & Service Area

5. The Sales and Service Area assigned to the Dealer by this Agreement is non-exclusive, and the Company shall have the right to enlarge or reduce it upon at least thirty (30) days prior written notice. Dealer's sales and service performance shall be measured only within this Sales and Service Area.

Sales & Service Responsibilities

6. Company and Dealer agree that it is essential that the Dealer use its best efforts to effectively sell and service the Products. In order to carry out these responsibilities, Dealer agrees at a minimum to:

(a) Promote and sell Products sufficient to achieve sales objectives and a share of market satisfactory to the Company within the Dealer's Sales and Service Area;

(b) Display Company identification signs of the type and in a manner and in places approved by Company, including but not limited to signs on the Dealer's facilities and service vehicles;

(c) Maintain an inventory of those Products suitable for the geographic area where the Dealer's facilities are located and adequate in relation to the sales and service potential for such area;

(d) Employ and maintain an efficient and adequately trained staff of sales, service and other personnel, and to send them to Company's training conferences and schools;

(e) Invest and maintain sufficient working capital to achieve sales objectives and a share of market satisfactory to the Company within Dealer's Sales and Service Area;

(f) Meet Company's service certification standards including pre-delivery, delivery and after-delivery requirements for all Products;

(g) Render prompt, workmanlike, courteous and willing service, including warranty, with respect to all Products for which service is requested by owners, regardless of where or by whom such Products were sold;

(h) Sell Products only to other authorized Dealers or end users. An end user is any customer who purchases Products for use, lease or rent, but not for resale;

(i) Meet such other reasonable standards of performance as may be established from time to time by the Company.

Sales and Service Fee

7. The Company shall assess a Sales & Service Fee when Products are sold outside of the Dealer's Sales and Service Area. This fee shall not apply to parts, attachments and accessories sold separately.

The selling Dealer shall report any sale outside of its Sales and Service Area at the time the warranty registration documents for such sale are filed. Claims for payment of this Fee shall be made in writing to the Company by the non-delivering Dealer within one (1) year after the sale of the Products involved and shall be accompanied by evidence satisfactory to the Company that the non-delivering Dealer has provided the end user with warranty or non-preventive maintenance service.

This Fee shall be charged by the Company to the selling Dealer and credited to the non-delivering Dealer to reimburse that Dealer for a portion of its marketing and service expenses. In the event of a dispute, the Company shall be the sole judge and the Dealer agrees to abide by the Company's decision.

The amount of this Fee, the operative regulations, and the Products to which it applies are published in the current Schedule of Discounts and Terms, which can be modified from time to time by the Company.

Performance Reviews

8. In order to promote a satisfactory level of Dealer performance in meeting sales and service responsibilities and operating standards specified in this Agreement, Company shall conduct periodic reviews of Dealer's performance. Dealer agrees to make available upon the occasion of such reviews, all Dealer's records and employees which would contribute to the overall value of these reviews.

A written report including specific recommendations and objectives developed through mutual discussions during these reviews, shall be prepared by the Company and submitted to the Dealer for appropriate and timely implementation by the Dealer.

Computer Business System

9. Dealer shall install and maintain in good working order a computerized dealer business system which is in communication with the Case Communication Network ("CCN System") and shall:

(a) Maintain all of the necessary hardware and integrated accounting and inventory software which is compatible with the CCN System.

(b) Conform to any modifications made by the Company to the CCN System. The Company shall provide the Dealer at least forty-five (45) days prior notice of any such modification.

(c) Input in accordance with Company's instructions reasonable and pertinent specified data into the CCN System and furnish computer reports as may be requested by the Company from time to time.

(d) Pay all costs, including a regular monthly charge by Company for use of the CCN System, license fees, and taxes incurred in obtaining and maintaining this dealer business system.

(e) Keep confidential any information and data contained in the CCN System and not use such information and data for purposes unrelated to the Company's business.

(f) The Company shall not be responsible and shall not be liable for any defects, problems or resulting damages incurred by Dealer from the operation and use of this dealer business system.

Orders, Prices, Delivery and Transfers

10. Dealer's transmission of an order for Product through the CCN System will be a binding offer to purchase the Product ordered, which shall be accepted unless Company rejects the order. All orders for Products accepted by Company shall be subject to Company's applicable conditions of sale and prices as published and modified from time to time by the Company in its then current Price Lists, Sales Promotion Bulletins, and Schedules of Discounts and Terms.

Company shall use its best efforts to ship Products promptly, but it shall not be responsible for failure to ship on time or fill orders where prevented by any cause beyond Company's reasonable control or if the demand for any Products shall exceed Company's available supply.

Delivery of Products by Company to any carrier for transportation to Dealer shall constitute delivery to Dealer and Dealer shall bear all risk of physical loss or damage thereafter.

The transfer of Products from one Dealer to another shall be in accordance with the Company's transfer program described in the Schedule of Discounts and Terms.

Warranty

11. COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS), EXCEPT THOSE SET FORTH IN COMPANY'S CURRENT APPLICABLE PUBLISHED WARRANTY POLICIES AND PROCEDURES. Dealer agrees to deliver to purchasers at the time of retail sales the document containing the Case Express Limited Warranty to Retail Buyer prescribed by Company and in force at the time of such sales. Dealer is not authorized to assume for Company any additional obligations or liabilities in connection with the resale of Products covered by this Agreement, and Dealer agrees not to do so. Company and Dealer shall promptly fulfill their respective obligations with respect to any warranty claims.

Company shall reimburse Dealer for all warranty service performed on Products in accordance with Company's warranty policies and Certified Service Program requirements in effect at the time warranty work is performed.

Dealer Succession

12. The Company shall provide to the Dealer the following succession options:

(a) Change in Control or Ownership:

Upon written request made by Dealer and Dealer's owner(s), Company shall give good faith consideration to any succession plan for a change in the control or ownership of the dealership. If such consent is given, it shall be contingent upon the following at the time the change occurs:

(i) The consent of all other owner(s) of the dealership.

(ii) The vesting of the control or ownership with the person or persons designated.

(iii) The approval by the Company of the dealership's sales performance, facilities and financial strength.

(iv) The designation by the Company that the Dealer's Sales and Service Area is a replacement market.

(v) The execution of a new Sales and Service Agreement.

If such consent is withheld by the Company and the Dealer, nonetheless, proceeds with the change, this Agreement shall terminate immediately.

Change in control or ownership shall mean any event which may affect the operation of Dealer's business, including but not limited to withdrawal of an individual proprietor, any addition to or subtraction from the partners involved if the Dealer is a partnership, or any substantial change in the shareholders, if the Dealer is a corporation.

(b) Death or Incapacity:

Upon written request made within thirty (30) days of the date of death or physical or mental incapacity of Dealer or Dealer's owner(s), by the appointed representative of the deceased or incapacitated person and all other persons having ownership interest in the Dealer's business, Company shall refrain for a period of one hundred eighty (180) days from exercising its right to terminate this Agreement because of the death or incapacitation of said Dealer or Dealer's owner(s), and if the Dealer's Sales and Service Area is a replacement market, the Company shall during such 180-day period give good faith consideration to any request for the transfer of the dealership, together with its rights and obligations under this Agreement, to one or more other parties. If such consent is given, a new Agreement shall be executed. If such consent is withheld, this Agreement shall terminate automatically at the expiration of the 180-day period referred to herein.

Termination

13. This Agreement shall continue in effect until terminated by one or both of the parties as hereinafter provided:

(a) This Agreement may be terminated at any time for any reason upon thirty (30) days' written notice by Dealer to Company, or upon ninety (90) days' written notice by Company to Dealer, or as mutually agreed upon in writing by both parties; or

(b) Company may terminate this Agreement immediately upon the occurrence of any of the following events:

(i) Dealer's default in the payment when due of any obligations to the Company or Case Credit Corporation, or the termination of one or more significant lines of credit, or the withdrawal of a guaranty of indebtedness by one or more personal guarantors;

(ii) Dealer's closing of its business or suspension or other revocation of licenses, permits or authorization necessary to conduct a business in accordance with this Agreement;

(iii) Dealer's sale, lease or other transfer of assets which in Company's reasonable judgment may adversely affect the ability of Dealer to operate the business pursuant to this Agreement;

(iv) Dealer's falsification of any statements, records or reports to the Company;

(v) Dealer's failure to pay debts as they mature, or assignment for benefits of creditors, or becoming subject to any receivership, insolvency or bankruptcy proceedings;

(vi) Change in control or ownership of dealership, unless Company grants in writing its consent to such change in the manner defined in this Agreement;

(vii) Dealer's or Dealer's owner(s) death or physical or mental incapacity, unless Company grants in writing an extension of time in the manner defined in this Agreement;

(viii) Dealer's failure to comply with any provision of this Agreement.

Dealer agrees to notify Company in writing immediately upon the occurrence of any of the events described in this paragraph.

Effect of Termination

14. Upon termination of this Agreement:

(a) Company is relieved of any obligation to make any further shipments hereunder, and may without liability cancel any unshipped orders of Dealer for Products.

(b) Neither party shall be released from the payment of any sum then owing to the other.

(c) All indebtedness of Dealer shall become immediately due and payable to Company and Case Credit Corporation.

(d) On any Products which may be shipped after termination or notice thereof, Company may establish terms of cash on delivery or cash prior to shipment.

(e) Dealer shall cease to operate as or represent that Dealer is an authorized Dealer and shall remove and discontinue use of any identification and any promotions or advertising that associates Dealer with Company.

(f) Dealer shall remove all signs and advertising displays bearing the name "J. I. Case", "Case", "IH", "Case IH", "Case Corporation", "Case, LLC" or any other trade names or trademarks of Company or any of its affiliated companies from Dealer's business establishment and vehicles and thereafter shall not use such names or trademarks in connection with any business conducted by Dealer.

(g) Dealer agrees to deliver to Company all sales records, mailing lists, service history records, microfiche, catalogs, registrations and any other material of any kind relating to the promotion, marketing, sale, operation or servicing of Products covered by this Agreement.

(h) Final settlement of Dealer's account with the Company shall not be made until all requirements of this Agreement are complied with by the Dealer. Further, neither Company nor Dealer shall be liable to the other for any damages caused by the termination of this Agreement, whether based upon loss of anticipated sales or prospective profits, expenditures, investments, leases, property improvements or other matters related to the business of the parties.

(i) The Company, after notifying the Dealer of termination, shall have the right to consummate arrangements with a replacement Dealer.

Repurchase Upon Termination

15. Upon the termination of this Agreement, except where otherwise provided by the laws of the state where the Dealer is located, the Company shall repurchase from Dealer all of the following items purchased from Company, on the terms specified, and the Dealer shall return such items to the Company on such terms:

(a) New, current, undamaged, salable and unused Company machines (wholegoods), including attachments and accessories, shipped to Dealer. Such items shall be repurchased by Company at the price paid by the Dealer or the current net price, whichever is lower, plus transportation costs previously paid or incurred by Dealer, less any discounts which may have been allowed or paid thereon by Company.

(b) New, current, undamaged, salable and unused parts. Such parts shall be repurchased by Company in accordance with the terms of the Parts Return Policy issued by Company and in effect at the time of termination. Dealer shall be responsible for proper identification of all such parts.

(c) Any business signs, which were sold to Dealer by Company, bearing trade names or registered trademarks of Company. Such signs shall be repurchased by Company for the amount paid by Dealer, less an annual depreciation of 20%.

(d) Any Company endorsed computer hardware which the Company required the Dealer to obtain. Such computer hardware shall be repurchased by Company for the amount of the original purchase price, less an annual depreciation of 25%.

(e) All catalogs, price lists, service manuals, bulletins, owners' manuals and current advertising material, and other material or literature relating to the sale, merchandising, operation or servicing of Products which were purchased by the Dealer from the Company. Such materials shall be repurchased by Company at 50% of their current price.

Dealer shall return all required items in accordance with this Agreement within thirty (30) days after notification to return is given by Company to Dealer. All items returned to Company shall be packed and loaded by Dealer and returned to the destination or destinations specified by Company. Any costs incurred by Company in discharging all or any part of Dealer's obligation hereunder shall be debited against any amount owed by Company to Dealer. Upon receipt of such items, Company shall inspect the same and shall as soon as practicable issue credit to the Dealer for all such items returned that meet the requirements specified herein. Dealer shall not be entitled to payment or credit under this paragraph until Dealer has complied with all applicable laws, rules, regulations and other legal requirements governing the bulk transfer of inventory and furnishes evidence to Company that such items are free and clear of all claims, liens and encumbrances.

Records and Inspections

16. Dealer shall submit to Company within ninety (90) days after the end of its fiscal year, audited and certified balance sheets and operating statements for the year. Dealer shall maintain and submit current reports of sales, owner registration and inventory, service and warranty reports and such other reports as may be requested by Company.

Dealer shall permit Company or its authorized representatives during normal business hours to enter and inspect Dealer's place of business and facilities, and to examine Dealer's books and records and all supporting data of Dealer's business, and to make copies upon Company's request of any such records or accounts.

Insurance and Taxes

17. Dealer shall keep all Products and other items (i) which are owned by the Company or its assignee or (ii) in which the Company has a security interest and which, in either event, are under Dealer's direct or indirect control, insured against all risk of physical loss or damage in an amount which shall be sufficient to prevent Company from sustaining any financial loss. Such insurance shall name Company as an additional insured, and provide that in the event of loss the insurer shall pay the proceeds of all such insurance to the insureds as their interests may appear. Dealer shall furnish to Company certificates evidencing such insurance which shall provide for ten (10) days' prior written notice to Company of cancellation, lapse or expiration.

Dealer shall carry public liability insurance with bodily injury and property damage limits satisfactory to Company. Dealer shall furnish to Company certificates of such insurance, which shall provide for ten (10) days' prior written notice to Company of cancellation, lapse or expiration.

Dealer shall pay all license fees, sales, use, personal property, and excise taxes, duties, and any other fees, assessments or taxes which may be assessed or levied by any government authority against any Products which are shipped to, or are in the possession of Dealer, and Dealer shall hold Company harmless therefrom and with respect thereto.

Trademarks and Trade Names

18. Dealer agrees not to use the names "J. I. Case", "Case", "IH", "Case IH", "Case Corporation", "Case, LLC" or any other trademark or trade name of Company or of any of its affiliated companies in connection with Dealer's business except when selling items containing such marks or names and furnished to Dealer by Company, or as otherwise specifically approved in writing by Company.

Product Discontinuance

19. Company may discontinue the manufacture of any and all Products, with or without replacement of the discontinued Products, and may make changes and improvements at any time in the specifications, construction, color and design of Products, without incurring any obligation to Dealer or customers of Dealer. Any Products, so changed or improved will be accepted by Dealer in fulfillment of existing orders.

Sales to Others

20. The Company retains the right to select, in addition to authorized Dealers, end users to whom it will directly sell, rent, lease, service and warrant Products, without restrictions and wherever located, including but not limited to such parties as the following:

(a) Any government or any agency, institution or subdivision thereof.

(b) Educational and charitable institutions.

(c) Accounts classified by the Company as national accounts.

Dealer Relationship to Company

21. Dealer and the Company are independent businesses and neither has any fiduciary obligation to the other. Nothing in this Agreement shall be construed as constituting Dealer an employee, agent or legal representative of Company for any purpose whatever. Dealer has no right or authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of Company, or to bind Company in any manner whatever, except to the extent provided for by this Agreement relating to warranties.

Assignment 22. Dealer may not sell, assign, delegate, convey or otherwise transfer in any way whatever this Agreement or Dealer's rights or obligations under this Agreement to any person or other entity without the prior written consent of the Company.

Entire Agreement 23. This Agreement is and shall be deemed to be the complete and final expression of the agreement between the parties hereto as to the matters herein contained and provided for and supersedes all previous agreements between the parties pertaining to such matters. IT IS CLEARLY UNDERSTOOD THAT NO PROMISE OR REPRESENTATION NOT CONTAINED HEREIN WAS AN INDUCEMENT TO EITHER PARTY OR WAS RELIED ON BY EITHER PARTY IN ENTERING INTO THIS AGREEMENT.

Except as expressly provided for herein, this Agreement may not be amended or altered, or any of its provisions waived on behalf of Company, except in writing signed by one of Company's duly authorized agents.

In the event any part of this Agreement is held to be invalid or unenforceable under the laws of any place where this Agreement is to be performed or is sought to be enforced, this Agreement shall be enforceable to the maximum extent permitted by such law, without invalidating the remainder of this Agreement, or invalidating the effect of such portion of this Agreement elsewhere.

This Agreement shall be governed by and construed in accordance with the laws where the Dealer's principal place of business is located.

CONSTRUCTION EQUIPMENT
SALES & SERVICE
AGREEMENT

This Agreement shall become effective as of

Dealer

Titan Machinery Inc. DBA Krider Equipment
Firm Name

David J. Meyer /s/ David J. Meyer
By

Secretary
Title (authorized owner, officer, partner)

3-24-03
Date

Signature of Other Partner(s) or Owner(s)

Business Structure

(Check One)

☒ Corporation

☐ Partnership

☐ Individual Proprietorship

☐ Limited Liability Company

☐ Other:

Company

CASE, LLC

By

Dealer Development Manager
Title

4/8/03
Date

ATTACHMENT TO CONSTRUCTION EQUIPMENT
SALES & SERVICE AGREEMENT

Facilities

The Dealer agrees to maintain facilities only at the following authorized location(s):

Fargo, North Dakota
Bismarck, North Dakota

Sales and Service Area

The assigned Sales and Service Area is:

Fargo, North Dakota	
Barnes County, ND	100%
Cass County, ND	100%
Ransom County, ND	100%
Richland County, ND	100%

Sargent County, ND	100%
Becker County, MN	100%
Clay County, MN	100%
Mahnomen County, MN	100%
Norman County, MN	100%
Wilkin County, MN	100%

Dealer Titan Machinery Inc. DBA Krider Equipment Dated 4/8/03
(Firm Name, City, State)

Bismarck, ND

Adams County, ND	100%
Billings County, ND	100%
Bowman, ND	100%
Burleigh County, ND	100%
Dickey County, ND	100%
Dunn County, ND	100%
Eddy County, ND	100%
Emmons County, ND	100%
Foster County, ND	100%
Golden Valley County, ND	100%
Grant County, ND	100%
Hettinger County, ND	100%
Kidder County, ND	100%
LaMoure County, ND	100%
Logan County, ND	100%
McIntosh County, ND	100%
Mercer County, ND	100%
Morton County, ND	100%
Oliver County, ND	100%
Sheridan County, ND	100%
Sioux County, ND	100%
Slope County, ND	100%
Stark County, ND	100%
Stutsman County, ND	100%
Wells County, ND	100%

Dealer Titan Machinery Inc. DBA Krider Equipment Dated 4/8/03
(Firm Name, City, State)

Dealer Titan Machinery Inc. DBA Krider Equipment Dated 4/8/03
(Firm Name, City, State)

Products

The Products to which this Agreement applies are:
(check all that apply)

☒ Construction Equipment

☒ Utility Equipment

☒ Trenchers

☒ Other

Articulated Haulers
Compaction
Graders
Compact Wheel Loaders
Midi Excavators
Telescopic Handlers
Horizontal Directional Drills
85XT/90XT/95XT Skid Steers

Dealer Titan Machinery Inc. DBA Krider Equipment Dated 4/8/03
(Firm Name, City, State)

ADDENDUM TO CONSTRUCTION EQUIPMENT
SALES AND SERVICE AGREEMENT

This Addendum covers the following Case authorized locations where the dealer agrees to maintain facilities:

Fargo, North Dakota
Bismarck, North Dakota

For the above locations, the Case Construction Equipment Sales and Service Agreement is amended as follows:

The Dealer is required to operate the Case and New Holland brand businesses out of separate facilities. The facilities may not be adjacent to each other. The facility dedicated to Case branded equipment may not advertise or other indicate that it is authorized to sell New Holland branded equipment or parts. The facility dedicated to the New Holland brand may not advertise or otherwise indicate that it is authorized to sell new Case branded equipment or parts.

The Dealer is required to open and operate a third facility in a location to be determined in "northwestern" North Dakota, no later than the end of December 2004.

Effective Date: 4/8/03

By /s/ David J. Meyer Title President

Titan Machinery Inc. DBA Krider Equipment **Fargo, North Dakota**
Dealer Name and Main Location

By Title Dealer Development Mgr
Case LLC

Addendum to the
CONSTRUCTION EQUIPMENT
SALES & SERVICE AGREEMENT
Addendum Effective Date October 27, 2004

Sales and Service Area The assigned Sales and Service Area is:

Fargo, North Dakota	SL
Barnes, ND	100%
Cass, ND	100%
Cavalier, ND	100%
Grand Forks, ND	50%
Pembina, ND	100%
Ransom, ND	100%
Richland, ND	100%
Sargent, ND	100%
Stutsman, ND	100%
Towner, ND	100%
Walsh, ND	100%
Becker, MN	50%
Wilkin, MN	100%

Bismarck, North Dakota	SL
Adams, ND	100%
Benson, ND	100%
Billings, ND	100%
Bottineau, ND	100%
Bowman, ND	100%
Burleigh, ND	100%
Dickey, ND	100%
Dunn, ND	100%
Emmons, ND	100%
Golden Valley, ND	100%
Grant, ND	100%
Hettinger, ND	100%
Kidder, ND	100%
La Moure, ND	100%
Logan, ND	100%
McHenry, ND	100%
McIntosh, ND	100%
Mclean, ND	100%
Mercer, ND	100%
Morton, ND	100%
Mountrail, ND	100%
Oliver, ND	100%
Pierce, ND	100%
Ramsey, ND	100%
Renville, ND	100%
Rolette, ND	100%

Sheridan, ND	100%
Sioux, ND	100%
Slope, ND	100%
Stark, ND	100%
Ward, ND	100%

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)

CNH AMERICA LLC

Fargo, North Dakota
(Dealer Location)

Products

The products to which this Agreement applies are:
(Check All That Apply)

☐ Construction Equipment

☐ Utility Equipment

☒ Skid Steers (SL)

☐ Parts and Service Only:
- ☐ Construction Equipment
- ☐ Utility Equipment

☐ Other _____

Facilities

A-Loc	Fargo, North Dakota
B-Loc	Bismarck, North Dakota

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)

CNH AMERICA LLC

Fargo, ND
(Dealer Location)

Addendum to the
CONSTRUCTION EQUIPMENT
SALES & SERVICE AGREEMENT
Addendum Effective Date June 30, 2006

Products

The products to which this Agreement applies are:
(Check All That Apply)

☒ Construction Equipment

☒ Utility Equipment

☒ Skid Steers (SL)

☐ Parts and Service Only:
- ☐ Construction Equipment
- ☐ Utility Equipment

☒ Other Telescopic Handlers (TH) Area of Responsibility: Same as UT

Facilities

A-Loc	Fargo, North Dakota
B-Loc	Bismarck, North Dakota

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)

CNH AMERICA LLC

Fargo, ND
(Dealer Location)

Sales and Service Area

The assigned Sales and Service Area is:

Fargo, ND	CE	UT	SL
Barnes County, ND	100%	100%	100%
Cass County, ND	100%	100%	100%
Cavalier County, ND	100%	100%	100%
Dickey County, ND	100%	100%	100%
Grand Forks County, ND	100%	100%	50%
Griggs County, ND	100%	100%	0%
Nelson County, ND	100%	100%	0%
Pembina County, ND	100%	100%	100%
Ramsey County, ND	100%	100%	100%
Ransom County, ND	100%	100%	100%
Richland County, ND	100%	100%	100%
Sargent County, ND	100%	100%	100%
Steele County, ND	100%	100%	0%
Traill County, ND	100%	100%	0%
Walsh County, ND	100%	100%	100%
Becker County, MN	100%	100%	50%
Clay County, MN	100%	100%	50%
Kittson County, MN	100%	100%	0%
LaMoure County, ND	100%	100%	100%
Mahnomen County, MN	100%	100%	0%
Marshall County, MN	100%	100%	0%
Norman County, MN	100%	100%	0%
Pennington County, MN	100%	100%	0%
Polk County, MN	100%	100%	0%
Red Lake County, MN	100%	100%	0%
Roseau County, MN	100%	100%	0%
Wilkin County, MN	100%	100%	100%

Bismarck, ND	CE	UT	SL
Adams County, ND	100%	100%	100%
Benson County, ND	100%	100%	100%
Billings County, ND	100%	100%	100%
Bottineau County, ND	100%	100%	100%
Bowman County, ND	100%	100%	100%
Burke County, ND	100%	100%	0%
Burleigh County, ND	100%	100%	100%

Sales and Service Area Continued

The assigned Sales and Service Area is:

Bismarck, ND continued	CE	UT	SL
Divide County, ND	100%	100%	0%
Dunn County, ND	100%	100%	100%
Eddy County, ND	100%	100%	0%
Emmons County, ND	100%	100%	100%
Foster County, ND	100%	100%	0%
Golden Valley County, ND	100%	100%	100%
Grant County, ND	100%	100%	100%
Hettinger County, ND	100%	100%	100%
Kidder County, ND	100%	100%	100%
Logan County, ND	100%	100%	100%
McHenry County, ND	100%	100%	100%
McIntosh County, ND	100%	100%	100%
McKenzie County, ND	100%	100%	0%
McLean County, ND	100%	100%	100%
Mercer County, ND	100%	100%	100%
Morton County, ND	100%	100%	100%
Mountrail County, ND	100%	100%	100%
Oliver County, ND	100%	100%	100%
Pierce County, ND	100%	100%	100%
Renville County, ND	100%	100%	100%
Rolette County, ND	100%	100%	100%
Sheridan County, ND	100%	100%	100%
Sioux County, ND	100%	100%	100%
Slope County, ND	100%	100%	100%
Stark County, ND	100%	100%	100%
Stutsman County, ND	100%	100%	100%

Towner County, ND	100%	100%	100%
Ward County, ND	100%	100%	100%
Wells County, ND	100%	100%	0%
Williams County, ND	100%	100%	0%

CNH AMERICA LLC

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)
Fargo, ND
(Dealer Location)

Revision No. 1 to the
CONSTRUCTION EQUIPMENT
SALES & SERVICE AGREEMENT

Original Agreement Effective Date **April 8, 2003**

Revision Effective Date June 12, 2006

Products The products to which this Agreement applies are:
(Check All That Apply)

☒ Construction Equipment

☒ Utility Equipment

☒ Skid Steers

☐ Parts and Service Only:
- ☐ Construction Equipment
- ☐ Utility Equipment
- ☐ Trenchers

☒ Other Telescopic Handlers (TH)
Area of Responsibility: Same as UT

Facilities
A-Loc Fargo, North Dakota
B-Loc Bismarck, North Dakota

CNH AMERICA LLC

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)
Fargo, ND
(Dealer Location)

Original Agreement Effective Date **April 8, 2003**

Revision Effective Date June 12, 2006

Sales and Service Area The assigned Sales and Service Area is:

Fargo, ND	**CE**	**UT**	**SL**
Barnes County, ND	100%	100%	100%
Cass County, ND	100%	100%	100%
Cavalier County, ND	100%	100%	100%
Dickey County, ND	100%	100%	100%
Grand Forks County, ND	100%	100%	50%
Griggs County, ND	100%	100%	100%
Nelson County, ND	100%	100%	100%
Pembina County, ND	100%	100%	100%
Ramsey County, ND	100%	100%	100%
Ransom County, ND	100%	100%	100%
Richland County, ND	100%	100%	100%
Sargent County, ND	100%	100%	100%
Steele County, ND	100%	100%	100%
Traill County, ND	100%	100%	100%
Walsh County, ND	100%	100%	100%
Becker County, MN	100%	100%	~~100~~% 50
Clay County, MN	100%	100%	~~100~~% 50
Kittson County, MN	100%	100%	~~100~~% 0
LaMoure County, ND	100%	100%	100% ok
Mahnomen County, MN	100%	100%	~~100~~% 0
Marshall County, MN	100%	100%	~~100~~% 0

Norman County, MN	100%	100%	~~100~~% 0
Pennington County, MN	100%	100%	~~100~~% 0
Polk County, MN	100%	100%	~~100~~% 0
Red Lake County, MN	100%	100%	~~100~~% 0
Roseau County, MN	100%	100%	~~100~~% 0
Wilkin County, MN	100%	100%	100% ok

Bismarck, ND	**CE**	**UT**	**SL**
Adams County, ND	100%	100%	100%
Benson County, ND	100%	100%	100%
Billings County, ND	100%	100%	100%
Bottineau County, ND	100%	100%	100%
Bowman County, ND	100%	100%	100%
Burke County, ND	100%	100%	100%
Burleigh County, ND	100%	100%	100%

CNH AMERICA LLC

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)
Fargo, ND
(Dealer Location)

Original Agreement Effective Date
April 8, 2003

Revision Effective Date June 12, 2006

Sales and Service Area Continued

Bismarck, ND continued	**CE**	**UT**	**SL**
Divide County, ND			
Dunn County, ND	100%	100%	100%
Eddy County, ND	100%	100%	100%
Emmons County, ND	100%	100%	100%
Foster County, ND	100%	100%	100%
Golden Valley County, ND	100%	100%	100%
Grant County, ND	100%	100%	100%
Hettinger County, ND	100%	100%	100%
Kidder County, ND	100%	100%	100%
Logan County, ND	100%	100%	100%
McHenry County, ND	100%	100%	100%
McIntosh County, ND	100%	100%	100%
McKenzie County, ND	100%	100%	100%
McLean County, ND	100%	100%	100%
Mercer County, ND	100%	100%	100%
Morton County, ND	100%	100%	100%
Mountrail County, ND	100%	100%	100%
Oliver County, ND	100%	100%	100%
Pierce County, ND	100%	100%	100%
Renville County, ND	100%	100%	100%
Rolette County, ND	100%	100%	100%
Sheridan County, ND	100%	100%	100%
Sioux County, ND	100%	100%	100%
Slope County, ND	100%	100%	100%
Stark County, ND	100%	100%	100%
Stutsman County, ND	100%	100%	100%
Towner County, ND	100%	100%	100%
Ward County, ND	100%	100%	100%
Wells County, ND	100%	100%	100%
Williams County, ND	100%	100%	100%

CNH AMERICA LLC

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)
Fargo, ND
(Dealer Location)

By: _____
CE Dealer Development Manager

Dated: 6/8/06

By: /s/ David J. Meyer
(Signature)

Dated: 5/26/06

Original Agreement Effective Date **April 8, 2003**

Revision Effective Date June 12, 2006

Products The products to which this Agreement applies are:
(Check All That Apply)

☒ Construction Equipment

☒ Utility Equipment

☒ Skid Steers

☐ Parts and Service Only:
- ☐ Construction Equipment
- ☐ Utility Equipment
- ☐ Trenchers

☒ Other Telescopic Handlers (TH)
Area of Responsibility: Same as UT

Facilities

A-Loc Fargo, North Dakota
B-Loc Bismarck, North Dakota

CNH AMERICA LLC

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)
Fargo, ND
(Dealer Location)

Original Agreement Effective Date **April 8, 2003**

Revision Effective Date June 12, 2006

Sales and Service Area The assigned Sales and Service Area is:

Fargo, ND	CE	UT	SL
Barnes County, ND	100%	100%	100%
Cass County, ND	100%	100%	100%
Cavalier County, ND	100%	100%	100%
Dickey County, ND	100%	100%	100%
Grand Forks County, ND	100%	100%	50%
Griggs County, ND	100%	100%	100%
Nelson County, ND	100%	100%	100%
Pembina County, ND	100%	100%	100%
Ramsey County, ND	100%	100%	100%
Ransom County, ND	100%	100%	100%
Richland County, ND	100%	100%	100%
Sargent County, ND	100%	100%	100%
Steele County, ND	100%	100%	100%
Traill County, ND	100%	100%	100%
Walsh County, ND	100%	100%	100%
Becker County, MN	100%	100%	100%
Clay County, MN	100%	100%	100%
Kittson County, MN	100%	100%	100%
LaMoure County, ND	100%	100%	100%
Mahnomen County, MN	100%	100%	100%
Marshall County, MN	100%	100%	100%
Norman County, MN	100%	100%	100%
Pennington County, MN	100%	100%	100%
Polk County, MN	100%	100%	100%
Red Lake County, MN	100%	100%	100%
Roseau County, MN	100%	100%	100%
Wilkin County, MN	100%	100%	100%

Bismarck, ND	CE	UT	SL
Adams County, ND	100%	100%	100%
Benson County, ND	100%	100%	100%
Billings County, ND	100%	100%	100%
Bottineau County, ND	100%	100%	100%
Bowman County, ND	100%	100%	100%
Burke County, ND	100%	100%	100%
Burleigh County, ND	100%	100%	100%

CNH AMERICA LLC

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)
Fargo, ND

(Dealer Location)

Original Agreement Effective Date **April 8, 2003**

Revision Effective Date June 12, 2006

Sales and Service Area Continued

Bismarck, ND continued	CE	UT	SL
Divide County, ND			
Dunn County, ND	100%	100%	100%
Eddy County, ND	100%	100%	100%
Emmons County, ND	100%	100%	100%
Foster County, ND	100%	100%	100%
Golden Valley County, ND	100%	100%	100%
Grant County, ND	100%	100%	100%
Hettinger County, ND	100%	100%	100%
Kidder County, ND	100%	100%	100%
Logan County, ND	100%	100%	100%
McHenry County, ND	100%	100%	100%
McIntosh County, ND	100%	100%	100%
McKenzie County, ND	100%	100%	100%
McLean County, ND	100%	100%	100%
Mercer County, ND	100%	100%	100%
Morton County, ND	100%	100%	100%
Mountrail County, ND	100%	100%	100%
Oliver County, ND	100%	100%	100%
Pierce County, ND	100%	100%	100%
Renville County, ND	100%	100%	100%
Rolette County, ND	100%	100%	100%
Sheridan County, ND	100%	100%	100%
Sioux County, ND	100%	100%	100%
Slope County, ND	100%	100%	100%
Stark County, ND	100%	100%	100%
Stutsman County, ND	100%	100%	100%
Towner County, ND	100%	100%	100%
Ward County, ND	100%	100%	100%
Wells County, ND	100%	100%	100%
Williams County, ND	100%	100%	100%

Titan Machinery Inc. DBA Krider Equipment
(Dealer Name)
Fargo, ND
(Dealer Location)

CNH AMERICA LLC

By: _____
CE Dealer Development Manager

Dated: 6/8/06

By: /s/ David J. Meyer
(Signature)

Dated: 5/26/06

NEW HOLLAND CONSTRUCTION

DEALER AGREEMENT

THIS AGREEMENT is made this 14th day of April, 2003, between New Holland Construction, a division of New Holland North America, Inc., a Delaware corporation, having a place of business at 245 East North Avenue, Carol Stream, Illinois ("New Holland Construction"), and

Titan Machinery Inc.,
(Name of Entity)

A Corporation in North Dakota
(State whether an individual, partnership or corporation. If the latter, show name of the state in which incorporated.)

doing business as **Titan Machinery Inc.** and with its principal place of business at
(Trade Name)

2000 E. Main Ave.	**West Fargo**	**Cass**	**ND**	**58078** (the "Dealer").
(Street Address)	(City)	(County)	(State)	(Zip Code)

By this Agreement, the Dealer is authorized to sell, rent and lease at retail and service selected new PRODUCTS manufactured or distributed by New Holland Construction.

Both parties recognize that the rights of the Dealer and New Holland Construction under this Agreement are defined by the terms of this Agreement and applicable law.

IN CONSIDERATION of the representations and promises contained in this Agreement, New Holland Construction and the Dealer agree as follows:

1. DEFINITIONS

The following definitions shall apply throughout this Agreement:

a. **DEALER LOCATION** shall mean the place or places of business of the Dealer designated in Schedule C for sale, rent, lease and service of PRODUCTS, including any SATELLITE(S).

b. **DEALER PRICE** shall mean the price to the Dealer for PRODUCTS established by New Holland Construction from time to time excluding any holdback, deposit or charge by New Holland Construction for taxes, handling, delivery, transportation or special items or services.

c. **DISTRICT SALES AREA** shall mean the designated multi-state area serviced by a New Holland Construction District Sales Manager.

d. **EQUIPMENT** shall mean those models of equipment and attachments therefor that are designated by PRODUCT LINE for sale from time to time by New Holland Construction and

listed in Schedule B. New Holland Construction reserves the absolute and sole right to determine what EQUIPMENT it will offer the Dealer for retail sale.

e. **GENUINE PARTS** shall mean assemblies, subassemblies, components and accessories (and any part thereof) for that EQUIPMENT which the Dealer is authorized to sell on Schedules B.

f. **MANUAL** shall mean the appropriate Warranty and Policy Manual (or the equivalent document or documents) and amendments thereto, as may be made from time to time by New Holland Construction and provided to the Dealer, setting forth the policies and procedures of various warranty and protection plans, which document is made part of this Agreement.

g. PRIMARY MARKET OF RESPONSIBILITY ("**PMR**") shall mean the total industry volume (as reported by the Equipment Manufacturers Institute) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which the Dealer has sales and service responsibility for PRODUCTS. The PMR is the volume of a PRODUCT LINE sold within a geographic area, not the area itself. The Dealer's PMR may vary by PRODUCT or PRODUCT LINE. The Dealer's PMR is NON-EXCLUSIVE and is used solely to measure the Dealer's sales performance.

h. **PRINCIPAL DEALER LOCATION** shall mean the DEALER LOCATION listed first on Attachment A.

i. **PRODUCT(S)** shall mean EQUIPMENT and GENUINE PARTS.

j. **PRODUCT LINES** shall mean the categories of EQUIPMENT that the Dealer is authorized in writing, per Schedules B, by New Holland Construction to sell, rent lease and service.

k. **RETAIL** shall mean a sale, rental or lease to an end user and does not include customers buying for resale such as jobbers, jockeys, unauthorized dealers and other wholesalers.

l. **SATELLITE(S)** shall mean the secondary place or places of business of the Dealer (operated directly or through an affiliate) designated in Schedule C for the sales, renting, leasing and/or servicing of PRODUCTS under this Agreement separate from the Dealer's principal place of business.

m. **TERMS AND DISCOUNTS BULLETIN** shall mean the latest bulletin (or equivalent document or documents) and amendments thereto as may be made from time to time by New Holland Construction and provided to the Dealer setting forth the terms of sale and ordering procedure applicable to sales of PRODUCTS to Dealers, which document is made part of this Agreement.

2. APPOINTMENT

New Holland Construction appoints the Dealer as a NON-EXCLUSIVE Dealer solely for the domestic RETAIL sale and service of PRODUCTS, and the Dealer accepts this appointment. Dealer is not authorized to sell PRODUCTS to non-retail customers, such as unauthorized dealers, jobbers, jockeys and exporters without the prior written consent of New Holland Construction.

3. DEALER OWNERS AND MANAGERS

a. The Dealer represents that it conducts business under the legal form or entity shown on Schedule A (i).

b. The Dealer represents that it is owned by the persons listed on Schedule A (ii), which schedule the Dealer further represents to contain the complete list of all persons holding an ownership interest in the Dealer.

c. The Dealer represents that it is managed by the person(s) listed in Schedule A (III), which schedule the Dealer further represents to contain the complete list of all those who have full authority and responsibility for the management of the Dealer in the performance of this Agreement.

d. The Dealer shall give New Holland Construction 30 days written notice of any proposed change in the legal form of the Dealer and any proposed change in Dealer ownership or managerial authority, and immediate notice of the death or incapacity of any person listed in Schedule A. No change in Dealer ownership or managerial authority shall be effective against New Holland Construction until embodied in an appropriate amendment to Schedule A or an assignment of this Agreement, duly executed by New Holland Construction and the Dealer and properly delivered.

4. SALES RESPONSIBILITY

a. The Dealer agrees to use its best efforts to promote vigorously and aggressively the sale at RETAIL of PRODUCTS in order to assure maximum sales of PRODUCTS and to obtain a reasonable total revenue and a reasonable share of the market in the Dealers PMR for all PRODUCTS which the Dealer is authorized to sell. It is agreed that a reasonable market share within the PMR shall be the average market share that New Holland Construction PRODUCTS or EQUIPMENT achieves within the Dealer's state or DISTRICT SALES AREA. New Holland Construction, at its sole discretion, will determine whether the Dealers state or DISTRICT SALES AREA will be used to measure Dealers performance.

b. The Dealer also agrees to develop, maintain, and direct a sufficient number of trained, qualified sales personnel, and shall conduct aggressive advertising and sales promotion activities.

c. The Dealer understands and agrees that its performance of its PRODUCTS sales (and, where appropriate, leasing and rental) responsibility hereunder shall be measured by New

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Holland Construction through the use, exclusively, of such reasonable criteria as New Holland Construction may adopt, and without limitation, taking into consideration the Dealer's market shares within its PMR, total revenue, total sales, leases and rentals of PRODUCTS and its sales, leases and rentals of EQUIPMENT categorized by PRODUCT LINE, to customers in the PMR. The Dealers performance under any prior agreement with New Holland Construction or New Holland North America, Inc. may be considered in evaluating the Dealers performance under this, and any succeeding Agreement. New Holland Construction may from time to time conduct surveys (by use of questionnaires or otherwise) of owners, lessees and renters of EQUIPMENT purchased, leased or rented from the Dealer to determine the satisfaction of those owners, lessees and renters with the sales, leasing and rental efforts of the Dealer. The results of these surveys may be taken into consideration in assessing the Dealers performance under this Agreement.

d. In addition to the remedies for breach hereof as set forth in Paragraphs 22 (c) and (d), if the Dealer fails to carry out its PRODUCT sales responsibility hereunder:

(i) in the sale of a PRODUCT LINE or specific EQUIPMENT in a PRODUCT LINE, New Holland Construction may, at its sole discretion, and after 90 days prior written notice, remove that PRODUCT LINE or EQUIPMENT from Schedule B. In such event, the Dealer will no longer be authorized to sell that PRODUCT LINE or EQUIPMENT.

(ii) in a specific county or parish within its PMR, New Holland Construction may, at its sole discretion, and after 90 days prior written notice, remove that county or counties from the Dealers PMR and assign that market to another existing or new Dealer.

e. The Dealer shall not offer for sale or sell as a GENUINE PART, any assembly, subassembly, component, accessory (or any part thereof) that is not a GENUINE PART.

f. New Holland Construction reserves the right to sell rent or lease PRODUCT directly to end users within the Dealer's PMR or elsewhere including but not limited to governmental agencies, Institutions or entities, educational or charitable institutions, rental companies and accounts classified by New Holland Construction as national accounts. New Holland Construction shall have no liability to Dealer for any sales made pursuant to Paragraph 4(f).

5. SERVICE RESPONSIBILITY

a. **General.** In accordance with standards and procedures established from time to time by New Holland Construction, the Dealer agrees to develop, maintain and direct a sufficient number of trained and competent service mechanics and technicians and to render at the DEALER LOCATION and in the field and at any SATELLITE established for the purpose of service, prompt, professional and courteous service to owners and users of PRODUCTS.

b. **Pre-delivery.** In accordance with instructions issued from time to time by New Holland Construction, the Dealer agrees to perform inspection, conditioning, and repair of EQUIPMENT before delivery to a retail purchaser, lessee, or renter.

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c. **Warranty and Policy.** The Dealer agrees to perform warranty and policy service on PRODUCTS, whether or not sold by the Dealer, in accordance with the MANUAL.

d. **Campaigns.** The Dealer agrees to perform campaign and field improvement program (FIP) inspections and make corrections for owners and users of PRODUCTS in accordance with instructions issued by New Holland Construction and the provisions of the MANUAL.

e. **Parts; Priority.** Except as otherwise instructed by New Holland Construction, the Dealer agrees to use only GENUINE PARTS in performing warranty, policy and campaign/FIP work. The Dealer shall give priority to warranty, policy and campaign work over other service work if the customers use of the EQUIPMENT submitted for warranty, policy or campaign/FIP work is impaired.

6. STOCKS

The Dealer agrees to order, stock, maintain and prominently display in new salable condition at each Dealer location or satellite a representative sample of each type of EQUIPMENT which the Dealer is authorized to sell hereunder, as set forth on Schedule B. It shall be New Holland Construction's sole right to determine minimum EQUIPMENT stocking requirements.

7. ORDERS

a. The Dealer shall submit orders for PRODUCTS to New Holland Construction at times designated by New Holland Construction and using methods and forms required by (or approved by) New Holland Construction (or in accordance with the TERMS AND DISCOUNTS BULLETIN or other procedures established by New Holland Construction).

b. New Holland Construction shall make reasonable efforts to honor each order for PRODUCTS from the Dealer accepted by New Holland Construction, but shall not be liable for failure to deliver or delay in delivery of PRODUCTS.

c. Orders for PRODUCTS are accepted by New Holland Construction when the order is expressly acknowledged in writing or the ordered PRODUCTS are delivered to the Dealer or the carrier. New Holland Construction may install any equipment or accessories required by law on any EQUIPMENT ordered by a Dealer whether or not these mandatory items were included in the Dealers order.

8. PRICES AND CHARGES

Unless otherwise determined by New Holland Construction in the TERMS AND DISCOUNTS BULLETIN or by other written notice to the Dealer, the following provisions shall apply:

a. The Dealer shall pay New Holland Construction the DEALER PRICE for each PRODUCT purchased from New Holland Construction by the Dealer, plus any holdback and charges by New Holland Construction for reimbursement of taxes, duties, transportation, handling, distribution, delivery or special items or services. New Holland Construction may

change the DEALER PRICE, holdback, reimbursement and other charges at any time without prior notice to the Dealer. Except as otherwise specified in writing by New Holland Construction, the DEALER PRICE and charges shall be those in effect, and delivery to the Dealer shall be deemed made and the order filled, on the date of delivery by New Holland Construction to the carrier or to the Dealer, whichever occurs first.

b. If New Holland Construction increases the DEALER PRICE for any PRODUCT, the Dealer may cancel, by written notice to New Holland Construction within 10 days after receipt of notice of the increase, any orders for that PRODUCT placed by the Dealer prior to receiving notice of the increase and unfilled at the time New Holland Construction receives the Dealer's notice of cancellation.

9. TERMS OF PAYMENT AND DELIVERY

Unless otherwise determined by New Holland Construction in the TERMS AND DISCOUNTS BULLETIN or by other written notice to the Dealer, the following provisions shall apply:

a. **Payment.** The Dealer shall pay New Holland Construction for all PRODUCTS immediately upon delivery of PRODUCTS to the Dealer. Payment for each PRODUCT shall be made in current funds unless the invoice or New Holland Construction's then current and applicable payment plan provides otherwise, in which event the terms of the invoice or the plan shall govern. Receipt of any check, draft or other commercial paper shall not constitute payment until New Holland Construction has received cash in the full amount thereof. Failure to make payment in accordance with this Paragraph may, at the discretion of New Holland Construction, result in New Holland Construction revoking the sale and repossessing the PRODUCT without notice or formality or result in a charge back or disallowance of discounts and/or settlement allowances. These remedies are in addition to those available to New Holland Construction under Paragraph 22(d).

b. **Delivery.** New Holland Construction reserves the right to determine the method and routing for delivery of PRODUCTS sold to the Dealer. Where specific shipping instructions are not stated in the order, New Holland Construction will endeavor to ship over the best and most economical route. New Holland Construction shall not be responsible for guaranteeing shipping rates or for delays in shipments. In cases where the order submitted by the Dealer specifies a date for Dealer pick-up at a New Holland Construction depot or other location and PRODUCTS are not called for within 10 days of that date, New Holland Construction may ship the PRODUCTS ordered to the Dealer, and the cost of shipping and handling shall be borne by the Dealer.

c. **Equipment Relocation.** Under certain conditions, and with the approval of New Holland Construction, equipment may be relocated between Dealers. From time to time New Holland Construction may request a Dealer to relocate a unit to another Dealer for the purpose of completing a retail sale. If the original Dealer refuses to release the unit, payment for the unit will become due in full on the first day of the month following the request.

d. **Security.** As security for the purchase price of any PRODUCTS sold to the Dealer, New Holland Construction shall have a purchase money security interest in such PRODUCTS as more fully set forth in the Wholesale Security Agreement and Power of Attorney. New Holland Construction reserves the right to declare all balances of the account due and payable immediately if for any reason it deems such necessary for protection of its interests. No cash discount will be allowed the Dealer so long as any of the indebtedness, whether secured by collateral or otherwise, is past due, and in that case, at the option of New Holland Construction, further shipments of PRODUCTS may be stopped altogether or made only on a cash or COD basis. Dealer shall be charged and must pay interest on all accounts past due at the highest lawful contract rate. All payments made on the Indebtedness shall be payable at New Holland Construction's office or other designated depositories. New Holland Construction shall be reimbursed by Dealer for any exchange or collection charges, including reasonable legal fees, in connection with any of the Dealer's remittances.

e. **Wholesale Credit Line.** Dealer shall comply fully with the terms of any wholesale line of credit applying to sales made to Dealer and Dealer shall make no sale or other disposition of floor planned EQUIPMENT other than by normal course of business sale or lease to a bona fide retail customer, or by relocation as set forth in Paragraph 9 (c). Dealer agrees to store all EQUIPMENT financed under a wholesale line of credit at Dealers facility at the address(es) identified in Schedule C, unless prior written consent for storage at some other location is obtained from New Holland Construction.

f. **Title.** Title to each PRODUCT purchased by the Dealer shall pass to the Dealer or to the finance institution designated by the Dealer upon delivery of the PRODUCT to a carrier or the Dealer.

g. **Risk of Loss and Claims.** All risk of loss and damage to any PRODUCT purchased by the Dealer from New Holland Construction that is not borne by the carrier while the PRODUCT is in the possession of the carrier shall be the responsibility of New Holland Construction, provided upon delivery the Dealer promptly and properly inspects and records any loss of or damage to the PRODUCT. In accordance with the MANUAL, the Dealer shall cooperate with New Holland Construction in processing all claims for loss of or damage to PRODUCTS. The Dealer shall bear all risk of loss or deterioration of, or damage to, PRODUCTS from the time delivery is tendered to Dealer. The Dealer shall promptly notify New Holland Construction if any new and unused EQUIPMENT is substantially damaged while in the Dealer's possession. To preserve the quality and value of new EQUIPMENT offered to the public, New Holland Construction shall have the option to repair or replace any such EQUIPMENT. The Dealer shall assign to New Holland Construction the Dealer's rights under any insurance contract related to such EQUIPMENT repaired or replaced by New Holland Construction; however, the total cost to repair or replace such EQUIPMENT shall be the sole responsibility of the Dealer.

h. **Demurrage and Diversion Liability.** The Dealer shall pay all demurrage, storage and other charges accruing after arrival of any shipment of PRODUCTS at the destination designated on the Purchase Order. If the Dealer fails or refuses for any reason to accept delivery of any PRODUCT ordered by the Dealer, the Dealer shall pay New Holland Construction the amount of all expenses incurred by New Holland Construction in shipping PRODUCTS to the Dealer and

in returning PRODUCTS to the original shipping point or diverting them to another destination; but the Dealer shall not pay more for diversion than the expense of returning the PRODUCT to its original shipping point.

i. **Taxes.** The Dealer represents and warrants that all PRODUCTS purchased from New Holland Construction are purchased for resale to retail customers in the ordinary course of

the Dealer's business. The Dealer further represents and warrants compliance with all requirements for collection and payment of applicable sales, use and like taxes, and has provided or will provide evidence thereof to New Holland Construction. These representations and warranties shall be deemed a part of each order given by the Dealer to New Holland Construction. The Dealer agrees that, as to any PRODUCT put to a taxable use by the Dealer or purchased by the Dealer other than for resale, the Dealer shall make timely and proper return and payment of all applicable sales, use and other taxes, and shall indemnify, defend and hold New Holland Construction harmless from all claims and demand for those taxes.

j. **Application of Money and Credits.** Any money or credits due and payable or becoming due and payable from New Holland Construction to the Dealer as a result of the business dealings between the parties may, at New Holland Construction's option, be applied in any order New Holland Construction may determine for the satisfaction, in full or in part, of any debts, liabilities or obligation due and payable or becoming due and payable or owing from the Dealer to New Holland Construction; including, but not limited to past due interest due from the Dealer to any financing organization for which New Holland Construction may be responsible to pay in the future.

10. ADVERTISING, PROMOTION AND TRADE PRACTICES

a. The Dealer shall conduct business in a manner that will reflect favorably at all times on the Dealer, New Holland Construction, PRODUCTS and other Dealers in PRODUCTS. The Dealer shall refrain from business practices, advertisements and promotions that are unethical, deceptive, misleading, confusing or would likely contravene any voluntary or involuntary advertising standard or any law. The Dealer shall not make directly or indirectly any false or misleading statement or representation concerning any PRODUCT or other item held for sale, lease or rental, its source, condition or capabilities, the prices or charges therefor or the charges made by New Holland Construction for distribution, delivery, taxes or other items.

b. The Dealer shall comply with all laws, rules and regulations applicable to the ordering, sale and service of PRODUCTS and any used PRODUCTS including without limitation those concerning safety, emissions control and customer service. With further regard to used PRODUCTS which come into its possession, Dealer agrees to inspect such PRODUCTS and bring them up to reasonably safe condition whether by repair or by adding or repairing safety mechanisms and shields as originally supplied.

c. If the Dealer modifies new EQUIPMENT or installs on new EQUIPMENT any equipment, accessory or part that has not been supplied by New Holland Construction, or sells any EQUIPMENT that has been modified, or sells any non-New Holland Construction service contract in conjunction with the sale of EQUIPMENT, the Dealer will disclose this fact to the

purchaser in writing and will advise the purchaser in writing that the modification, equipment, accessory or part is not included in warranties provided by New Holland Construction or, in the case of a service contract, the coverage is not provided by New Holland Construction. With respect to used EQUIPMENT, the Dealer shall not represent the source of any modification, accessory, part or service contract to be New Holland Construction if the source is not New Holland Construction.

11. LITERATURE AND INSTRUCTION

a. In accordance with New Holland Construction instructions as issued from time to time, the Dealer agrees to complete, execute and deliver to each retail purchaser of a PRODUCT the appropriate current publications and forms for owners covering operation, maintenance, warranty and other matters as determined by New Holland Construction. The Dealer promptly shall comply with its obligations under these publications.

b. At the time of delivery, the Dealer agrees to instruct each purchaser, lessee or renter of a PRODUCT from the Dealer in the safe use and operation of that PRODUCT.

12. CUSTOMER HANDLING

The Dealer shall promptly investigate and take appropriate corrective action to satisfy the customer with respect to all matters brought to its attention relating to the sale and service of PRODUCTS, shall make regular contact with owners and users of PRODUCTS and shall report promptly to New Holland Construction the details of each inquiry or complaint concerning a PRODUCT the Dealer cannot correct to the customers satisfaction. Dealer shall also promptly notify New Holland Construction of any reports of accidents or injuries involving PRODUCTS.

13. FACILITIES AND EQUIPMENT

a. The Dealer shall establish and maintain at a location approved by New Holland Construction a place of business that, in New Holland Construction's opinion:

(i) is of satisfactory size, layout, appearance and condition;

(ii) contains adequate space for the exclusive display, sales and service of PRODUCTS, the sale of used PRODUCTS, customer parking and waiting, office functions and storage; and

(iii) is equipped with adequate tools, equipment and machinery, as will enable the Dealer to meet its obligations under this Agreement.

b. With New Holland Construction's prior consent as set forth herein, the Dealer may establish and maintain SATELLITE(S) for the sale and/or service of PRODUCTS at locations approved by New Holland Construction. The requirements set forth in Paragraph 13(a) shall apply to all SATELLITE(S). All other obligations of the Dealer under this Agreement relevant to the business to be conducted at the SATELLITE shall extend to that SATELLITE.

c. Without the prior written consent of New Holland Construction, the Dealer shall not move or substantially modify its place or places of business or establish, directly or indirectly, any other place of business, including SATELLITE(S), for the sale or service of PRODUCTS.

d. The Dealer shall keep its place or places of business open during all hours and days customary in the trade.

14. WARRANTY

a. The warranties covering EQUIPMENT are set forth in the MANUAL. The Dealer shall review the written warranty set forth in the MANUAL with the customer and obtain the customer's signature on the Warranty and Limitation of Liability Agreement. The Dealer shall then submit the signed Warranty and Limitation of Liability Agreement to New Holland Construction as set forth in the MANUAL. New Holland Construction and the Dealer promptly shall fulfill their responsibilities under this warranty.

b. The Dealer shall expressly incorporate the appropriate GENUINE PARTS warranty as part of each sale of a GENUINE PART, in accordance with instructions set forth In the MANUAL.

c. EXCEPT FOR THE WARRANTY EXTENDED UNDER THIS PARAGRAPH 14, AND TO THE EXTENT ALLOWED BY LAW, THERE SHALL BE NO OTHER WARRANTY OR CONDITION, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER OBLIGATION OF NEW HOLLAND CONSTRUCTION TO THE DEALER OR THE CUSTOMER WITH RESPECT TO PRODUCTS. NOTWITHSTANDING THE FOREGOING, ANY PROVISIONS IN THIS AGREEMENT BETWEEN THE DEALER AND NEW HOLLAND CONSTRUCTION REGARDING PRODUCTS SHALL REMAIN EFFECTIVE.

d. New Holland Construction shall not be liable nor shall it defend, indemnify or in any way be obligated to assist Dealer in defense of any notice, claim, or lawsuit alleging the existence of a warranty beyond the terms identified in the Warranty and Limitation of Liability Agreement referred to in this Paragraph 14.

e. The performance and administration of the warranties extended under this Paragraph 14 and the payment of claims under these warranties shall be as set forth in the MANUAL.

15. CAPITAL

The Dealer shall at all times employ in connection with its business under this Agreement a wholesale line of credit and the total investment, net working capital, and retail financing plans, all in the amounts deemed necessary by New Holland Construction for the Dealer to comply with its obligations hereunder.

16. **SIGNS**

a. The Dealer shall acquire, erect and maintain signs which are designated in the Dealership Identification Guide published by New Holland Construction and are adequate to identify the DEALER LOCATION and any SATELLITE(S) as a Dealer in PRODUCTS. These signs shall be subject to New Holland Construction's approval with respect to the display of any trademark or trade name to which New Holland Construction or any affiliated company is entitled.

b. Compliance with any separate written dealership identification agreement between the Dealer and New Holland Construction shall be deemed compliance with this Paragraph 16.

17. REPORTS, AUDITS AND RECORDS

a. The Dealer shall, within 90 days after the end of its fiscal year, provide to New Holland Construction a copy of an annual audited financial statement that is prepared by or for the Dealer. Dealer shall also promptly submit sales reports and other business, sales and service reports and documents to New Holland Construction upon request. All statements and reports shall contain information on any SATELLITE. At any time, New Holland Construction may request from the Dealer additional or supplemental financial or other business data to assist in assessing its continuing credit risk or the Dealers compliance with the provisions of this Agreement. New Holland Construction also reserves the right to obtain from time to time personal financial statements from the owner(s), partner(s), principal stockholder(s) or guarantor(s) of Dealer. Dealer will comply with all requests for such additional information immediately. Failure to provide any of the reports, records or information which are the subject of this Paragraph may result in withdrawal of existing credit extensions or refusal to grant additional credit or such other actions as New Holland Construction may deem appropriate, including termination of this Agreement as provided herein.

b. The Dealer shall permit persons designated by New Holland Construction, at reasonable times during normal business hours, to examine its place or places of business, stocks of PRODUCTS and other EQUIPMENT at the DEALER LOCATION and any SATELLITE, to test EQUIPMENT, to check and instruct the Dealer and its employees in the proper handling of warranty and other repairs and claims based thereon and to examine, copy and audit all the Dealers original records and documents relating to the Dealer's PRODUCTS business. The Dealer shall maintain for at least two years all original records and documents relating to all claims made upon or paid by New Holland Construction including, but not limited to, warranty, policy and incentive claims. The submission of improper claims will result in a charge back against the Dealer account with New Holland Construction for all improper or unsubstantiated claims. If the Dealer refuses to permit an audit, fails to maintain the required records, or if it is determined that improper claims were intentionally made, the charge back will include all payments for the prior two years, including Dealer settlement allowances. This remedy is in addition to those available to New Holland Construction under Paragraph 22(d).

18. MARKET REPRESENTATION

a. Without liability to the Dealer, New Holland Construction may determine the numbers, locations and sizes of Dealers necessary for adequate PRODUCTS sales and service representation and may appoint additional Dealers in PRODUCTS within the Dealer's PMR or elsewhere, or may alter the Dealer's PMR. Notwithstanding any other provision of this Agreement, the final decision whether to establish an additional Dealer or alter the Dealer's PMR shall be made by New Holland Construction solely upon its own business judgment, and nothing in this Agreement shall be construed as requiring the Dealers consent to the establishment of an additional Dealer or the altering of Dealer's PMR.

b. New Holland Construction may make gifts, sales, loans, rentals or leases of PRODUCTS to others within the Dealer's PMR or otherwise without liability to the Dealer. New Holland Construction also may offer any PRODUCTS including new, different and differently designed product, bearing any trademarks or trade names to which New Holland Construction or any affiliated company is entitled, to selected Dealers or others under existing or new agreements without any liability to the Dealer.

In view of the personal nature of this Agreement, the rights and privileges conferred on the Dealer under this Agreement are not transferable, assignable or salable by the Dealer, and no property right or interest, direct or indirect, is sold, conveyed or transferred to the Dealer under this Agreement. New Holland Construction may select the Dealers it shall appoint to distribute and service PRODUCTS and may refuse to appoint as a Dealer any purchaser or prospective purchaser of any of the shares or assets of the Dealer upon the termination of this Agreement or otherwise. The Dealer shall give New Holland Construction 60 days written notice of Dealer's intention to transfer or sell the shares or assets of the dealer.

The Dealer has not paid any fee for this Agreement.

19. MODEL CHANGE

a. Without giving notice to the Dealer and without incurring any liability to the Dealer, New Holland Construction:

(i) may alter, modify or discontinue the design, construction and availability of any PRODUCT;

(ii) may withdraw from the market any PRODUCT, any derivative of a PRODUCT and any version of any derivative of a PRODUCT; and

(iii) may market additional or replacement PRODUCTS.

b. Unless New Holland Construction advises the Dealer in writing to the contrary, or except as required by law, New Holland Construction does not sell its PRODUCTS to Dealer using a model year or year of manufacture designation. Except as required by law, Dealer shall make no representation upon resale, lease or renting that the EQUIPMENT is of a particular model year.

20. TRADEMARKS, TRADE NAMES AND TRADE SECRETS

a. Use in Title. The Dealer shall not use as, or as part of, its trading or firm titles any name that is not acceptable to New Holland Construction. The Dealer shall not use "New Holland" or "New Holland Construction" or any trade names or trademarks owned or used by New Holland North America, Inc. or any New Holland Group Company, as or as part of the Dealer's firm, trade or corporate name and shall not permit any person, firm or corporation controlled by it or affiliated with it to do so. Such trade names and trademarks belong to New Holland North America, Inc. and may be used by the Dealer only in connection with advertisement and sales of PRODUCTS sold to him by New Holland Construction. Any such use by the Dealer shall immediately cease upon termination of the business relationship between New Holland Construction and the Dealer.

b. Goodwill and Reputation. The Dealer shall not in any trading title used by the Dealer in connection with its business activities under this Agreement or in connection with any other

business activity, use any name or words capable of damaging the goodwill or reputation of New Holland Construction or any affiliated company or predecessor. The Dealer shall promptly carry out all reasonable instructions and requests of New Holland Construction issued to protect and promote the value, goodwill and reputation of any trademark or trade name to which New Holland Construction or any affiliated company or predecessor is entitled.

c. The Dealer shall maintain in strict confidence all commercial and technical information disclosed by New Holland Construction to the Dealer.

21. DURATION

Unless terminated earlier in accordance with the terms hereof, this Agreement shall continue from the date first set forth above until December 31, 2004. This Agreement automatically shall be extended for successive one-year terms unless at least 90 days prior to the expiration date of the original term or any extension either party notifies the other of its intention not to extend. Upon such notification, this Agreement shall expire on December 31, 2004, or at the end of any such extended period. The Dealer understands that this Agreement is of a limited duration and agrees that it has not relied on any representation regarding the continuation of this Agreement or its benefits beyond the initial term or any subsequent term. /s/ DM [DEALER INITIALS]

22. TERMINATION

It is agreed that the following shall illustrate, but not exclusively, the various grounds which shall entitle New Holland Construction, at its option, and the Dealer where so indicated, to terminate this Agreement prior to its expiration, and which shall entitle New Holland Construction to Immediate possession of all PRODUCTS for which the Dealer is indebted to New Holland Construction or a New Holland Construction-approved financing agency:

a. At Will. Either party may terminate this Agreement at any time at will, with or without cause, by giving the other party at least 90 days prior written notice.

b. Replacement Agreement. In the event New Holland Construction offers a new or amended form of agreement to its Dealers in PRODUCTS, New Holland Construction may terminate this Agreement at any time by giving the Dealer at least 30 days prior notice.

c. Breach. In the event that a party has failed to fulfill any of that party's responsibilities under this Agreement, the other party may terminate this Agreement by giving 30 days written notice. (Note, however, that pursuant to Paragraph 22(d) below that no prior notice of immediate termination is required under some circumstances.)

d. With Immediate Effect. New Holland Construction may terminate this Agreement with immediate effect by giving notice to the Dealer or to the Dealer's legal representative in any of the following events:

(i) Any transfer or attempted transfer, without the prior written approval of New Holland Construction, by the Dealer of any interest in, or right, privilege, or, obligation under this Agreement, or any transfer by operation of law or otherwise of the principal assets of the Dealer that are required for the conduct of its business under this Agreement, or any change, however accomplished, in the direct or indirect ownership or operating management of the Dealer as set forth in Schedule A.

(ii) Any misrepresentation in applying for appointment as a Dealer in PRODUCTS by the Dealer or any person named in Schedule A; the submission by the Dealer to New Holland Construction of a false or fraudulent application or claim, or any false statement in support thereof, for warranty, policy or campaign adjustments or for wholesale parts or sales incentives or for any other refund, credit, rebate, incentive, allowance, discount, reimbursement or payment under any program, or the acceptance by the Dealer of any payment for any work not performed by the Dealer in accordance with the provisions of this Agreement or the MANUAL.

(iii) Failure of the Dealer to maintain one or more of the Dealer's places of business open for business for a period of seven or more consecutive days.

(iv) Conviction or guilty plea in a court of original jurisdiction of the Dealer or any person named in Schedule A of a felony or of any violation of law that in New Holland Construction's opinion tends to affect adversely the operation or business of the Dealer or the good name, goodwill or reputation of PRODUCTS, the Dealer, New Holland Construction, or other Dealers in PRODUCTS.

(v) Failure of the Dealer to fulfill any provision of Paragraph 9 or Paragraph 20 or to pay New Holland Construction any sum due under any agreement between New Holland Construction and the Dealer.

(vi) Failure of the Dealer to obtain or hold any license required for the performance of any of the Dealer's obligations under this Agreement.

(vii) Death or physical or mental incapacity or disappearance of the Dealer if the Dealer is an individual, or of the principal owner of the Dealer if the Dealer is a legal entity other than an individual.

(viii) Insolvency of the Dealer; the inability of the Dealer to pay debts as they mature, whether to New Holland Construction or others; the filing of a petition in bankruptcy or for reorganization, whether voluntary or involuntary; the making of an assignment by the Dealer for the benefit of creditors; the appointment of a receiver, custodian or trustee for the Dealer or Its property; or default by the Dealer in the payment of any obligation owing to New Holland Construction.

(ix) Revocation or discontinuance of any guaranty of Dealer's present or future obligations to New Holland Construction.

(x) Failure of the Dealer to maintain a line of wholesale credit adequate, in the opinion of New Holland Construction, to fulfill Dealers obligations under this Agreement.

(xi) Failure of the Dealer to provide the reports and/or permit the audits described in Paragraph 17.

(xii) Any conduct by any person named in Schedule A or any employee of the Dealer unbecoming a reputable businessman, or disagreement between any persons named therein that in New Holland Construction's opinion tends to adversely affect the operation or business of the Dealer or the good name, goodwill or reputation of PRODUCTS, the Dealer, New Holland Construction, or other dealers in products.

(xiii) Conduct by any person named in Schedule A or any employee of the Dealer, which is abusive or threatening to any New Holland Construction employee.

23. OBLIGATIONS UPON EXPIRATION OR TERMINATION

a. Upon the expiration or termination of this Agreement, the Dealer shall cease to be a Dealer in PRODUCTS, all orders from the Dealer for PRODUCTS that have not been shipped shall be canceled without liability to either party, and the Dealer promptly shall:

(i) pay New Holland Construction all sums owed by the Dealer to New Holland Construction;

(ii) remove all signs owned or controlled by the Dealer that bear any trademark or trade name of New Holland Construction or any of its affiliates or predecessors;

(iii) discontinue the use of any trademark or trade name of New Holland Construction or any of Its affiliates or predecessors; and

(iv) cease to represent in any way that the Dealer is or was a Dealer in PRODUCTS.

b. If the Dealer fails to comply with these requirements, New Holland Construction may take reasonable steps to achieve compliance or the same result as would be realized by Dealer compliance, and the Dealer shall reimburse New Holland Construction for all costs and expenses, including reasonable attorney's fees, incurred by New Holland Construction In effecting or enforcing compliance. All obligations contained in Paragraph 23 shall survive the expiration or termination of this Agreement. Final settlement of the Dealer's account with New Holland Construction shall not be made until all requirements of this Agreement are complied with by the Dealer.

24. ACQUISITION OF CERTAIN PROPERTY UPON TERMINATION

Unless otherwise provided by law, the following provisions shall control:

a. If this Agreement expires or is terminated, then upon the Dealer's written request, New Holland Construction shall repurchase all new, complete, unused, unsold and undamaged PRODUCTS in the Dealer's stock on the date of termination provided the PRODUCT:

(i) is in new, complete, first-class salable condition;

(ii) is listed in the then-current price and data book or parts price list;

(iii) is free and clear of all liens; and

(iv) was purchased by the Dealer from New Holland Construction.

The price for any repurchased EQUIPMENT shall be the price paid by the Dealer to New Holland Construction, less charges for distribution, delivery, handling, advertising and taxes, and less any amount previously credited or refunded to the Dealer on that EQUIPMENT. New Holland Construction is not obligated to reimburse Dealer for unloading, set-up, or preparation of returned PRODUCTS under this Paragraph 24. The price for any repurchased GENUINE PART shall be the then-current Dealer price, less all allowances and discounts paid or allowances and discounts currently offered by New Holland Construction, less the amount representing freight currently being prepaid by New Holland Construction on stock orders, and less a fifteen percent (15%) restocking charge. The Dealer must notify New Holland Construction in writing within thirty (30) days of the expiration or termination of this Agreement that the Dealer desires New Holland Construction to reacquire certain PRODUCTS, and return such PRODUCTS to New Holland Construction within sixty (60) days. A single return of GENUINE PARTS will be permitted.

b. Upon expiration or termination of this Agreement, New Holland Construction may retake without payment any materials (such as sales promotion, advertising and training materials, tools and signs) provided without charge to the Dealer by New Holland Construction or any predecessor. In no event, however, shall New Holland Construction have the obligation to purchase the Dealer's facilities (including land, buildings and equipment).

c. All items to be repurchased by New Holland Construction under this Paragraph 24 shall be packed, boxed or crated and shipped by the Dealer in accordance with New Holland Construction's instructions, unless otherwise required by law, freight prepaid at the Dealer's expense to the destination specified by New Holland Construction. All items thus repurchased shall be delivered, sold and paid for free of all claims, liens and other encumbrances after compliance with all bulk sales or similar laws for the protection of creditors and shall be transferred by warranty bills of sale satisfactory to New Holland Construction. Upon the Dealer's signing and delivering a general release to New Holland Construction in a form satisfactory to New Holland Construction, the Dealer will be paid for the items reacquired by New Holland Construction, less any amount owed to New Holland Construction.

d. New Holland Construction shall have the right to withhold from the price of any items repurchased pursuant to this Paragraph 24, a sum sufficient to discharge any liens or encumbrances against such items and to discharge such liens or encumbrances. The Dealer shall, in addition, execute such documents and take any additional action reasonably requested by New Holland Construction to transfer ownership thereof, free and dear of such liens and encumbrances.

25. RELATIONS AFTER EXPIRATION OR TERMINATION

Any business relations between New Holland Construction and the Dealer after expiration or termination of this Agreement whether with respect to PRODUCTS or otherwise, shall not constitute a waiver of the expiration or termination of this Agreement or in any manner reinstate the contractual relationship that existed by virtue of this Agreement, and all such relations shall be governed by terms identical to the relevant provisions of this Agreement unless the parties execute a new agreement superseding this Agreement.

26. NEW AGREEMENT

Unless otherwise specified by New Holland Construction in writing, the termination of this Agreement by New Holland Construction in connection with the offer by New Holland Construction to the Dealer (or the Dealer's successor in interest) of a new agreement for one or more PRODUCTS shall not give rise to the rights and obligations provided in Paragraphs 23 and 24 with respect to the PRODUCTS covered by the new agreement.

27. LIMITATION OF LIABILITY

This Agreement contemplates that the Dealer, as an independent business, shall purchase PRODUCTS for resale in conformity with the provisions of this Agreement, and shall obtain on its own the capital investment necessary to operate the business. Nothing in this Agreement shall impose any liability on New Holland Construction in connection with the Dealer's operations under this Agreement or otherwise, or for any expenditure made or incurred by the Dealer in preparation for performance or in performance of the Dealers responsibilities under this Agreement.

The Dealer and New Holland Construction both understand and agree that this Agreement is of a limited duration, and therefore, except as provided herein, neither party is entitled to any compensation or reimbursement for loss of prospective profits, anticipated sales or other losses occasioned by expiration, cancellation, non-renewal or termination. More specifically, the damages to which either party may be entitled are limited to those which occur, or which are incurred, during the period of time between notice of cancellation, non-renewal or termination and the effective date thereof.

28. AGENCY OR EMPLOYMENT RELATIONSHIP

This Agreement does not create an agency or employment relationship between New Holland Construction and the Dealer or any personnel of the Dealer. Neither the Dealer nor any personnel of the Dealer shall:

(i) be considered an agent or employee of New Holland Construction;

(ii) act or attempt to act or represent himself directly or by implication as an agent of New Holland Construction; or

(iii) assume or create or attempt to assume or create an obligation on behalf of or in the name of New Holland Construction.

29. ASSIGNMENT

Upon notice to the Dealer, New Holland Construction may assign this Agreement and any rights and obligations under this Agreement to any affiliate of New Holland Construction or to any company that succeeds to the interests of New Holland North America, Inc. The Dealer may not assign or otherwise transfer this Agreement, in whole or in part, without the written prior consent of New Holland Construction.

30. AMENDMENT AND SEPARABILITY

New Holland Construction may amend this Agreement at any time upon 30 days written notice to the Dealer. If performance or enforcement of this Agreement is unlawful under a valid law of any jurisdiction where that performance or enforcement is to take place, the performance or enforcement will be modified to the minimum extent necessary to comply with any such law.

31. AUTHORIZED PERSONNEL

This Agreement shall bind New Holland Construction only if it bears the manual or facsimile signature of the Vice-President of Sales and a fully executed copy is delivered personally or by mail to the Dealer at its principal place of business. No one except those persons identified in the preceding sentence is authorized on behalf of New Holland Construction to make any other agreement relating to the subject matter of this Agreement or to modify any provision of this Agreement or to terminate this Agreement, and then only be a written instrument.

32. SUPERSESSION AND ENTIRE AGREEMENT

This Agreement terminates and supersedes all other agreements between the Dealer and New Holland Construction or Fiatallis North America, Inc. for the sale and service of PRODUCTS. This Agreement contains the entire agreement and constitutes the sole and exclusive agreement between the parties with respect to its subject matter, and each party acknowledges that, except as expressly stated in this Agreement, no representation, understanding or presumption of law or fact has been made or relied upon that has induced the execution of this Agreement, or would in any way modify any of its provisions with respect to the effectiveness, duration, expiration or termination of this Agreement or the sales or profit expectancy of the Dealer. The Dealer understands that this Agreement has a limited duration and has decided to become a Dealer in PRODUCTS and to make the investments necessary to become a Dealer solely in reliance on its own investigation, appraisal and projection of present and future conditions and expectations and not in reliance on any statements made or documents exhibited to the Dealer by New Holland Construction or any affiliated company or predecessor. The Dealer has read this Agreement and understands it and has had adequate opportunity to consult with legal counsel of Dealer's own choosing regarding the content and meaning of this Agreement. The Dealer voluntarily has entered into this Agreement without coercion, intimidation or threats from New Holland Construction, and acknowledges that each provision of this Agreement is reasonable, fair and equitable.

33. NO IMPLIED WAIVER

The waiver by either party or the failure by either party to claim a breach of any provision of this Agreement shall not constitute a waiver of any subsequent breach or affect in any way the effectiveness of that provision.

34. NOTICE, APPROVAL AND CONSENT

Any notice, approval or consent required or allowed under this Agreement shall be given in writing and, without prejudice to other forms of actual service, shall be considered as served upon being mailed in a properly sealed envelope with first class or certified or registered postage prepaid. Notices to New Holland Construction shall be delivered or mailed to the Vice-President of Sales, New Holland Construction, 245 East North Avenue, Carol Stream, IL 60188. Notices to the Dealer shall be delivered or mailed to any person designated in Schedule A (ii) or to the Dealer at the PRINCIPAL DEALER LOCATION.

35. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the state in which the PRINCIPAL DEALER LOCATION is situated, without regard to such state's choice of law rules or principles.

NEW HOLLAND CONSTRUCTION		**DEALER**	
			Titan Machinery Inc.
By:		**By:**	/s/ David J. Meyer
Title:	Vice President Sales	**Title:**	CEO

New Holland Construction
A Division of New Holland North America, Inc.

ADDENDUM

NEW HOLLAND CONSTRUCTION
SIGNATURE FULL LINE
DEALER AGREEMENT

WHEREAS, New Holland Construction has instituted a new product marketing program called Signature Full Line to market all **PRODUCTS**; and

WHEREAS, New Holland Construction will require additional obligations of the Signature Full Line dealers; and

WHEREAS, Dealer is desirous of being appointed a Signature Full Line dealer and market all **PRODUCTS** provided within Signature Full Line offering; and

WHEREAS Dealer agrees to meet the additional obligations required of a Signature Full Line dealer and further agrees to develop an initial Strategic Business Plan setting forth the actions it will take to meet the Signature Full Line obligations.

NOW, THEREFORE, New Holland Construction and Dealer agree to establish the Dealer Agreement between them dated April 14, 2003 as set forth below:

1. New Holland Construction will include Schedule B to reflect that the Dealer is authorized to stock and sell all Signature Full Line **EQUIPMENT**. (The Schedule B and corresponding Schedule C are attached.)

2. Dealer will meet all obligations set forth as Signature Full Line requirements per the attached list.

3. Dealer will be obligated to and must comply with the commitments made in the Initial Strategic Business Plan dated **October 25, 2002**.

4. On an on going basis, Dealer must develop an annual Strategic Business Plan acceptable to New Holland Construction in its sole discretion. This plan is to be submitted to New Holland Construction for approval by December 1. Dealer will be obligated to and must comply with the commitments made in its Strategic Business Plan.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Addendum as of the date written below.

NEW HOLLAND CONSTRUCTION,
DIVISION OF NEW HOLLAND NORTH AMERICA, INC.

DEALER **Titan Machinery Inc.**
(Dealership Name)

By:	/s/ David J. Meyer	**By:**	
		Title:	Vice President Sales
Title:	CEO		New Holland Construction
Date:	4-14-03	**Date:**	4-14-03

SIGNATURE FULL LINE
REQUIREMENTS

BUSINESS MANAGEMENT

Strategic Plan
Market Share Action Plans
CS & L Program Action Plans
Communication Action Plans
Annual Plan
Annual Plan Yearly Review Meeting
Capital Plan
20% Equity
Business Tools
Employee Development Plan
Monthly Financial Statements

COMPANY IDENTIFICATION

Acres — 3 Minimum
Advertising and Promotion Budget — 0.4% of Sales Minimum
Conference Room /Training Room
Department Size — (Minimum Square Footage)
Loading Dock
Manager for each Department (with Office)
Paved Customer Lot
Reception Area for Customers
Signage for Property and Building
Staff —Minimum Number Based on Sales
Uniforms — All Departments

PARTS MANAGEMENT

Customer Sales Computer Workstations
Customer Database — Parts
Maintained Technical Library
Manager Participates in CS&L
Monthly Forecast — Parts
Staffing to Guideline
Stock Ratio - Minimum 55%

Subscribe to Initial New Machine Stocking Plan
Yearly Parts Marketing Programs

SIGNATURE FULL LINE
REQUIREMENTS

SALES MANAGEMENT

Customer Database — Sales
Manager Participates in CS&L
Monthly Forecast - Sales
Staffing is to Guideline
Yearly Plan with Monthly Breakdown

SERVICE MANAGEMENT

Campaigns Completed on time
Customer Database — Service
Doors — Shop with Proper Sizes
Equipment Wash Area
Maintained Library
Manager Participates in CS&L
Monthly Forecast — Service
Pre-delivery and Delivery Process
Service Department Parts Ordering Counter
Service Training — Minimum
Service Vehicles — Minimum by Sales
Service Shop Rates Posted
Staffing is to Guideline
Shop Tools — Minimum
Tool Room
Tool Subscription

DEALER AGREEMENT - SCHEDULE B
Signature Full Line

Dealer Trade Name: **Titan Machinery Inc.**

Dealer Address: **West Fargo, ND 58078**
(City, State and Zip Code)

SOURCE OF EQUIPMENT

New Holland Construction

- ☒ Articulated Haulers
- ☒ Crawler Dozers
- ☒ Crawler Excavators
- ☒ Crawler Loaders
- ☒ Forklifts
- ☒ Industrial Tractors
- ☒ Mini Excavators
- ☒ Mini Wheel Loaders
- ☒ Motor Graders
- ☒ Skid-Steer Loaders
- ☒ Telehandlers
- ☒ Trenchers
- ☒ Wheel Excavators
- ☒ Wheel Loaders

New Holland Construction

By: _____
Vice President Sales

4-14-03
Date

DEALER AGREEMENT - SCHEDULE C

Dealer Trade Name: **Titan Machinery**

Dealer Address: **West Fargo, ND 58078**
(City, State and Zip Code)

DEALER LOCATION AND PMR
PRINCIPAL DEALER LOCATION (PHYSICAL LOCATION)
2000 E Main Ave, West Fargo, ND 58078
(Address, City, State and Zip Code)

BRANCH LOCATION(S) OF DEALER

(Address, City, State and Zip Code)

PRIMARY MARKET OF RESPONSIBILITY

The following chart identifies by PRODUCT LINE that portion (%) of the total industry volume of sales within a geographic area in which a Dealer is expected to participate. The PMR is the volume of a PRODUCT LINE sold within a geographic area, not the area itself. The PMR will be the base against which the Dealers sales performance is measured.

EXAMPLE 1: If a Dealer's PMR includes 100% of the industry sales volume in a county and there are a 100 units of a given PRODUCT LINE sold within the county, then the Dealer's PMR consists of 100 units. The Dealers PMR will be used to calculate the Dealers market share. So, if this Dealer sold 20 units of this PRODUCT LINE in the PMR, then its market share would be 20%.

EXAMPLE 2: If a Dealer is assigned 50% of the industry sales volume in that same county in which 100 units of a given PRODUCT LINE is sold, then its PMR for that PRODUCT LINE is 50 units. Then, if this Dealer sold 5 units of this PRODUCT LINE in the PMR, its market share would be 10%.

PRODUCT LINES AND COUNTY ASSIGNMENTS

Industrial Tractor	Skidsteer	Telehandler Utility	Telehandler Constr.	Light Constr.	Medium Constr.	Heavy Constr.	County	ST/PR
100%	25%	25%	100%	100%	100%	100%	CLAY	MN
100%	10%	10%	100%	100%	100%	100%	NORMAN	MN
100%	10%	10%	100%	100%	100%	100%	WILKIN	MN
100%	10%	10%	100%	100%	100%	100%	ADAMS	ND
100%	10%	10%	100%	100%	100%	100%	BARNES	ND
100%	10%	10%	100%	100%	100%	100%	BENSON	ND
100%	10%	10%	100%	100%	100%	100%	BILLINGS	ND
100%	10%	10%	100%	100%	100%	100%	BOTTINEAU	ND
100%	10%	10%	100%	100%	100%	100%	BOWMAN	ND
100%	10%	10%	100%	100%	100%	100%	BURKE	ND
50%	12%	12%	50%	50%	50%	100%	BURLEIGH	ND
100%	50%	50%	100%	100%	100%	100%	CASS	ND
100%	10%	10%	100%	100%	100%	100%	CAVALIER	ND
100%	10%	10%	100%	100%	100%	100%	DICKEY	ND
100%	10%	10%	100%	100%	100%	100%	DIVIDE	ND
50%	5%	5%	50%	50%	50%	100%	DUNN	ND
100%	10%	10%	100%	100%	100%	100%	EDDY	ND
100%	10%	10%	100%	100%	100%	100%	EMMONS	ND
100%	10%	10%	100%	100%	100%	100%	FOSTER	ND
100%	10%	10%	100%	100%	100%	100%	GOLDEN VALLEY	ND
100%	25%	25%	100%	100%	100%	100%	GRAND FORKS	ND
100%	10%	10%	100%	100%	100%	100%	GRANT	ND
100%	10%	10%	100%	100%	100%	100%	GRIGGS	ND
100%	10%	10%	100%	100%	100%	100%	HETTINGER	ND
100%	10%	10%	100%	100%	100%	100%	KIDDER	ND
100%	10%	10%	100%	100%	100%	100%	LAMOURE	ND
100%	10%	10%	100%	100%	100%	100%	LOGAN	ND
50%	5%	5%	50%	50%	50%	100%	MCHENRY	ND
100%	10%	10%	100%	100%	100%	100%	MCINTOSH	ND
100%	10%	10%	100%	100%	100%	100%	MCKENZIE	ND
50%	5%	5%	50%	50%	50%	100%	MCLEAN	ND
50%	5%	5%	50%	50%	50%	100%	MERCER	ND
50%	5%	5%	50%	50%	50%	100%	MORTON	ND
50%	5%	5%	50%	50%	50%	100%	MOUNTRAIL	ND
100%	10%	10%	100%	100%	100%	100%	NELSON	ND
50%	5%	5%	50%	50%	50%	100%	OLIVER	ND
100%	10%	10%	100%	100%	100%	100%	PEMBINA	ND
100%	10%	10%	100%	100%	100%	100%	PIERCE	ND
100%	10%	10%	100%	100%	100%	100%	RAMSEY	ND
100%	10%	10%	100%	100%	100%	100%	RANSOM	ND
100%	10%	10%	100%	100%	100%	100%	RENVILLE	ND
100%	10%	10%	100%	100%	100%	100%	RICHLAND	ND
100%	10%	10%	100%	100%	100%	100%	ROLETTE	ND
100%	10%	10%	100%	100%	100%	100%	SARGENT	ND
100%	10%	10%	100%	100%	100%	100%	SHERIDAN	ND
100%	10%	10%	100%	100%	100%	100%	SIOUX	ND
100%	10%	10%	100%	100%	100%	100%	SLOPE	ND

Industrial Tractor	Skidsteer	Telehandler Utility	Telehandler Constr.	Light Constr.	Medium Constr.	Heavy Constr.	County	ST/PR
50%	5%	5%	50%	50%	50%	100%	STARK	ND
100%	10%	10%	100%	100%	100%	100%	STEELE	ND
100%	10%	10%	100%	100%	100%	100%	STUTSMAN	ND
100%	10%	10%	100%	100%	100%	100%	TOWNER	ND
100%	10%	10%	100%	100%	100%	100%	TRAILL	ND
100%	10%	10%	100%	100%	100%	100%	WALSH	ND
50%	12%	12%	50%	50%	50%	100%	WARD	ND
100%	10%	10%	100%	100%	100%	100%	WELLS	ND
100%	10%	10%	100%	100%	100%	100%	WILLIAMS	ND

New Holland Construction

Vice-President of Sales

4-14-3
Date

CNH AMERICA LLC

AMENDMENT TO DEALER AGREEMENT

Carol Stream, IL

This is an amendment to the CNH America LLC Dealer Agreement dated, April 14, 2003, (the "Agreement") and amended on none, between CNH America LLC, a Delaware corporation, and Titan Machinery Inc., a Corporation (state whether an individual, partnership or Corporation) in North Dakota (if corporation, name state in which incorporated) doing business as Titan Machinery Inc., and with a principal place of business at 2000 E. Main Avenue, West Fargo, ND 58078 (hereinafter called "Dealer").

In consideration of the mutual promises of the parties hereinafter set forth, it is agreed by the Dealer and CNH America LLC that the Agreement be amended as follows:

☒ Amend Schedule B to add the identified products to those products, which were previously approved. New Schedule B showing all approved products is attached, reflecting the addition of CTL product line.

☐ Amend Schedule B to eliminate the identified products from those products, which were previously approved. New Schedule B showing all approved products is attached, reflecting the elimination of:

☒ Amend Schedule C to reflect the change in the primary market of responsibility (PMR) resulting from the addition or elimination of those products identified above. This amended Schedule C also reflects the primary area of responsibility (PMR) already designated for previously approved products under the CNH America LLC Dealer Agreement.

☐ Amend Schedule C to reflect the of the branch location at . A new Schedule C is attached reflecting this change.

☒ This Agreement has been entered into by CNH America LLC, in reliance upon the dealer's representation and agreement that the individual(s) listed on the Stock Ownership Certificate form dated: , photocopy of which is attached, are the true owners of the dealership. Additionally, the manager listed on Schedule A will operate the dealership and is fully empowered to conduct business with CNH America LLC, on an ongoing basis as required. An amended Schedule A to reflect the individual(s) named in the Stock Ownership Certificate form is attached.

☐ Amend Schedule C to reflect a change in the PMR which the dealer is responsible for serving.

To the extent not inconsistent herewith, the Agreement shall remain in full force and effect. **IN WITNESS WHEREOF**, the parties have executed this Amendment as of the 27th day of December 2005.

Titan Machinery Inc.
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Dealer Signature)

(Title)

NOTE: IF DEALER IS CORPORATION, ATTACH CERTIFIED COPY OF CORPORATE MINUTES AUTHORIZING EXECUTION.

CNH AMERICA LLC

Vice President, Sales & Marketing

12-27-05
Date

CONSTRUCTION EQUIPMENT

SALES & SERVICE

AGREEMENT

CNH America LLC, a Delaware limited liability company (hereinafter called "Company"), and the undersigned dealer (hereinafter called "Dealer") agree as follows:

Dealer Appointment 1. Company hereby appoints Dealer as an authorized Dealer for the marketing and servicing of the Company's Products within the Sales and Service Area specified in this Agreement. Dealer accepts this appointment and agrees that the relationship between Dealer and Company shall be governed by the terms and conditions of this Agreement.

Duration 2. This Agreement shall continue in effect until terminated by one or both of the parties as provided by this Agreement.

Products 3. The Products to which this Agreement applies are the complete machines (wholegoods) for the categories of equipment authorized by this Agreement, together with the attachments, accessories and service parts therefore, all of which are collectively referred to herein as "Products".

Facilities 4. Dealer agrees to provide and maintain at the location or locations specified in this Agreement, facilities acceptable in appearance to the Company and with adequate size and space in relation to the Dealer's sales and service potential to properly sell, service, display and store Products. Dealer agrees not to change any location of Dealer's facilities nor establish any other additional locations without Company's prior written consent.

Sales & Service Area 5. The Sales and Service Area assigned to the Dealer by this Agreement is non-exclusive, and the Company shall have the right to enlarge or reduce it upon at least thirty (30) days prior written notice. Dealer's sales and service performance shall be measured only within this Sales and Service Area.

Sales & Service Responsibilities 6. Company and Dealer agree that it is essential that the Dealer use its best efforts to effectively sell and service the Products. In order to carry out these responsibilities, Dealer agrees at a minimum to:

(a) Promote and sell Products sufficient to achieve sales objectives and a share of market satisfactory to the Company within the Dealer's Sales and Service Area;

(b) Display Company identification signs of the type and in a manner and in places approved by Company, including but not limited to signs on the Dealer's facilities and service vehicles;

(c) Maintain an inventory of those Products suitable for the geographic area where the Dealer's facilities are located and adequate in relation to the sales and service potential for such area;

(d) Employ and maintain an efficient and adequately trained staff of sales, service and other personnel, and to send them to Company's training conferences and schools;

(e) Invest and maintain sufficient working capital to achieve sales objectives and a share of market satisfactory to the Company within Dealer's Sales and Service Area;

(f) Meet Company's service certification standards including pre-delivery, delivery and after-delivery requirements for all Products;

(g) Render prompt, workmanlike, courteous and willing service, including warranty, with respect to all Products for which service is requested by owners, regardless of where or by whom such Products were sold;

(h) Sell Products only to other authorized Dealers or end users. An end user is any customer who purchases Products for use, lease or rent, but not for resale;

(i) Meet such other reasonable standards of performance as may be established from time to time by the Company.

Sales and Service Fee 7. The Company shall assess a Sales & Service Fee when Products are sold outside of the Dealer's Sales and Service Area. This fee shall not apply to parts, attachments and accessories sold separately.

The selling Dealer shall report any sale outside of its Sales and Service Area at the time the warranty registration documents for such sale are filed. Claims for payment of this Fee shall be made in writing to the Company by the non-delivering Dealer within one (1) year after the sale of the Products involved and shall be accompanied by evidence satisfactory to the Company that the non-delivering Dealer has provided the end user with warranty or non-preventive maintenance service.

This Fee shall be charged by the Company to the selling Dealer and credited to the non-delivering Dealer to reimburse that Dealer for a portion of its marketing and service expenses. In the event of a dispute, the Company shall be the sole judge and the Dealer agrees to abide by the Company's decision.

The amount of this Fee, the operative regulations, and the Products to which it applies are published in the current Schedule of Discounts and Terms, which can be modified from time to time by the Company.

Performance Reviews 8. In order to promote a satisfactory level of Dealer performance in meeting sales and service responsibilities and operating standards specified in this Agreement, Company shall conduct periodic reviews of Dealer's performance. Dealer agrees to make available upon the occasion of such reviews, all Dealer's records and employees which would contribute to the overall value of these reviews.

A written report including specific recommendations and objectives developed through mutual discussions during these reviews, shall be prepared by the Company and submitted to the Dealer for appropriate and timely implementation by the Dealer.

Computer Business System

9. Dealer shall install and maintain in good working order a computerized dealer business system which is in communication with the Case Communication Network ("CCN System') and shall:

(a) Maintain all of the necessary hardware and integrated accounting and inventory software which is compatible with the CCN System.

(b) Conform to any modifications made by the Company to the CCN System. The Company shall provide the Dealer at least forty-five (45) days prior notice of any such modification.

(c) Input in accordance with Company's instructions reasonable and pertinent specified data into the CCN System and furnish computer reports as may be requested by the Company from time to time.

(d) Pay all costs, including a regular monthly charge by Company for use of the CCN System, license fees, and taxes incurred in obtaining and maintaining this dealer business system.

(e) Keep confidential any information and data contained in the CCN System and not use such information and data for purposes unrelated to the Company's business.

(f) The Company shall not be responsible and shall not be liable for any defects, problems or resulting damages incurred by Dealer from the operation and use of this dealer business system.

Orders, Prices, Delivery and Transfers

10. Dealer's transmission of an order for Product through the CCN System Delivery and will be a binding offer to purchase the Product ordered, which shall be accepted unless Company rejects the order. All orders for Products accepted by Company shall be subject to Company's applicable conditions of sale and prices as published and modified from time to time by the Company in its then current Price Lists, Sales Promotion Bulletins, and Schedules of Discounts and Terms.

Company shall use its best efforts to ship Products promptly, but it shall not be responsible for failure to ship on time or fill orders where prevented by any cause beyond Company's reasonable control or if the demand for any Products shall exceed Company's available supply.

Delivery of Products by Company to any carrier for transportation to Dealer shall constitute delivery to Dealer and Dealer shall bear all risk of physical loss or damage thereafter.

The transfer of Products from one Dealer to another shall be in accordance with the Company's transfer program described in the Schedule of Discounts and Terms.

Warranty

11. COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED (INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS), EXCEPT THOSE SET FORTH IN COMPANY'S CURRENT APPLICABLE PUBLISHED WARRANTY POLICIES AND PROCEDURES. Dealer agrees to deliver to purchasers at the time of retail sales the document containing the Case Express Limited Warranty to Retail Buyer prescribed by Company and in force at the time of such sales. Dealer is not authorized to assume for Company any additional obligations or liabilities in connection with the resale of Products covered by this Agreement, and Dealer agrees not to do so. Company and Dealer shall promptly fulfill their respective obligations with respect to any warranty claims.

Company shall reimburse Dealer for all warranty service performed on Products in accordance with Company's warranty policies and Certified Service Program requirements in effect at the time warranty work is performed.

Dealer Succession

12. The Company shall provide to the Dealer the following succession options:

(a) Change in Control or Ownership:

Upon written request made by Dealer and Dealer's owner(s), Company shall give good faith consideration to any succession plan for a change in the control or ownership of the dealership. If such consent is given, it shall be contingent upon the following at the time the change occurs:

(i) The consent of all other owner(s) of the dealership.

(ii) The vesting of the control or ownership with the person or persons designated.

(iii) The approval by the Company of the dealership's sales performance, facilities and financial strength.

(iv) The designation by the Company that the Dealer's Sales and Service Area is a replacement market.

(v) The execution of a new Sales and Service Agreement.

If such consent is withheld by the Company and the Dealer, nonetheless, proceeds with the change, this Agreement shall terminate immediately.

Change in control or ownership shall mean any event which may affect the operation of Dealer's business, including but not limited to withdrawal of an individual proprietor, any addition to or subtraction from the partners involved if the Dealer is a partnership, or any substantial change in the shareholders, if the Dealer is a corporation.

(b) Death or Incapacity:

Upon written request made within thirty (30) days of the

date of death or physical or mental incapacity of Dealer or Dealer's owner(s), by the appointed representative of the deceased or incapacitated person and all other persons having ownership interest in the Dealer's business, Company shall refrain for a period of one hundred eighty (180) days from exercising its right to terminate this Agreement because of the death or incapacitation of said Dealer or Dealer's owner(s), and if the Dealer's Sales and Service Area is a replacement market, the Company shall during such 180-day period give good faith consideration to any request for the transfer of the dealership, together with its rights and obligations under this Agreement, to one or more other parties. If such consent is given, a new Agreement shall be executed. If such consent is withheld, this Agreement shall terminate automatically at the expiration of the 180-day period referred to herein.

Termination 13. This Agreement shall continue in effect until terminated by one or both of the parties as hereinafter provided:

(a) This Agreement may be terminated at any time for any reason upon thirty (30) days' written notice by Dealer to Company, or upon ninety (90) days' written notice by Company to Dealer, or as mutually agreed upon in writing by both parties; or

(b) Company may terminate this Agreement immediately upon the occurrence of any of the following events:

(i) Dealer's default in the payment when due of any obligations to the Company or CNH Capital America LLC, a Delaware limited liability company ("CNH Capital America"), or

the termination of one or more significant lines of credit, or the withdrawal of a guaranty of indebtedness by one or more personal guarantors;

(ii) Dealer's closing of its business or suspension or other revocation of licenses, permits or authorization necessary to conduct a business in accordance with this Agreement;

(iii) Dealer's sale, lease or other transfer of assets which in Company's reasonable judgment may adversely affect the ability of Dealer to operate

the business pursuant to this Agreement;

(iv) Dealer's falsification of any statements, records or reports to the Company;

(v) Dealer's failure to pay debts as they mature, or assignment for benefits of creditors, or becoming subject to any receivership, insolvency or bankruptcy proceedings;

(vi) Change in control or ownership of dealership, unless Company grants in writing its consent to such change in the manner defined in this Agreement;

(vii) Dealer's or Dealer's owner(s) death or physical or mental incapacity, unless Company grants in writing an extension of time in the manner defined in this Agreement;

(viii) Dealer's failure to comply with any provision of this Agreement.

Dealer agrees to notify Company in writing immediately upon the occurrence of any of the events described in this paragraph.

Effect of Termination 14. Upon termination of this Agreement:

(a) Company is relieved of any obligation to make any further shipments hereunder, and may without liability cancel any unshipped orders of Dealer for Products.

(b) Neither party shall be released from the payment of any sum then owing to the other.

(c) All indebtedness of Dealer shall become immediately due and payable to Company and CNH Capital America.

(d) On any Products which may be shipped after termination or notice thereof, Company may establish terms of cash on delivery or cash prior to shipment.

(e) Dealer shall cease to operate as or represent that Dealer is an authorized Dealer and shall remove and discontinue use of any identification and any promotions or advertising that associates Dealer with Company.

(f) Dealer shall remove all signs and advertising displays beefing the name "J. I. Case", "Case", "IH", "Case IH", "Case Corporation", "Case, LLC" or any other trade names or trademarks of Company or any of its affiliated companies from Dealer's business establishment and vehicles and thereafter shall not use such names or trademarks in connection with any business conducted by Dealer.

(g) Dealer agrees to deliver to Company all sales records, mailing lists, service history records, microfiche, catalogs, registrations and any other material of any kind relating to the promotion, marketing, sale, operation or servicing of Products covered by this Agreement.

(h) Final settlement of Dealer's account with the Company shall not be made until all requirements of this Agreement are complied with by the Dealer. Further, neither Company nor Dealer shall be liable to the other for any damages caused by the termination of this Agreement, whether based upon loss of anticipated sales or prospective profits, expenditures, investments, leases, property improvements or other matters related to the business of the parties.

(i) The Company, after notifying the Dealer of termination, shall have the right to consummate arrangements with a replacement Dealer.

Repurchase Upon Termination

15. Upon the termination of this Agreement, except where otherwise provided by the laws of the state where the Dealer is located, the Company shall repurchase from Dealer all of the following items purchased from Company, on the terms specified, and the Dealer shall return such items to the Company on such terms:

(a) New, current, undamaged, salable and unused Company machines (wholegoods), including attachments and accessories, shipped to Dealer. Such items shall be repurchased by Company at the price paid by the Dealer or the current net price, whichever is lower, plus transportation costs previously paid or incurred by Dealer, less any discounts which may have been allowed or paid thereon by Company.

(b) New, current, undamaged, salable and unused parts. Such parts shall be repurchased by Company in accordance with the terms of the Parts Return Policy

issued by Company and in effect at the time of termination. Dealer shall be responsible for proper identification of all such parts.

(c) Any business signs, which were sold to Dealer by Company, bearing trade names or registered trademarks of Company. Such signs shall be repurchased by Company for the amount paid by Dealer, less an annual depreciation of 20%.

(d) Any Company endorsed computer hardware which the Company required the Dealer to obtain. Such computer hardware shall be repurchased by Company for the amount of the original purchase price, less an annual depreciation of 25%.

(e) All catalogs, price lists, service manuals, bulletins, owners' manuals and current advertising material, and other material or literature relating to the sale, merchandising, operation or servicing of Products which were purchased by the Dealer from the Company. Such materials shall be repurchased by Company at 50% of their current price.

Dealer shall return all required items in accordance with this Agreement within thirty (30) days after notification to return is given by Company to Dealer. All items returned to Company shall be packed and loaded by Dealer and returned to the destination or destinations specified by Company. Any costs incurred by Company in discharging all or any part of Dealer's obligation hereunder shall be debited against any amount owed by Company to Dealer. Upon receipt of such items, Company shall inspect the same and shall as soon as practicable issue credit to the Dealer for all such items returned that meet the requirements specified herein. Dealer shall not be entitled to payment or credit under this paragraph until Dealer has complied with all applicable laws, rules, regulations and other legal requirements governing the bulk transfer of inventory and furnishes evidence to Company that such items are free and clear of all claims, liens and encumbrances.

Records and Inspections

16. Dealer shall submit to Company within ninety (90) days after the end of its fiscal year, audited and certified balance sheets and operating statements for the year. Dealer shall maintain and submit current reports of sales, owner registration and inventory,

service and warranty reports and such other reports as may be requested by Company.

Dealer shall permit Company or its authorized representatives during normal business hours to enter and inspect Dealer's place of business and facilities, and to examine Dealer's books and records and all supporting data of Dealer's business, and to make copies upon Company's request of any such records or accounts.

Insurance and Taxes

17. Dealer shall keep all Products and other items (i) which are owned by the Company or its assignee or (ii) in which the Company has a security interest and which, in either event, are under Dealer's direct or indirect control, insured against all risk of physical loss or damage in an amount which shall be sufficient to prevent Company from sustaining any financial loss. Such insurance shall name Company as an additional insured, and provide that in the event of loss the insurer shall pay the proceeds of all such insurance to the insureds as their interests may appear. Dealer shall furnish to Company certificates evidencing such insurance which shall provide for ten (10) days' prior written notice to Company of cancellation, lapse or expiration.

Dealer shall carry public liability insurance with bodily injury and property damage limits satisfactory to Company. Dealer shall furnish to Company certificates of such insurance, which shall provide for ten (10) days' prior written notice to Company of cancellation, lapse or expiration.

Dealer shall pay all license fees, sales, use, personal property, and excise taxes, duties, and any other fees, assessments or taxes which may be assessed or levied by any government authority against any Products which are shipped to, or are in the possession of Dealer, and Dealer shall hold Company harmless therefrom and with respect thereto.

Trademarks and Trade Names 18. Dealer agrees not to use the names "J. I. Case", "Case", "IH", "Case IH", "Case Corporation", "Case, LLC" or any other trademark or trade name of Company or of any of its affiliated companies in connection with Dealer's business except when selling items containing such marks or names and furnished to Dealer by Company, or as otherwise specifically approved in writing by Company.

Product Discontinuance 19. Company may discontinue the manufacture of any and all Products, with or without replacement of the discontinued

Products, and may make changes and improvements at any time in the specifications, construction, color and design of Product, without incurring any obligation to Dealer or customers of Dealer. Any Products, so changed or improved will be accepted by Dealer in fulfillment of existing orders.

Sales to Others 20. The Company retains the right to select, in addition to authorized Dealers, end users to whom it will directly sell, rent, lease, service and warrant Products, without restrictions and wherever located, including but not limited to such parties as the following:

(a) Any government or any agency, institution or subdivision thereof.

(b) Educational and charitable institutions.

(c) Accounts classified by the Company as national accounts.

Dealer Relationship to Company 21. Dealer and the Company are independent businesses and neither has any fiduciary obligation to the other. Nothing in this Agreement shall be construed as constituting Dealer an employee, agent or legal representative of Company for any purpose whatever. Dealer has no right or authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of Company, or to bind Company in any manner whatever, except to the extent provided for by this Agreement relating to warranties.

Assignment 22. Dealer may not sell, assign, delegate, convey or otherwise transfer in any way whatever this Agreement or Dealer's right or obligations under this Agreement to any person or other entity without the prior written consent of the Company.

Entire Agreement 23. This Agreement is and shall be deemed to be the complete and final expression of the agreement between the parties hereto as to the matters herein contained and provided for and supersedes all previous agreements between the parties pertaining to such matters. IT IS CLEARLY UNDERSTOOD THAT NO PROMISE OR REPRESENTATION NOT CONTAINED HEREIN WAS AN INDUCEMENT TO EITHER PARTY OR WAS RELIED ON BY EITHER PARTY IN ENTERING INTO THIS AGREEMENT.

Except as expressly provided for herein, this Agreement may not be amended or altered, or any of its provisions waived on behalf of Company, except in writing signed by one of Company's duly

authorized agents.

In the event any part of this Agreement is held to be invalid or unenforceable under the laws of any place where this Agreement is to be performed or is sought to be enforced, this Agreement shall be enforceable to the maximum extent permitted by such law, without invalidating the remainder of this Agreement, or invalidating the effect of such portion of this Agreement elsewhere.

This Agreement shall be governed by and construed in accordance with the laws where the Dealer's principal place of business is located.

CONSTRUCTION EQUIPMENT

SALES & SERVICE

AGREEMENT

This Agreement shall become effective as of

Dealer Titan Machinery Inc.
Firm Name

By

Title (authorized owner, officer, partner)

Date

Signature of Other Partner(s) or Owner(s)

Business Structure (Check One)

☒ Corporation
☐ Partnership
☐ Individual Proprietorship
☐ Limited Liability Company
☐ Other

Company CNH America, LLC

By

Manager, Distribution Strategy & Administration
Title

Date

ATTACHMENT TO CONSTRUCTION EQUIPMENT

SALES & SERVICE AGREEMENT

Facilities The Dealer agrees to maintain facilities only at the following authorized location(s):

Sioux Falls, SD
Rapid City, SD
Sioux City, IA
Marshall, MN

Sales and Service Area The assigned Sales and Services Area is:

Sioux Falls, SD	CZ	UT	SL
Dickinson, IA	100	100	50
Emmet, IA	100	100	50
Lyon, IA	100	100	50
Osceola, IA	100	100	50
Jackson, MN	100	100	0
Martin, MN	100	100	0
Nobles, MN	100	100	0
Rock, MN	100	100	50
Aurora, SD	100	100	0
Beadle, SD	100	100	50
Bon Homme, SD	100	100	50
Brookings, SD	100	100	50
Brown, SD	100	100	50
Brule, SD	100	100	100
Buffalo, SD	100	100	100
Campbell, SD	100	100	100
Charles Mix, SD	100	100	50
Clark, SD	100	100	50
Clay, SD	100	100	50
Codington, SD	100	100	50
Davison, SD	100	100	50
Day, SD	100	100	50

Dealer Titan Machinery Inc. Fargo, ND Dated
(Firm Name, City, State)

Sioux Falls, SD continued	CE	UT	SL
Deuel, SD	100	100	50
Douglas, SD	100	100	50
Edmunds, SD	100	100	100
Faulk, SD	100	100	100
Grant, SD	100	100	50
Hamlin, SD	100	100	50
Hand, SD	100	100	0
Hanson, SD	100	100	50
Hughes, SD	100	100	50
Hutchinson, SD	100	100	50
Hyde, SD	100	100	0
Jerauld, SD	100	100	0
Kingsbury, SD	100	100	50
Lake, SD	100	100	50
Lincoln, SD	100	100	50

McCook, SD	100	100	50
McPherson, SD	100	100	100
Marshall, SD	100	100	50
Miner, SD	100	100	0
Minnehaha, SD	100	100	50
Moody, SD	100	100	50
Potter, BD	100	100	100
Roberts, SD	100	100	50
Sanborn, SD	100	100	0
Spink, SD	100	100	50
Sully, SD	100	100	100
Tamer, SD	100	100	50
Walworth, SD	100	100	100
Yankton, SD	100	100	50

Rapid City, SD	**CE**	**UT**	**SL**
Butte, SD	100	100	50
Corson, SD	100	100	100
Custer, SD	100	0	0
Dewey, SD	100	100	100
Fall River, SD	100	0	0
Gregory, SD	100	100	100
Haakon, SD	100	100	100
Harding, SD	100	100	100
Jackson, SD	100	100	100
Jones, SD	100	100	0

Dealer Titan Machinery Inc. Fargo, ND Dated _____
(Firm Name, City, State)

ATTACHMENT TO CONSTRUCTION EQUIPMENT
SALES & SERVICE AGREEMENT

Sales and Service Area Continued

Rapid City, SD continued	**CE**	**UT**	**SL**
Lawrence, SD	100	25*	0
Lyman, SD	100	100	0
Meade, SD	100	80*	0
Mellette, SD	100	100	100
Pennington, SD	100	40*	0
Perkins, SD	100	100	100
Shannon, SD	100	100	100
Stanley, SD	100	100	0
Todd, SD	100.	100	100
Tripp, SD	100	100	100
Ziebach, SD	100	100	100

- Partial Counties Delineated as follows:

Lawrence County: Excluding that portion of county bounded on North by I-90.
Meade County: Excluding Southwest portion of county bounded on North by Highway 34 and on the East by Highway that runs from New Underwood North to Highway 34.
Pennington County: Excluding Western portion of county bounded on East by Cheyenne River.

Sioux City, IA	**CE**	**UT**	**SL**
Buena Vista, IA	100	100	50
Calhoun, IA	100	100	50
Carroll, IA	100	100	50
Cherokee, IA	100	100	50
Clay, TA	100	100	50
Crawford, IA	100	100	50
Ida, IA	100	100	50
Monona, IA	100	100	50
Obrien, IA	100	100	50
Palo Alto, IA	100	100	50
Plymouth, IA	100	100	50
Pocahontas, IA	100	100	0
Sac, IA	100	100	50
Sioux, IA	100	100	50
Woodbury, IA	100	100	50
Cedar, NE	100	100	100
Dakota, NE	100	100	100
Dixon, NE	100	100	100
Knox, NE	100	100	50
Thurston, NE	100	100	0
Wayne, NE	100	100	100
Union, SD	100	100	50

Dealer Titan Machinery Inc. Fargo, ND Dated _____
(Firm Name, City, State)

Marshall, MN	CE	UT	SL
Big Stone, MN	100	100	0
Chippewa, MN	100	100	0
Cottonwood, MN	100	100	0
Lac Qui Park, MN	100	100	0
Lincoln, MN	100	100	0
Lyon, MN	100	100	0
Murray, MN	100	100	50
Pipestone, MN	100	100	0
Redwood, MN	100	100	50
Swift, MN	100	100	0
Traverse, MN	100	100	0
Watonwan, MN	100	100	50
Yellow Medicine, MN	100	100	50

Products

The Products to which this Agreement applies are:
(check all that apply)

☒ Construction Equipment
☒ Utility Equipment
☒ Skid Steers
☒ Other Telescopic Handler (TH)
Sales & Service Area – Same as UT

Dealer Titan Machinery Inc. Fargo, ND Dated
(Firm Name, City, State)

ADDENDUM TO SALES & SERVICE AGREEMENT

THIS IS AN ADDENDUM to the Case Construction Equipment Sales & Service Agreement ("Agreement") dated between CNH America LLC (hereinafter "Case"), and Titan Machinery Inc. a North Dakota corporation, with a principal place of business at Fargo, North Dakota (hereinafter called "Dealer").

In consideration of the mutual promises of the parties hereinafter set forth, Dealer and Case agree to amend the Agreement to include the following terms and obligations:

1. Dealer shall have 24 months from the date hereof to achieve the mutually agreed upon market share objectives set forth on Attachment A.

2. If the Dealer fails to comply with any of the obligations set forth in this Addendum, it will be in breach of the Agreement and will agree to a mutual termination of the Agreement (Attachment B).

3. During such 24 month period, if Dealer achieves at least the lesser of the mutually agreed upon market share forecast provided with its Dealership Application or the North American Average by major product line, then the Dealer shall be deemed to have satisfied the market share requirement of the Case Partnership Program.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the of , 200 .

Titan Machinery Inc. CNH America LLC

(Authorized Dealer Signature)

Title CE Mgr., Distribution & Strategy Admin.
Title

Date: Date:

ADDENDUM TO SALES & SERVICE AGREEMENT

Attachment A

	Market Share Objective
• CE Crawler Dozers	10%
• CE Excavators	9%
• CE Wheel Loaders	8%
• Midi-Excavators	20%
• Compact Excavators	7%
• Compact Wheel Loaders	25%
• Industrial Wheel Tractors(1)	34%
• Skid Steers	6%

Overall Total Market Share	10%

(1) Industrial Wheel Tractors Include Forklifts

Titan Machinery Inc.	CNH America LLC
(Authorized Dealer Signature)	
Title	CE Mgr., Distribution & Strategy Admin. Title
Date:	Date:

Addendum to the
CONSTRUCTION EQUIPMENT
SALES & SERVICE AGREEMENT
Addendum Effective Date

Products

The products to which this Agreement applies are:
(Check All That Apply)

- ☒ Construction
- ☒ Utility Equipment
- ☒ Skid Steers (SL)
- ☐ Parts and Service Only:
  - ☐ Construction Equipment
  - ☐ Utility Equipment
- ☒ Other — Telescopic Handlers (TH) Area of Responsibility: Same as UT

Facilities

C-Loc	Sioux Falls, SD
D-Loc	Rapid City, SD
E-Loc	Sioux City, IA
F-Loc	Marshall, MN

CNH AMERICA LLC

Titan Machinery Inc.
(Dealer Name)

Fargo, ND
(Dealer Location)

Addendum to the
CONSTRUCTION EQUIPMENT
SALES & SERVICE AGREEMENT
Addendum Effective Date

Sales and Service Area

The assigned Sales and Service Area is:

Sioux Falls, SD	CE	UT	SL
Dickinson, IA	100	100	50
Emmet, IA	100	100	50
Lyon, IA	100	100	50
Osceola, IA	100	100	50
Jackson, MN	100	100	0
Martin, MN	100	100	0
Nobles, MN	100	100	0
Rock, MN	190	100	50
Aurora, SD	100	100	0
Beadle, SD	100	100	50
Bon Homme, SD	100	100	50
Brookings, SD	100	100	50
Brown, SD	100	100	50
Brule, SD	100	100	100
Buffalo, SD	100	100	100
Campbell, SD	100	100	100
Charles Mix, SD	100	100	50
Clark, SD	100	100	50
Clay, SD	100	100	50
Codington, SD	100	190	50
Davison, SD	100	100	50
Day, SD	100	100	50

Deuel, SD	100	100	50
Douglas, SD	100	100	50
Edmunds, SD	100	100	100
Faulk, SD	100	100	100
Grant, SD	100	100	50
Hamlin, SD	100	100	50
Hand, SD	100	100	0
Hanson, SD	100	100	50
Hughes, SD	100	100	50
Hutchinson, SD	100	100	50
Hyde, SD	100	100	0
Jerauld, SD	100	100	0
Kingsbury, SD	100	100	50
Lake, SD	100	100	50
Lincoln, SD	100	100	50
McCook, SD	100	100	50
McPherson, SD	100	100	100
Marshall, SD	100	100	50
Miner, SD	100	100	0
Minnehaha, SD	100	100	50

Sioux Falls, SD continued	**CE**	**UT**	**SL**
Moody, SD	100	100	50
Potter, SD	100	100	100
Roberts, SD	100	100	50
Sanborn, SD	100	100	0
Spink, SD	100	100	50
Sully, SD	100	100	100
Turner, SD	100	100	50
Walworth, SD	100	100	100
Yankton, SD	100	100	50

Rapid City, SD	**CE**	**UT**	**SL**
Butte, SD	100	100	50
Corson, SD	100	100	100
Custer, SD	100	0	0
Dewey, SD	100	100	100
Fall River, SD	100	0	0
Gregory, SD	100	100	100
Haakon, SD	100	100	100
Harding, SD	100	100	100
Jackson, SD	100	100	100
Jones, SD	100	100	0
Lawrence, SD	100	25*	0
Lyman, SD	100	100	0
Meade, SD	100	80*	0
Mellon; SD	100	100	100
Pennington, SD	100	40*	0
Perkins, SD	100	100	100
Shannon, SD	100	100	100
Stanley, SD	100	100	0
Todd, SD	100	100	100
Tripp, SD	100	100	100
Ziebach, SD	100	100	100

•Partial Counties Delineated as follows:
Lawrence County: Excluding that portion of county bounded on North by I-90.
Meade County: Excluding Southwest portion of county bounded on North by Highway 34 and on the East by Highway that runs from New Underwood North to Highway 34.
Pennington County: Excluding Western portion of county bounded on East by Cheyenne River.

The assigned Sales and Service Area is:

Sioux City, IA	CE	UT	SL
Buena Vista, IA	100	100	50
Calhoun, IA	100	100	50
Carroll, IA	100	100	50
Cherokee, IA	100	100	50
Clay, IA	100	100	50
Crawford, IA	100	100	50
Ida, IA	100	100	50
Monona, IA	100	100	50
Obrien, IA	100	100	50
Palo Alto, IA	100	100	50
Plymouth, IA	100	100	50
Pocahontas, IA	100	100	0
Sac, IA	100	100	50
Sioux, IA	100	100	50
Woodbury, IA	100	100	50
Cedar, NE	100	100	100
Dakota, NE	100	100	100
Dixon, NE	100	100	100
Knox, NE	100	100	50
Thurston, NE	100	100	0
Wayne, NE	100	100	100
Union, SD	100	100	50

Marshall, MN	CE	UT	SL
Big Stone, MN	100	100	0
Chippewa, MN	100	100	0
Cottonwood, MN	100	100	0
Lac Qui Parle, MN	100	100	0
Lincoln, MN	100	100	50
Lyon, MN	100	100	50
Murray, MN	100	100	50
Pipestone, MN	100	100	0
Redwood, MN	100	100	50
Swift, MN	100	100	0
Traverse, MN	100	100	0
Watonwan, MN	100	100	50
Yellow Medicine, MN	100	100	50

CNH AMERICA LLC

Titan Machinery Inc.
(Dealer Name)

Fargo, ND
(Dealer Location)

The assigned Sales and Service Area is:

Sioux City, IA	CE	UT	SL
Buena Vista, IA	100	100	50
Calhoun, IA	100	100	50
Carroll, IA	100	100	50
Cherokee, IA	100	100	50
Clay, IA	100	100	50
Crawford, IA	100	100	50
Ida, IA	100	100	50
Monona, IA	100	100	50
Obrien, IA	100	100	50
Palo Alto, IA	100	100	50
Plymouth, IA	100	100	50
Pocahontas, IA	100	100	0
Sac, IA	100	100	50
Sioux, IA	100	100	50
Woodbury, IA	100	100	50
Cedar, NE	100	100	100
Dakota, NE	100	100	100
Dixon, NE	100	100	100
Knox, NE	100	100	50
Thurston, NE	100	100	0
Wayne, NE	100	100	100
Union, SD	100	100	50

Marshall, MN	CE	UT	SL
Big Stone, MN	100	100	0
Chippewa, MN	100	100	0
Cottonwood, MN	100	100	0
Lac Qui Parle, MN	100	100	0
Lincoln, MN	100	100	50
Lyon, MN	100	100	50
Murray, MN	100	100	50
Pipestone, MN	100	100	0
Redwood, MN	100	100	50

Swift, MN	100	100	0
Traverse, MN	100	100	0
Watonwan, MN	100	100	50
Yellow Medicine, MN	100	100	50

CNH AMERICA LLC

Titan Machinery Inc.
(Dealer Name)

Fargo, ND
(Dealer Location)

NEW HOLLAND

CNH AMERICA LLC

DEALER AGREEMENT

THIS AGREEMENT between CNH America LLC, a Delaware Limited Liability Corporation, having a place of business at 500 Diller Avenue, New Holland, Pennsylvania 17557 ("Company"), and

Titan Machinery, Inc.,

a **Corporation incorporated in the state of North Dakota**

doing business as **Richland Implement** and with its principal place of business at:

17805 Hwy. 13, Wahpeton, ND 58075 ("Dealer")

will be **effective February 20, 2007**

BY THIS AGREEMENT, Dealer is authorized at the DEALER LOCATION and BRANCH LOCATIONS(S) listed in Schedule C to sell, rent and lease at retail and to service selected new PRODUCTS manufactured or distributed by the Company.

Both parties recognize that the rights of Dealer and the Company under this Agreement are defined by the terms of this Agreement and applicable law.

IN CONSIDERATION of the representations and promises contained in this Agreement, the Company and Dealer agree as follows:

1. DEFINITIONS

The following definitions shall apply throughout this Agreement:

a. BRANCH LOCATION(S) shall mean the secondary place or places of business of Dealer designated in Schedule C for the sales, renting, leasing and/or servicing of PRODUCTS under this Agreement separate from the Dealers principal place of business.

b. DEALER LOCATION shall mean the place or places of business of the Dealer designated in Schedule C for sale, rent, lease and service of PRODUCTS, including any BRANCH LOCATION(S).

c. DEALER PRICE shall mean the price to the Dealer for PRODUCTS established by the Company from time to time excluding any holdback, deposit or charge by the Company for taxes, handling, delivery, transportation or special items or services.

d. DOMESTIC shall mean within the 50 state of the United States of America.

e. EQUIPMENT shall mean those models of new equipment and any related attachments that are designated by PRODUCT LINE and listed in Schedule B. The Company reserves the absolute and sole right to determine what EQUIPMENT it will offer Dealer for retail sale.

f. GENUINE PARTS shall mean new Company-sourced assemblies, subassemblies, components and accessories (and any part thereof) for only that EQUIPMENT which Dealer is authorized to sell on Schedule B, unless otherwise authorized by the Company.

g. MANUAL shall mean the Service/Warranty Chapter of the Dealer Policy Manual (or the equivalent document or documents) and amendments thereto, as may be made from time to time by the Company and provided to Dealer, setting forth the policies and procedures of various warranty and protection plans, which document is made part of this Agreement.

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h. MARKET SHARE shall mean the percentage of Company PRODUCTS RETAILED by Dealer within the PMR designated in Schedule C as a portion of the total industry volume (as reported by the Association of Equipment Manufacturers or other organization identified by the Company) of all comparable products, including PRODUCTS and competitive non-Company products, RETAILED in Dealer's designated PMR. MARKET SHARE shall be computed by dividing Dealer's sales of a given PRODUCT or PRODUCT LINE within the Dealer's designated PMR by the total industry volume of that PRODUCT or PRODUCT LINE sold within the designated PMR.

i. NON-EXCLUSIVE shall mean that Dealer may market and sell PRODUCT in markets other than the PMR designated in Schedule C, that other dealers may sell Company PRODUCTS to customers within the Dealers designated PMR, and that Dealer has no actual or implied right, contractual or otherwise, to be the only Company dealer located in the designated PMR or any geographic area, or to maintain the only Company dealer selling locations in the designated PMR or any other market area. The Company has no actual or implied obligation, contractual or otherwise, to forgo placing a new Company dealer or dealer selling location in Dealers designated PMR or any given geographic area, and may in fact appoint such new Company dealers or locations at any time.

j. PRIMARY MARKET OF RESPONSIBILITY ("PMR") shall mean the total industry volume (as reported by the Association of Equipment Manufacturers or other organization identified by the Company) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which Dealer has sales and service responsibility for PRODUCTS. Dealers designated PMR may vary by PRODUCT or PRODUCT LINE. The PMR is NON-EXCLUSIVE and is used solely to measure the Dealers sales performance.

k. PRINCIPAL DEALER LOCATION shall mean the DEALER LOCATION listed first on Schedule C.

l. PRODUCT(S) shall mean EQUIPMENT and GENUINE PARTS.

m. PRODUCT AND PRICING BULLETIN shall mean the latest bulletin (or equivalent document or documents) and amendments thereto as may be made from time to time by the Company and provided to Dealer setting forth the terms of sale and ordering procedure applicable to sales of PRODUCTS to Dealers, which document is made part of this Agreement.

n. PRODUCT LINES shall mean the categories of EQUIPMENT that Dealer is authorized in writing, per Schedule B, by the Company to sell, rent, lease and service.

o. REGIONAL SALES AREA shall mean the designated multi-state area managed by a Company Regional Sales Director.

p. RETAIL shall mean a sale, rental or lease to an end user and does not include any sale to jobbers, jockeys, unauthorized dealers or other wholesalers.

2. APPOINTMENT

The Company appoints Dealer as a NON-EXCLUSIVE Dealer solely for the RETAIL sale and service of PRODUCTS to DOMESTIC customers at the DEALER LOCATION and BRANCH LOCATION(S) listed in Schedule C, and Dealer accepts this appointment. Under this appointment, Dealer is only authorized to sell PRODUCTS to RETAIL customers in the DOMESTIC market. Any sales of PRODUCT for export or from a location not authorized in Schedule C require the prior written consent of the Company.

3. DEALER OWNERS AND MANAGERS

a. Dealer represents that it conducts business under the legal form or entity shown on Schedule A (i).

b. Dealer represents that it is owned by the persons listed on Schedule A (ii), which schedule the Dealer further represents to contain the complete list of all persons holding an ownership interest in Dealer.

c. Dealer represents that it is managed by the person(s) listed in Schedule A (iii), which schedule Dealer further represents to contain the complete list of all those who have full authority and responsibility for the management of Dealer in the performance of this Agreement.

d. Dealer shall give the Company 60 days written notice of any proposed change in the legal form of Dealer and any proposed change in Dealer ownership or operating management, and immediate notice of the death or incapacity of any person listed in Schedule A. No change in Dealer ownership or operating management shall be effective against the Company until embodied in an appropriate amendment to Schedule A or an assignment of this Agreement, duly executed by the Company and Dealer and properly delivered.

4. SALES RESPONSIBILITY

a. Dealer agrees to promote vigorously and aggressively the sale at RETAIL of PRODUCTS in order to assure maximum sales of PRODUCTS and further agrees to obtain a reasonable share of the market in Dealers designated PMR and a reasonable total sales revenue for all PRODUCTS which dealer is authorized to sell. It is agreed that a reasonable MARKET SHARE within the designated PMR shall be 90% of the average MARKET SHARE that New Holland PRODUCTS or EQUIPMENT achieve within Dealers state or REGIONAL SALES AREA. The

Company, at its sole discretion, will determine whether Dealer's state or REGIONAL SALES AREA will be used to measure Dealer's performance.

b. Dealer also agrees to develop, maintain and direct a sufficient number of trained, qualified sales personnel and shall conduct aggressive advertising and sales promotion activities.

c. Dealer understands and agrees that its performance of its PRODUCT sales (and, where appropriate, leasing and rental) responsibility hereunder shall be measured by the Company through the use, exclusively, of such reasonable criteria as the Company may adopt, and without limitation, taking into consideration the Dealer's MARKET SHARES within its PMR, total revenue, total sales, leases and rentals of PRODUCTS and its sales, leases and rentals of EQUIPMENT categorized by PRODUCT LINE, to customers in the PMR. The Dealer's prior sales performance of the PRODUCT LINE or EQUIPMENT may be considered in evaluating Dealers performance under this Agreement. The Company may from time to time conduct surveys (by use of questionnaires or otherwise) of owners, lessees and renters of EQUIPMENT purchased, leased or rented from Dealer to determine the satisfaction of those owners, lessees and renters with the sales, leasing and rental efforts of Dealer. The results of these surveys may be taken into consideration in assessing Dealers performance under this Agreement.

d. In addition to the remedies for breach hereof as set forth in Paragraph 23(c), if Dealer fails to carry out its PRODUCT sales responsibility hereunder in the sale of a PRODUCT LINE or specific EQUIPMENT in a PRODUCT LINE, the Company may, at its sole discretion, and after thirty (30) days prior written notice, remove that PRODUCT LINE or EQUIPMENT from Schedule B. In such event, Dealer will no longer be authorized to sell that PRODUCT LINE or EQUIPMENT.

e. Dealer shall not offer for sale or sell as a GENUINE PART, any assembly, subassembly, component, accessory (or any part thereof) that is not a GENUINE PART.

f. The Company reserves the right to sell, rent or lease PRODUCT directly to end users within Dealer's designated PMR or elsewhere without incurring any liability to Dealer. The term "end users" shall include, but not be limited to, governmental agencies, institutions or entities, educational or charitable institutions, rental companies and accounts classified by the Company as national accounts. The Company shall have no liability to Dealer for any sales made pursuant to this Paragraph.

5. SERVICE RESPONSIBILITY

a. **General.** In accordance with standards and procedures established from time to time by the Company, Dealer agrees to develop, maintain and direct a sufficient

number of trained and competent service mechanics and technicians and to render at the DEALER LOCATION and in the field and at any BRANCH established for the purpose of service, prompt, professional and courteous service to owners and users of PRODUCTS.

b. **Predelivery.** In accordance with instructions issued from time to time by the Company, Dealer agrees to perform inspection, conditioning and repair of EQUIPMENT before delivery to a retail purchaser, lessee or renter.

c. **Warranty and Policy.** Dealer must perform warranty and policy service on PRODUCTS sold by Dealer in accordance with the MANUAL. At the customer's request, Dealer shall perform warranty and policy service on PRODUCTS not originally sold by Dealer.

d. **Campaigns.** Dealer agrees to perform campaign and field improvement program (FIP) inspections and make corrections for owners and users of PRODUCTS in accordance with instructions by the Company and the provisions of the MANUAL.

e. **Parts; Priority.** Except as otherwise instructed by the Company, Dealer agrees to use only GENUINE PARTS in performing warranty, policy and campaign/FIP work. Dealer shall give priority to warranty, policy and campaign work over other service work if the customers use of the EQUIPMENT submitted for warranty, policy or campaign/FIP work is impaired.

f. **Service Tools.** Dealer agrees to keep in inventory all special tools required by the Company to service the PRODUCTS listed in Schedule B.

6. STOCKS

Dealer agrees to order, stock, maintain and prominently display in new salable condition at each DEALER LOCATION representative models of each type of EQUIPMENT which Dealer is authorized to sell hereunder, as set forth on Schedule B. It shall be the Company's sole right to determine minimum EQUIPMENT stocking requirements.

7. ORDERS

a. Dealer shall submit orders for PRODUCTS to the Company at times designated by the Company and using methods and forms required by (or approved by) the Company (or in accordance with the PRODUCT AND PRICING BULLETIN or other procedures established by the Company).

b. The Company shall make reasonable efforts to honor each order for PRODUCTS from Dealer accepted by the Company, but shall not be liable for failure to delivery or delay in delivery of PRODUCTS.

c. Orders for PRODUCTS are deemed to be accepted by the Company when the order is expressly confirmed by the Company or the ordered PRODUCTS are delivered to Dealer or the carrier. The Company may install any equipment or accessories required by law on any EQUIPMENT ordered by a Dealer whether or not these mandatory items were included in Dealer's order.

8. PRICES AND CHARGES

Unless otherwise determined by the Company in the PRODUCT AND PRICING BULLETIN or by other written notice to Dealer, the following provisions shall apply:

a. Dealer shall pay the Company the DEALER PRICE for each PRODUCT purchased from the Company by Dealer, plus any holdback and charges by the Company for reimbursement of taxes, duties, transportation, handling, distribution, delivery or special items or services. The Company may change the DEALER PRICE, holdback, reimbursement and other charges at any time prior to acceptance of the order without prior notice to Dealer. Except as otherwise specified in writing by the Company, the DEALER PRICE and charges shall be those in effect, and delivery to Dealer shall be deemed made and the order filled, on the date of delivery by the Company to the carrier or to Dealer, whichever occurs first.

b. If the Company increases the DEALER PRICE for any PRODUCT, Dealer may cancel, by written notice to the Company within 10 days after receipt of notice of the increase, any orders for that PRODUCT placed by Dealer prior to receiving notice of the increase and not already accepted by the Company at the time the Company receives Dealer's notice of cancellation.

9. TERMS OF PAYMENT AND DELIVERY

Unless otherwise determined by the Company by written notice to Dealer, the following provisions shall apply:

a. **Payment.** Payment for each PRODUCT shall be made in current funds unless the invoice or the Company's then current and applicable payment plan provides otherwise, in which event the terms of the invoice or the plan shall govern. Dealer shall pay the Company for all PRODUCTS immediately upon delivery of PRODUCTS to Dealer. Receipt of any check, draft or other commercial paper shall not constitute payment until the Company has received cash in the full amount thereof. Failure to make payment in accordance with this Paragraph may, at the discretion of the Company, result in the Company revoking the sale and repossessing the PRODUCT without notice or formality or result in a charge back or disallowance of discounts and/or settlement allowances. These remedies are in addition to those available to the Company under Paragraphs 23(c) and (d).

b. **Delivery.** The Company reserves the right to determine the method and routing for delivery of PRODUCTS sold to Dealer. Where specific shipping instructions are not stated in the order, the Company will endeavor to ship over the best and most economical route. The Company shall not be responsible for guaranteeing shipping rates or for delays in shipments. In cases where the order submitted by Dealer specifies a date for Dealer pick-up at a Company depot or other location and PRODUCTS are not called for within 10 days of that date, the Company may ship the PRODUCTS ordered to Dealer, and the cost of shipping and handling shall be borne by Dealer.

c. **Equipment Relocation.** The Company from time to time may request Dealer to relocate EQUIPMENT. If the Company makes such a relocation request and Dealer refuses to release the unit, the Company may at its discretion demand payment for the unit in full on the first day of the month following the request.

d. **Security.** As security for the purchase price of any PRODUCTS sold to Dealer, the Company shall have a purchase money security interest in such PRODUCTS as more fully set forth in the Dealer Security Agreement. The Company reserves the right to declare all balances of the account due and payable immediately if for any reason it deems such necessary for protection of its interests. No cash discount will be allowed Dealer so long as any of the indebtedness, whether secured by collateral or otherwise, is past due, and in that case, at the option of the Company, further shipments of PRODUCTS may be stopped altogether or made only a cash or COD basis. Dealer shall be charged and must pay interest on all accounts pas due at the highest lawful contract rate. All payments made on the indebtedness shall be payable at the Company's office or other designated depositories. Dealer shall reimburse the Company for any exchange or collection charges, including reasonable legal fees, in connection with any of Dealers remittances.

e. **Wholesale Credit Line.** Dealer shall comply fully with the terms of any wholesale line of credit applying to sales made to Dealer and Dealer shall make no sale or other disposition of floor planned EQUIPMENT other than by normal course of business sale or lease to a bona fide retail customer, or by wholesale transfer to another authorized New Holland Dealer.

f. **Title.** Title to each PRODUCT purchased by Dealer shall pass to Dealer or to the finance institution designated by Dealer upon delivery of the PRODUCT to a carrier or Dealer.

g. **Risk of Loss and Claims.** All risk of loss and damage to any PRODUCT purchased by Dealer from the Company that is not borne by the carrier while the PRODUCT is in the possession of the carrier shall be the responsibility of the Company, provided upon delivery Dealer promptly and properly inspects and records any loss of or damage to the PRODUCT. In accordance with the MANUAL, Dealer shall cooperate with the Company in processing all claims for loss of or damage to PRODUCTS. Dealer shall bear all risk of

loss or deterioration of, or damage to, PRODUCTS from the time delivery is tendered to Dealer. Dealer shall promptly notify the Company if any new and unused

EQUIPMENT is substantially damaged while in Dealers possession. To preserve the quality and value of new EQUIPMENT offered to the public, the Company shall have the option to repair or replace any such EQUIPMENT. Dealer shall assign to the Company Dealers rights under any insurance contract related to such EQUIPMENT repaired or replaced by the Company; however, the total cost to repair or replace such EQUIPMENT shall be the sole responsibility of Dealer.

h. **Demurrage and Diversion Liability.** Dealer shall pay all demurrage, storage and other charges accruing after arrival of any shipment of PRODUCTS at the designated destination. If Dealer fails or refuses for any reason to accept delivery of any PRODUCT ordered by Dealer, Dealer shall pay the Company the amount of all expenses incurred by the Company in shipping PRODUCTS to Dealer and in returning PRODUCTS to the original shipping point or diverting them to another destination; but Dealer shall not pay more for diversion than the expense of returning the PRODUCT to its original shipping point.

i. **Taxes.** Dealer represents and warrants that all PRODUCTS purchased from the Company are purchased for resale to retail customers in the ordinary course of Dealers business. Dealer further represents and warrants compliance with all requirements for collection and payment of applicable sales, use and like taxes, and has provided or will provide evidence thereof to the Company. These representations and warranties shall be deemed a part of each order given by Dealer to the Company. Dealer agrees that, as to any PRODUCT put to a taxable use by Dealer or purchased by Dealer other than for resale, Dealer shall make timely and proper return and payment of all applicable sales, use and other taxes, and shall indemnify, defend and hold the Company harmless from all claims and demand for those taxes.

j. **Application of Money and Credits.** Any money or credits due and payable or becoming due and payable from the Company to Dealer as a result of the business dealings between the parties may, at the Company's option, be applied in any order the Company may determine for the satisfaction, in full or in part, of any debts, liabilities or obligation due and payable or becoming due and payable or owing from Dealer to the Company, including, but not limited to past due interest due from Dealer to any financing organization for which the Company may be responsible to pay in the future.

10. ADVERTISING, PROMOTION AND TRADE PRACTICES

a. Dealer shall conduct business in a manner that will reflect favorably at all times on Dealer, the Company, PRODUCTS and other Dealers in PRODUCTS. Dealer shall refrain from business practices, advertisements and promotions that are unethical, deceptive, misleading, confusing or would likely contravene any

voluntary or involuntary advertising standard or any law. Dealer shall not make directly or indirectly any false or misleading statement or representation concerning any PRODUCT or other item held for sale, lease or rental, its source, condition or capabilities, the prices or charges thereof or the charges made by the Company for distribution, delivery, taxes or other items.

b. Dealer shall comply with all laws, rules and regulations applicable to the ordering, sale and service of PRODUCTS and any used PRODUCTS including without limitation those concerning safety, emissions control and customer service. With further regard to used PRODUCTS which come into its possession, Dealer agrees to inspect such PRODUCTS and bring them up to reasonably safe condition whether by repair or by adding or repairing safety mechanisms and shields as originally supplied.

c. Dealer may not modify new EQUIPMENT without the written consent of the Company. If the Company permits Dealer to modify new EQUIPMENT or install on new EQUIPMENT any equipment, accessory or part that has not been supplied by the Company, or sell any EQUIPMENT that has been modified, or sell any non-New Holland service contract in conjunction with the sale of EQUIPMENT, the Dealer will disclose this fact to the purchaser in writing and will advise the purchaser in writing that the modification, equipment, accessory or part is not included in warranties provided by the Company or, in the case of a service contract, the coverage is not provided by the Company. With respect to used EQUIPMENT, Dealer shall not represent the source of any modification, accessory, part or service contract to be the Company if the source is not the Company.

11. LITERATURE AND INSTRUCTION

a. In accordance with Company instructions as issued from time to time, Dealer agrees to complete, execute and deliver to each retail purchaser of a PRODUCT the appropriate current publications and forms for owners covering operation, maintenance, warranty and other matters as determined by the Company. Dealer promptly shall comply with its obligations under these publications.

b. At the time of delivery, Dealer agrees to instruct each purchaser, lessee or renter of a PRODUCT from Dealer in the safe use and operation of that PRODUCT.

12. CUSTOMER HANDLING

Dealer shall promptly investigate and take appropriate corrective action to satisfy the customer with respect to all matters brought to its attention relating to the sale and service of PRODUCTS, shall make regular contact with owners and users of PRODUCTS and shall report promptly to the Company the details of each inquiry or complaint concerning a PRODUCT Dealer cannot correct to the customers satisfaction. Dealer shall also

promptly notify the Company of any reports of accidents or injuries involving PRODUCTS.

13. FACILITIES AND EQUIPMENT

a. Dealer shall establish and maintain at a location approved by the Company a place of business that, in the Company's opinion:

(i) is of satisfactory size, layout, appearance and condition;

(ii) contains adequate space for exclusive display, sale and service of PRODUCTS, sale of used equipment, customer parking, customer waiting, office functions and storage; and

(iii) is equipped to the Company's sole satisfaction with the tools, equipment and machinery that will enable Dealer to meet its obligations under this Agreement.

b. With the Company's prior consent as set forth herein, Dealer may establish and maintain BRANCH LOCATIONS for the sale and/or service of PRODUCTS at locations approved by the Company. All requirements set forth in this Agreement, including but not limited to those set forth in Paragraph 13(a), shall apply to all BRANCH LOCATIONS.

c. Without the prior written consent of the Company, Dealer shall not move or substantially modify its place or places of business or establish, directly or indirectly, any other place of business, including BRANCH LOCATIONS, for the sale or service of PRODUCTS.

d. Dealer shall keep its place or places of business open during all hours and days customary in the trade.

e. The Dealer shall set up and use at each DEALER LOCATION a Company approved computerized system for communications with the Company and shall subscribe to the Company Parts Automated Library System (PAL).

14. WARRANTY

a. The warranties covering EQUIPMENT are set forth in the MANUAL. Dealer shall review the written warranty set forth in the MANUAL with the customer and obtain the customer's signature on the Warranty and Limitation of Liability Agreement. Dealer shall then submit the signed Warranty and Limitation of Liability Agreement to the Company as set forth in the MANUAL. Dealer shall also provide customer information for each PRODUCT retailed by Dealer as requested by the Company for the purposes of, but not limited to, the Warranty

Record. The Company and Dealer promptly shall fulfill their responsibilities under this warranty.

b. Dealer shall expressly incorporate the appropriate GENUINE PARTS warranty as part of each sale of a GENUINE PART, in accordance with instruction set forth in the MANUAL.

c. **EXCEPT FOR THE WARRANTY EXTENDED UNDER THIS PARAGRAPH 14, AND TO THE EXTENT ALLOWED BY LAW, THERE SHALL BE NO OTHER WARRANTY OR CONDITION, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER OBLIGATION OF THE COMPANY TO DEALER OR THE CUSTOMER WITH RESPECT TO PRODUCTS. NOTWITHSTANDING THE FOREGOING, ANY PROVISIONS IN THIS AGREEMENT BETWEEN DEALER AND THE COMPANY REGARDING PRODUCTS SHALL REMAIN EFFECTIVE.**

d. The Company shall not be liable nor shall it defend, indemnify or in any way be obligated to assist Dealer in defense of any notice, claim, or lawsuit alleging the existence of a warranty beyond the terms identified in the Warranty and Limitation of Liability Agreement referred to in this Paragraph 14.

e. The performance and administration of the warranties extended under this Paragraph 14 and the payment of claims under these warranties shall be as set forth in the MANUAL.

15. CREDIT LINE AND CAPITALIZATION

Dealer shall at all times employ in connection with its business under this Agreement a wholesale line of credit acceptable to the Company and the total investment, net working capital, and retail financing plans, in the amounts deemed necessary by the Company for Dealer to comply with its obligations hereunder.

16. SIGNS

Dealer shall acquire, erect and maintain a Company-approved primary identification sign to identify each DEALER LOCATION listed in Schedule C as a Dealer in PRODUCTS. These signs shall be subject to the Company's approval with respect to the display of any trademark or trade name to which the Company or any affiliated company is entitled.

17. DEALER STANDARDS

Dealer understands and agrees that the Company will evaluate the Dealer according to and under the terms of the Company's Dealer Standards Program and may reward those

dealers that comply with these Standards and achieve high scores as defined by the Company.

18. REPORTS, AUDITS AND RECORDS

a. At the Company's request Dealer shall provide to the Company a copy of its annual and/or current monthly financial statement prepared by or for Dealer in accordance with generally accepted accounting principles. Dealer shall also promptly submit sales reports and other business, sales and service reports and documents to the Company upon request. All statements and reports shall contain information on any BRANCH LOCATIONS. At any time, the Company may request from Dealer additional or supplemental financial or other business data to assist in assessing its continuing credit risk or Dealers compliance with the provisions of this Agreement. The Company also reserves the right to obtain from time to time personal financial statements from the owner(s), partner(s), principal stockholder(s) or guarantor(s) of Dealer. Dealer will comply with all requests for such additional information immediately. Failure to provide any of the reports, records or information which are the subject of this Paragraph may result in withdrawal of existing credit extensions or refusal to grant additional credit or such other actions as the Company may deem appropriate, including termination of this Agreement as provided herein.

b. Dealer shall permit persons designated by the Company, at reasonable times during normal business hours, to examine its place or places of business, stocks of PRODUCTS and other EQUIPMENT at the PRINCIPAL DEALER LOCATION and any BRANCH LOCATIONS, to test EQUIPMENT, to check and instruct Dealer and its employees in the proper handling of warranty and other repairs and claims based thereon and to examine, copy and audit all Dealer's original records and documents relating to Dealer's PRODUCTS business. Dealer shall maintain for at least two years all original records and documents relating to all claims made upon or paid by the Company including, but not limited to, warranty, policy and incentive claims. The submission of improper claims will result in a charge back against Dealer account with the Company for all improper or unsubstantiated claims. If Dealer refuses to permit an audit, fails to maintain the required records, or if it is determined that improper claims were intentionally made, the charge back will include all payments for the prior two years, including any dealer settlement allowances or retail sales incentives. This remedy is in addition to those available to the Company under Paragraph 23(d).

19. MARKET REPRESENTATION

a. Without liability to Dealer, the Company may determine the numbers, locations and sizes of Company dealers necessary for adequate PRODUCTS, sales and service representation within any geographic area, or within the PMR designated in Schedule C, and may alter Dealers designated PMR or appoint additional Company dealers in PRODUCTS within that PMR or elsewhere.

Notwithstanding any other provision of this Agreement, the decision whether to alter Dealer's designated PMR or to establish a new or additional Company Dealer shall be made by the Company solely upon its own business judgment. Nothing in this Agreement shall be construed as requiring Dealers consent to the establishment of a new or additional Dealer in any area where the Dealer markets or sell PRODUCTS or elsewhere.

b. The Company may make gifts or loans of PRODUCT to others within Dealers designated PMR or otherwise without liability to Dealer. The Company also may offer any PRODUCTS including new, modified and differently designed PRODUCT, bearing any trademarks or trade names to which the Company or any affiliated company is entitled, to selected Company Dealers or others under existing or new agreement without liability to Dealer, and without undertaking any obligation to make such PRODUCTS available to the Dealer.

c. In view of the personal nature of this Agreement, the rights and privileges conferred on Dealer under this Agreement are not transferable, assignable or salable by Dealer, and no property right or interest, direct or indirect, is sold, conveyed or transferred to Dealer under this Agreement. The Company may select the dealers it shall appoint to distribute and service PRODUCTS and may refuse to appoint as a Dealer any purchaser or prospective purchaser of any of the shares or assets of Dealer upon the termination of this Agreement or otherwise. Dealer shall give the Company sixty (60) days written notice of Dealer's intention to transfer or sell the shares or assets of the dealership.

d. Dealer has not paid any fee for this Agreement.

20. MODEL CHANGE

a. Without giving notice to Dealer and without incurring any liability to Dealer, the Company:

(i) may alter, modify or discontinue the design, construction and availability of any PRODUCT;

(ii) may withdraw from the market any PRODUCT, any derivative of a PRODUCT and any version of any derivative of a PRODUCT; and

(ii) may market additional or replacement PRODUCTS.

b. Unless the Company advises Dealer in writing to the contrary, or except as required by law, the Company does not sell its PRODUCTS to Dealer using a model year or year of manufacture designation. Except as required by law, Dealer shall make no representation upon resale, lease or renting that the EQUIPMENT is of a particular model year.

21. TRADEMARKS, TRADE NAMES AND TRADE SECRETS

a. **Use in Title.** Dealer shall not use as, or as part of, its trading or firm title any name that is not acceptable to the Company. Without the Company's prior consent, Dealer shall not use "New Holland" or any trade names or trademarks owned or used by CNH America LLC or any predecessor or affiliate company, as or as part of Dealers firm, trade or corporate name and shall not permit any person, firm or corporation controlled by it or affiliated with it to do so. Such trade names and trademarks belong to CNH America LLC or its affiliates and may be used by Dealer only in connection with the advertisement and sales of PRODUCTS sold to Dealer by the Company. Any such use by Dealer shall immediately cease upon termination of the business relationship between the Company and Dealer.

b. **Goodwill and Reputation.** Dealer shall not in any trading title used by the Dealer in connection with its business activities under this Agreement or in connection with any other business activity, use any name or words capable of damaging the goodwill or reputation of the Company or any affiliated company or predecessor. Dealer shall promptly carry out all reasonable instructions and requests of the Company issued to protect and promote the value, goodwill and reputation of any trademark or trade name to which the Company or any affiliated company or predecessor is entitled.

c. Dealer shall maintain in strict confidence all commercial and technical information disclosed by the Company to Dealer.

22. DURATION

Unless terminated earlier in accordance with the terms hereof, this Agreement shall continue from the date first set forth above until December 31, 2007. This Agreement shall be extended for successive one-year terms unless at least ninety (90) days prior to the expiration date of the original term or any extension term either party notifies the other of its intention not to extend. Upon such notification, this Agreement shall expire on December 31, 2007 or at the end of any such extension period. Dealer understands that this Agreement is of a limited duration and agrees that it has not relied on any representation regarding the continuation of this Agreement or its benefits beyond the initial term or any subsequent term.

23. TERMINATION

It is agreed that the following shall illustrate, but in no way limit, the various grounds which shall entitle the Company, at its option, and Dealer where so indicated, to terminate this Agreement prior to its expiration, and which shall entitle the Company to immediate possession of all PRODUCTS for which Dealer is indebted to the Company or a Company-approved financing institution:

a. **Replacement Agreement.** In the event the Company offers a new or amended form of agreement to its dealers in PRODUCTS, the Company may terminate this Agreement at any time by giving Dealer at least thirty (30) days prior written notice.

b. **At Will.** Dealer may terminate this Agreement at any time, with or without cause, after at least thirty (30) days prior written notice to the Company.

c. **Breach.** Except for those events set forth in Paragraph 23(d), the Company shall give the dealer notice and sixty (60) days opportunity to cure, to the Company's sole satisfaction, any failure of the Dealer to fulfill any of its obligations under this Agreement. If Dealer fails to cure the breach or breaches to the Company's sole satisfaction, the Company may terminate this Agreement by giving Dealer thirty (30) days written notice.

d. **With Immediate Effect.** The Company may terminate this Agreement with immediate effect by giving notice to Dealer or to Dealer's legal representative in any of the following events:

(i) Any transfer or attempted transfer, without the prior written approval of the Company, by Dealer of any interest in, or right, privilege, or obligation under this Agreement, or any transfer by operation of law or otherwise of the principal assets of the Dealer that are required for the conduct of its business under this Agreement, or any change, however accomplished, in the direct or indirect ownership or operating management of Dealer as set forth in Schedule A.

(ii) Any misrepresentation in applying for appointment as a dealer in PRODUCTS by Dealer or any person named in Schedule A; the submission of a fraudulent parts return or the return of parts with fraudulent packaging or labeling; the submission by Dealer to the Company of a false or fraudulent application or claim, or any false statement in support thereof, for warranty, policy or campaign adjustments or for wholesale parts or sales incentives or for any other refund, credit, rebate, incentive, allowance, discount, reimbursement or payment under any program, or the acceptance by Dealer of any payment for any work not performed by Dealer in accordance with the provision of this Agreement or the MANUAL.

(iii) Failure of Dealer to maintain one or more of Dealer's places of business open for business for a period of seven or more consecutive days.

(iv) Conviction or guilty plea in a court of original jurisdiction of Dealer or any person named in Schedule A of a felony or of any violation of law that in the Company's opinion tends to affect adversely the operation or

business of Dealer or the good name, goodwill or reputation of PRODUCTS, Dealer, the Company, or other dealers in PRODUCTS.

(v) Failure of Dealer to fulfill any provision of Paragraph 9 or Paragraph 21 or to pay the Company any sum due under any agreement between the Company and Dealer.

(vi) Failure of Dealer to obtain or hold any license required for the performance of any of Dealer's obligations under this Agreement.

(vii) Death or physical or mental incapacity or disappearance of Dealer if Dealer is an individual, or of the principal owner of Dealer if Dealer is a legal entity other than an individual.

(viii) Insolvency of Dealer; the inability of Dealer to pay debts as they mature, whether to the Company or others; the filing of a petition in bankruptcy or for reorganization, whether voluntary or involuntary the making of an assignment by Dealer for the benefit of creditors; the appointment of a receiver, custodian or trustee for Dealer or its property; or default by Dealer in the payment of any obligation owing to the Company.

(ix) Revocation or discontinuance of any guaranty of Dealers present or future obligations to the Company.

(x) Failure of Dealer to provide the reports and/or permit the audits described in Paragraph 18.

(xi) Any conduct by any person named in Schedule A or any employee of Dealer unbecoming a reputable business person, or disagreement between any persons named therein that in the Company's opinion tends to adversely affect the operation or business of Dealer or the good name, goodwill or reputation of PRODUCTS, Dealer, the Company, or other dealers in products.

(xii) Conduct by any person named in Schedule A or any employee of Dealer that is abusive or threatening to any Company employee.

24. OBLIGATIONS UPON EXPIRATION OR TERMINATION

a. Upon the expiration or termination of this Agreement, Dealer shall cease to be a dealer in PRODUCTS, all orders from Dealer for PRODUCTS that have not been shipped shall be canceled without liability to either party, and Dealer promptly shall:

(i) pay the Company all sums owed by Dealer to the Company;

(ii) remove all signs owned or controlled by Dealer that bear any trademark or trade name of the Company or any of its affiliates or predecessors;

(iii) discontinue the use of any trademark or trade name of the Company or any of its affiliates or predecessors; and

(iv) cease to represent in any way that Dealer continues to be a Dealer in PRODUCTS.

b. If Dealer fails to comply with these requirements, the Company may take reasonable steps to achieve compliance or the same result as would be realized by Dealer compliance, and Dealer shall reimburse the Company for all costs and expenses, including reasonable attorney's fees, incurred by the Company in effecting or enforcing compliance. All obligations contained in Paragraph 24 shall survive the expiration or termination of this Agreement. Final settlement of Dealer's account with the Company shall not be made until all requirements of this Agreement, particularly those obligations set forth in Paragraph 24(a), are complied with by Dealer.

25. ACQUISITION OF CERTAIN PROPERTY UPON TERMINATION

Unless otherwise provided by law, the following provisions shall control:

a. If this Agreement expires or is terminated, then upon Dealer's written request, the Company shall repurchase all new, complete, unused, unsold and undamaged PRODUCTS in Dealer's stock on the date of termination provided the PRODUCT:

(i) is in new, complete, salable condition;

(ii) is listed in the then-current price and data book or parts price list;

(iii) is free and clear of all liens; and

(iv) was purchased by Dealer from the Company.

In addition, the Company will only repurchase GENUINE PARTS that are returned in correct order multiples, in a complete set (if originally sold in a set of two or more items) and in the original Company packaging with the original authorized Company identification label. The Company will only repurchase attachments that were not previously installed and which were invoiced separately to Dealer. The Company will not repurchase any GENUINE PART that has a limited shelf life, has an altered or counterfeited identification label, is in a broken package, is a hazardous material or was direct shipped from a supplier other than the Company.

b. The price for any repurchased EQUIPMENT shall be the price paid by Dealer to the Company, less charges for distribution, delivery, handling, advertising and taxes, and less any amount previously credited or refunded to Dealer on that EQUIPMENT. The Company is not obligated to reimburse Dealer for unloading, set-up, or preparation of returned PRODUCTS under this Paragraph 25. The price for any repurchased GENUINE PART shall be the then-current dealer price, less all allowances and discounts paid or allowances and discounts currently offered by the Company, less the amount representing freight currently being prepaid by the Company on stock orders, and less a *ten percent* (10%) restocking charge. Dealer must notify the Company in writing within thirty (30) days of the expiration or termination of this Agreement that Dealer desires the Company to reacquire certain PRODUCTS, and return such PRODUCTS to the Company within sixty (60) days. A single return of GENUINE PARTS will be permitted.

c. Upon expiration or termination of this Agreement, the Company may retake without payment any materials (such as sales promotion, advertising and training materials, Price and Data books, tools and signs) provided without charge to Dealer by the Company or any predecessor. In no event shall the Company have the obligation to purchase Dealer's facilities (including land and buildings) or any assets not specifically mentioned in this Paragraph 25.

d. All items to be repurchased by the Company under this Paragraph 25 shall be packed, boxed or crated and shipped by Dealer in accordance with the Company's

instructions, unless otherwise required by law, freight prepaid at Dealer's expense to the destination specified by the Company. All items thus repurchased shall be delivered, sold and paid for free of all claims, liens and other encumbrances after compliance with all bulk sales or similar laws for the protection of creditors and shall be transferred by warranty bills of sales satisfactory to the Company. Dealer will be paid for the items reacquired by the Company, less any amount owed to the Company.

e. The Company shall have the right to withhold from the price of any items repurchased pursuant to this Paragraph 25, a sum sufficient to discharge any liens or encumbrances against such items and to discharge such liens or encumbrances. Dealer shall, in addition, execute such documents and take any additional action reasonably requested by the Company to transfer ownership thereof, free and clear of such liens and encumbrances.

26. RELATIONS AFTER EXPIRATION OR TERMINATION

Any business relations between the Company and Dealer after expiration or termination of this Agreement, whether with respect to PRODUCTS or otherwise, shall not constitute a waiver of the expiration or termination of this Agreement or in any manner reinstate the contractual relationship that existed by virtue of this Agreement, and all such relations shall be governed by terms identical to the relevant provisions of this Agreement unless the parties execute a new agreement superseding this Agreement.

27. NEW AGREEMENT

Unless otherwise specified by the Company in writing, the termination of this Agreement by the Company in connection with the offer by the Company to Dealer (or Dealers successor in interest) of a new agreement for one or more PRODUCTS shall not give rise to the rights and obligations provided in Paragraphs 24 and 25 with respect to the PRODUCTS covered by the new agreement.

28. LIMITATION OF LIABILITY

This Agreement contemplates that Dealer, as an independent business, shall purchase PRODUCTS for resale in conformity with the provisions of this Agreement, and shall obtain on its own the capital investment necessary to operate the business. Nothing in this Agreement shall impose any liability on the Company in connection with Dealers operations under this Agreement or otherwise, or for any expenditure made or incurred by Dealer in preparation for performance or in performance of Dealers responsibilities under this Agreement.

The Company and Dealer both understand and agree that this Agreement is of a limited duration, and therefore, except as provided herein, neither party is entitled to any compensation or reimbursement for loss of past or prospective profits, past or prospective sales or any other losses occasioned by expiration, cancellation, non-renewal, termination or breach of this Agreement. The damages to which either party may be entitled for breach are limited to actual out-of-pocket expenses incurred as a direct result of the breach. The damages to which either party may be entitled for cancellation, non-renewal, or termination subsequently adjudged to be improper or unlawful are limited to actual out-of-pocket expenses incurred as a direct result of such cancellation, non-renewal, or termination during the period of time between notice and the effective date thereof.

29. AGENCY OR EMPLOYMENT RELATIONSHIP

This Agreement does not create an agency or employment relationship between the Company and Dealer or any personnel of Dealer. Neither Dealer nor any personnel of Dealer shall:

(i) be considered an agent or employee of the Company;

(ii) act or attempt to act or represent himself directly or by implication as an agent of the Company; or

(iii) assume or create or attempt to assume or create an obligation on behalf of or in the name of the Company.

30. ASSIGNMENT

Upon notice to Dealer, the Company may assign this Agreement and any rights and obligations under this Agreement to any affiliate of the Company or to any company that succeeds to the interests of CNH America LLC. Dealer may not assign or otherwise transfer this Agreement, in whole or in part, without the written prior consent of the Company.

31. AMENDMENT AND SEPARABILITY

The Company may amend Schedules B and C of this Agreement at any time upon written notice to Dealer. If performance or enforcement of this Agreement is unlawful under a valid law of any jurisdiction where that performance or enforcement is to take place, the performance or enforcement will be modified to the minimum extent necessary to comply with any such law.

32. AUTHORIZED PERSONNEL

This Agreement shall bind the Company only if it bears the manual or facsimile signature of a Regional Sales Director, or equivalent position, or any officer of the Company and a fully executed copy is delivered personally or by mail to the Dealer at its principal place of business. No one except those persons identified in the preceding sentence is authorized on behalf of the Company to make any other agreement relating to the subject matter of this Agreement or to modify any provision of this Agreement or to terminate this Agreement, and then only by a written instrument.

33. SUPERSESSION AND ENTIRE AGREEMENT

This Agreement terminates and supersedes all other agreements between the Dealer and the Company for the sale and service of PRODUCTS. This Agreement contains the entire agreement and constitutes the sole and exclusive agreement between the parties with respect to its subject matter.

Each party acknowledges that, except as expressly stated in this Agreement, no representation, understanding, course of conduct, custom or practice in the trade, or presumption of law or fact has been made or relied upon that has induced the execution of this Agreement, or would in any way modify any of its provisions with respect to the effectiveness, duration, expiration or termination of this Agreement or the sales or profit expectancy of Dealer.

Dealer understands that this Agreement has limited duration and has decided to become a dealer in PRODUCTS and to make the investments necessary to become a dealer solely in reliance on its own investigation, appraisal and projection of present and future conditions and expectations and not in reliance on any statements made or documents exhibited to Dealer by the Company or any affiliated company or predecessor.

Dealer as read this Agreement and understand it and has had adequate opportunity to consult with legal counsel of Dealers own choosing regarding the content and meaning of this Agreement. Dealer voluntarily has entered into this Agreement and acknowledges that each provision of this Agreement is reasonable, fair and equitable.
/s/ DM (DEALER INITIALS)

34. NO IMPLIED WAIVER

The waiver by either party or the failure by either party to claim a breach of any provision of this Agreement shall not constitute a waiver of any subsequent breach or affect in any way the effectiveness of that provision.

35. NOTICE, APPROVAL AND CONSENT

Any notice, approval or consent required or allowed under this Agreement shall be given in writing and, without prejudice to other forms of actual service, shall be considered as served upon being mailed in a properly sealed envelope with first class or certified or registered postage prepaid. Notices to the Company shall be addressed to the Regional Sales Director for Dealers assigned region and shall be delivered or mailed to CNH America LLC, 500 Diller Avenue, PO Box 1895, New Holland, PA 17557. Notices to Dealer shall be delivered or mailed to any person designated in Schedule A(ii) or to Dealer at the PRINCIPAL DEALER LOCATION.

36. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the state in which the PRINCIPAL DEALER LOCATION is situated, without regard to such state's choice of law rules or principles.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date written below.

2-16-07 DM

CNH AMERICA LLC	**DEALER** Titan Machinery Inc. DBA Richland ~~County Equipment~~ Implement
	(Dealership Name)
By:	By: /s/ David J. Meyer
Title: Regional Sales Director	Title: CEO
Date: February 20, 2007	Date: 2/16/07

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CNH America LLC Dealer Agreement

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CNH AMERICA LLC

DEALER AGREEMENT - SCHEDULE B

Dealer Trade Name: **Titan Machinery Inc. dba Richland Implement**

Dealer Address: **Wahpeton, ND 58075**
(City, State and Zip Code)

BRAND OF EQUIPMENT: NEW HOLLAND
SOURCE OF EQUIPMENT: CNH AMERICA LLC

AUTHORIZED PRODUCT LINE(S)

☒ **Compact Tractors and Consumer Products (Includes all tractor series where the lowest HP model of that series is below 40 PTO HP.) (CPT)**

☒ **Mid-Range Horsepower Tractors (Except for Ag Crawler Tractors. Includes all tractor series where the lowest HP model of that series is from 40 PTO HP through 119 PTO HP Including Bi-Directional™ and Ag Telehandlers & Attachments.) (MRT)**

- ☐ **Ag Crawler Tractors (CRW) (Limited distribution)**

☒ **Hay & Pull-Type Forage Equipment and Material Handling Equipment (H&F)**

☒ **Skid Steer Loaders & Attachments (SSL)**

- ☒ **Compact Track Loader (CTL)**

☐ **Industrial Tractors (Only those models available through Agricultural products division.) (IND)**

☒ **High Horsepower Tractors (Except for articulated 4WD tractors, includes all tractor series where the lowest HP model of that series is at or above 120 PTO HP.) (HHT)**

☒ **Articulated Four-Wheel Drive Tractors (over 200 engine HP) (4WD)**

☒ **Combine Harvesters (CMB)**

☐ **Self-Propelled Forage Harvesters (SPF)**

☐ **Self-Propelled Sprayers (SPS)**

☒ **Crop Production Products (CRP) branded New Holland, New Holland/Flexi-Coil, and/or New Holland/DMI (includes NH Conventional Planters, Air Disk Drills, Air Hoe Drills, Air Delivery Systems, Disk Ripper Disks, Disk Harrows, Seed Bed Harrows, Chisel Plows, Combination Primary Tillage, Combination Secondary Tillage, Minimum Primary Tillage, Crumblers, Tiger Mate Field Cultivators, and Pull-Type Sprayers)**

Regional Sales Director — **Date** February 20, 2007

CNH AMERICA LLC

DEALER AGREEMENT - SCHEDULE C

DEALER PRINCIPAL LOCATION, INDUSTRY POTENTIAL AND PMR

Dealer Trade Name: **Titan Machinery Inc. dba Richland Implement**

Dealer Address: **17805 HWY 13, Wahpeton, ND 58075**
(Physical Address) **(Street Address, City, State, Zip Code)**

The PRIMARY MARKET OF RESPONSIBILITY (PMR) shall mean the total industry volume (as reported by the Equipment Manufacturers Institute) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which the Dealer has sales and service responsibility for PRODUCTS. The PMR is the volume of a PRODUCT LINE sold within a geographic area, not the area itself. The Dealer's PMR may vary by PRODUCT or PRODUCT LINE. The Dealer's PMR is NON-EXCLUSIVE and will be the base against which the Dealer's sales performance is measured.

The following chart(s) identifies that portion (%) of the industry unit sales potential within the PMR that the Dealer is expected to participate in by PRODUCT LINE. The portion of industry unit sales potential just described will be reviewed periodically by the COMPANY and the Dealer will be advised of any changes.

EXAMPLE: If a Dealer is assigned 50% of the industry sales volume in a county in which 100 units of a given PRODUCT LINE is sold, then the Dealer's PMR for that PRODUCT LINE is 50% of the 100 units or 50 units. So, if this Dealer sold 10 units of this PRODUCT LINE in this county, the Dealer's market share would be 20%.

PRODUCT LINES AND % COUNTY ASSIGNMENT

COMPACTS & CONS.	MID-RANGE	HAY & PT	INDUSTRIAL

COUNTY	ST	PROD.	TRACTORS	FORAGE	SSL	TRACTORS
TRAVERSE	MN	100	100	100	90	0
WILKIN	MN	100	100	100	90	0
RICHLAND	ND	100	100	100	90	0
ROBERTS	SD	50	50	50	50	0

Regional Sales Director

February 20, 2007

Date

DEALER AGREEMENT - SCHEDULE C – PAGE 2

PRODUCT LINES AND % COUNTY ASSIGNMENT

COUNTY	ST	HIGH HP TRACTORS	4WD TRACTORS	COMBINES	SELF-PROP. FORAGE	SELF-PROP. SPRAYERS	CROP PRODUCTION PRODUCTS
TRAVERSE	MN	100	100	100	0	0	100
WILKIN	MN	100	100	100	0	0	100
RICHLAND	ND	100	50	100	0	0	100
ROBERTS	SD	50	50	50	0	0	50

Regional Sales Director

February 20, 2007

Date

CNH AMERICA LLC

DEALER AGREEMENT

THIS AGREEMENT between CNH America LLC, a Delaware Limited Liability Corporation, having a place of business at 500 Diller Avenue, New Holland, Pennsylvania 17557 ("Company"), and

Titan Machinery Inc.

a Corporation incorporated in the state of North Dakota

doing business as **Titan Machinery Inc.** and with its principal place of business at:

1701 Governors Drive, Casselton, ND 58012 ("Dealer")

will be **effective June 22, 2006**.

BY THIS AGREEMENT, Dealer is authorized at the **DEALER LOCATION** and **BRANCH LOCATION(S)** listed in Schedule C to sell, rent and lease at retail and to service selected new **PRODUCTS** manufactured or distributed by the Company.

Both parties recognize that the rights of Dealer and the Company under this Agreement are defined by the terms of this Agreement and applicable law.

IN CONSIDERATION of the representations and promises contained in this Agreement, the Company and Dealer agree as follows:

1. DEFINITIONS

The following definitions shall apply throughout this Agreement:

a. **BRANCH LOCATION(S)** shall mean the secondary place or places of business of Dealer designated in Schedule C for the sales, renting, leasing and/or servicing of **PRODUCTS** under this Agreement separate from the Dealers principal place of business.

b. **DEALER LOCATION** shall mean the place or places of business of the Dealer designated in Schedule C for sale, rent, lease and service of **PRODUCTS**, including any **BRANCH LOCATION(S)**.

c. **DEALER PRICE** shall mean the price to the Dealer for **PRODUCTS** established by the Company from time to time excluding any holdback, deposit or charge by the Company for taxes, handling, delivery, transportation or special items or services.

d. **DOMESTIC** shall mean within the 50 states of the United States of America.

e. **EQUIPMENT** shall mean those models of new **EQUIPMENT** and any related attachments that are designated by **PRODUCT LINE** and listed in Schedule B. The Company reserves the absolute and sole right to determine what **EQUIPMENT** it will offer Dealer for retail sale.

f. **GENUINE PARTS** shall mean new Company-sourced assemblies, subassemblies, components and accessories (and any part thereof) for only that **EQUIPMENT** which Dealer is authorized to sell on Schedule B, unless otherwise authorized by the Company.

g. **MANUAL** shall mean the Service/Warranty Chapter of the Dealer Policy Manual (or the equivalent document or documents) and amendments thereto, as may be made from time to time by the Company and provided to Dealer, setting forth the policies and procedures of various warranty and protection plans, which document is made part of this Agreement.

h. **MARKET SHARE** shall mean the percentage of Company **PRODUCTS RETAILED** by Dealer within the **PMR** designated in Schedule C as a portion of

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the total industry volume (as reported by the Association of **EQUIPMENT** Manufacturers or other organization identified by the Company) of all comparable **PRODUCTS**, including **PRODUCTS** and competitive non-Company products, **RETAILED** in Dealer's designated **PMR**. **MARKET SHARE** shall be computed by dividing Dealer's sales of a given **PRODUCT** or **PRODUCT LINE** within the Dealer's designated **PMR** by the total industry volume of that **PRODUCT** or **PRODUCT LINE** sold within the designated **PMR**.

i. **NON-EXCLUSIVE** shall mean that Dealer may market and sell PRODUCT in markets other than the **PMR** designated in Schedule C, that other dealers may sell Company **PRODUCTS** to customers within the Dealer's designated **PMR**, and that Dealer has no actual or implied right, contractual or otherwise, to be the only Company dealer located in the designated **PMR** or any geographic area, or to maintain the only Company dealer selling locations in the designated **PMR** or any other market area. The Company has no actual or implied obligation, contractual or otherwise, to forgo placing a new Company dealer or dealer selling location in Dealer's designated **PMR** or any given geographic area, and may in fact appoint such new Company dealers or locations at any time.

j. **PRIMARY MARKET OF RESPONSIBILITY** ("**PMR**") shall mean the total industry volume (as reported by the Association of **EQUIPMENT** Manufacturers or other organization identified by the Company) of all **PRODUCTS**, including competitive **PRODUCTS**, **RETAILED** within the geographic area designated in Schedule C for which Dealer has sales and service responsibility for **PRODUCTS**. Dealers designated **PMR** may vary by **PRODUCT** or **PRODUCT LINE**. The **PMR** is **NON-EXCLUSIVE** and is used solely to measure the Dealers sales performance.

k. **PRINCIPAL DEALER LOCATION** shall mean the **DEALER LOCATION** listed first on Schedule C.

I. **PRODUCT(S)** shall mean **EQUIPMENT** and **GENUINE PARTS**.

m. **PRODUCT AND PRICING BULLETIN** shall mean the latest bulletin (or equivalent document or documents) and amendments thereto as may be made from time to time by the Company and provided to Dealer setting forth the terms of sale and ordering procedure applicable to sales of **PRODUCTS** to Dealers, which document is made part of this Agreement.

n. **PRODUCT LINES** shall mean the categories of **EQUIPMENT** that Dealer is authorized in writing, per Schedule B, by the Company to sell, rent, lease and service.

o. **REGIONAL SALES AREA** shall mean the designated multi-state area managed by a Company Regional Sales Director.

p. **RETAIL** shall mean a sale, rental or lease to an end user and does not include any sale to jobbers, jockeys, unauthorized dealers or other wholesalers.

2. APPOINTMENT

The Company appoints Dealer as a **NON-EXCLUSIVE** Dealer solely for the **RETAIL** sale and service of **PRODUCTS** to **DOMESTIC** customers at the **DEALER LOCATION** and **BRANCH LOCATION(S)** listed in Schedule C, and Dealer accepts this appointment. Under this appointment, Dealer is only authorized to sell **PRODUCTS** to **RETAIL** customers in the **DOMESTIC** market. Any sales of **PRODUCT** for export or from a location not authorized in Schedule C require the prior written consent of the Company.

3. DEALER OWNERS AND MANAGERS

a. Dealer represents that it conducts business under the legal form or entity shown on Schedule A (i).

b. Dealer represents that it is owned by the persons listed on Schedule A (ii), which schedule the Dealer further represents to contain the complete list of all persons holding an ownership interest in Dealer.

c. Dealer represents that it is managed by the person(s) listed in Schedule A (iii), which schedule Dealer further represents to contain the complete list of all those who have full authority and responsibility for the management of Dealer in the performance of this Agreement.

d. Dealer shall give the Company 60 days written notice of any proposed change in the legal form of Dealer and any proposed change in Dealer ownership or operating management, and immediate notice of the death or incapacity of any person listed in Schedule A. No change in Dealer ownership or operating management shall be effective against the Company until embodied in an appropriate amendment to Schedule A or an assignment of this Agreement, duly executed by the Company and Dealer and properly delivered.

4. SALES RESPONSIBILITY

a. Dealer agrees to promote vigorously and aggressively the sale at **RETAIL** of **PRODUCTS** in order to assure maximum sales of **PRODUCTS** and further agrees to obtain a reasonable share of the market in Dealer's designated PMR and a reasonable total sales revenue for all **PRODUCTS** which dealer is authorized to sell. It is agreed that a reasonable **MARKET SHARE** within the designated PMR shall be 90% of the average **MARKET SHARE** that New Holland **PRODUCTS** or **EQUIPMENT** achieve within Deale's state or **REGIONAL SALES AREA**. The Company, at its sole discretion, will determine whether Dealer's state or **REGIONAL SALES AREA** will be used to measure Dealers performance.

b. Dealer also agrees to develop, maintain and direct a sufficient number of trained, qualified sales personnel and shall conduct aggressive advertising and sales promotion activities.

c. Dealer understands and agrees that its performance of its **PRODUCT** sales (and, where appropriate, leasing and rental) responsibility hereunder shall be measured by the Company through the use, exclusively, of such reasonable criteria as the Company may adopt, and without limitation, taking into consideration the Dealer's **MARKET SHARE**S within its **PMR**, total revenue, total sales, leases and rentals of **PRODUCTS** and its sales, leases and rentals of **EQUIPMENT** categorized by **PRODUCT LINE**, to customers in the **PMR**. The Dealers prior sales performance of the **PRODUCT LINE** or **EQUIPMENT** may be considered in evaluating Dealer's performance under this Agreement. The Company may from time to time conduct surveys (by use of questionnaires or otherwise) of owners, lessees and renters of **EQUIPMENT** purchased, leased or rented from Dealer to determine the satisfaction of those owners, lessees and renters with the sales, leasing and rental efforts of Dealer. The results of these surveys may be taken into consideration in assessing Dealer's performance under this Agreement.

d. In addition to the remedies for breach hereof as set forth in Paragraph 23(c), if Dealer fails to carry out its **PRODUCT** sales responsibility hereunder in the sale of a **PRODUCT LINE** or specific **EQUIPMENT** in a **PRODUCT LINE**, the Company may, at its sole discretion, and after thirty (30) days prior written notice, remove that **PRODUCT LINE** or **EQUIPMENT** from Schedule B. In such event, Dealer will no longer be authorized to sell that **PRODUCT LINE** or **EQUIPMENT**.

e. Dealer shall not offer for sale or sell as a **GENUINE PART**, any assembly, subassembly, component, accessory (or any part thereof) that is not a **GENUINE PART**.

f. The Company reserves the right to sell, rent or lease **PRODUCT** directly to end users within Dealers designated **PMR** or elsewhere without incurring any liability to Dealer. The term 'send users' shall include, but not be limited to, governmental agencies, institutions or entities, educational or charitable institutions, rental companies and accounts classified by the Company as national accounts. The Company shall have no liability to Dealer for any sales made pursuant to this Paragraph.

5. SERVICE RESPONSIBILITY

a. **General.** In accordance with standards and procedures established from time to time by the Company, Dealer agrees to develop, maintain and direct a sufficient number of trained and competent service mechanics and technicians and to render at the DEALER LOCATION and in the field and at any BRANCH established for the purpose of service, prompt, professional and courteous service to owners and users of **PRODUCTS**.

b. **Predelivery.** In accordance with instructions issued from time to time by the Company, Dealer agrees to perform inspection, conditioning and repair of **EQUIPMENT** before delivery to a retail purchaser, lessee or renter.

c. **Warranty and Policy.** Dealer must perform warranty and policy service on **PRODUCTS** sold by Dealer in accordance with the **MANUAL**. At the customer's request, Dealer shall perform warranty and policy service on **PRODUCTS** not originally sold by Dealer.

d. **Campaigns.** Dealer agrees to perform campaign and field improvement program (FIP) inspections and make corrections for owners and users of **PRODUCTS** in accordance with instructions by the Company and the provisions of the **MANUAL**.

e. **Parts; Priority.** Except as otherwise instructed by the Company, Dealer agrees to use only **GENUINE PART**S in performing warranty, policy and campaign/FIP work. Dealer shall give priority to warranty, policy and campaign work over other service work if the customers use of the **EQUIPMENT** submitted for warranty, policy or campaign/FIP work is impaired.

f. **Service Tools.** Dealer agrees to keep in inventory all special tools required by the Company to service the **PRODUCTS** listed in Schedule B.

6. STOCKS

Dealer agrees to order, stock, maintain and prominently display in new salable condition at each **DEALER LOCATION** representative models of each type of **EQUIPMENT** which Dealer is authorized to sell hereunder, as set forth on Schedule B. It shall be the Company's sole right to determine minimum **EQUIPMENT** stocking requirements.

7. ORDERS

a. Dealer shall submit orders for **PRODUCTS** to the Company at times designated by the Company and using methods and forms required by (or approved by) the Company (or in accordance with the **PRODUCT AND PRICING BULLETIN** or other procedures established by the Company).

b. The Company shall make reasonable efforts to honor each order for **PRODUCTS** from Dealer accepted by the Company, but shall not be liable for failure to delivery or delay in delivery of **PRODUCTS**.

c. Orders for **PRODUCTS** are deemed to be accepted by the Company when the order is expressly confirmed by the Company or the ordered **PRODUCTS** are delivered to Dealer or the carrier. The Company may install any **EQUIPMENT** or accessories required by law on any **EQUIPMENT** ordered by a Dealer whether or not these mandatory items were included in Dealers order.

8. PRICES AND CHARGES

Unless otherwise determined by the Company in the **PRODUCT AND PRICING BULLETIN** or by other written notice to Dealer, the following provisions shall apply:

a. Dealer shall pay the Company the **DEALER PRICE** for each **PRODUCT** purchased from the Company by Dealer, plus any holdback and charges by the Company for reimbursement of taxes, duties, transportation, handling, distribution, delivery or special items or services. The Company may change the **DEALER PRICE**, holdback, reimbursement and other charges at any time prior to acceptance of the order without prior notice to Dealer. Except as otherwise specified in writing by the Company, the **DEALER PRICE** and charges shall be those in effect, and delivery to Dealer shall be deemed made and the order filled, on the date of delivery by the Company to the carrier or to Dealer, whichever occurs first.

b. If the Company increases the **DEALER PRICE** for any **PRODUCT**, Dealer may cancel, by written notice to the Company within 10 days after receipt of notice of the increase, any orders for that **PRODUCT** placed by Dealer prior to receiving notice of the increase and not already accepted by the Company at the time the Company receives Dealers notice of cancellation.

9. TERMS OF PAYMENT AND DELIVERY

Unless otherwise determined by the Company by written notice to Dealer, the following provisions shall apply:

a. **Payment.** Payment for each PRODUCT shall be made in current funds unless the invoice or the Company's then current and applicable payment plan provides otherwise, in which event the terms of the invoice or the plan shall govern. Dealer shall pay the Company for all **PRODUCTS** immediately upon delivery of **PRODUCTS** to Dealer. Receipt of any check, draft or other commercial paper shall not constitute payment until the Company has received cash in the full amount thereof. Failure to make payment in accordance with this Paragraph may, at the discretion of the Company, result in the Company revoking the sale and repossessing the PRODUCT without notice or formality or result in a charge back or disallowance of discounts and/or settlement allowances. These remedies are in addition to those available to the Company under Paragraphs 23(c) and (d).

b. **Delivery.** The Company reserves the right to determine the method and routing for delivery of **PRODUCTS** sold to Dealer. Where specific shipping instructions are not stated in the order, the Company will endeavor to ship over the best and most economical route. The Company shall not be responsible for guaranteeing shipping rates or for delays in shipments. In cases where the order submitted by Dealer specifies a date for Dealer pick-up at a Company depot or other location and **PRODUCTS** are not called for within 10 days of that date, the Company may ship the **PRODUCTS** ordered to Dealer; and the cost of shipping and handling shall be borne by Dealer.

c. **Equipment Relocation.** The Company from time to time may request Dealer to relocate **EQUIPMENT**. If the Company makes such a relocation request and

Dealer refuses to release the unit, the Company may at its discretion demand payment for the unit in full on the first day of the month following the request.

d. **Security.** As security for the purchase price of any **PRODUCTS** sold to Dealer, the Company shall have a purchase money security interest in such **PRODUCTS** as more fully set forth in the Dealer Security Agreement. The Company reserves the right to declare all balances of the account due and payable immediately if for any reason it deems such necessary for protection of its interests. No cash discount will be allowed Dealer so long as any of the indebtedness, whether secured by collateral or otherwise, is past due, and in that case, at the option of the Company, further shipments of **PRODUCTS** may be stopped altogether or made only a cash or COD basis. Dealer shall be charged and must pay interest on all accounts past due at the highest lawful contract rate. All payments made on the indebtedness shall be payable at the Company's office or other designated depositories. Dealer shall reimburse the Company for any exchange or collection charges, including reasonable legal fees, in connection with any of Dealers remittances.

e. **Wholesale Credit Line.** Dealer shall comply fully with the terms of any wholesale line of credit applying to sales made to Dealer and Dealer shall make no sale or other disposition of floor planned **EQUIPMENT** other than by normal course of business sale or lease to a bona fide retail customer, or by wholesale transfer to another authorized New Holland Dealer.

f. **Title.** Title to each PRODUCT purchased by Dealer shall pass to Dealer or to the finance institution designated by Dealer upon delivery of the PRODUCT to a carrier or Dealer.

g. **Risk of Loss and Claims.** All risk of loss and damage to any PRODUCT purchased by Dealer from the Company that is not borne by the carrier while the PRODUCT is in the possession of the carrier shall be the responsibility of the Company, provided upon delivery Dealer promptly and properly inspects and records any loss of or damage to the PRODUCT. In accordance with the **MANUAL**, Dealer shall cooperate with the Company in processing all claims for loss of or damage to **PRODUCTS**. Dealer shall bear all risk of loss or deterioration of, or damage to, **PRODUCTS** from the time delivery is tendered to Dealer. Dealer shall promptly notify the Company if any new and unused **EQUIPMENT** is substantially damaged while in Dealers possession. To preserve the quality and value of new **EQUIPMENT** offered to the public, the Company shall have the option to repair or replace any such **EQUIPMENT**. Dealer shall assign to the Company Dealer's rights under any insurance contract related to such **EQUIPMENT** repaired or replaced by the Company; however, the total cost to repair or replace such **EQUIPMENT** shall be the sole responsibility of Dealer.

h. **Demurrage and Diversion Liability**. Dealer shall pay all demurrage, storage and other charges accruing after arrival of any shipment of **PRODUCTS** at the

designated destination. If Dealer fails or refuses for any reason to accept delivery of any **PRODUCT** ordered by Dealer, Dealer shall pay the Company the amount of all expenses incurred by the Company in shipping **PRODUCTS** to Dealer and in returning **PRODUCTS** to the original shipping point or diverting them to another destination; but Dealer shall not pay more for diversion than the expense of returning the **PRODUCT** to its original shipping point.

i. **Taxes.** Dealer represents and warrants that al **PRODUCTS** purchased from the Company are purchased for resale to retail customers in the ordinary course of Dealers business. Dealer further represents and warrants compliance with all requirements for collection and payment of applicable sales, use and like taxes, and has provided or will provide evidence thereof to the Company. These representations and warranties shall be deemed a part of each order given by Dealer to the Company. Dealer agrees that, as to any **PRODUCT** put to a taxable use by Dealer or purchased by Dealer other than for resale, Dealer shall make timely and proper return and payment of all applicable sales, use and other taxes, and shall indemnify, defend and hold the Company harmless from all claims and demand for those taxes.

j. **Application of Money and Credits.** Any money or credits due and payable or becoming due and payable from the Company to Dealer as a result of the business dealings between the parties may, at the Company's option, be applied in any order the Company may determine for the satisfaction, in full or in part, of any debts, liabilities or obligation due and payable or becoming due and payable or owing from Dealer to the Company, including, but not limited to past due interest due from Dealer to any financing organization for which the Company may be responsible to pay in the future.

10. ADVERTISING, PROMOTION AND TRADE PRACTICES

a. Dealer shall conduct business in a manner that will reflect favorably at all times on Dealer, the Company, **PRODUCTS** and other Dealers in **PRODUCTS**. Dealer shall refrain from business practices, advertisements and promotions that are unethical, deceptive, misleading, confusing or would likely contravene any voluntary or involuntary advertising standard or any law. Dealer shall not make directly or indirectly any false or misleading statement or representation concerning any **PRODUCT** or other item held for sale, lease or rental, its source, condition or capabilities, the prices or charges therefor or the charges made by the Company for distribution, delivery, taxes or other items.

b. Dealer shall comply with all laws, rules and regulations applicable to the ordering, sale and service of **PRODUCTS** and any used **PRODUCTS** including without limitation those concerning safety, emissions control and customer service. With further regard to used **PRODUCTS** which come into its possession, Dealer agrees to inspect such **PRODUCTS** and bring them up to reasonably safe condition whether by repair or by adding or repairing safety mechanisms and shields as originally supplied.

c. Dealer may not modify new **EQUIPMENT** without the written consent of the Company. If the Company permits Dealer to modify new **EQUIPMENT** or install on new **EQUIPMENT** any **EQUIPMENT**, accessory or part that has not been supplied by the Company, or sell any **EQUIPMENT** that has been modified, or sell any non-New Holland service contract in conjunction with the sale of **EQUIPMENT**, the Dealer will disclose this fact to the purchaser in writing and will advise the purchaser in writing that the modification, **EQUIPMENT**, accessory or part is not included in warranties provided by the Company or, in the case of a service contract, the coverage is not provided by the Company. With respect to used **EQUIPMENT**, Dealer shall not represent the source of any modification, accessory, part or service contract to be the Company if the source is not the Company.

11. LITERATURE AND INSTRUCTION

a. In accordance with Company instructions as issued from time to time, Dealer agrees to complete, execute and deliver to each retail purchaser of a **PRODUCT** the appropriate current publications and forms for owners covering operation, maintenance, warranty and other matters as determined by the Company. Dealer promptly shall comply with its obligations under these publications.

b. At the time of delivery, Dealer agrees to instruct each purchaser, lessee or renter of a **PRODUCT** from Dealer in the safe use and operation of that **PRODUCT**.

12. CUSTOMER HANDLING

Dealer shall promptly investigate and take appropriate corrective action to satisfy the customer with respect to all matters brought to its attention relating to the sale and service of **PRODUCTS**, shall make regular contact with owners and users of **PRODUCTS** and shall report promptly to the Company the details of each inquiry or complaint concerning a **PRODUCT** Dealer cannot correct to the customers satisfaction. Dealer shall also promptly notify the Company of any reports of accidents or injuries involving **PRODUCTS**.

13. FACILITIES AND EQUIPMENT

a. Dealer shall establish and maintain at a location approved by the Company a place of business that, in the Company's opinion:

(i) is of satisfactory size, layout, appearance and condition;

(ii) contains adequate space for exclusive display, sale and service of **PRODUCTS**, sale of used **EQUIPMENT**, customer parking, customer waiting, office functions and storage; and

(iii) is equipped to the Company's sole satisfaction with the tools, **EQUIPMENT** and machinery that will enable Dealer to meet its obligations under this Agreement.

b. With the Company's prior consent as set forth herein, Dealer may establish and maintain **BRANCH LOCATIONS** for the sale and/or service of **PRODUCTS** at locations approved by the Company. All requirements set forth in this Agreement, including but not limited to those set forth in Paragraph 13(a), shall apply to all **BRANCH LOCATIONS**.

c. Without the prior written consent of the Company, Dealer shall not move or substantially modify its place or places of business or establish, directly or indirectly, any other place of business, including **BRANCH LOCATIONS**, for the sale or service of **PRODUCTS**.

d. Dealer shall keep its place or places of business open during all hours and days customary in the trade.

e. The Dealer shall set up and use at each **DEALER LOCATION** a Company approved computerized system for communications with the Company and shall subscribe to the Company Parts Automated Library System (PAL).

14. WARRANTY

a. The warranties covering **EQUIPMENT** are set forth in the **MANUAL**. Dealer shall review the written warranty set forth in the **MANUAL** with the customer and obtain the customers signature on the Warranty and Limitation of Liability Agreement. Dealer shall then submit the signed Warranty and Limitation of Liability Agreement to the Company as set forth in the **MANUAL**. Dealer shall also provide customer information for each **PRODUCT** retailed by Dealer as requested by the Company for the purposes of, but not limited to, the Warranty Record. The Company and Dealer promptly shall fulfill their responsibilities under this warranty.

b. Dealer shall expressly incorporate the appropriate **GENUINE PART**S warranty as part of each sale of a **GENUINE PART**, in accordance with instruction set forth in the **MANUAL**.

c. **EXCEPT FOR THE WARRANTY EXTENDED UNDER THIS PARAGRAPH 14, AND TO THE EXTENT ALLOWED BY LAW, THERE SHALL BE NO OTHER WARRANTY OR CONDITION, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER OBLIGATION OF THE COMMPANY TO DEALER OR THE CUSTOMER WITH RESPECT TO PRODUCTS. NOTWITHSTANDING THE FOREGOING, ANY PROVISIONS IN THIS AGREEMENT BETWEEN DEALER AND THE COMPANY REGARDING PRODUCTS SHALL REMAIN EFFECTIVE.**

d. The Company shall not be liable nor shall it defend, indemnify or in any way be obligated to assist Dealer in defense of any notice, claim, or lawsuit alleging the

existence of a warranty beyond the terms identified in the Warranty and Limitation of Liability Agreement referred to in this Paragraph 14.

e. The performance and administration of the warranties extended under this Paragraph 14 and the payment of claims under these warranties shall be as set forth in the **MANUAL**.

15. CREDIT LINE AND CAPITALIZATION

Dealer shall at all times employ in connection with its business under this Agreement a wholesale line of credit acceptable to the Company and the total investment, net working capital, and retail financing plans, in the amounts deemed necessary by the Company for Dealer to comply with its obligations hereunder.

16. SIGNS

Dealer shall acquire, erect and maintain a Company-approved primary identification sign to identify each **DEALER LOCATION** listed in Schedule C as a Dealer in **PRODUCTS**. These signs shall be subject to the Company's approval with respect to the display of any trademark or trade name to which the Company or any affiliated company is entitled.

17. DEALER STANDARDS

Dealer understands and agrees that the Company will evaluate the Dealer according to and under the terms of the Company's Dealer Standards Program and may reward those dealers that comply with these Standards and achieve high scores as defined by the Company.

18. REPORTS, AUDITS AND RECORDS.

a. At the Company's request Dealer shall provide to the Company a copy of its annual and/or current monthly financial statement prepared by or for Dealer in accordance with generally accepted accounting principles. Dealer shall also promptly submit sales reports and other business, sales and service reports and documents to the Company upon request. All statements and reports shall contain information on any **BRANCH LOCATIONS**. At any time, the Company may request from Dealer additional or supplemental financial or other business data to assist in assessing its continuing credit risk or Dealers compliance with the provisions of this Agreement. The Company also reserves the right to obtain from time to time personal financial statements from the owner(s), partner(s), principal stockholder(s) or guarantor(s) of Dealer. Dealer will comply with all requests for such additional information immediately. Failure to provide any of the reports, records or information which are the subject of this Paragraph may result in withdrawal of existing credit extensions or refusal to grant additional credit or such other actions as the Company may deem appropriate, including termination of this Agreement as provided herein.

b. Dealer shall permit persons designated by the Company, at reasonable times during normal business hours, to examine its place or places of business, stocks of **PRODUCTS** and other **EQUIPMENT** at the **PRINCIPAL DEALER LOCATION** and any **BRANCH LOCATIONS**, to test **EQUIPMENT**, to check and instruct Dealer and its employees in the proper handling of warranty and other repairs and claims based thereon and to examine, copy and audit all Dealer's original records and documents relating to Dealers **PRODUCTS** business. Dealer shall maintain for at least two years all original records and documents relating to all claims made upon or paid by the Company including, but not limited to, warranty, policy and incentive claims. The submission of improper claims will result in a charge back against Dealer account with the Company for all improper or unsubstantiated claims. If Dealer refuses to permit an audit, fails to maintain the required records, or if it is determined that improper claims were intentionally made, the charge back will include all payments for the prior two years, including any dealer settlement allowances or retail sales incentives. This remedy is in addition to those available to the Company under Paragraph 23(d).

19. MARKET REPRESENTATION

a. Without liability to Dealer, the Company may determine the numbers, locations and sizes of Company dealers necessary for adequate **PRODUCTS**, sales and service representation within any geographic area, or within the **PMR** designated in Schedule C, and may after Dealers designated **PMR** or appoint additional Company dealers in **PRODUCTS** within that **PMR** or elsewhere. Notwithstanding any other provision of this Agreement, the decision whether to alter Dealers designated **PMR** or to establish a new or additional Company Dealer shall be made by the Company solely upon its own business judgment. Nothing in this Agreement shall be construed as requiring Dealers consent to the establishment of a new or additional Dealer in any area where the Dealer markets or sell **PRODUCTS** or elsewhere.

b. The Company may make gifts or loans of **PRODUCT** to others within Dealers designated **PMR** or otherwise without liability to Dealer. The Company also may offer any **PRODUCTS** including new, modified and differently designed **PRODUCT**, bearing any trademarks or trade names to which the Company or any affiliated company is entitled, to selected Company Dealers or others under existing or new agreement without liability to Dealer, and without undertaking any obligation to make such **PRODUCTS** available to the Dealer.

c. In view of the personal nature of this Agreement, the rights and privileges conferred on Dealer under this Agreement are not transferable, assignable or salable by Dealer, and no property right or interest, direct or indirect, is sold, conveyed or transferred to Dealer under this Agreement. The Company may select the dealers it shall appoint to distribute and service **PRODUCTS** and may refuse to appoint as a Dealer any purchaser or prospective purchaser of any of the shares or assets of Dealer upon the termination of this Agreement or otherwise.

Dealer shall give the Company sixty (60) days written notice of Dealers intention to transfer or sell the shares or assets of the dealership.

d. Dealer has not paid any fee for this Agreement.

20. MODEL CHANGE

a. Without giving notice to Dealer and without incurring any liability to Dealer, the Company:

(i) may alter, modify or discontinue the design, construction and availability of any **PRODUCT**;

(ii) may withdraw from the market any **PRODUCT**, any derivative of a **PRODUCT** and any version of any derivative of a **PRODUCT**; and

(ii) may market additional or replacement **PRODUCTS**.

b. Unless the Company advises Dealer in writing to the contrary, or except as required by law, the Company does not sell its **PRODUCTS** to Dealer using a model year or year of manufacture designation. Except as required by law, Dealer shall make no representation upon resale, lease or renting that the **EQUIPMENT** is of a particular model year.

21. TRADEMARKS, TRADE NAMES AND TRADE SECRETS

a. **Use in Title.** Dealer shall not use as, or as part of, its trading or firm title any name that is not acceptable to the Company. Without the Company's prior consent, Dealer shall not use "New Holland" or any trade names or trademarks owned or used by CNH America LLC or any predecessor or affiliate company, as or as part of Dealer's firm, trade or corporate name and shall not permit any person, firm or corporation controlled by it or affiliated with it to do so. Such trade names and trademarks belong to CNH America LLC or its affiliates and may be used by Dealer only in connection with the advertisement and sales of **PRODUCTS** sold to Dealer by the Company. Any such use by Dealer shall immediately cease upon termination of the business relationship between the Company and Dealer.

b. **Goodwill and Reputation.** Dealer shall not in any trading title used by the Dealer in connection with its business activities under this Agreement or in connection with any other business activity, use any name or words capable of damaging the goodwill or reputation of the Company or any affiliated company or predecessor. Dealer shall promptly carry out all reasonable instructions and requests of the Company issued to protect and promote the value, goodwill and reputation of any trademark or trade name to which the Company or any affiliated company or predecessor is entitled.

c. Dealer shall maintain in strict confidence all commercial and technical information disclosed by the Company to Dealer.

22. DURATION

Unless terminated earlier in accordance with the terms hereof, this Agreement shall continue from the date first set forth above until December 31, 2006. This Agreement shall be extended for successive one-year terms unless at least ninety (90) days prior to the expiration date of the original term or any extension term either party notifies the other of its intention not to extend. Upon such notification, this Agreement shall expire on December 31, 2006 or at the end of any such extension period. Dealer understands that this Agreement is of a limited duration and agrees that it has not relied on any representation regarding the continuation of this Agreement or its benefits beyond the initial term or any subsequent term.

23. TERMINATION

It is agreed that the following shall illustrate, but in no way limit, the various grounds which shall entitle the Company, at its option, and Dealer where so indicated, to terminate this Agreement prior to its expiration, and which shall entitle the Company to immediate possession of all **PRODUCTS** for which Dealer is indebted to the Company or a Company-approved financing institution:

a. **Replacement Agreement.** In the event the Company offers a new or amended form of agreement to its dealers in **PRODUCTS**, the Company may terminate this Agreement at any time by giving Dealer at least thirty (30) days prior written notice.

b. **At Will.** Dealer may terminate this Agreement at any time, with or without cause, after at least thirty (30) days prior written notice to the Company.

c. **Breach.** Except for those events set forth in Paragraph 23(d), the Company shall give the dealer notice and sixty (60) days opportunity to cure, to the Company's sole satisfaction, any failure of the Dealer to fulfill any of its obligations under this Agreement. If Dealer fails to cure the breach or breaches to the Company's sole satisfaction, the Company may terminate this Agreement by giving Dealer thirty (30) days written notice.

d. **With Immediate Effect.** The Company may terminate this Agreement with immediate effect by giving notice to Dealer or to Dealers legal representative in any of the following events:

(i) Any transfer or attempted transfer, without the prior written approval of the Company, by Dealer of any interest in, or right, privilege, or obligation under this Agreement, or any transfer by operation of law or otherwise of the principal assets of the Dealer that are required for the conduct of its business under this Agreement, or any change, however accomplished, in

the direct or indirect ownership or operating management of Dealer as set forth in Schedule A.

(ii) Any misrepresentation in applying for appointment as a dealer in **PRODUCTS** by Dealer or any person named in Schedule A; the submission of a fraudulent parts return or the return of parts with fraudulent packaging or labeling; the submission by Dealer to the Company of a false or fraudulent application or claim, or any false statement in support thereof, for warranty, policy or campaign adjustments or for wholesale pads or sales incentives or for any other refund, credit; rebate, incentive, allowance, discount, reimbursement or payment under any program, or the acceptance by Dealer of any payment for any work not performed by Dealer in accordance with the provision of this Agreement or the **MANUAL**.

(iii) Failure of Dealer to maintain one or more of Dealer's places of business open for business for a period of seven or more consecutive days.

(iv) Conviction or guilty plea in a court of original jurisdiction of Dealer or any person named in Schedule A of a felony or of any violation of law that in the Company's opinion tends to affect adversely the operation or business of Dealer or the good name, goodwill or reputation of **PRODUCTS**, Dealer, the Company, or other dealers in **PRODUCTS**.

(v) Failure of Dealer to fulfill any provision of Paragraph 9 or Paragraph 21 or to pay the Company any sum due under any agreement between the Company and Dealer.

(vi) Failure of Dealer to obtain or hold any license required for the performance of any of Dealer's obligations under this Agreement.

(vii) Death or physical or mental incapacity or disappearance of Dealer if Dealer is an individual, or of the principal owner of Dealer if Dealer is a legal entity other than an individual.

(viii) Insolvency of Dealer, the inability of Dealer to pay debts as they mature, whether to the Company or others; the filing of a petition in bankruptcy or for reorganization, whether voluntary or involuntary; the making of an assignment by Dealer for the benefit of creditors; the appointment of a receiver, custodian or trustee for Dealer or its property; or default by Dealer in the payment of any obligation owing to the Company.

(ix) Revocation or discontinuance of any guaranty of Dealer's present or future obligations to the Company.

(x) Failure of Dealer to provide the reports and/or permit the audits described in Paragraph 18.

(xi) Any conduct by any person named in Schedule A or any employee of Dealer unbecoming a reputable business person, or disagreement between any persons named therein that in the Company's opinion tends to adversely affect the operation or business of Dealer or the good name, goodwill or reputation of **PRODUCTS**, Dealer, the Company, or other dealers in **PRODUCTS**.

(xii) Conduct by any person named in Schedule A or any employee of Dealer that is abusive or threatening to any Company employee.

24. OBLIGATIONS UPON EXPIRATION OR TERMINATION

a. Upon the expiration or termination of this Agreement, Dealer shall cease to be a dealer in **PRODUCTS**, all orders from Dealer for **PRODUCTS** that have not been shipped shall be canceled without liability to either party, and Dealer promptly shall:

(i) pay the Company all sums owed by Dealer to the Company;

(ii) remove all signs owned or controlled by Dealer that bear any trademark or trade name of the Company or any of its affiliates or predecessors;

(iii) discontinue the use of any trademark or trade name of the Company or any of its affiliates or predecessors; and

(iv) cease to represent in any way that Dealer continues to be a Dealer in **PRODUCTS**.

b. If Dealer fails to comply with these requirements, the Company may take reasonable steps to achieve compliance or the same result as would be realized by Dealer compliance, and Dealer shall reimburse the Company for all costs and expenses, including reasonable attorney's fees, incurred by the Company in effecting or enforcing compliance. All obligations contained in Paragraph 24 shall survive the expiration or termination of this Agreement. Final settlement of Dealer's account with the Company shall not be made until all requirements of this Agreement, particularly those obligations set forth in Paragraph 24(a), are complied with by Dealer.

25. ACQUISITION OF CERTAIN PROPERTY UPON TERMINATION

Unless otherwise provided by law, the following provisions shall control:

a. If this Agreement expires or is terminated, then upon Dealer's written request, the Company shall repurchase all new, complete, unused, unsold and undamaged **PRODUCTS** in Dealers stock on the date of termination provided the PRODUCT:

(i) is in new, complete, salable condition;

(ii) is listed in the then-current price and data book or parts price list;

(iii) is free and clear of all liens; and

(iv) was purchased by Dealer from the Company.

In addition, the Company will only repurchase **GENUINE PARTS** that are returned in correct order multiples, in a complete set (if originally sold in a set of two or more items) and in the original Company packaging with the original authorized Company identification label. The Company will only repurchase attachments that were not previously installed and which were invoiced separately to Dealer. The Company will not repurchase any **GENUINE PART** that has a limited shelf life, has an altered or counterfeited identification label, is in a broken package, is a hazardous material or was direct shipped from a supplier other than the Company.

b. The price for any repurchased **EQUIPMENT** shall be the price paid by Dealer to the Company, less charges for distribution, delivery, handling, advertising and taxes, and less any amount previously credited or refunded to Dealer on that **EQUIPMENT**. The Company is not obligated to reimburse Dealer for unloading, set-up, or preparation of returned **PRODUCTS** under this Paragraph 25. The price for any repurchased **GENUINE PART** shall be the then-current **DEALER PRICE**, less all allowances and discounts paid or allowances and discounts currently offered by the Company, less the amount representing freight currently being prepaid by the Company on stock orders, and less a ten percent (10%) restocking charge. Dealer must notify the Company in writing within thirty (30) days of the expiration or termination of this Agreement that Dealer desires the Company to reacquire certain **PRODUCTS**, and return such **PRODUCTS** to the Company within sixty (60) days. A single return of **GENUINE PARTS** will be permitted.

c. Upon expiration or termination of this Agreement, the Company may retake without payment any materials (such as sales promotion, advertising and training materials, Price and Data books, tools and signs) provided without charge to Dealer by the Company or any predecessor. In no event shall the Company have the obligation to purchase Dealer's facilities (including land and buildings) or any assets not specifically mentioned in this Paragraph 25.

d. All items to be repurchased by the Company under this Paragraph 25 shall be packed, boxed or crated and shipped by Dealer in accordance with the Company's instructions, unless otherwise required by law, freight prepaid at Dealers expense to the destination specified by the Company. All items thus repurchased shall be delivered, sold and paid for free of all claims, liens and other encumbrances after compliance with all bulk sales or similar laws for the protection of creditors and shall be transferred by warranty bills of sales satisfactory to the Company.

Dealer will be paid for the items reacquired by the Company, less any amount owed to the Company.

e. The Company shall have the right to withhold from the price of any items repurchased pursuant to this Paragraph 25, a sum sufficient to discharge any liens or encumbrances against such items and to discharge such liens or encumbrances. Dealer shall, in addition, execute such documents and take any additional action reasonably requested by the Company to transfer ownership thereof, free and clear of such liens and encumbrances.

26. RELATIONS AFTER EXPIRATION OR TERMINATION

Any business relations between the Company and Dealer after expiration or termination of this Agreement, whether with respect to **PRODUCTS** or otherwise, shall not constitute a waiver of the expiration or termination of this Agreement or in any manner reinstate the contractual relationship that existed by virtue of this Agreement, and all such relations shall be governed by terms identical to the relevant provisions of this Agreement unless the parties execute a new agreement superseding this Agreement.

27. NEW AGREEMENT

Unless otherwise specified by the Company in writing, the termination of this Agreement by the Company in connection with the offer by the Company to Dealer (or Dealer's successor in interest) of a new agreement for one or more **PRODUCTS** shall not give rise to the rights and obligations provided in Paragraphs 24 and 25 with respect to the **PRODUCTS** covered by the new agreement.

28. LIMITATION OF LIABILITY

This Agreement contemplates that Dealer, as an independent business, shall purchase **PRODUCTS** for resale in conformity with the provisions of this Agreement, and shall obtain on its own the capital investment necessary to operate the business. Nothing in this Agreement shall impose any liability on the Company in connection with Dealer's operations under this Agreement or otherwise, or for any expenditure made or incurred by Dealer in preparation for performance or in performance of Dealers responsibilities under this Agreement.

The Company and Dealer both understand and agree that this Agreement is of a limited duration, and therefore, except as provided herein, neither party is entitled to any compensation or reimbursement for loss of past or prospective profits, past or prospective sales or any other losses occasioned by expiration, cancellation, non-renewal, termination or breach of this Agreement. The damages to which either party may be entitled for breach are limited to actual out-of-pocket expenses incurred as a direct result of the breach. The damages to which either party may be entitled for cancellation, non-renewal, or termination subsequently adjudged to be improper or unlawful are limited to actual out-of-pocket expenses incurred as a direct result of such cancellation, non-renewal, or termination during the period of time between notice and the effective date thereof.

29. AGENCY OR EMPLOYMENT RELATIONSHIP

This Agreement does not create an agency or employment relationship between the Company and Dealer or any personnel of Dealer. Neither Dealer nor any personnel of Dealer shall:

(i) be considered an agent or employee of the Company;

(ii) act or attempt to act or represent himself directly or by implication as an agent of the Company; or

(iii) assume or create or attempt to assume or create an obligation on behalf of or in the name of the Company.

30. ASSIGNMENT

Upon notice to Dealer, the Company may assign this Agreement and any rights and obligations under this Agreement to any affiliate of the Company or to any company that succeeds to the interests of CNH America LLC. Dealer may not assign or otherwise transfer this Agreement, in whole or in part, without the written prior consent of the Company.

31. AMENDMENT AND SEPARABILITY

The Company may amend Schedules B and C of this Agreement at any time upon written notice to Dealer. If performance or enforcement of this Agreement is unlawful under a valid law of any jurisdiction where that performance or enforcement is to take place, the performance or enforcement will be modified to the minimum extent necessary to comply with any such law.

32. AUTHORIZED PERSONNEL

This Agreement shall bind the Company only if it bears the manual or facsimile signature of a Regional Sales Director, or equivalent position, or any officer of the Company and a fully executed copy is delivered personally or by mail to the Dealer at its principal place of business. No one except those persons identified in the preceding sentence is authorized on behalf of the Company to make any other agreement relating to the subject matter of this Agreement or to modify any provision of this Agreement or to terminate this Agreement, and then only by a written instrument.

33. SUPERSESSION AND ENTIRE AGREEMENT

This Agreement terminates and supersedes all other agreements between the Dealer and the Company for the sale and service of **PRODUCTS**. This Agreement contains the entire agreement and constitutes the sole and exclusive agreement between the parties with respect to its subject matter.

Each party acknowledges that, except as expressly stated in this Agreement, no representation, understanding, course of conduct, custom or practice in the trade, or presumption of law or fact has been made or relied upon that has induced the execution of this Agreement, or would in any way modify any of its provisions with respect to the effectiveness, duration, expiration or termination of this Agreement or the sales or profit expectancy of Dealer.

Dealer understands that this Agreement has limited duration and has decided to become a dealer in **PRODUCTS** and to make the investments necessary to become a dealer solely in reliance on its own investigation, appraisal and projection of present and future conditions and expectations and not in reliance on any statements made or documents exhibited to Dealer by the Company or any affiliated company or predecessor.

Dealer has read this Agreement and understands it and has had adequate opportunity to consult with legal counsel of Dealer's own choosing regarding the content and meaning of this Agreement. Dealer voluntarily has entered into this Agreement and acknowledges that each provision of this Agreement is reasonable, fair and equitable.

/s/ DM (DEALER INITIALS)

34. NO IMPLIED WAIVER

The waiver by either party or the failure by either party to claim a breach of any provision of this Agreement shall not constitute a waiver of any subsequent breach or affect in any way the effectiveness of that provision.

35. NOTICE, APPROVAL AND CONSENT

Any notice, approval or consent required or allowed under this Agreement shall be given in writing and, without prejudice to other forms of actual service, shall be considered as served upon being mailed in a properly sealed envelope with first class or certified or registered postage prepaid. Notices to the Company shall be addressed to the Regional Sales Director for Dealer's assigned region and shall be delivered or mailed to CNH America LLC, 500 Diller Avenue, PO Box 1895, New Holland, PA 17557. Notices to Dealer shall be delivered or mailed to any person designated in Schedule A(ii) or to Dealer at the **PRINCIPAL DEALER LOCATION**.

36. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the state in which the **PRINCIPAL DEALER LOCATION** is situated, without regard to such state's choice of law rules or principles.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date written below.

CNH AMERICA LLC

By: _____

Title: Regional Sales Director

Date: June 22, 2006

DEALER Titan Machinery Inc.

TITAN MACHINERY INC
(Dealership Name)

By: /s/ David J. Meyer

Title: CEO

Date: 6-6-06

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CNN America LLC Dealer Agreement

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DEALER AGREEMENT - SCHEDULE A

Dealer Trade Name: Titan Machinery Inc.

Dealer Address: Casselton, ND 58012
(City, State and Zip Code)

OWNER AND MANAGER

(i) The Dealer conducts business under the following legal form: Corporation

(ii) Owners of the Dealer (individual(s) having a financial interest in the dealership:

Name	Percent of Ownership
David Meyer	See Attached

(iii) Person(s) responsible for the management of the Dealership:

Name	Title
David Meyer	CEO-Chief Executive Officer
Peter Christianson	President
David Boyle	Manager

Date: June 22, 2006

DEALER AGREEMENT - SCHEDULE B

Dealer Trade Name: Titan Machinery Inc.

Dealer Address: Casselton, ND 58012
(City, State and Zip Code)

BRAND OF EQUIPMENT: NEW HOLLAND
SOURCE OF EQUIPMENT: CNH AMERICA LLC

AUTHORIZED PRODUCT LINE(S)

☒ Compact Tractors and Consumer Products (Includes all tractor series where the lowest HP model of that series is below 40 PTO HP.) (CPT)

☒ Mid-Range Horsepower Tractors (Except for Ag Crawler Tractors. Includes all tractor series where the lowest HP model of that series is from 40 PTO HP through 119 PTO HP including Bi-Directional™ and Ag Telehandlers & Attachments.) (MRT)
☐ Ag Crawler Tractors (CRW) (Limited distribution)

☒ Hay & Pull-Type Forage Equipment and Material Handling Equipment (H&F)

☒ Skid Steer Loaders & Attachments (SSL)
☐ Compact Track Loader (CTL)

☐ Industrial Tractors (Only those models available through Agricultural products division.) (IND)

☒ High Horsepower Tractors (Except for articulated 4WD tractors, includes all tractor series where the lowest HP model of that series is at or above 120 PTO HP.) (HHT)

☒ Articulated Four-Wheel Drive Tractors (over 200 engine HP) (4WD)

☒ Combine Harvesters (CMB)

☐ Self-Propelled Forage Harvesters (SPF)

☐ Self-Propelled Sprayers (SPS)

☒ Crop Production Products (CRP) branded New Holland, New Holland/Flexi-Coil, and/or New Holland/DMI (includes NH Conventional Planters, Air Disk Drills, Air Hoe Drills, Air Delivery Systems, Disk Ripper Disks, Disk Harrows, Seed Bed Harrows, Chisel Plows, Combination Primary Tillage, Combination Secondary Tillage, Minimum Primary Tillage, Crumblers, Tiger Mate Field Cultivators, and Pull-Type Sprayers)

Regional Sales Director

June 26, 2006
Date

DEALER AGREEMENT - SCHEDULE C

DEALER PRINCIPAL LOCATION, INDUSTRY POTENTIAL AND PMR

Dealer Trade Name: Titan Machinery Inc.

Dealer Address: 1701 Governors Drive, Casselton, ND 58012
(Physical Address) (Street Address, City, State, Zip Code)

The PRIMARY MARKET OF RESPONSIBILITY (PMR) shall mean the total industry volume (as reported by the EQUIPMENT Manufacturers Institute) of all PRODUCTS, including competitive PRODUCTS, RETAILED within the geographic area designated in Schedule C for which the Dealer has sales and service responsibility for PRODUCTS. The PMR is the volume of a PRODUCT LINE sold within a geographic area, not the area itself. The Dealer's PMR may vary by PRODUCT or PRODUCT LINE. The Dealer's PMR is NONEXCLUSIVE and will be the base against which the Dealer's sales performance is measured.

The following chart(s) identifies that portion (%) of the industry unit sales potential within the PMR that the Dealer is expected to participate in by PRODUCT LINE. The portion of industry unit sales potential just described will be reviewed periodically by the COMPANY and the Dealer will be advised of any changes.

EXAMPLE: If a Dealer is assigned 50% of the industry sales volume in a county in which 100 units of a given PRODUCT LINE is sold, then the Dealer's PMR for that PRODUCT LINE is 50% of the 100 units or 50 units. So, if this Dealer sold 10 units of this PRODUCT LINE in this county, the Dealer's market share would be 20%.

PRODUCT LINES AND % COUNTY ASSIGNMENT

COUNTY	ST	COMPACTS & CONS. PROD	MID-RANGE TRACTORS	HAY & PT FORAGE	SSL	INDUSTRIAL TRACTORS
BARNES	ND	50	50	50	45	0
CASS	ND	50	50	50	25	0
STEELE	ND	50	50	50	45	0
TRAILL	ND	50	50	50	45	0

Regional Sales Director

June 22, 2006
Date

DEALER AGREEMENT - SCHEDULE C — PAGE 2

PRODUCT LINES AND % COUNTY ASSIGNMENT

COUNTY	ST	HIGH HP TRACTORS	4WD TRACTORS	COMBINES	SELF-PROP. FORAGE	SELF-PROP. SPRAYERS	CROP PRODUCTION PRODUCTS
BARNES	ND	50	50	50	0	0	50
CASS	ND	50	50	50	0	0	50
STEELE	ND	50	50	50	0	0	50
TRAILL	ND	50	50	50	0	0	50

BRANCH LOCATION(S) OF DEALER

(Street Address)
(City) (State) (Zip Code)

(Street Address)
(City) (State) (Zip Code)

(Street Address)
(City) (State) (Zip Code)

(Street Address)
(City) (State) (Zip Code)

(Street Address)
(City) (State) (Zip Code)

Regional Sales Director

June 22, 2006
Date

AMENDMENT TO DEALER AGREEMENT

This is an amendment to the CNH America LLC Dealer Agreement for New Holland brand Agricultural Products dated **June 22, 2006** (and amended on) (the "Agreement") between CNH America LLC, a Delaware Limited Liability Corporation ("Company"), and **Titan Machinery, Inc.**, a (an) **Corporation** (individual, partnership or (name of state) corporation) **North Dakota** (doing business as **Titan Machinery, Inc.**) with a principal place of business at **1701 Governors Drive, Casselton, ND 58102** ("Dealer").

Whereas, the Company has a program whereby Dealers can receive and take delivery of **EQUIPMENT** directly from a third-party logistics provider located near Company plant facilities (the "Will Call Provider") or directly from a Company facility (the "Will Call Program"); and

Whereas, Dealer desires to participate in the Will Call Program; and

Whereas, Company agrees to permit Dealer to participate in the Will Call Program, upon its execution of this Amendment;

Therefore, in consideration of the above and the mutual promises of the parties hereinafter set forth, it is agreed by the parties that the Agreement be amended as follows:

1. Paragraph 9 (f) shall be amended so that it now states:

Title. Title to each **PRODUCT** purchased by Dealer shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the **PRODUCT** to a carrier or Dealer, except for **PRODUCT** transferred to a Will Call Provider and designated for pick-up under the Will Call Program, in which case, title shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the **PRODUCT** to the Will Call Provider.

2. Paragraph 9 (g) shall be amended so that it now states:

Risk of Loss and Claims. Except for **EQUIPMENT** received by the Dealer under the Will Call Program, all risk of loss and damage to any **PRODUCT** purchased by Dealer from the Company that is not borne by the carrier while the **PRODUCT** is in the possession of the carrier shall be the responsibility of the Company, provided upon delivery Dealer promptly and properly inspects and records any loss of or damage to the **PRODUCT**. For **EQUIPMENT** received by Dealer under the Will Call Program, risk of loss will be assumed by Dealer upon the **EQUIPMENT** being delivered by the Company to the Will Call Provider, or if there is no Will Call Provider, the Dealer will assume the risk of loss when Dealer or Dealers designated carrier receives **EQUIPMENT**. In accordance with the **MANUAL**, Dealer shall cooperate with the Company in processing all claims for loss or damage to **PRODUCTS**. Dealer shall bear all risk of loss or deterioration of, or damage to, **PRODUCTS** from the time delivery is tendered to Dealer. Dealer shall promptly notify the Company if any new and unused **EQUIPMENT** is substantially damaged while in Dealers possession. To

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preserve the quality and value of new **EQUIPMENT** offered to the public, the Company shall have the option to repair or replace any such **EQUIPMENT**. Dealer shall assign to the Company Dealer's rights under any insurance contract related to such **EQUIPMENT** repaired or replaced by the Company; however, the total cost to repair or replace such **EQUIPMENT** shall be the sole responsibility of Dealer.

In witness whereof, the parties have executed this Amendment as of the 26th day of December, 2006.

Titan Machinery, Inc.
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Dealer Signature)
President
(Title)

NOTE: IF DEALER IS CORPORATION, ATTACH CERTIFIED COPY OF CORPORATE MINUTES AUTHORIZING EXECUTION.

CNH AMERICA LLC

Regional Sales Director

December 30, 2006
Date

AMENDMENT TO DEALER AGREEMENT

This is an amendment to the CNH America LLC Dealer Agreement for New Holland brand Agricultural Products dated **June 22, 2006** (and amended on **June 22, 2006**) (the "Agreement") between CNH America LLC, a Delaware Limited Liability Corporation ("Company"), and **TITAN MACHINERY, INC.**, a (an) **Corporation** (individual, partnership or (name of state) corporation) **ND** (doing business as **TITAN MACHINERY, INC.**) with a principal place of business at **1701 GOVERNORS DRIVE, CASSELTON, ND 58012** ("Dealer").

Whereas, the Company has a program whereby Dealers can receive and take delivery of **EQUIPMENT** directly from a third-party logistics provider located near Company plant facilities (the "Will Call Provider") or directly from a Company facility (the "Will Call Program"); and

Whereas, Dealer desires to participate in the Will Call Program; and

Whereas, Company agrees to permit Dealer to participate in the Will Call Program, upon its execution of this Amendment;

Therefore, in consideration of the above and the mutual promises of the parties hereinafter set forth, it is agreed by the parties that the Agreement be amended as follows:

1. Paragraph 9 (f) shall be amended so that it now states:

Title. Title to each **PRODUCT** purchased by Dealer shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the **PRODUCT** to a carrier or Dealer, except for **PRODUCT** transferred to a Will Call Provider and designated for pick-up under the Will Call Program, in which case, title shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the **PRODUCT** to the Will Call Provider.

2. Paragraph 9 (g) shall be amended so that it now states:

Risk of Loss and Claims. Except for **EQUIPMENT** received by the Dealer under the Will Call Program, all risk of loss and damage to any **PRODUCT** purchased by Dealer from the Company that is not borne by the carrier while the **PRODUCT** is in the possession of the carrier shall be the responsibility of the Company, provided upon delivery Dealer promptly and properly inspects and records any loss of or damage to the **PRODUCT**. For **EQUIPMENT** received by Dealer under the Will Call Program, risk of loss will be assumed by Dealer upon the **EQUIPMENT** being delivered by the Company to the Will Call Provider, or if there is no Will Call Provider, the Dealer will assume the risk of loss when Dealer or Dealer's designated carrier receives **EQUIPMENT**. In accordance with the **MANUAL**, Dealer shall cooperate with the Company in processing all claims for loss or damage to **PRODUCTS**. Dealer shall bear all risk of loss or deterioration of, or damage to, **PRODUCTS** from the time delivery is tendered to Dealer. Dealer shall promptly notify the Company if any new and unused **EQUIPMENT** is substantially damaged while in Dealer's possession. To

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preserve the quality and value of new **EQUIPMENT** offered to the public, the Company shall have the option to repair or replace any such **EQUIPMENT**. Dealer shall assign to the Company Dealers rights under any insurance contract related to such **EQUIPMENT** repaired or replaced by the Company; however, the total cost to repair or replace such **EQUIPMENT** shall be the sole responsibility of Dealer.

In witness whereof, the parties have executed this Amendment as of the 26th day of February, 2007.

Titan Machinery, Inc.

(Dealer Trade Name)

/s/ David J. Meyer

(Authorized Dealer Signature)

CEO-Chief Executive Officer

(Title)

NOTE: IF DEALER IS CORPORATION, ATTACH CERTIFIED COPY OF CORPORATE MINUTES AUTHORIZING EXECUTION.

CNH AMERICA LLC

Regional Sales Director

Date

CNH AMERICA LLC

DEALER AGREEMENT

THIS AGREEMENT between CNH America LLC, a Delaware Limited Liability Corporation, having a place of business at 500 Diller Avenue, New Holland, Pennsylvania 17557 ("Company"), and

Titan Machinery, Inc.,

a **Corporation incorporated in the state of North Dakota**

doing business as **Titan Machinery, Inc.** and with its principal place of business at:

1620 8th Ave SW, Jamestown, ND 58401 ("Dealer")

will be **effective April 1, 2006**

BY THIS AGREEMENT, Dealer is authorized at the DEALER LOCATION and BRANCH LOCATIONS(S) listed in Schedule C to sell, rent and lease at retail and to service selected new PRODUCTS manufactured or distributed by the Company.

Both parties recognize that the rights of Dealer and the Company under this Agreement are defined by the terms of this Agreement and applicable law.

IN CONSIDERATION of the representations and promises contained in this Agreement, the Company and Dealer agree as follows:

1. DEFINITIONS

The following definitions shall apply throughout this Agreement:

a. BRANCH LOCATION(S) shall mean the secondary place or places of business of Dealer designated in Schedule C for the sales, renting, leasing-and/or servicing of PRODUCTS under this Agreement separate from the Dealer's principal place of business.

b. DEALER LOCATION shall mean the place or places of business of the Dealer designated in Schedule C for sale, rent, lease and service of PRODUCTS, including any BRANCH LOCATION(S).

c. DEALER PRICE shall mean the price to the Dealer for PRODUCTS established by the Company from time to time excluding any holdback, deposit or charge by the Company for taxes, handling, delivery, transportation or special items or services.

d. DOMESTIC shall mean within the 50 state of the United States of America.

e. EQUIPMENT shall mean those models of new equipment and any related attachments that are designated by PRODUCT LINE and listed in Schedule B. The Company reserves the absolute and sole right to determine what EQUIPMENT it will offer Dealer for retail sale.

f. GENUINE PARTS shall mean new Company-sourced assemblies, subassemblies, components and accessories (and any part thereof) for only that EQUIPMENT which Dealer is authorized to sell on Schedule B, unless otherwise authorized by the Company.

g. MANUAL shall mean the Service/Warranty Chapter of the Dealer Policy Manual (or the equivalent document or documents) and amendments thereto, as may be made from time to time by the Company and provided to Dealer, setting forth the policies and procedures of various warranty and protection plans, which document is made part of this Agreement.

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h. MARKET SHARE shall mean the percentage of Company PRODUCTS RETAILED by Dealer within the PMR designated in Schedule C as a portion of the total industry volume (as reported by the Association of Equipment Manufacturers or other organization identified by the Company) of all comparable products, including PRODUCTS and competitive non-Company products, RETAILED in Dealer's designated PMR. MARKET SHARE shall be computed by dividing Dealer's sales of a given PRODUCT or PRODUCT LINE within the Dealers designated PMR by the total industry volume of that PRODUCT or PRODUCT LINE sold within the designated PMR.

i. NON-EXCLUSIVE shall mean that Dealer may market and sell PRODUCT in markets other than the PMR designated in Schedule C, that other dealers may sell Company PRODUCTS to customers within the Dealer's designated PMR, and that Dealer has no actual or implied right, contractual or otherwise, to be the only Company dealer located in the designated PMR or any geographic area, or to maintain the only Company dealer selling locations in the designated PMR or any other market area. The Company has no actual or implied obligation, contractual or otherwise, to forgo placing a new Company dealer or dealer selling location in Dealers designated PMR or any given geographic area, and may in fact appoint such new Company dealers or locations at any time.

j. PRIMARY MARKET OF RESPONSIBILITY ("PMR") shall mean the total industry volume (as reported by the Association of Equipment Manufacturers or other organization identified by the Company) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which Dealer has sales and service responsibility for PRODUCTS. Dealers designated PMR may vary by PRODUCT or PRODUCT LINE. The PMR is NON-EXCLUSIVE and is used solely to measure the Dealers sales performance.

k. PRINCIPAL DEALER LOCATION shall mean the DEALER LOCATION listed first on Schedule C.

PRODUCT(S) shall mean EQUIPMENT and GENUINE PARTS.

m. PRODUCT AND PRICING BULLETIN shall mean the latest bulletin (or equivalent document or documents) and amendments thereto as may be made from time to time by the Company and provided to Dealer setting forth the terms of sale and ordering procedure applicable to sales of PRODUCTS to Dealers, which document is made part of this Agreement.

n. PRODUCT LINES shall mean the categories of EQUIPMENT that Dealer is authorized in writing, per Schedule B, by the Company to sell, rent, lease and service.

o. REGIONAL SALES AREA shall mean the designated multi-state area managed by a Company Regional Sales Director.

p. RETAIL shall mean a sale, rental or lease to an end user and does not include any sale to jobbers, jockeys, unauthorized dealers or other wholesalers.

2. APPOINTMENT

The Company appoints Dealer as a NON-EXCLUSIVE Dealer solely for the RETAIL sale and service of PRODUCTS to DOMESTIC customers at the DEALER LOCATION and BRANCH LOCATION(S) listed in Schedule C, and Dealer accepts this appointment. Under this appointment, Dealer is only authorized to sell PRODUCTS to RETAIL customers in the DOMESTIC market. Any sales of PRODUCT for export or from a location not authorized in Schedule C require the prior written consent of the Company.

3. DEALER OWNERS AND MANAGERS

a. Dealer represents that it conducts business under the legal form or entity shown on Schedule A (i).

b. Dealer represents that it is owned by the persons listed on Schedule A (ii), which schedule the Dealer further represents to contain the complete list of all persons holding an ownership interest in Dealer.

c. Dealer represents that it is managed by the person(s) listed in Schedule A (iii), which schedule Dealer further represents to contain the complete list of all those who have full authority and responsibility for the management of Dealer in the performance of this Agreement.

d. Dealer shall give the Company 60 days written notice of any proposed change in the legal form of Dealer and any proposed change in Dealer ownership or operating management, and immediate notice of the death or incapacity of any person listed in Schedule A. No change in Dealer ownership or operating management shall be effective against the Company until embodied in an appropriate amendment to Schedule A or an assignment of this Agreement, duly executed by the Company and Dealer and properly delivered.

4. SALES RESPONSIBILITY

a. Dealer agrees to promote vigorously and aggressively the sale at RETAIL of PRODUCTS in order to assure maximum sales of PRODUCTS and further agrees to obtain a reasonable share of the market in Dealer's designated PMR and a reasonable total sales revenue for all PRODUCTS which dealer is authorized to sell. It is agreed that a reasonable MARKET SHARE within the designated PMR shall be 90% of the average MARKET SHARE that New Holland PRODUCTS or EQUIPMENT achieve within Dealers state or REGIONAL SALES AREA. The Company, at its sole discretion, will determine whether Dealers state or REGIONAL SALES AREA will be used to measure Dealers performance.

b. Dealer also agrees to develop, maintain and direct a sufficient number of trained, qualified sales personnel and shall conduct aggressive advertising and sales promotion activities.

c. Dealer understands and agrees that its performance of its PRODUCT sales (and, where appropriate, leasing and rental) responsibility hereunder shall be measured by the Company through the use, exclusively, of such reasonable criteria as the Company may adopt, and without limitation, taking into consideration the Dealer's MARKET SHARES within its PMR, total revenue, total sales, leases and rentals of PRODUCTS and its sales, leases and rentals of EQUIPMENT categorized by PRODUCT LINE, to customers in the PMR. The Dealer's prior sales performance of the PRODUCT LINE or EQUIPMENT may be considered in evaluating Dealer's performance under this Agreement. The Company may from time to time conduct surveys (by use of questionnaires or otherwise) of owners, lessees and renters of EQUIPMENT purchased, leased or rented from Dealer to determine the satisfaction of those owners, lessees and renters with the sales, leasing and rental efforts of Dealer. The results of these surveys may be taken into consideration in assessing Dealer's performance under this Agreement.

d. In addition to the remedies for breach hereof as set forth in Paragraph 23(c), if Dealer fails to carry out its PRODUCT sales responsibility hereunder in the sale of a PRODUCT LINE or specific EQUIPMENT in a PRODUCT LINE, the Company may, at its sole discretion, and after thirty (30) days prior written notice, remove that PRODUCT LINE or EQUIPMENT from Schedule B. In such event, Dealer will no longer be authorized to sell that PRODUCT LINE or EQUIPMENT.

e. Dealer shall not offer for sale or sell as a GENUINE PART, any assembly, subassembly, component, accessory (or any part thereof) that is not a GENUINE PART.

f. The Company reserves the right to sell, rent or lease PRODUCT directly to end users within Dealer's designated PMR or elsewhere without incurring any liability to Dealer. The term "end users" shall include, but not be limited to, governmental agencies, institutions or entities, educational or charitable institutions, rental companies and accounts classified by the Company as national accounts. The Company shall have no liability to Dealer for any sales made pursuant to this Paragraph.

5. SERVICE RESPONSIBILITY

a. General. In accordance with standards and procedures established from time to time by the Company, Dealer agrees to develop, maintain and direct a sufficient number of trained and competent service mechanics and technicians and to render at the DEALER LOCATION and in the field and at any BRANCH established for the purpose of service, prompt, professional and courteous service to owners and users of PRODUCTS.

b. Predelivery. In accordance with instructions issued from time to time by the Company, Dealer agrees to perform inspection, conditioning and repair of EQUIPMENT before delivery to a retail purchaser, lessee or renter.

c. Warranty and Policy. Dealer must perform warranty and policy service on PRODUCTS sold by Dealer in accordance with the MANUAL. At the customer's request, Dealer shall perform warranty and policy service on PRODUCTS not originally sold by Dealer.

d. Campaigns. Dealer agrees to perform campaign and field improvement program (FIP) inspections and make corrections for owners and users of PRODUCTS in accordance with instructions by the Company and the provisions of the MANUAL.

e. Parts; Priority. Except as otherwise instructed by the Company, Dealer agrees to use only GENUINE PARTS in performing warranty, policy and campaign/FIP work. Dealer shall give priority to warranty, policy and campaign work over other service work if the customers use of the EQUIPMENT submitted for warranty, policy or campaign/FIP work is impaired.

f. Service Tools. Dealer agrees to keep in inventory all special tools required by the Company to service the PRODUCTS listed in Schedule B.

6. STOCKS

Dealer agrees to order, stock, maintain and prominently display in new salable condition at each DEALER LOCATION representative models of each type of EQUIPMENT which Dealer is authorized to sell hereunder, as set forth on Schedule B. It shall be the Company's sole right to determine minimum EQUIPMENT stocking requirements.

7. ORDERS

a. Dealer shall submit orders for PRODUCTS to the Company at times designated by the Company and using methods and forms required by (or approved by) the Company (or in accordance with the PRODUCT AND PRICING BULLETIN or other procedures established by the Company).

b. The Company shall make reasonable efforts to honor each order for PRODUCTS from Dealer accepted by the Company, but shall not be liable for failure to delivery or delay in delivery of PRODUCTS.

c. Orders for PRODUCTS are deemed to be accepted by the Company when the order is expressly confirmed by the Company or the ordered PRODUCTS are delivered to Dealer or the carrier. The Company may install any equipment or accessories required by law on any EQUIPMENT ordered by a Dealer whether or not these mandatory items were included in Dealer's order.

8. PRICES AND CHARGES

Unless otherwise determined by the Company in the PRODUCT AND PRICING BULLETIN or by other written notice to Dealer, the following provisions shall apply:

a. Dealer shall pay the Company the DEALER PRICE for each PRODUCT purchased from the Company by Dealer, plus any holdback and charges by the Company for reimbursement of taxes, duties, transportation, handling, distribution, delivery or special items or services. The Company may change the DEALER PRICE, holdback, reimbursement and other charges at any time prior to acceptance of the order without prior notice to Dealer. Except as otherwise specified in writing by the Company, the DEALER PRICE and charges shall be those in effect, and delivery to Dealer shall be deemed made and the order filled, on the date of delivery by the Company to the carrier or to Dealer, whichever occurs first.

b. If the Company increases the DEALER PRICE for any PRODUCT, Dealer may cancel, by written notice to the Company within 10 days after receipt of notice of the increase, any orders for that PRODUCT placed by Dealer prior to receiving notice of the increase and not already accepted by the Company at the time the Company receives Dealer's notice of cancellation.

9. TERMS OF PAYMENT AND DELIVERY

Unless otherwise determined by the Company by written notice to Dealer, the following provisions shall apply:

a. Payment. Payment for each PRODUCT shall be made in current funds unless the invoice or the Company's then current and applicable payment plan provides otherwise, in which event the terms of the invoice or the plan shall govern. Dealer shall pay the Company for all PRODUCTS immediately upon delivery of PRODUCTS to Dealer. Receipt of any check, draft or other commercial paper shall not constitute payment until the Company has received cash in the full amount thereof. Failure to make payment in accordance with this Paragraph may, at the discretion of the Company, result in the Company revoking the sale and repossessing the PRODUCT without notice or formality or result in a charge back or disallowance of discounts and/or settlement allowances. These remedies are in addition to those available to the Company under Paragraphs 23(c) and (d).

b. Delivery. The Company reserves the right to determine the method and routing for delivery of PRODUCTS sold to Dealer. Where specific shipping instructions are not stated in the order, the Company will endeavor to ship over the best and most economical route. The Company shall not be responsible for guaranteeing shipping rates or for delays in shipments. In cases where the order submitted by Dealer specifies a date for Dealer pick-up at a Company depot or other location and PRODUCTS are not called for within 10 days of that date, the Company may

ship the PRODUCTS ordered to Dealer, and the cost of shipping and handling shall be borne by Dealer.

c. Equipment Relocation. The Company from time to time may request Dealer to relocate EQUIPMENT. If the Company makes such a relocation request and Dealer refuses to release the unit, the Company may at its discretion demand payment for the unit in full on the first day of the month following the request.

d. Security. As security for the purchase price of any PRODUCTS sold to Dealer, the Company shall have a purchase money security interest in such PRODUCTS as more fully set forth in the Dealer Security Agreement. The Company reserves the right to declare all balances of the account due and payable immediately if for any reason it deems such necessary for protection of its interests. No cash discount will be allowed Dealer so long as any of the indebtedness, whether secured by collateral or otherwise, is past due, and in that case, at the option of the Company, further shipments of PRODUCTS may be stopped altogether or made only a cash or COD basis. Dealer shall be charged and must pay interest on all accounts pas due at the highest lawful contract rate. All payments made on the indebtedness shall be payable at the Company's office or other designated depositories. Dealer shall reimburse the Company for any exchange or collection charges, including reasonable legal fees, in connection with any of Dealer's remittances.

e. Wholesale Credit Line. Dealer shall comply fully with the terms of any wholesale line of credit applying to sales made to Dealer and Dealer shall make no sale or other disposition of floor planned EQUIPMENT other than by normal course of business sale or lease to a bona fide retail customer, or by wholesale transfer to another authorized New Holland Dealer.

f. Title. Title to each PRODUCT purchased by Dealer shall pass to Dealer or to the finance institution designated by Dealer upon delivery of the PRODUCT to a carrier or Dealer.

g. Risk of Loss and Claims. All risk of loss and damage to any PRODUCT purchased by Dealer from the Company that is not borne by the carrier while the PRODUCT is in the possession of the carrier shall be the responsibility of the Company, provided upon delivery Dealer promptly and properly inspects and records any loss of or damage to the PRODUCT. In accordance with the MANUAL, Dealer shall cooperate with the Company in processing all claims for loss of or damage to PRODUCTS. Dealer shall bear all risk of loss or deterioration of, or damage to, PRODUCTS from the time delivery is tendered to Dealer. Dealer shall promptly notify the Company if any new and unused EQUIPMENT is substantially damaged while in Dealer's possession. To preserve the quality and value of new EQUIPMENT offered to the public, the Company shall have the option to repair or replace any such EQUIPMENT. Dealer shall assign to the Company Dealer's rights under any insurance contract related to such EQUIPMENT repaired or replaced by the Company; however, the

total cost to repair or replace such EQUIPMENT shall be the sole responsibility of Dealer.

h. Demurrage and Diversion Liability. Dealer shall pay all demurrage, storage and other charges accruing after arrival of any shipment of PRODUCTS at the designated destination. If Dealer fails or refuses for any reason to accept delivery of any PRODUCT ordered by Dealer, Dealer shall pay the Company the amount of all expenses incurred by the Company in shipping PRODUCTS to Dealer and in returning PRODUCTS to the original shipping point or diverting them to another destination; but Dealer shall not pay more for diversion than the expense of returning the PRODUCT to its original shipping point.

i. Taxes. Dealer represents and warrants that al PRODUCTS purchased from the Company are purchased for resale to retail customers in the ordinary course of Dealer's business. Dealer further represents and warrants compliance with all requirements for collection and payment of applicable sales, use and like taxes, and has provided or will provide evidence thereof to the Company. These representations and warranties shall be deemed a part of each order given by Dealer to the Company. Dealer agrees that, as to any PRODUCT put to a taxable use by Dealer or purchased by Dealer other than for resale, Dealer shall make timely and proper return and payment of all applicable sales, use and other taxes, and shall indemnify, defend and hold the Company harmless from all claims and demand for those taxes.

j. Application of Money and Credits. Any money or credits due and payable or becoming due and payable from the Company to Dealer as a result of the business dealings between the parties may, at the Company's option, be applied in any order the Company may determine for the satisfaction, in full or in part, of any debts, liabilities or obligation due and payable or becoming due and payable or owing from Dealer to the Company, including, but not limited to past due interest due from Dealer to any financing organization for which the Company may be responsible to pay in the future.

10. ADVERTISING, PROMOTION AND TRADE PRACTICES

a. Dealer shall conduct business in a manner that will reflect favorably at all times on Dealer, the Company, PRODUCTS and other Dealers in PRODUCTS. Dealer shall refrain from business practices, advertisements and promotions that are unethical, deceptive, misleading, confusing or would likely contravene any voluntary or involuntary advertising standard or any law. Dealer shall not make directly or indirectly any false or misleading statement or representation concerning any PRODUCT or other item held for sale, lease or rental, its source, condition or capabilities, the prices or charges therefor or the charges made by the Company for distribution, delivery, taxes or other items.

b. Dealer shall comply with all laws, rules and regulations applicable to the ordering, sale and service of PRODUCTS and any used PRODUCTS including without

limitation those concerning safety, emissions control and customer service. With further regard to used PRODUCTS which come into its possession, Dealer agrees to inspect such PRODUCTS and bring them up to reasonably safe condition whether by repair or by adding or repairing safety mechanisms and shields as originally supplied.

c. Dealer may not modify new EQUIPMENT without the written consent of the Company. If the Company permits Dealer to modify new EQUIPMENT or install on new EQUIPMENT any equipment, accessory or part that has not been supplied by the Company, or sell any EQUIPMENT that has been modified, or sell any non-New Holland service contract in conjunction with the sale of EQUIPMENT, the Dealer will disclose this fact to the purchaser in writing and will advise the purchaser in writing that the modification, equipment, accessory or part is not included in warranties provided by the Company or, in the case of a service contract, the coverage is not provided by the Company. With respect to used EQUIPMENT, Dealer shall not represent the source of any modification, accessory, part or service contract to be the Company if the source is not the Company.

11. LITERATURE AND INSTRUCTION

a. In accordance with Company instructions as issued from time to time, Dealer agrees to complete, execute and deliver to each retail purchaser of a PRODUCT the appropriate current publications and forms for owners covering operation, maintenance, warranty and other matters as determined by the Company. Dealer promptly shall comply with its obligations under these publications.

b. At the time of delivery, Dealer agrees to instruct each purchaser, lessee or renter of a PRODUCT from Dealer in the safe use and operation of that PRODUCT.

12. CUSTOMER HANDLING

Dealer shall promptly investigate and take appropriate corrective action to satisfy the customer with respect to all matters brought to its attention relating to the sale and service of PRODUCTS, shall make regular contact with owners and users of PRODUCTS and shall report promptly to the Company the details of each inquiry or complaint concerning a PRODUCT Dealer cannot correct to the customer's satisfaction. Dealer shall also promptly notify the Company of any reports of accidents or injuries involving PRODUCTS.

13. FACILITIES AND EQUIPMENT

a. Dealer shall establish and maintain at a location approved by the Company a place of business that, in the Company's opinion:

(i) is of satisfactory size, layout, appearance and condition;

(ii) contains adequate space for exclusive display, sale and service of PRODUCTS, sale of used equipment, customer parking, customer waiting, office functions and storage; and

(iii) is equipped to the Company's sole satisfaction with the tools, equipment and machinery that will enable Dealer to meet its obligations under this Agreement.

b. With the Company's prior consent as set forth herein, Dealer may establish and maintain BRANCH LOCATIONS for the sale and/or service of PRODUCTS at locations approved by the Company. All requirements set forth in this Agreement, including but not limited to those set forth in Paragraph 13(a), shall apply to all BRANCH LOCATIONS.

c. Without the prior written consent of the Company, Dealer shall not move or substantially modify its place or places of business or establish, directly or indirectly, any other place of business, including BRANCH LOCATIONS, for the sale or service of PRODUCTS.

d. Dealer shall keep its place or places of business open during all hours and days customary in the trade.

e. The Dealer shall set up and use at each DEALER LOCATION a Company approved computerized system for communications with the Company and shall subscribe to the Company Parts Automated Library System (PAL).

14. WARRANTY

a. The warranties covering EQUIPMENT are set forth in the MANUAL. Dealer shall review the written warranty set forth in the MANUAL with the customer and obtain the customer's signature on the Warranty and Limitation of Liability Agreement. Dealer shall then submit the signed Warranty and Limitation of Liability Agreement to the Company as set forth in the MANUAL. Dealer shall also provide customer information for each PRODUCT retailed by Dealer as requested by the Company for the

purposes of, but not limited to, the Warranty Record. The Company and Dealer promptly shall fulfill their responsibilities under this warranty.

b. Dealer shall expressly incorporate the appropriate GENUINE PARTS warranty as part of each sale of a GENUINE PART, in accordance with instruction set forth in the MANUAL.

c. EXCEPT FOR THE WARRANTY EXTENDED UNDER THIS PARAGRAPH 14, AND TO THE EXTENT ALLOWED BY LAW, THERE SHALL BE NO OTHER WARRANTY OR CONDITION, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER

OBLIGATION OF THE COMMPANY TO DEALER OR THE CUSTOMER WITH RESPECT TO PRODUCTS. NOTWITHSTANDING THE FOREGOING, ANY PROVISIONS IN THIS AGREEMENT BETWEEN DEALER AND THE COMPANY REGARDING PRODUCTS SHALL REMAIN EFFECTIVE.

d. The Company shall not be liable nor shall it defend, indemnify or in any way be obligated to assist Dealer in defense of any notice, claim, or lawsuit alleging the existence of a warranty beyond the terms identified in the Warranty and Limitation of Liability Agreement referred to in this Paragraph 14.

e. The performance and administration of the warranties extended under this Paragraph 14 and the payment of claims under these warranties shall be as set forth in the MANUAL.

15. CREDIT LINE AND CAPITALIZATION

Dealer shall at all times employ in connection with its business under this Agreement a wholesale line of credit acceptable to the Company and the total investment, net working capital, and retail financing plans, in the amounts deemed necessary by the Company for Dealer to comply with its obligations hereunder.

16. SIGNS

Dealer shall acquire, erect and maintain a Company-approved primary identification sign to identify each DEALER LOCATION listed in Schedule C as a Dealer in PRODUCTS. These signs shall be subject to the Company's approval with respect to the display of any trademark or trade name to which the Company or any affiliated company is entitled.

17. DEALER STANDARDS

Dealer understands and agrees that the Company will evaluate the Dealer according to and under the terms of the Company's Dealer Standards Program and may reward those dealers that comply with these Standards and achieve high scores as defined by the Company.

18. REPORTS, AUDITS AND RECORDS

a. At the Company's request Dealer shall provide to the Company a copy of its annual and/or current monthly financial statement prepared by or for Dealer in accordance with generally accepted accounting principles. Dealer shall also promptly submit sales reports and other business, sales and service reports and documents to the Company upon request. All statements and reports shall contain information on any BRANCH LOCATIONS. At any time, the Company may request from Dealer additional or supplemental financial or other business data to assist in assessing its continuing credit risk or Dealer's compliance with the provisions of this Agreement. The Company also reserves the right to obtain

from time to time personal financial statements from the owner(s), partner(s), principal stockholder(s) or guarantor(s) of Dealer. Dealer will comply with all requests for such additional information immediately. Failure to provide any of the reports, records or information which are the subject of this Paragraph may result in withdrawal of existing credit extensions or refusal to grant additional credit or such other actions as the Company may deem appropriate, including termination of this Agreement as provided herein.

b. Dealer shall permit persons designated by the Company, at reasonable times during normal business hours, to examine its place or places of business, stocks of PRODUCTS and other EQUIPMENT at the PRINCIPAL DEALER LOCATION and any BRANCH LOCATIONS, to test EQUIPMENT, to check and instruct Dealer and its employees in the proper handling of warranty and other repairs and claims based thereon and to examine, copy and audit all Dealer's original records and documents relating to Dealers PRODUCTS business. Dealer shall maintain for at least two years all original records and documents relating to all claims made upon or paid by the Company including, but not limited to, warranty, policy and incentive claims. The submission of improper claims will result in a charge back against Dealer account with the Company for all improper or unsubstantiated claims. If Dealer refuses to permit an audit, fails to maintain the required records, or if it is determined that improper claims were intentionally made, the charge back will include all payments for the prior two years, including any dealer settlement allowances or retail sales incentives. This remedy is in addition to those available to the Company under Paragraph 23(d).

19. MARKET REPRESENTATION

a. Without liability to Dealer, the Company may determine the numbers, locations and sizes of Company dealers necessary for adequate PRODUCTS, sales and service representation within any geographic area, or within the PMR designated in Schedule C, and may alter Dealers designated PMR or appoint additional Company dealers in PRODUCTS within that PMR or elsewhere. Notwithstanding any other provision of this Agreement, the decision whether to alter Dealers designated PMR or to establish a new or additional Company Dealer shall be made by the Company solely upon its own business judgment. Nothing in this Agreement shall be construed as requiring Dealer's consent to the establishment of a new or additional Dealer in any area where the Dealer markets or sell PRODUCTS or elsewhere.

b. The Company may make gifts or loans of PRODUCT to others within Dealer's designated PMR or otherwise without liability to Dealer. The Company also may offer any PRODUCTS including new, modified and differently designed PRODUCT, bearing any trademarks or trade names to which the Company or any affiliated company is entitled, to selected Company Dealers or others under existing or new agreement without liability to Dealer, and without undertaking any obligation to make such PRODUCTS available to the Dealer.

c. In view of the personal nature of this Agreement, the rights and privileges conferred on Dealer under this Agreement are not transferable, assignable or salable by Dealer, and no property right or interest, direct or indirect, is sold, conveyed or transferred to Dealer under this Agreement. The Company may select the dealers it shall appoint to distribute and service PRODUCTS and may refuse to appoint as a Dealer any purchaser or prospective purchaser of any of the shares or assets of Dealer upon the termination of this Agreement or otherwise. Dealer shall give the Company sixty (60) days written notice of Dealers intention to transfer or sell the shares or assets of the dealership.

d. Dealer has not paid any fee for this Agreement.

20. MODEL CHANGE

a. Without giving notice to Dealer and without incurring any liability to Dealer, the Company:

(i) may alter, modify or discontinue the design, construction and availability of any PRODUCT;

(ii) may withdraw from the market any PRODUCT, any derivative of a PRODUCT and any version of any derivative of a PRODUCT; and

(iii) may market additional or replacement PRODUCTS.

b. Unless the Company advises Dealer in writing to the contrary, or except as required by law, the Company does not sell its PRODUCTS to Dealer using a model year or year of manufacture designation. Except as required by law, Dealer shall make no representation upon resale, lease or renting that the EQUIPMENT is of a particular model year.

21. TRADEMARKS, TRADE NAMES AND TRADE SECRETS

a. Use in Title. Dealer shall not use as, or as part of, its trading or firm title any name that is not acceptable to the Company. Without the Company's prior consent, Dealer shall not use "New Holland" or any trade names or trademarks owned or used by CNH America LLC or any predecessor or affiliate company, as or as part of Dealer's firm, trade or corporate name and shall not permit any person, firm or corporation controlled by it or affiliated with it to do so. Such trade names and trademarks belong to CNH America LLC or its affiliates and may be used by Dealer only in connection with the advertisement and sales of PRODUCTS sold to Dealer by the Company. Any such use by Dealer shall immediately cease upon termination of the business relationship between the Company and Dealer.

b. Goodwill and Reputation. Dealer shall not in any trading title used by the Dealer in connection with its business activities under this Agreement or in connection

with any other business activity, use any name or words capable of damaging the goodwill or reputation of the Company or any affiliated company or predecessor. Dealer shall promptly carry out all reasonable instructions and requests of the Company issued to protect and promote the value, goodwill and reputation of any trademark or trade name to which the Company or any affiliated company or predecessor is entitled.

c. Dealer shall maintain in strict confidence all commercial and technical information disclosed by the Company to Dealer.

22. DURATION

Unless terminated earlier in accordance with the terms hereof, this Agreement shall continue from the date first set forth above until December 31, 2006. This Agreement shall be extended for successive one-year terms unless at least ninety (90) days prior to the expiration date of the original term or any extension term either party notifies the other of its intention not to extend. Upon such notification, this Agreement shall expire on December 31, 2006 or at the end of any such extension period. Dealer understands that this Agreement is of a limited duration and agrees that it has not relied on any representation regarding the continuation of this Agreement or its benefits beyond the initial term or any subsequent term.

23. TERMINATION

It is agreed that the following shall illustrate, but in no way limit, the various grounds which shall entitle the Company, at its option, and Dealer where so indicated, to terminate this Agreement prior to its expiration, and which shall entitle the Company to immediate possession of all PRODUCTS for which Dealer is indebted to the Company or a Company-approved financing institution:

a. Replacement Agreement in the event the Company offers a new or amended form of agreement to its dealers in PRODUCTS, the Company may terminate this Agreement at any time by giving Dealer at least thirty (30) days prior written notice.

b. At Will. Dealer may terminate this Agreement at any time, with or without cause, after at least thirty (30) days prior written notice to the Company.

c. Breach. Except for those events set forth in Paragraph 23(d), the Company shall give the dealer notice and sixty (60) days opportunity to cure, to the Company's sole satisfaction, any failure of the Dealer to fulfill any of its obligations under this Agreement. If Dealer fails to cure the breach or breaches to the Company's sole satisfaction, the Company may terminate this Agreement by giving Dealer thirty (30) days written notice.

d. With Immediate Effect. The Company may terminate this Agreement with immediate effect by giving notice to Dealer or to Dealer's legal representative in any of the following events:

(i) Any transfer or attempted transfer, without the prior written approval of the Company, by Dealer of any interest in, or right, privilege, or obligation under this Agreement, or any transfer by operation of law or otherwise of the principal assets of the Dealer that are required for the conduct of its business under this Agreement, or any change, however accomplished, in the direct or indirect ownership or operating management of Dealer as set forth in Schedule A.

(ii) Any misrepresentation in applying for appointment as a dealer in PRODUCTS by Dealer or any person named in Schedule A; the submission of a fraudulent parts return or the return of parts with fraudulent packaging or labeling; the submission by Dealer to the Company of a false or fraudulent application or claim, or any false statement in support thereof, for warranty, policy or campaign adjustments or for wholesale parts or sales incentives or for any other refund, credit, rebate, incentive, allowance, discount, reimbursement or payment under any program, or the acceptance by Dealer of any payment for any work not performed by Dealer in accordance with the provision of this Agreement or the MANUAL.

(iii) Failure of Dealer to maintain one or more of Dealer's places of business open for business for a period of seven or more consecutive days.

(iv) Conviction or guilty plea in a court of original jurisdiction of Dealer or any person named in Schedule A of a felony or of any violation of law that in the Company's opinion tends to affect adversely the operation or business of Dealer or the good name, goodwill or reputation of PRODUCTS, Dealer, the Company, or other dealers in PRODUCTS.

(v) Failure of Dealer to fulfill any provision of Paragraph 9 or Paragraph 21 or to pay the Company any sum due under any agreement between the Company and Dealer.

(vi) Failure of Dealer to obtain or hold any license required for the performance of any of Dealer's obligations under this Agreement.

(vii) Death or physical or mental incapacity or disappearance of Dealer if Dealer is an individual, or of the principal owner of Dealer if Dealer is a legal entity other than an individual.

(viii) Insolvency of Dealer, the inability of Dealer to pay debts as they mature, whether to the Company or others; the filing of a petition in bankruptcy or for reorganization, whether voluntary or involuntary; the making of an assignment by Dealer for the benefit of creditors; the appointment of a receiver, custodian or trustee for Dealer or its property; or default by Dealer in the payment of any obligation owing to the Company.

(ix) Revocation or discontinuance of any guaranty of Dealers present or future obligations to the Company.

(x) Failure of Dealer to provide the reports and/or permit the audits described in Paragraph 18.

(xi) Any conduct by any person named in Schedule A or any employee of Dealer unbecoming a reputable business person, or disagreement between any persons named therein that in the Company's opinion tends to adversely affect the operation or business of Dealer or the good name, goodwill or reputation of PRODUCTS, Dealer, the Company, or other dealers in products.

(xii) Conduct by any person named in Schedule A or any employee of Dealer that is abusive or threatening to any Company employee.

24. OBLIGATIONS UPON EXPIRATION OR TERMINATION

a. Upon the expiration or termination of this Agreement, Dealer shall cease to be a dealer in PRODUCTS, all orders from Dealer for PRODUCTS that have not been shipped shall be canceled without liability to either party, and Dealer promptly shall:

(i) pay the Company all sums owed by Dealer to the Company;

(ii) remove all signs owned or controlled by Dealer that bear any trademark or trade name of the Company or any of its affiliates or predecessors;

(iii) discontinue the use of any trademark or trade name of the Company or any of its affiliates or predecessors; and

(iv) cease to represent in any way that Dealer continues to be a Dealer in PRODUCTS.

b. If Dealer fails to comply with these requirements, the Company may take reasonable steps to achieve compliance or the same result as would be realized by Dealer compliance, and Dealer shall reimburse the Company for all costs and expenses, including reasonable attorney's fees, incurred by the Company in effecting or enforcing compliance. All obligations contained in Paragraph 24 shall survive the expiration or termination of this Agreement. Final settlement of Dealers account with the Company shall not be made until all requirements of this Agreement, particularly those obligations set forth in Paragraph 24(a), are complied with by Dealer.

25. ACQUISITION OF CERTAIN PROPERTY UPON TERMINATION

Unless otherwise provided by law, the following provisions shall control:

a. If this Agreement expires or is terminated, then upon Dealer's written request, the Company shall repurchase all new, complete, unused, unsold and undamaged

PRODUCTS in Dealer's stock on the date of termination provided the PRODUCT:

(i) is in new, complete, salable condition;

(ii) is listed in the then-current price and data book or parts price list;

(iii) is free and clear of all liens; and

(iv) was purchased by Dealer from the Company.

In addition, the Company will only repurchase GENUINE PARTS that are returned in correct order multiples, in a complete set (if originally sold in a set of two or more items) and in the original Company packaging with the original authorized Company identification label. The Company will only repurchase attachments that were not previously installed and which were invoiced separately to Dealer. The Company will not repurchase any GENUINE PART that has a limited shelf life, has an altered or counterfeited identification label, is in a broken package, is a hazardous material or was direct shipped from a supplier other than the Company.

b. The price for any repurchased EQUIPMENT shall be the price paid by Dealer to the Company, less charges for distribution, delivery, handling, advertising and taxes, and less any amount previously credited or refunded to Dealer on that EQUIPMENT. The Company is not obligated to reimburse Dealer for unloading, set-up, or preparation of returned PRODUCTS under this Paragraph 25. The price for any repurchased GENUINE PART shall be the then-current dealer price, less all allowances and discounts paid or allowances and discounts currently offered by the Company, less the amount representing freight currently being prepaid by the Company on stock orders, and less a ten percent (10%) restocking charge. Dealer must notify the Company in writing within thirty (30) days of the expiration or termination of this Agreement that Dealer desires the Company to reacquire certain PRODUCTS, and return such PRODUCTS to the Company within sixty (60) days. A single return of GENUINE PARTS will be permitted.

c. Upon expiration or termination of this Agreement, the Company may retake without payment any materials (such as sales promotion, advertising and training materials, Price and Data books, tools and signs) provided without charge to Dealer by the Company or any predecessor. In no event shall the Company have the obligation to purchase Dealers facilities (including land and buildings) or any assets not specifically mentioned in this Paragraph 25.

d. All items to be repurchased by the Company under this Paragraph 25 shall be packed, boxed or crated and shipped by Dealer in accordance with the Company's instructions, unless otherwise required by law, freight prepaid at Dealers expense to the destination specified by the Company. All items thus repurchased shall be delivered, sold and paid for free of all claims, liens and other encumbrances after compliance with all bulk sales or similar laws for the protection of creditors and shall be transferred by warranty bills of sales satisfactory to the Company.

Dealer will be paid for the items reacquired by the Company, less any amount owed to the Company.

e. The Company shall have the right to withhold from the price of any items repurchased pursuant to this Paragraph 25, a sum sufficient to discharge any liens or encumbrances against such items and to discharge such liens or encumbrances. Dealer shall, in addition, execute such documents and take any additional action reasonably requested by the Company to transfer ownership thereof, free and clear of such liens and encumbrances.

26. RELATIONS AFTER EXPIRATION OR TERMINATION

Any business relations between the Company and Dealer after expiration or termination of this Agreement, whether with respect to PRODUCTS or otherwise, shall not constitute a waiver of the expiration or termination of this Agreement or in any manner reinstate the contractual relationship that existed by virtue of this Agreement, and all such relations shall be governed by terms identical to the relevant provisions of this Agreement unless the parties execute a new agreement superseding this Agreement.

27. NEW AGREEMENT

Unless otherwise specified by the Company in writing, the termination of this Agreement by the Company in connection with the offer by the Company to Dealer (or Dealer's successor in interest) of a new agreement for one or more PRODUCTS shall not give rise to the rights and obligations provided in Paragraphs 24 and 25 with respect to the PRODUCTS covered by the new agreement.

28. LIMITATION OF LIABILITY

This Agreement contemplates that Dealer, as an independent business, shall purchase PRODUCTS for resale in conformity with the provisions of this Agreement, and shall obtain on its own the capital investment necessary to operate the business. Nothing in this Agreement shall impose any liability on the Company in connection with Dealers operations under this Agreement or otherwise, or for any expenditure made or incurred by Dealer in preparation for performance or in performance of Dealers responsibilities under this Agreement.

The Company and Dealer both understand and agree that this Agreement is of a limited duration, and therefore, except as provided herein, neither party is entitled to any compensation or reimbursement for loss of past or prospective profits, past or prospective sales or any other losses occasioned by expiration, cancellation, non-renewal, termination or breach of this Agreement. The damages to which either party may be entitled for breach are limited to actual out-of-pocket expenses incurred as a direct result of the breach. The damages to which either party may be entitled for cancellation, non-renewal, or termination subsequently adjudged to be improper or unlawful are limited to actual out-of-pocket expenses incurred as a direct result of such cancellation, non-renewal, or termination during the period of time between notice and the effective date thereof.

29. AGENCY OR EMPLOYMENT RELATIONSHIP

This Agreement does not create an agency or employment relationship between the Company and Dealer or any personnel of Dealer. Neither Dealer nor any personnel of Dealer shall:

(i) be considered an agent or employee of the Company;

(ii) act or attempt to act or represent himself directly or by implication as an agent of the Company; or

(iii) assume or create or attempt to assume or create an obligation on behalf of or in the name of the Company.

30. ASSIGNMENT

Upon notice to Dealer, the Company may assign this Agreement and any rights and obligations under this Agreement to any affiliate of the Company or to any company that succeeds to the interests of CNH America LLC. Dealer may not assign or otherwise transfer this Agreement, in whole or in part, without the written prior consent of the Company.

31. AMENDMENT AND SEPARABILITY

The Company may amend Schedules B and C of this Agreement at any time upon written notice to Dealer. If performance or enforcement of this Agreement is unlawful under a valid law of any jurisdiction where that performance or enforcement is to take place, the performance or enforcement will be modified to the minimum extent necessary to comply with any such law.

32. AUTHORIZED PERSONNEL

This Agreement shall bind the Company only if it bears the manual or facsimile signature of a Regional Sales Director, or equivalent position, or any officer of the Company and a fully executed copy is delivered personally or by mail to the Dealer at its principal place of business. No one except those persons identified in the preceding sentence is authorized on behalf of the Company to make any other agreement relating to the subject matter of this Agreement or to modify any provision of this Agreement or to terminate this Agreement, and then only by a written instrument.

33. SUPERSESSION AND ENTIRE AGREEMENT

This Agreement terminates and supersedes all other agreements between the Dealer and the Company for the sale and service of PRODUCTS. This Agreement contains the entire agreement and constitutes the sole and exclusive agreement between the parties with respect to its subject matter.

Each party acknowledges that, except as expressly stated in this Agreement, no representation, understanding, course of conduct, custom or practice in the trade, or presumption of law or fact has been made or relied upon that has induced the execution of this Agreement, or would in any way modify any of its provisions with respect to the effectiveness, duration, expiration or termination of this Agreement or the sales or profit expectancy of Dealer.

Dealer understands that this Agreement has limited duration and has decided to become a dealer in PRODUCTS and to make the investments necessary to become a dealer solely in reliance on its own investigation, appraisal and projection of present and future conditions and expectations and not in reliance on any statements made or documents exhibited to Dealer by the Company or any affiliated company or predecessor.

Dealer as read this Agreement and understand it and has had adequate opportunity to consult with legal counsel of Dealer's own choosing regarding the content and meaning of this Agreement. Dealer voluntarily has entered into this Agreement and acknowledges that each provision of this Agreement is reasonable, fair and equitable.

/s/ DM (DEALER INITIALS)

34. NO IMPLIED WAIVER

The waiver by either party or the failure by either party to claim a breach of any provision of this Agreement shall not constitute a waiver of any subsequent breach or affect in any

way the effectiveness of that provision.

35. NOTICE, APPROVAL AND CONSENT

Any notice, approval or consent required or allowed under this Agreement shall be given in writing and, without prejudice to other forms of actual service, shall be considered as served upon being mailed in a properly sealed envelope with first class or certified or registered postage prepaid. Notices to the Company shall be addressed to the Regional Sales Director for Dealers assigned region and shall be delivered or mailed to CNH America LLC, 500 Diller Avenue, PO Box 1895, New Holland, PA 17557. Notices to Dealer shall be delivered or mailed to any person designated in Schedule A(ii) or to Dealer at the PRINCIPAL DEALER LOCATION.

36. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the state in which the PRINCIPAL DEALER LOCATION is situated, without regard to such state's choice of law rules or principles.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date written below.

CNH AMERICA LLC		DEALER	Titan Machinery, Inc.
			(Dealership Name)
By:		By:	/s/ David J. Meyer
Title:	Regional Sales Director	Title:	CEO
Date:	April 1, 2006	Date:	3-29-06

CNH America LLC

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DEALER AGREEMENT - SCHEDULE B

Dealer Trade Name: Titan Machinery, Inc.
Dealer Address: Jamestown, ND 58401
(City, State and Zip Code)

BRAND OF EQUIPMENT: NEW HOLLAND
SOURCE OF EQUIPMENT: CNH AMERICA LLC

AUTHORIZED PRODUCT LINE(S)

- ☒ Compact Tractors and Consumer Products (Includes all tractor series where the lowest HP model of that series is below 40 PTO HP.) (CPT)
- ☒ Mid-Range Horsepower Tractors (Except for Ag Crawler Tractors. Includes all tractor series where the lows HP model of that series is from 40 PTO HP through 119 PTO HP including Bi-Directional™ and Ag Telehandlers & Attachments.) (MRT)
- ☐ Ag Crawler Tractors (CRW) (Limited distribution)
- ☒ Hay & Pull-Type Forage Equipment and Material Handling Equipment (H&F)
- ☒ Skid Steer Loaders & Attachments (SSL)
- ☐ Compact Track Loader (CTL)
- ☐ Industrial Tractors (Only those models available through Agricultural products division.) (IND)
- ☒ High Horsepower Tractors (Except for articulated 4WD tractors, includes all tractor series where the lowest HP model of that series is at or above 120 PTO HP.) (HHT)
- ☒ Articulated Four-Wheel Drive Tractors (over 200 engine HP) (4WD)
- ☒ Combine Harvesters (CMB)
- ☐ Self-Propelled Forage Harvesters (SPF)
- ☐ Self-Propelled Sprayers (SPS)
- ☒ Crop Production Products (CRP) branded New Holland, New Holland/Flexi-Coil, and/or New Holland/DMI (includes NH Conventional Planters, Air Disk Drills, Air Hoe Drills, Air Delivery Systems, Disk Ripper Disks, Disk Harrows, Seed Bed Harrows, Chisel Plows, Combination Primary Tillage, Combination Secondary Tillage, Minimum Primary Tillage, Crumblers, Tiger Mate Field Cultivators, and Pull-Type Sprayers)

Regional Sales Director — April 1, 2006 (Date)

DEALER AGREEMENT - SCHEDULE C

DEALER PRINCIPAL LOCATION, INDUSTRY POTENTIAL AND PMR

Dealer Trade Name: Titan Machinery, Inc.
Dealer Address: 1620 8th Ave SW, Jamestown, ND 58401
(Physical Address) (Street Address, City, State, Zip Code)

The PRIMARY MARKET OF RESPONSIBILITY (PMR) shall mean the total industry volume (as reported by the Equipment Manufacturers Institute) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which the Dealer has sales and service responsibility for PRODUCTS. The PMR is the volume of a PRODUCT LINE sold within a geographic area, not the area itself. The Dealer's PMR may vary by PRODUCT or PRODUCT LINE. The Dealer's PMR is NONEXCLUSIVE and will be the base against which the Dealer's sales performance is measured.

The following chart(s) identifies that portion (%) of the industry unit sales potential within the PMR that the Dealer is expected to participate in by PRODUCT LINE. The portion of industry unit sales potential just described will be reviewed periodically by the COMPANY and the Dealer will be advised of any changes.

EXAMPLE: If a Dealer is assigned 50% of the industry sales volume in a county in which 100 units of a given PRODUCT LINE is sold, then the Dealer's PMR for that PRODUCT LINE is 50% of the 100 units or 50 units. So, if this Dealer sold 10 units of this PRODUCT LINE in this county, the Dealer's market share would be 20%.

PRODUCT LINES AND % COUNTY ASSIGNMENT

COUNTY	ST	COMPACTS & CONS. PROD	MID-RANGE TRACTORS	HAY & PT FORAGE	SSL	INDUSTRIAL TRACTORS
BARNES	ND	50	50	50	45	0
FOSTER	ND	100	100	100	90	0
GRIGGS	ND	100	100	100	90	0
KIDDER	ND	50	50	50	45	0
STUTSMAN	ND	100	100	100	90	0

Regional Sales Director — April 1, 2006 (Date)

COUNTY	ST	HIGH HP TRACTORS	4WD TRACTORS	COMBINES	SELF-PROP. FORAGE	SELF-PROP. SPRAYERS	CROP PRODUCTION PRODUCTS
BARNES	ND	50	50	50	0	0	50

FOSTER	ND	100	100	100	0	0	100
GRIGGS	ND	100	100	100	0	0	100
KIDDER	ND	50	50	50	0	0	50
STUTSMAN	ND	100	100	100	0	0	100

BRANCH LOCATION(S) OF DEALER

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

Regional Sales Director

April 1, 2006
Date

AMENDMENT TO DEALER AGREEMENT

This is an amendment to the CNH America LLC Dealer Agreement for New Holland brand Agricultural Products dated April 1, 2006 (and amended on April 1, 2006) (the "Agreement") between CNH America LLC, a Delaware Limited Liability Corporation ("Company), and TITAN MACHINERY, INC., a (an) Corporation (individual, partnership or (name of state) corporation) ND (doing business as TITAN MACHINERY, INC.) with a principal place of business at 1620 8TH AVE SW, JAMESTOWN, ND 58401 ("Dealer").

Whereas, the Company has a program whereby Dealers can receive and take delivery of EQUIPMENT directly from a third-party logistics provider located near Company plant facilities (the "Will Call Provider") or directly from a Company facility (the "Will Call Program"); and

Whereas, Dealer desires to participate in the Will Call Program; and

Whereas, Company agrees to permit Dealer to participate in the Will Call Program, upon its execution of this Amendment;

Therefore, in consideration of the above and the mutual promises of the parties hereinafter set forth, it is agreed by the parties that the Agreement be amended as follows:

1. Paragraph 9 (f) shall be amended so that it now states:

   Title. Title to each PRODUCT purchased by Dealer shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the PRODUCT to a carrier or Dealer, except for PRODUCT transferred to a Will Call Provider and designated for pick-up under the Will Call Program, in which case, title shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the PRODUCT to the Will Call Provider.

2. Paragraph 9 (g) shall be amended so that it now states:

   Risk of Loss and Claims. Except for EQUIPMENT received by the Dealer under the Will Call Program, all risk of loss and damage to any PRODUCT purchased by Dealer from the Company that is not borne by the carrier while the PRODUCT is in the possession of the carrier shall be the responsibility of the Company, provided upon delivery Dealer promptly and properly inspects and records any loss of or damage to the PRODUCT. For EQUIPMENT received by Dealer under the Will Call Program, risk of loss will be assumed by Dealer upon the EQUIPMENT being delivered by the Company to the Will Call Provider, or if there is no Will Call Provider, the Dealer will assume the risk of loss when Dealer or Dealer's designated carrier receives EQUIPMENT. In accordance with the MANUAL, Dealer shall cooperate with the Company in processing all claims for loss or damage to PRODUCTS. Dealer shall bear all risk of loss or deterioration of, or damage to, PRODUCTS from the time delivery is tendered to Dealer. Dealer shall promptly notify the Company if any new and unused EQUIPMENT

is substantially damaged while in Dealers possession. To preserve the quality and value of new EQUIPMENT offered to the public, the Company shall have the option to repair or replace any such EQUIPMENT. Dealer shall assign to the Company Dealers rights under any insurance contract related to such EQUIPMENT repaired or replaced by the Company; however, the total cost to repair or replace such EQUIPMENT shall be the sole responsibility of Dealer.

In witness whereof, the parties have executed this Amendment as of the 26th day of February, 2007.

TITAN MACHINERY, INC.
(Dealer Trade Name)
/s/ David J. Meyer
(Authorized Dealer Signature)
CEO-Chief Executive Officer
(Title)

NOTE: IF DEALER IS CORPORATION, ATTACH CERTIFIED COPY OF CORPORATE MINUTES AUTHORIZING EXECUTION.

CNH AMERICA LLC

Regional Sales Director

Date

CNH AMERICA LLC

DEALER AGREEMENT

THIS AGREEMENT between CNH America LLC, a Delaware Limited Liability Corporation, having a place of business at 500 Diller Avenue, New Holland, Pennsylvania 17557 ("Company"), and

Titan Machinery Inc.,

a **Corporation incorporated in the state of North Dakota**

doing business as **Titan Machinery Inc.** and with its principal place of business at:

2801 4th Street SW, Waverly, IA 50677 ("Dealer")

will be **effective April 1, 2005**

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35. NOTICE, APPROVAL AND CONSENT

Any notice, approval or consent required or allowed under this Agreement shall be given in writing and, without prejudice to other forms of actual service, shall be considered as served upon being mailed in a properly sealed envelope with first class or certified or registered postage prepaid. Notices to the Company shall be addressed to the Regional Sales Director for Dealer's assigned region and shall be delivered or mailed to CNH America LLC, 500 Diller Avenue, PO Box 1895, New Holland, PA 17557. Notices to Dealer shall be delivered or mailed to any person designated in Schedule A(ii) or to Dealer at the **PRINCIPAL DEALER LOCATION**.

36. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the state in which the PRINCIPAL DEALER LOCATION is situated, without regard to such state's choice of law rules or principles.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date written below.

CNH AMERICA LLC

By: _____

Title: Regional Sales Director

Date: 4-1-2005

DEALER Titan Machinery Inc.

_____
(Dealership Name)

By: /s/ David J. Meyer

Title: CEO

Date: 3-7-05

CNH America LLC

DEALER AGREEMENT - SCHEDULE C

DEALER PRINCIPAL LOCATION, INDUSTRY POTENTIAL AND PMR

Dealer Trade Name: **Titan Machinery, Inc.**

Dealer Address: **2801 4th Street SW, Waverly, IA 50677**
(Physical Address) **(Street Address, City, State, Zip Code)**

The PRIMARY MARKET OF RESPONSIBILITY (PMR) shall mean the total industry volume (as reported by the Equipment Manufacturers Institute) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which the Dealer has sales and service responsibility for PRODUCTS. The PMR is the volume of a PRODUCT LINE sold within a geographic area, not the area itself. The Dealer's PMR may vary by PRODUCT or PRODUCT LINE. The Dealer's PMR is NONEXCLUSIVE and will be the base against which the Dealer's sales performance is measured.

The following chart(s) identifies that portion (%) of the industry unit sales potential within the PMR that the Dealer is expected to participate in by PRODUCT LINE. The portion of industry unit sales potential just described will be reviewed periodically by the COMPANY and the Dealer will be advised of any changes.

EXAMPLE: If a Dealer is assigned 50% of the industry sales volume in a county in which 100 units of a given PRODUCT LINE is sold, then the Dealer's PMR for that PRODUCT LINE is 50% of the 100 units or 50 units. So, if this Dealer sold 10 units of this PRODUCT LINE in this county, the Dealer's market share would be 20%.

PRODUCT LINES AND % COUNTY ASSIGNMENT

COUNTY	ST	COMPACTS & CONS. PROD.	MID-RANGE TRACTORS	HAY & PTFORAGE	SSL	INDUSTRIAL TRACTORS
BLACKHAWK	IA	100	100	100	50	0
BREMER	IA	90	90	90	50	0
BUCHANAN	IA	50	50	50	75	0
BUTLER	IA	50	50	50	75	0
CHICKASAW	IA	0	0	0	25	0
GRUNDY	IA	50	50	50	20	0

12/19/05

Regional Sales Director — Date

COUNTY	ST	HIGH HP TRACTORS	4WD TRACTORS	COMBINES	SELF-PROP. FORAGE	SELF-PROP. SPRAYERS	CROP PRODUCTION PRODUCTS
BLACKHAWK	IA	100	100	100	0	0	100
BREMER	IA	90	90	90	0	0	90
BUCHANAN	IA	50	50	50	0	0	50
BUTLER	IA	50	50	50	0	0	50
CHICKASAW	IA	33	33	50	0	0	33
GRUNDY	IA	50	50	50	0	0	50

BRANCH LOCATION(S) OF DEALER

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

12/19/05

Regional Sales Director Date

AMENDMENT TO DEALER AGREEMENT

This is an amendment to the CNH America LLC Dealer Agreement for New Holland brand Agricultural Products dated **April 1, 2005** (and amended on **April 1, 2005**) (the "Agreement") between CNH America LLC, a Delaware Limited Liability Corporation ("Company"), and **TITAN MACHINERY INC.**, a (an) **Corporation** (individual, partnership or (name of state) corporation) **ND** (doing business as **TITAN MACHINERY INC. dba SMITH INTERNATIONAL**) with a principal place of business at **2801 4TH STREET SW, WAVERLY, IA 50677** ("Dealer").

Whereas, the Company has a program whereby Dealers can receive and take delivery of **EQUIPMENT** directly from a third-party logistics provider located near Company plant facilities (the "Will Call Provider") or directly from a Company facility (the "Will Call Program"); and

Whereas, Dealer desires to participate in the Will Call Program; and

Whereas, Company agrees to permit Dealer to participate in the Will Call Program, upon its execution of this Amendment;

Therefore, in consideration of the above and the mutual promises of the parties hereinafter set forth, it is agreed by the parties that the Agreement be amended as follows:

1. Paragraph 9 (f) shall be amended so that it now states:

   Title. Title to each **PRODUCT** purchased by Dealer shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the **PRODUCT** to a carrier or Dealer, except for **PRODUCT** transferred to a Will Call Provider and designated for pick-up under the Will Call Program, in which case, title shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the **PRODUCT** to the Will Call Provider.

2. Paragraph 9 (g) shall be amended so that it now states:

   Risk of Loss and Claims. Except for **EQUIPMENT** received by the Dealer under the Will Call Program, all risk of loss and damage to any **PRODUCT** purchased by Dealer from the Company that is not borne by the carrier while the **PRODUCT** is in the possession of the carrier shall be the responsibility of the Company, provided upon delivery Dealer promptly and properly inspects and records any loss of or damage to the **PRODUCT**. For **EQUIPMENT** received by Dealer under the Will Call Program, risk of loss will be assumed by Dealer upon the **EQUIPMENT** being delivered by the Company to the Will Call Provider, or if there is no Will Call Provider, the Dealer will assume the risk of loss when Dealer or Dealers designated carrier receives **EQUIPMENT**. In accordance with the **MANUAL**, Dealer shall cooperate with the Company in

processing all claims for loss or damage to **PRODUCTS**. Dealer shall bear all risk of loss or deterioration of, or damage to, **PRODUCTS** from the time delivery is tendered to Dealer. Dealer shall promptly notify the Company if any new and unused **EQUIPMENT** is substantially damaged while in Dealers possession. To preserve the quality and value of new **EQUIPMENT** offered to the public, the Company shall have the option to repair or replace any such **EQUIPMENT**. Dealer shall assign to the Company Dealers rights under any insurance contract related to such **EQUIPMENT** repaired or replaced by the Company; however, the total cost to repair or replace

such **EQUIPMENT** shall be the sole responsibility of Dealer.

In witness whereof, the parties have executed this Amendment as of the 26th day of February, 2007.

TITAN MACHINERY INC. dba SMITH INTERNATIONAL

(Dealer Trade Name)

/s/ David J. Meyer

(Authorized Dealer Signature)

CEO-Chief Executive Officer

(Title)

NOTE: IF DEALER IS CORPORATION, ATTACH CERTIFIED COPY OF CORPORATE MINUTES AUTHORIZING EXECUTION.

CNH AMERICA LLC

March 5, 2007

Regional Sales Director — Date

NEW HOLLAND NORTH AMERICA, INC.

DEALER AGREEMENT

THIS AGREEMENT between New Holland North America, Inc., a Delaware corporation, having a place of business at 500 Diller Avenue, New Holland, Pennsylvania 17557 ("Company"), and

MEYER EQUIPMENT INC.

a Corporation incorporated in the state of NORTH DAKOTA

doing business as **MEYER EQUIPMENT INC** and with its principal place of business at:

6930 HWY 32 SO, LISBON, ND 58054 ("Dealer")

will be **effective January 1, 2000**.

BY THIS AGREEMENT, Dealer is authorized at the DEALER LOCATION and BRANCH LOCATION(S) listed in Schedule C to sell, rent and lease at retail and to service selected new PRODUCTS manufactured or distributed by the Company.

Both parties recognize that the rights of Dealer and the Company under this Agreement are defined by the terms of this Agreement and applicable law.

IN CONSIDERATION of the representations and promises contained in this Agreement, the Company and Dealer agree as follows:

1. DEFINITIONS

The following definitions shall apply throughout this Agreement:

a. BRANCH LOCATION(S) shall mean the secondary place or places of business of Dealer designated in Schedule C for the sales, renting, leasing and/or servicing of PRODUCTS under this Agreement separate from the Dealer's principal place of business.

b. DEALER LOCATION shall mean the place or places of business of the Dealer designated in Schedule C for sale, rent, lease and service of PRODUCTS, including any BRANCH LOCATION(S).

c. DEALER PRICE shall mean the price to the Dealer for PRODUCTS established by the Company from time to time excluding any holdback, deposit or charge by the Company for taxes, handling, delivery, transportation or special items or services.

d. DOMESTIC shall mean within the 50 states of the United States of America.

e. EQUIPMENT shall mean those models of new equipment and any related attachments that are designated by PRODUCT LINE and listed in Schedule B. The Company reserves the absolute and sole right to determine what EQUIPMENT it will offer Dealer for retail sale.

f. GENUINE PARTS shall mean new Company-sourced assemblies, subassemblies, components and accessories (and any part thereof) for only that EQUIPMENT which Dealer is authorized to sell on Schedule B, unless otherwise authorized by the Company.

g. MANUAL shall mean the Service/Warranty Chapter of the Dealer Policy Manual (or the equivalent document or documents) and amendments thereto, as may be made from time to time by the Company and provided to Dealer, setting forth the policies and procedures of various warranty and protection plans, which document is made part of this Agreement.

h. MARKET SHARE shall mean the percentage of Company PRODUCTS RETAILED by Dealer within the PMR designated in Schedule C as a portion of

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the total industry volume (as reported by the Equipment Manufacturers Institute or other organization identified by the Company) of all comparable products, including PRODUCTS and competitive non-Company products, RETAILED in Dealer's designated PMR. MARKET SHARE shall be computed by dividing the Dealer's sales of a given PRODUCT or PRODUCT LINE within the Dealer's designated PMR by the total industry volume of that PRODUCT or PRODUCT LINE sold within the designated PMR.

i. NON-EXCLUSIVE shall mean that Dealer may market and sell PRODUCT in markets other than the PMR designated in Schedule C, that other dealers may sell Company PRODUCTS to customers within the Dealer's designated PMR, and that Dealer has no actual or implied right, contractual or otherwise, to be the only Company dealer located in the designated PMR or any geographic area, or to maintain the only Company dealer selling locations in the designated PMR or any other market area. The Company has no actual or implied obligation, contractual or otherwise, to forgo placing a new Company dealer or dealer selling location in Dealer's designated PMR or any given geographic area, and may in fact appoint such new Company dealers or locations at any time.

j. PRIMARY MARKET OF RESPONSIBILITY ("PMR") shall mean the total industry volume (as reported by the Equipment Manufacturers Institute or other organization identified by the Company) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which Dealer has sales and service responsibility for PRODUCTS. Dealer's designated PMR may vary by PRODUCT or PRODUCT LINE. The PMR is NON-EXCLUSIVE and is used solely to measure the Dealer's sales performance.

k. PRINCIPAL DEALER LOCATION shall mean the DEALER LOCATION listed first on Schedule C.

l. PRODUCT(S) shall mean EQUIPMENT and GENUINE PARTS.

m. PRODUCT AND PRICING BULLETIN shall mean the latest bulletin (or equivalent document or documents) and amendments thereto as may be made from time to time by the Company and provided to Dealer setting forth the terms of sale and ordering procedure applicable to sales of PRODUCTS to Dealers, which document is made part of this Agreement.

n. PRODUCT LINES shall mean the categories of EQUIPMENT that Dealer is authorized in writing, per Schedule B, by the Company to sell, rent, lease and service.

o. REGIONAL SALES AREA shall mean the designated multi-state area managed by a Company Regional Sales Manager.

p. RETAIL shall mean a sale, rental or lease to an end user and does not include any sale to jobbers, jockeys, unauthorized dealers or other wholesalers.

2. APPOINTMENT.

The Company appoints Dealer as a NON-EXCLUSIVE Dealer solely for the RETAIL sale and service of PRODUCTS to DOMESTIC customers at the DEALER LOCATION and BRANCH LOCATION(S) listed in Schedule C, and Dealer accepts this appointment. Under this appointment, Dealer is only authorized to sell PRODUCTS to RETAIL customers in the DOMESTIC market. Any sales of PRODUCT for export or from a location not authorized in Schedule C require the prior written consent of the Company.

3. DEALER OWNERS AND MANAGERS.

a. Dealer represents that it conducts business under the legal form or entity shown on Schedule A (i).

b. Dealer represents that it is owned by the persons listed on Schedule A (ii), which schedule the Dealer further represents to contain the complete list of all persons holding an ownership interest in Dealer.

c. Dealer represents that it is managed by the person(s) listed in Schedule A (iii), which schedule Dealer further represents to contain the complete list of all those who have full authority and responsibility for the management of Dealer in the performance of this Agreement.

d. Dealer shall give the Company 60 days written notice of any proposed change in the legal form of Dealer and any proposed change in Dealer ownership or operating management, and immediate notice of the death or incapacity of any person listed in Schedule A. No change in Dealer ownership or operating management shall be effective against the Company until embodied in an appropriate amendment to Schedule A or an assignment of this Agreement, duly executed by the Company and Dealer and properly delivered.

4. SALES RESPONSIBILITY

a. Dealer agrees to promote vigorously and aggressively the sale at RETAIL of PRODUCTS in order to assure maximum sales of PRODUCTS and further agrees to obtain a reasonable share of the market in Dealer's designated PMR and a reasonable total sales revenue for all PRODUCTS which dealer is authorized to sell. It is agreed that a reasonable MARKET SHARE within the designated PMR shall be 90% of the average MARKET SHARE that New Holland PRODUCTS or EQUIPMENT achieve within Dealer's state or REGIONAL SALES AREA. The Company, at its sole discretion, will determine whether Dealer's state or REGIONAL SALES AREA will be used to measure Dealer's performance.

b. Dealer also agrees to develop, maintain and direct a sufficient number of trained, qualified sales personnel and shall conduct aggressive advertising and sales promotion activities.

c. Dealer understands and agrees that its performance of its PRODUCT sales (and, where appropriate, leasing and rental) responsibility hereunder shall be measured by the Company through the use, exclusively, of such reasonable criteria as the Company may adopt, and without limitation, taking into consideration the Dealer's MARKET SHARES within its PMR, total revenue, total sales, leases and rentals of PRODUCTS and its sales, leases and rentals of EQUIPMENT categorized by PRODUCT LINE, to customers in the PMR. The Dealer's prior sales performance with the Company may be considered in evaluating Dealer's performance under this Agreement. The Company may from time to time conduct surveys (by use of questionnaires or otherwise) of owners, lessees and renters of EQUIPMENT purchased, leased or rented from Dealer to determine the satisfaction of those owners, lessees and renters with the sales, leasing and rental efforts of Dealer. The results of these surveys may be taken into consideration in assessing Dealer's performance under this Agreement.

d. In addition to the remedies for breach hereof as set forth in Paragraph 23(c), if Dealer fails to carry out its PRODUCT sales responsibility hereunder in the sale of a PRODUCT LINE or specific EQUIPMENT in a PRODUCT LINE, the Company may, at its sole discretion, and after thirty (30) days prior written notice, remove that PRODUCT LINE or EQUIPMENT from Schedule B. In such event, Dealer will no longer be authorized to sell that PRODUCT LINE or EQUIPMENT.

e. Dealer shall not offer for sale or sell as a GENUINE PART, any assembly, subassembly, component, accessory (or any part thereof) that is not a GENUINE PART.

f. The Company reserves the right to sell, rent or lease PRODUCT directly to end users within Dealer's designated PMR or elsewhere without incurring any liability to Dealer. The term "end users" shall include, but not be limited to, governmental agendas, institutions or entities, educational or charitable institutions, rental companies and accounts classified by the Company as national accounts. The Company shall have no liability to Dealer for any sales made pursuant to this Paragraph.

5. SERVICE RESPONSIBILITY

a. **General**. In accordance with standards and procedures established from time to time by the Company, Dealer agrees to develop, maintain and direct a sufficient number of trained and competent service mechanics and technicians and to render at the DEALER LOCATION and in the field and at any BRANCH established for the purpose of service, prompt, professional and courteous service to owners and users of PRODUCTS.

b. **Predelivery**. In accordance with instructions issued from time to time by the Company, Dealer agrees to perform inspection, conditioning and repair of EQUIPMENT before delivery to a retail purchaser, lessee or renter.

c. **Warranty and Policy**. Dealer must perform warranty and policy service on PRODUCTS sold by Dealer in accordance with the MANUAL. At the customer's request, Dealer shall perform warranty and policy service on PRODUCTS not originally sold by Dealer.

d. **Campaigns**. Dealer agrees to perform campaign and field improvement program (FIP) inspections and make corrections for owners and users of PRODUCTS in accordance with instructions issued by the Company and the provisions of the MANUAL.

e. **Parts; Priority**. Except as otherwise instructed by the Company, Dealer agrees to use only GENUINE PARTS in performing warranty, policy and campaign/FIP work. Dealer shall give priority to warranty, policy and campaign work over other service work if the customer's use of the EQUIPMENT submitted for warranty, policy or campaign/FIP work is impaired.

f. **Service Tools**. Dealer agrees to keep in inventory all special tools required by the Company to service the PRODUCTS listed in Schedule B.

6. STOCKS

Dealer agrees to order, stock, maintain and prominently display in new salable condition at each DEALER LOCATION representative models of each type of EQUIPMENT which Dealer is authorized to sell hereunder, as set forth on Schedule B. It shall be the Company's sole right to determine minimum EQUIPMENT stocking requirements.

7. ORDERS

a. Dealer shall submit orders for PRODUCTS to the Company at times designated by the Company and using methods and forms required by (or approved by) the Company (or in accordance with the PRODUCT AND PRICING BULLETIN or other procedures established by the Company).

b. The Company shall make reasonable efforts to honor each order for PRODUCTS from Dealer accepted by the Company, but shall not be liable for failure to deliver or delay in delivery of PRODUCTS.

c. Orders for PRODUCTS are deemed to be accepted by the Company when the order is expressly confirmed by the Company or the ordered PRODUCTS are delivered to Dealer or the carrier. The Company may install any equipment or accessories required by law on any EQUIPMENT ordered by a Dealer whether or not these mandatory items were included in Dealer's order.

8. PRICES AND CHARGES

Unless otherwise determined by the Company in the PRODUCT AND PRICING BULLETIN or by other written notice to Dealer, the following provisions shall apply:

a. Dealer shall pay the Company the DEALER PRICE for each PRODUCT purchased from the Company by Dealer, plus any holdback and charges by the Company for reimbursement of taxes, duties, transportation, handling, distribution, delivery or special items or services. The Company may change the DEALER PRICE, holdback, reimbursement and other charges at any time prior to acceptance of the order without prior notice to Dealer. Except as otherwise specified in writing by the Company, the DEALER PRICE and charges shall be those in effect, and delivery to Dealer shall be deemed made and the order filled, on the date of delivery by the Company to the carrier or to Dealer, whichever occurs first.

b. If the Company increases the DEALER PRICE for any PRODUCT, Dealer may cancel, by written notice to the Company within 10 days after receipt of notice of the increase, any orders for that PRODUCT placed by Dealer prior to receiving notice of the increase and not already accepted by the Company at the time the Company receives Dealer's notice of cancellation.

9. TERMS OF PAYMENT AND DELIVERY

Unless otherwise determined by the Company by written notice to Dealer, the following provisions shall apply:

a. **Payment.** Payment for each PRODUCT shall be made in current funds unless the invoice or the Company's then current and applicable payment plan provides otherwise, in which event the terms of the invoice or the plan shall govern. Dealer shall pay the Company for all PRODUCTS immediately upon delivery of PRODUCTS to Dealer. Receipt of any check, draft or other commercial paper shall not constitute payment until the Company has received cash in the full amount thereof. Failure to make payment in accordance with this Paragraph may, at the discretion of the Company, result in the Company revoking the sale and repossessing the PRODUCT without notice or formality or result in a charge back or disallowance of discounts and/or settlement allowances. These remedies are in addition to those available to the Company under Paragraphs 23(c) and (d).

b. **Delivery.** The Company reserves the right to determine the method and routing for delivery of PRODUCTS sold to Dealer. Where specific shipping instructions are not stated in the order, the Company will endeavor to ship over the best and most economical route. The Company shall not be responsible for guaranteeing shipping rates or for delays in shipments. In cases where the order submitted by Dealer specifies a date for Dealer pick-up at a the Company depot or other location and PRODUCTS are not called for within 10 days of that date, the Company may ship the PRODUCTS ordered to Dealer, and the cost of shipping and handling shall be borne by Dealer.

c. **Equipment Relocation.** The Company from time to time may request Dealer to relocate EQUIPMENT. If the Company makes such a relocation request and

Dealer refuses to release the unit, the Company may at its discretion demand payment for the unit in full on the first day of the month following the request.

d. **Security.** As security for the purchase price of any PRODUCTS sold to Dealer, the Company shall have a purchase money security interest in such PRODUCTS as more fully set forth in the Dealer Security Agreement. The Company reserves the right to declare all balances of the account due and payable immediately if for any reason it deems such necessary for protection of its interests. No cash discount will be allowed Dealer so long as any of the indebtedness, whether secured by collateral or otherwise, is past due, and in that case, at the option of the Company, further shipments of PRODUCTS may be stopped altogether or made only on a cash or COD basis. Dealer shall be charged and must pay interest on all accounts past due at the highest lawful contract rate. All payments made on the indebtedness shall be payable at the Company's office or other designated depositories. Dealer shall reimburse the Company for any exchange or collection charges, including reasonable legal fees, in connection with any of Dealer's remittances.

e. **Wholesale Credit Line.** Dealer shall comply fully with the terms of any wholesale line of credit applying to sales made to Dealer and Dealer shall make no sale or other disposition of floor planned EQUIPMENT other than by normal course of business sale or lease to a bona fide retail customer, or by wholesale transfer to another authorized Company Dealer.

f. **Title.** Title to each PRODUCT purchased by Dealer shall pass to Dealer or to the finance institution designated by Dealer upon delivery of the PRODUCT to a carrier or Dealer.

g. **Risk of Loss and Claims.** All risk of loss and damage to any PRODUCT purchased by Dealer from the Company that is not borne by the carrier while the PRODUCT is in the possession of the carrier shall be the responsibility of the Company, provided upon delivery Dealer promptly and properly inspects and records any loss of or damage to the PRODUCT. In accordance with the MANUAL, Dealer shall cooperate with the Company in processing all claims for loss of or damage to PRODUCTS. Dealer shall bear all risk of loss or deterioration of, or damage to, PRODUCTS from the time delivery is tendered to Dealer. Dealer shall promptly notify the Company if any new and unused EQUIPMENT is substantially damaged while in Dealer's possession. To preserve the quality and value of new EQUIPMENT offered to the public, the Company shall have the option to repair or replace any such EQUIPMENT. Dealer shall assign to the Company Dealer's rights under any insurance contract related to such EQUIPMENT repaired or replaced by the Company; however, the total cost to repair or replace such EQUIPMENT shall be the sole responsibility of Dealer.

h. **Demurrage and Diversion Liability.** Dealer shall pay all demurrage, storage and other charges accruing after arrival of any shipment of PRODUCTS at the

designated destination. If Dealer fails or refuses for any reason to accept delivery of any PRODUCT ordered by Dealer, Dealer shall pay the Company the amount of all expenses incurred by the Company in shipping PRODUCTS to Dealer and in returning PRODUCTS to the original shipping point or diverting them to another destination; but Dealer shall not pay more for diversion than the expense of returning the PRODUCT to its original shipping point.

i. **Taxes.** Dealer represents and warrants that all PRODUCTS purchased from the Company are purchased for resale to retail customers in the ordinary course of Dealer's business. Dealer further represents and warrants compliance with all requirements for collection and payment of applicable sales, use and like taxes, and has provided or will provide evidence thereof to the Company. These representations and warranties shall be deemed a part of each order given by Dealer to the Company. Dealer agrees that, as to any PRODUCT put to a taxable use by Dealer or purchased by Dealer other than for resale, Dealer shall make timely and proper return and payment of all applicable sales, use and other taxes, and shall indemnify, defend and hold the Company harmless from all claims and demand for those taxes.

j. **Application of Money and Credits.** Any money or credits due and payable or becoming due and payable from the Company to Dealer as a result of the business dealings between the parties may, at the Company's option, be applied in any order the Company may determine for the satisfaction, in full or in part, of any debts, liabilities or obligation due and payable or becoming due and payable or owing from Dealer to the Company, including, but not limited to past due interest due from Dealer to any financing organization for which the Company may be responsible to pay in the future.

10. ADVERTISING, PROMOTION AND TRADE PRACTICES

a. Dealer shall conduct business in a manner that will reflect favorably at all times on Dealer, the Company, PRODUCTS and other Dealers in PRODUCTS. Dealer shall refrain from business practices, advertisements and promotions that are unethical, deceptive, misleading, confusing or would likely contravene any voluntary or involuntary advertising standard or any law. Dealer shall not make directly or indirectly any false or misleading statement or representation concerning any PRODUCT or other item held for sale, lease or rental, its source, condition or capabilities, the prices or charges therefor or the charges made by the Company for distribution, delivery, taxes or other items.

b. Dealer shall comply with all laws, rules and regulations applicable to the ordering, sale and service of PRODUCTS and any used PRODUCTS including without limitation those concerning safety, emissions control and customer service. With further regard to used PRODUCTS which come into its possession, Dealer agrees to inspect such PRODUCTS and bring them up to reasonably safe condition whether by repair or by adding or repairing safety mechanisms and shields as originally supplied.

c. Dealer may not modify new EQUIPMENT without the written consent of the Company. If the Company permits Dealer to modify new EQUIPMENT or install on new EQUIPMENT any equipment, accessory or part that has not been supplied by the Company, or sell any EQUIPMENT that has been modified, or sell any non-New Holland service contract in conjunction with the sale of EQUIPMENT, the Dealer will disclose this fact to the purchaser in writing and will advise the purchaser in writing that the modification, equipment, accessory or part is not included in warranties provided by the Company or, in the case of a service contract, the coverage is not provided by the Company. With respect to used EQUIPMENT, Dealer shall not represent the source of any modification, accessory, part or service contract to be New Holland if the source is not the Company.

11. LITERATURE AND INSTRUCTION

a. In accordance with Company instructions as issued from time to time, Dealer agrees to complete, execute and deliver to each retail purchaser of a PRODUCT the appropriate current publications and forms for owners covering operation, maintenance, warranty and other matters as determined by the Company. Dealer promptly shall comply with its obligations under these publications.

b. At the time of delivery, Dealer agrees to instruct each purchaser, lessee or renter of a PRODUCT from Dealer in the safe use and operation of that PRODUCT.

12. CUSTOMER HANDLING

Dealer shall promptly investigate and take appropriate corrective action to satisfy the customer with respect to all matters brought to its attention relating to the sale and service of PRODUCTS, shall make regular contact with owners and users of PRODUCTS and shall report promptly to the Company the details of each inquiry or complaint concerning a PRODUCT Dealer cannot correct to the customer's satisfaction. Dealer shall also promptly notify the Company of any reports of accidents or injuries involving PRODUCTS.

13. FACILITIES AND EQUIPMENT

a. Dealer shall establish and maintain at a location approved by the Company a place of business that, in the Company's opinion:

(i) is of satisfactory size, layout, appearance and condition;

(ii) contains adequate space for exclusive display, sale and service of PRODUCTS, sale of used equipment, customer parking, customer waiting, office functions and storage; and

(iii) is equipped to the Company's sole satisfaction with the tools, equipment and machinery that will enable Dealer to meet its obligations under this Agreement.

b. With the Company's prior consent as set forth herein, Dealer may establish and maintain BRANCH LOCATIONS for the sale and/or service of PRODUCTS at locations approved by the Company. All requirements set forth in this Agreement, including but not limited to those set forth in Paragraph 13(a), shall apply to all BRANCH LOCATIONS.

c. Without the prior written consent of the Company, Dealer shall not move or substantially modify its place or places of business or establish, directly or indirectly, any other place of business, including BRANCH LOCATIONS, for the sale or service of PRODUCTS.

d. Dealer shall keep its place or places of business open during all hours and days customary in the trade.

e. The Dealer shall set up and use at each DEALER LOCATION a Company approved computerized system for communications with the Company and shall subscribe to the Company Parts Automated Library System (PAL).

14. WARRANTY

a. The warranties covering EQUIPMENT are set forth in the MANUAL. Dealer shall review the written warranty set forth in the MANUAL with the customer and obtain the customer's signature on the Warranty and Limitation of Liability Agreement. Dealer shall then submit the signed Warranty and Limitation of Liability Agreement to the Company as set forth in the MANUAL. Dealer shall also provide customer information for each PRODUCT retailed by Dealer as requested by the Company for the

purposes of, but not limited to, the Warranty Record. The Company and Dealer promptly shall fulfill their responsibilities under this warranty.

b. Dealer shall expressly incorporate the appropriate GENUINE PARTS warranty as part of each sale of a GENUINE PART, in accordance with instructions set forth in the MANUAL.

c. **EXCEPT FOR THE WARRANTY EXTENDED UNDER THIS PARAGRAPH 14, AND TO THE EXTENT ALLOWED BY LAW, THERE SHALL BE NO OTHER WARRANTY OR CONDITION, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER OBLIGATION OF THE COMPANY TO DEALER OR THE CUSTOMER WITH RESPECT TO PRODUCTS. NOTWITHSTANDING THE FOREGOING, ANY PROVISIONS IN THIS AGREEMENT BETWEEN DEALER AND THE COMPANY REGARDING PRODUCTS SHALL REMAIN EFFECTIVE.**

d. The Company shall not be liable nor shall it defend, indemnify or in any way be obligated to assist Dealer in defense of any notice, claim, or lawsuit alleging the

existence of a warranty beyond the terms identified in the Warranty and Limitation of Liability Agreement referred to in this Paragraph 14.

e. The performance and administration of the warranties extended under this Paragraph 14 and the payment of claims under these warranties shall be as set forth in the MANUAL.

15. CREDIT LINE AND CAPITALIZATION

Dealer shall at all times employ in connection with its business under this Agreement a wholesale line of credit acceptable to the Company and the total investment, net working capital, and retail financing plans, in the amounts deemed necessary by the Company for Dealer to comply with its obligations hereunder.

16. SIGNS

Dealer shall acquire, erect and maintain a Company-approved primary identification sign to identify each DEALER LOCATION listed in Schedule C as a Dealer in PRODUCTS. These signs shall be subject to the Company's approval with respect to the display of any trademark or trade name to which the Company or any affiliated company is entitled.

17. DEALER STANDARDS

Dealer understands and agrees that the Company will evaluate the Dealer according to and under the terms of the Company's Dealer Standards Program and may reward those dealers that comply with these Standards and achieve high scores as defined by the Company.

18. REPORTS, AUDITS AND RECORDS

a. At the Company's request Dealer shall provide to the Company a copy of its annual and/or current monthly financial statement prepared by or for Dealer in accordance with generally accepted accounting principles. Dealer shall also promptly submit sales reports and other business, sales and service reports and documents to the Company upon request. All statements and reports shall contain information on any BRANCH LOCATIONS. At any time, the Company may request from Dealer additional or supplemental financial or other business data to assist in assessing its continuing credit risk or Dealer's compliance with the provisions of this Agreement. The Company also reserves the right to obtain from time to time personal financial statements from the owner(s), partner(s), principal stockholder(s) or guarantor(s) of Dealer. Dealer will comply with all requests for such additional information immediately. Failure to provide any of the reports, records or information which are the subject of this Paragraph may result in withdrawal of existing credit extensions or refusal to grant additional credit or such other actions as the Company may deem appropriate, including termination of this Agreement as provided herein.

b. Dealer shall permit persons designated by the Company, at reasonable times during normal business hours, to examine its place or places of business, stocks of PRODUCTS and other EQUIPMENT at the PRINCIPAL DEALER LOCATION and any BRANCH LOCATIONS, to test EQUIPMENT, to check and instruct Dealer and its employees in the proper handling of warranty and other repairs and claims based thereon and to examine, copy and audit all Dealer's original records and documents relating to Dealer's PRODUCTS business. Dealer shall maintain for at least two years all original records and documents relating to all claims made upon or paid by the Company including, but not limited to, warranty, policy and incentive claims. The submission of improper claims will result in a charge back against Dealer account with the Company for all improper or unsubstantiated claims. If Dealer refuses to permit an audit, fails to maintain the required records, or if it is determined that improper claims were intentionally made, the charge back will include all payments for the prior two years, including any dealer settlement allowances or retail sales incentives. This remedy is in addition to those available to the Company under Paragraph 23(d).

19. MARKET REPRESENTATION

a. Without liability to Dealer, the Company may determine the numbers, locations and sizes of Company dealers necessary for adequate PRODUCTS sales and service representation within any geographic area, or within the PMR designated in Schedule C, and may alter Dealer's designated PMR or appoint additional Company dealers in PRODUCTS within that PMR or elsewhere. Notwithstanding any other provision of this Agreement, the decision whether to alter Dealer's designated PMR or to establish a new or additional Company Dealer shall be made by the Company solely upon its own business judgment. Nothing in this Agreement shall be construed as requiring Dealer's consent to the establishment of a new or additional Dealer in any area where the Dealer markets or sells PRODUCTS or elsewhere.

b. The Company may make gifts or loans of PRODUCT to others within Dealer's designated PMR or otherwise without liability to Dealer. The Company also may offer any PRODUCTS including new, modified and differently designed PRODUCT, bearing any trademarks or trade names to which the Company or any affiliated company is entitled, to selected Company Dealers or others under existing or new agreements without liability to Dealer, and without undertaking any obligation to make such PRODUCTS available to the Dealer.

c. In view of the personal nature of this Agreement, the rights and privileges conferred on Dealer under this Agreement are not transferable, assignable or salable by Dealer, and no property right or interest, direct or indirect, is sold, conveyed or transferred to Dealer under this Agreement. The Company may select the dealers it shall appoint to distribute and service PRODUCTS and may refuse to appoint as a Dealer any purchaser or prospective purchaser of any of the shares or assets of Dealer upon the termination of this Agreement or otherwise.

Dealer shall give the Company 60 days written notice of Dealer's intention to transfer or sell the shares or assets of the dealership.

d. Dealer has not paid any fee for this Agreement.

20. MODEL CHANGE

a. Without giving notice to Dealer and without incurring any liability to Dealer, the Company:

(i) may alter, modify or discontinue the design, construction and availability of any PRODUCT;

(ii) may withdraw from the market any PRODUCT, any derivative of a PRODUCT and any version of any derivative of a PRODUCT; and

(iii) may market additional or replacement PRODUCTS.

b. Unless the Company advises Dealer in writing to the contrary, or except as required by law, the Company does not sell its PRODUCTS to Dealer using a model year or year of manufacture designation. Except as required by law, Dealer shall make no representation upon resale, lease or renting that the EQUIPMENT is of a particular model year.

21. TRADEMARKS, TRADE NAMES AND TRADE SECRETS

a **Use in Title.** Dealer shall not use as, or as part of, its trading or firm title any name that is not acceptable to the Company. Without the Company's prior consent, Dealer shall not use "New Holland" or any trade names or trademarks owned or used by New Holland North America, Inc. or New Holland N.V., or any successor entity, as or as part of Dealer's firm, trade or corporate name and shall not permit any person, firm or corporation controlled by it or affiliated with it to do so. Such tradenames and trademarks belong to New Holland North America, Inc. or New Holland N.V. and may be used by Dealer only in connection with the advertisement and sales of PRODUCTS sold to Dealer by the Company. Any such use by Dealer shall immediately cease upon termination of the business relationship between the Company and Dealer.

b. **Goodwill and Reputation.** Dealer shall not in any trading title used by the Dealer in connection with its business activities under this Agreement or in connection with any other business activity, use any name or words capable of damaging the goodwill or reputation of the Company or any affiliated company or predecessor. Dealer shall promptly carry out all reasonable instructions and requests of the Company issued to protect and promote the value, goodwill and reputation of any trademark or trade name to which the Company or any affiliated company or predecessor is entitled.

c. Dealer shall maintain in strict confidence all commercial and technical information disclosed by the Company to Dealer.

22. DURATION

Unless terminated earlier in accordance with the terms hereof, this Agreement shall continue from the date first set forth above until December 31, 2002. This Agreement shall be extended for successive one-year terms unless at least ninety (90) days prior to the expiration date of the original term or any extension term either party notifies the other of its intention not to extend. Upon such notification, this Agreement shall expire on December 31, 2002 or at the end of any such extension period. Dealer understands that this Agreement is of a limited duration and agrees that it has not relied on any representation regarding the continuation of this Agreement or its benefits beyond the initial term or any subsequent term.

23. TERMINATION

It is agreed that the following shall illustrate, but in no way limit, the various grounds which shall entitle the Company, at its option, and Dealer where so indicated, to terminate this Agreement prior to its expiration, and which shall entitle the Company to immediate possession of all PRODUCTS for which Dealer is indebted to the Company or a Company-approved financing institution:

a. **Replacement Agreement.** In the event the Company offers a new or amended form of agreement to its dealers in PRODUCTS, the Company may terminate this Agreement at any time by giving Dealer at least thirty (30) days prior written notice.

b. **At Will.** Dealer may terminate this Agreement at any time, with or without cause, after at least thirty (30) days prior written notice to the Company.

c. **Breach.** Except for those events set forth in Paragraph 23(d), the Company shall give the dealer notice and sixty (60) days opportunity to cure, to the Company's sole satisfaction, any failure of the Dealer to fulfill any of its obligations under this Agreement. If Dealer fails to cure the breach or breaches to the Company's sole satisfaction, the Company may terminate this Agreement by giving Dealer thirty (30) days written notice.

d. **With Immediate Effect.** The Company may terminate this Agreement with immediate effect by giving notice to Dealer or to Dealer's legal representative in any of the following events:

(i) Any transfer or attempted transfer, without the prior written approval of the Company, by Dealer of any interest in, or right, privilege, or obligation under this Agreement, or any transfer by operation of law or otherwise of the principal assets of the Dealer that are required for the conduct of its business under this Agreement, or any change, however accomplished, in

the direct or indirect ownership or operating management of Dealer as set forth in Schedule A.

(ii) Any misrepresentation in applying for appointment as a dealer in PRODUCTS by Dealer or any person named in Schedule A; the submission of a fraudulent parts return or the return of parts with fraudulent packaging or labeling; the submission by Dealer to the Company of a false or fraudulent application or claim, or any false statement in support thereof, for warranty, policy or campaign adjustments or for wholesale parts or sales incentives or for any other refund, credit, rebate, incentive, allowance, discount, reimbursement or payment under any program, or the acceptance by Dealer of any payment for any work not performed by Dealer in accordance with the provisions of this Agreement or the MANUAL.

(iii) Failure of Dealer to maintain one or more of Dealer's places of business open for business for a period of seven or more consecutive days.

(iv) Conviction or guilty plea in a court of original jurisdiction of Dealer or any person named in Schedule A of a felony or of any violation of law that in the Company's opinion tends to affect adversely the operation or business of Dealer or the good name, goodwill or reputation of PRODUCTS, Dealer, the Company, or other dealers in PRODUCTS.

(v) Failure of Dealer to fulfill any provision of Paragraph 9 or Paragraph 21 or to pay the Company any sum due under any agreement between the Company and Dealer.

(vi) Failure of Dealer to obtain or hold any license required for the performance of any of Dealer's obligations under this Agreement.

(vii) Death or physical or mental incapacity or disappearance of Dealer if Dealer is an individual, or of the principal owner of Dealer if Dealer is a legal entity other than an individual.

(viii) Insolvency of Dealer; the inability of Dealer to pay debts as they mature, whether to the Company or others; the filing of a petition in bankruptcy or for reorganization, whether voluntary or involuntary; the making of an assignment by Dealer for the benefit of creditors; the appointment of a receiver, custodian or trustee for Dealer or its property; or default by Dealer in the payment of any obligation owing to the Company.

(ix) Revocation or discontinuance of any guaranty of Dealer's present or future obligations to the Company.

(x) Failure of Dealer to provide the reports and/or permit the audits described in Paragraph 18.

(xi) Any conduct by any person named in Schedule A or any employee of Dealer unbecoming a reputable businessperson, or disagreement between any persons named therein that in the Company's opinion tends to adversely affect the operation or business of Dealer or the good name, goodwill or reputation of PRODUCTS, Dealer, the Company, or other dealers in products.

(xii) Conduct by any person named in Schedule A or any employee of Dealer that is abusive or threatening to any Company employee.

24. OBLIGATIONS UPON EXPIRATION OR TERMINATION

a. Upon the expiration or termination of this Agreement, Dealer shall cease to be a dealer in PRODUCTS, all orders from Dealer for PRODUCTS that have not been shipped shall be canceled without liability to either party, and Dealer promptly shall:

(i) pay the Company all sums owed by Dealer to the Company;

(ii) remove all signs owned or controlled by Dealer that bear any trademark or trade name of the Company or any of its affiliates or predecessors;

(iii) discontinue the use of any trademark or trade name of the Company or any of its affiliates or predecessors; and

(iv) cease to represent in any way that Dealer continues to be a Dealer in PRODUCTS.

b. If Dealer fails to comply with these requirements, the Company may take reasonable steps to achieve compliance or the same result as would be realized by Dealer compliance, and Dealer shall reimburse the Company for all costs and expenses, including reasonable attorney's fees, incurred by the Company in effecting or enforcing compliance. All obligations contained in Paragraph 24 shall survive the expiration or termination of this Agreement. Final settlement of Dealer's account with the Company shall not be made until all requirements of this Agreement, particularly those obligations set forth in Paragraph 24(a), are complied with by Dealer.

25. ACQUISITION OF CERTAIN PROPERTY UPON TERMINATION

Unless otherwise provided by law, the following provisions shall control:

a. If this Agreement expires or is terminated, then upon Dealer's written request, the Company shall repurchase all new, complete, unused, unsold and undamaged PRODUCTS in Dealer's stock on the date of termination provided the PRODUCT:

(i) is in new, complete, salable condition;

(ii) is listed in the then-current price and data book or parts price list;

(iii) is free and clear of all liens; and

(iv) was purchased by Dealer from the Company.

In addition, the Company will only repurchase GENUINE PARTS that are returned in correct order multiples, in a complete set (if originally sold in a set of two or more items) and in the original Company packaging with the original authorized Company identification label. The Company will only repurchase attachments that were not previously installed and which were invoiced separately to Dealer. The Company will not repurchase any GENUINE PART that has a limited shelf life, has an altered or counterfeited identification label, is in a broken package, is a hazardous material or was direct shipped from a supplier other than the Company.

b. The price for any repurchased EQUIPMENT shall be the price paid by Dealer to the Company, less charges for distribution, delivery, handling, advertising and taxes, and less any amount previously credited or refunded to Dealer on that EQUIPMENT. The Company is not obligated to reimburse Dealer for unloading, set-up, or preparation of returned PRODUCTS under this Paragraph 25. The price for any repurchased GENUINE PART shall be the then-current dealer price, less all allowances and discounts paid or allowances and discounts currently offered by the Company, less the amount representing freight currently being prepaid by the Company on stock orders, and less a ten percent (10%) restocking charge. Dealer must notify the Company in writing within thirty (30) days of the expiration or termination of this Agreement that Dealer desires the Company to reacquire certain PRODUCTS, and return such PRODUCTS to the Company within sixty (60) days. A single return of GENUINE PARTS will be permitted.

c. Upon expiration or termination of this Agreement, the Company may retake without payment any materials (such as sales promotion, advertising and training materials, Price and Data books, tools and signs) provided without charge to Dealer by the Company or any predecessor. In no event shall the Company have the obligation to purchase Dealer's facilities (including land and buildings) or any assets not specifically mentioned in this Paragraph 25.

d. All items to be repurchased by the Company under this Paragraph 25 shall be packed, boxed or crated and shipped by Dealer in accordance with the Company's instructions, unless otherwise required by law, freight prepaid at Dealer's expense to the destination specified by the Company. All items thus repurchased shall be delivered, sold and paid for free of all claims, liens and other encumbrances after compliance with all bulk sales or similar laws for the protection of creditors and shall be transferred by warranty bills of sale satisfactory to the Company. Dealer will be paid for the items reacquired by the Company, less any amount owed to the Company.

e. The Company shall have the right to withhold from the price of any items repurchased pursuant to this Paragraph 25, a sum sufficient to discharge any liens or encumbrances against such items and to discharge such liens or encumbrances. Dealer shall, in addition, execute such documents and take any additional action reasonably

requested by the Company to transfer ownership thereof, free and clear of such liens and encumbrances.

26. RELATIONS AFTER EXPIRATION OR TERMINATION

Any business relations between the Company and Dealer after expiration or termination of this Agreement, whether with respect to PRODUCTS or otherwise, shall not constitute a waiver of the expiration or termination of this Agreement or in any manner reinstate the contractual relationship that existed by virtue of this Agreement, and all such relations shall be governed by terms identical to the relevant provisions of this Agreement unless the parties execute a new agreement superseding this Agreement.

27. NEW AGREEMENT

Unless otherwise specified by the Company in writing, the termination of this Agreement by the Company in connection with the offer by the Company to Dealer (or Dealer's successor in interest) of a new agreement for one or more PRODUCTS shall not give rise to the rights and obligations provided in Paragraphs 24 and 25 with respect to the PRODUCTS covered by the new agreement.

28. LIMITATION OF LIABILITY

This Agreement contemplates that Dealer, as an independent business, shall purchase PRODUCTS for resale in conformity with the provisions of this Agreement, and shall obtain on its own the capital investment necessary to operate the business. Nothing in this Agreement shall impose any liability on the Company in connection with Dealer's operations under this Agreement or otherwise, or for any expenditure made or incurred by Dealer in preparation for performance or in performance of Dealer's responsibilities under this Agreement.

The Company and Dealer both understand and agree that this Agreement is of a limited duration, and therefore, except as provided herein, neither party is entitled to any compensation or reimbursement for loss of past or prospective profits, past or prospective sales or any other losses occasioned by expiration, cancellation, non-renewal, termination or breach of this Agreement. The damages to which either party may be entitled for breach are limited to actual out-of-pocket expenses incurred as a direct result of the breach. The damages to which either party may be entitled for cancellation, non-renewal, or termination subsequently adjudged to be improper or unlawful are limited to actual out-of-pocket expenses incurred as a direct result of such cancellation, non-renewal, or termination during the period of time between notice and the effective date thereof.

29. AGENCY OR EMPLOYMENT RELATIONSHIP

This Agreement does not create an agency or employment relationship between the Company and Dealer or any personnel of Dealer. Neither Dealer nor any personnel of Dealer shall:

(i) be considered an agent or employee of the Company;

(ii) act or attempt to act or represent himself directly or by implication as an agent of the Company; or

(iii) assume or create or attempt to assume or create an obligation on behalf of or in the name of the Company.

30. ASSIGNMENT

Upon notice to Dealer, the Company may assign this Agreement and any rights and obligations under this Agreement to any affiliate of the Company or to any company that succeeds to the interests of New Holland North America, Inc. Dealer may not assign or otherwise transfer this Agreement, in whole or in part, without the written prior consent of the Company.

31. AMENDMENT AND SEPARABILITY

The Company may amend Schedules B and C of this Agreement at any time upon written notice to Dealer. If performance or enforcement of this Agreement is unlawful under a valid law of any jurisdiction where that performance or enforcement is to take place, the performance or enforcement will be modified to the minimum extent necessary to comply with any such law.

32. AUTHORIZED PERSONNEL

This Agreement shall bind the Company only if it bears the manual or facsimile signature of a Regional Sales Manager, or equivalent position, or any officer of the Company and a fully executed copy is delivered personally or by mail to the Dealer at its principal place of business. No one except those persons identified in the preceding sentence is authorized on behalf of the Company to make any other agreement relating to the subject matter of this Agreement or to modify any provision of this Agreement or to terminate this Agreement, and then only by a written instrument.

33. SUPERSESSION AND ENTIRE AGREEMENT

This Agreement terminates and supersedes all other agreements between the Dealer and the Company for the sale and service of PRODUCTS. This Agreement contains the entire agreement and constitutes the sole and exclusive agreement between the parties with respect to its subject matter.

Each party acknowledges that, except as expressly stated in this Agreement, no representation, understanding, course of conduct, custom or practice in the trade, or presumption of law or fact has been made or relied upon that has induced the execution of this Agreement, or would in any way modify any of its provisions with respect to the effectiveness, duration, expiration or termination or this Agreement or the sales or profit expectancy of Dealer.

Dealer understands that this Agreement has a limited duration and has decided to become a dealer in PRODUCTS and to make the investments necessary to become a dealer solely in reliance on its own investigation, appraisal and projection of present and future conditions and expectations and not in reliance on any statements made or documents exhibited to Dealer by the Company or any affiliated company or predecessor.

Dealer has read this Agreement and understands it and has had adequate opportunity to consult with legal counsel of Dealer's own choosing regarding the content and meaning of this Agreement. Dealer voluntarily has entered into this Agreement and acknowledges that each provision of this Agreement is reasonable, fair and equitable.

/s/ DM (DEALER INITIALS)

34. NO IMPLIED WAIVER

The waiver by either party or the failure by either party to claim a breach of any provision of this Agreement shall not constitute a waiver of any subsequent breach or affect in any way the effectiveness of that provision.

35. NOTICE, APPROVAL AND CONSENT

Any notice, approval or consent required or allowed under this Agreement shall be given in writing and, without prejudice to other forms of actual service, shall be considered as served upon being mailed in a properly sealed envelope with first class or certified or registered postage prepaid. Notices to the Company shall be addressed to the Regional Sales Manager for Dealer's assigned region and shall be delivered or mailed to New Holland North America, Inc., 500 Diller Avenue, PO Box 1895, New Holland, PA 17557. Notifies to Dealer shall be delivered or mailed to any person designated in Schedule A (II) or to Dealer at the PRINCIPAL DEALER LOCATION.

36. GOVERNING LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the state in which the PRINCIPAL DEALER LOCATION is situated, without regard to such state's choice of law rules or principles.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date written below.

NEW HOLLAND NORTH AMERICA, INC.		**DEALER**	
		MEYER EQUIPMENT INC	
		(Dealership Name)	
By:		By:	/s/ David J. Meyer
Title:	Regional Sales Manager	Title:	President
Date:		Date:	11-30-99

New Holland North America, Inc.

CNH AMERICA LLC

AMENDMENT TO DEALER AGREEMENT

Region: Northwest

This is an amendment to the CNH America LLC Dealer Agreement dated: January 1, 2000 and amended on April 14, 2003, (the "Agreement") between CNH America LLC a Delaware Limited Liability Corporation and Titan Machinery Inc., a Corporation (state whether an individual, partnership or corporation) in North Dakota (if corporation, name state in which incorporated) doing business as Titan Machinery Inc. and with a principal place of business at 6930 Hwy 32 South, Lisbon, ND 58054 (hereinafter called "Dealer").

In consideration of the mutual promises of the parties hereinafter set forth, it is agreed by the parties that the Agreement be amended as follows:

☐ Amend Schedule B to add the identified products to those products which were previously approved. New Schedule B showing all approved products is attached, reflecting the addition of:

☐ Amend Schedule B to eliminate the identified products from those products which were previously approved. New Schedule B showing all approved products is attached, reflecting the elimination of:

☐ Amend Schedule C to reflect the change in the primary market of responsibility (PMR) resulting from the addition or elimination of those products identified above. This amended Schedule C also reflects the primary market of responsibility (PMR) already designated for previously approved products under the Dealer Agreement.

☒ Amend Schedule C to reflect the addition of the branch location at Aberdeen, SD 57401. A new Schedule C is attached reflecting this change.

☐ This Agreement has been entered into by CNH America LLC in reliance upon the dealer's representation and agreement that the individual(s) listed on the Notice of Ownership and/or Management Change form dated: , photocopy of which is attached, are the true owners of the dealership. The manager listed will operate the dealership and is fully empowered to conduct business with CNH America LLC on an ongoing basis as required. Amendment to Schedule A to reflect the individual(s) named in the Notice of Ownership and/or Management Change form is attached.

☐

To the extent not inconsistent herewith, the Agreement shall remain in full force and effect. **IN WITNESS WHEREOF**, the parties have executed this Amendment as of the 10th day of May, 2005.

Titan Machinery Inc.
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Dealer Signature)

Chairman of the Board
(Title)

NOTE: IF DEALER IS CORPORATION, ATTACH CERTIFIED COPY OF CORPORATE MINUTES AUTHORIZING EXECUTION.

CNH AMERICA LLC

5-10-2005

Regional Sales Director | Date

DEALER AGREEMENT - SCHEDULE C

DEALER PRINCIPAL LOCATION, INDUSTRY POTENTIAL AND PMR

Dealer Trade Name: TITAN MACHINERY, INC.

Dealer Address: 6930 HIGHWAY 32 SOUTH, LISBON, ND 58054
(Physical Address) (Street Address, City, State, Zip Code)

The PRIMARY MARKET OF RESPONSIBILITY (PMR) shall mean the total industry volume (as reported by the Equipment Manufacturers Institute) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which the Dealer has sales and service responsibility for PRODUCTS. The PMR is the volume of a PRODUCT LINE sold within a geographic area, not the area itself. The Dealer's PMR may vary by PRODUCT or PRODUCT LINE. The Dealer's PMR is NON-EXCLUSIVE and will be the base against which the Dealer's sales performance is measured.

The following chart(s) identifies that portion (%) of the industry unit sales potential within the PMR that the Dealer is expected to participate in by PRODUCT LINE. The portion of industry unit sales potential just described will be reviewed periodically by the COMPANY and the Dealer will be advised of any changes.

EXAMPLE: If a Dealer is assigned 50% of the industry sales volume in a county in which 100 units of a given PRODUCT LINE is sold, then the Dealer's PMR for that PRODUCT LINE is 50% of the 100 units or 50 units. So, if this Dealer sold 10 units of this PRODUCT LINE in this county, the Dealer's market share would be 20%.

PRODUCT LINES AND % COUNTY ASSIGNMENT

COUNTY	ST	COMPACTS & CONS. PROD	MID-RANGE TRACTORS	HAY & PT FORAGE	SSL	INDUSTRIAL TRACTORS
BARNES	ND	100	100	100	90	0
CASS	ND	100	100	100	0	0
DICKEY	ND	0	0	0	0	0
FOSTER	ND	50	50	50	40	0
GRIGGS	ND	50	50	50	40	0
KIDDER	ND	50	50	50	40	0
LAMOURE	ND	50	50	50	40	0
RANSOM	ND	100	100	100	90	0
SARGENT	ND	100	100	100	90	0
STUTSMAN	ND	100	100	100	90	0
BROWN	SD	50	50	50	45	0
DAY	SD	25	25	25	25	0
EDMUNDS	SD	50	50	50	45	0
FAULK	SD	50	50	50	45	0

5/18/05

Regional Sales Director | Date

COUNTY	ST	HIGH HP TRACTORS	4WD TRACTORS	COMBINES	SELF-PROP. FORAGE	SELF-PROP. SPRAYERS	CROP PRODUCTION PRODUCTS
BARNES	ND	100	100	100	0	0	100
CASS	ND	100	100	100	0	0	100
DICKEY	ND	0	0	50	0	0	50
FOSTER	ND	50	50	50	0	0	50
GRIGGS	ND	50	50	50	0	0	50
KIDDER	ND	50	50	50	0	0	50
LAMOURE	ND	50	50	50	0	0	50
RANSOM	ND	100	100	100	0	0	100
SARGENT	ND	100	100	100	0	0	100
STUTSMAN	ND	100	100	100	0	0	100
BROWN	SD	50	50	50	0	0	50
DAY	SD	25	25	25	0	0	25
EDMUNDS	SD	50	50	50	0	0	50
FAULK	SD	50	50	50	0	0	50

BRANCH LOCATION(S) OF DEALER

1100 HIGHWAY 13 EAST
(Street Address)

LAMOURE | ND | 58458-00096
(City) | (State) | (Zip Code)

1620 8TH AVENUE SW
(Street Address)

JAMESTOWN | ND | 58401-0469
(City) | (State) | (Zip Code)

2000 E. MAIN
(Street Address)

WEST FARGO | ND | 58078

(City)	(State)	(Zip Code)
4411 East Highway 12 (Street Address)		
Aberdeen	SD	57401
(City)	(State)	(Zip Code)
(City)	(State)	(Zip Code)

Regional Sales Director — 5/9/05 (Date)

DEALER SECURITY AGREEMENT

DEALER SECURITY AGREEMENT

THE undersigned CNH AMERICA LLC, a Delaware corporation having offices at New Holland, Pennsylvania, (hereinafter called Company) as secured party and the undersigned Dealer (hereinafter called Dealer) as debtor, intending to be legally bound, hereby agree as follows:

1. It is anticipated that Company in its continuing sole discretion, from time to time may sell its goods on credit to Dealer. Dealer agrees to pay Company for such goods in the manner at the times prescribed in the Terms of Sale in effect at the time of sale.

2. In order to induce Company to make such sales, Dealer hereby grants to Company a security interest under the Uniform Commercial Code in the collateral described in Paragraph 3 below to secure all present and future obligations and liabilities of Dealer to Company, including but not limited to contingent liabilities and future advances made for taxes, levies and repairs to or maintenance of the collateral (all of which obligations and liabilities together are herein called the "indebtedness").

3. The word collateral, as used in this Agreement, shall mean: (a) Dealer's entire inventory now owned or hereafter acquired by Dealer from Secured Party of repair parts for new and used agricultural equipment, industrial equipment, other machinery and equipment (b) supplies, twine and wire; and (c) all proceeds thereof.

4. Dealer represents and warrants that: (a) at the time Company's security interest attaches with respect to any collateral, the Dealer shall be the owner of said collateral with good right to sell, transfer, assign or pledge the same, free from any lien, security interest, encumbrances or other right, title or interest, other than that of Company; and (b) all of Dealer's places of business are at the locations(s) identified on the last page of this document. The Dealer shall advise Company in writing prior to the discontinuance of or the establishment of any place of business or the change of location of any place or places of business of Dealer. If Dealer is a corporation, Dealer also represents and warrants that it is duly organized and existing under the laws of its state of incorporation's, is duly qualified and in good standing in every other jurisdiction where the conduct of its business requires such qualification, and the execution, delivery and performance hereof are within its corporate powers, have been duly authorized and do not violate any law or the terms of the Dealer's certificate of incorporation, by-laws or any indenture or agreement to which it is a party.

5. The security interest in each item of the collateral secures the entire indebtedness of the Dealer to Company from time to time outstanding, and all of the collateral shall remain security for the unpaid balance of such indebtedness regardless of individual times of payment as to portions thereof, and such security interest shall continue in any unsold items even though the Dealer may have paid the purchase price of any such item or items.

6. When and to the extent requested by Company at any time, Dealer shall, promptly upon receipt, deliver to Company (or to a bank designated by Company for deposit in an account controlled by Company) all cash proceeds, consisting of money, checks and the

like, in the exact form in which they are received, and to evidence Company's rights hereunder, assign or endorse such proceeds to Company. Company shall have the right to collect or otherwise deal with proceeds at any time. Company, in its discretion, may apply such cash proceeds to the payment of any indebtedness of Dealer to Company (whether or not the same shall then be due) or may release such cash proceeds to Dealer for use in the operation of Dealer's business.

7. When requested by Company, Dealer shall execute in favor of Company or its assignee, a note or notes or other instrument or instruments, in form satisfactory to Company, evidencing all indebtedness due from Dealer to Company or its assignee or the title or security interest of Company or its assignee in the collateral.

8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also finish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take inventory of the collateral.

9. Dealer shall give Company written notice by certified mail, return receipt requested, (addressed to CNH America LLC, at P. 0. Box 1895, New Holland, PA 17557-0903) setting forth all items of debit or credit disputed by Dealer. Such notice shall be mailed within 60 days after the date of each monthly Statement of Account sent by Company to Dealer. Dealer agrees that the Statement is correct and binding unless the Dealer has mailed the required notice.

10. The Dealer shall:

    (a) take good care of all collateral and provide adequate storage facilities to protect the collateral;

    (b) keep the collateral free from all other liens, encumbrances, security interests, charges and claims whether contractual or imposed by operation of law, and shall not remove the collateral from Dealer's places of business, except in ordinary course of Dealer's retail business, without the prior written consent of Company;

    (c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall

cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

(d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fee, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof, with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

(e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

11. The occurrence of any of the following shall, at the option of Company and without notice or demand, constitute an event of default by the Dealer hereunder

(a) failure of Dealer to pay promptly when due any present or future indebtedness owing to Company by Dealer,

(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

(d) any assignment by the Dealer for the benefit of creditors,

(e) the Dealer ceases to do business,

(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies

of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

14. This agreement is not assignable by Dealer. However, all the rights and privileges of Company under this agreement shall inure to the benefit of its successors and assigns. All words used herein shall be construed to be of such gender or number as the circumstances require.

15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to CNH America LLC, P. 0. Box 1895, New Holland, PA 17557-0903 serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION(PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

6930 Highway 32 South
(Complete street address)

Lisbon	ND	58054
(City)	(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

1100 Highway 13 East
1620 8th Avenue SW
2000 East Main
4411 East Highway 12
(Complete street address)

Lamoure	ND	58458-00096

Jamestown	ND	58401-0469
West Fargo	ND	58078
Aberdeen	SD	57401
(City)	(State)	(Zip Code)

Type of Entity: Corporation

By: Titan Machinery Inc.
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

Chairman 5/10/05
(Title) (Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

Regional Sales Director

05/19/05
Date

DEALER AGREEMENT - SCHEDULE C

DEALER PRINCIPAL LOCATION, INDUSTRY POTENTIAL AND PMR

Dealer Trade Name: TITAN MACHINERY, INC.

Dealer Address: 6930 HIGHWAY 32 SOUTH, LISBON, ND 58054
(Physical Address) (Street Address, City, State, Zip Code)

The PRIMARY MARKET OF RESPONSIBILITY (PMR) shall mean the total industry volume (as reported by the Equipment Manufacturers institute) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which the Dealer has sales and service responsibility for PRODUCTS. The PMR is the volume of a PRODUCT LINE sold within a geographic area, not the area itself. The Dealer's PMR may vary by PRODUCT or PRODUCT LINE. The Dealer's PMR is NONEXCLUSIVE and will be the base against which the Dealer's sales performance is measured.

The following chart(s) identifies that portion (%) of the industry unit sales potential within the PMR that the Dealer is expected to participate in by PRODUCT LINE. The portion of industry unit sales potential just described will be reviewed periodically by the COMPANY and the Dealer will be advised of any changes.

EXAMPLE: If a Dealer is assigned 50% of the industry sales volume in a county in which 100 units of a given PRODUCT LINE is sold, then the Dealer's PMR for that PRODUCT LINE is 50% of the 100 units or 50 units. So, if this Dealer sold 10 units of this PRODUCT LINE in this county, the Dealer's market share would be 20%.

PRODUCT LINES AND % COUNTY ASSIGNMENT

COUNTY	ST	COMPACTS & CONS. PROD	MID-RANGE TRACTORS	HAY & PT FORAGE	SSL	INDUSTRIAL TRACTORS
BARNES	ND	100	100	100	90	0
CASS	ND	100	100	100	0	0
DICKEY	ND	0	0	0	0	0
FOSTER	ND	50	50	50	40	0
GRIGGS	ND	50	50	50	40	0
KIDDER	ND	50	50	50	40	0
LAMOURE	ND	50	50	50	40	0
RANSOM	ND	100	100	100	90	0
SARGENT	ND	100	100	100	90	0
STUTSMAN	ND	100	100	100	90	0
BROWN	SD	100	100	100	90	0
DAY	SD	25	25	25	25	0
EDMUNDS	SD	50	50	50	45	0
FAULK	SD	50	50	50	45	0
MARSHALL	SD	100	100	100	90	0

Regional Sales Director

12-20-2005
Date

COUNTY	ST	HIGH HP TRACTORS	4WD TRACTORS	COMBINES	SELF-PROP. FORAGE	SELF-PROP. SPRAYERS	CROP PRODUCTION PRODUCTS
BARNES	ND	100	100	100	0	0	100
CASS	ND	100	100	100	0	0	100
DICKEY	ND	0	0	50	0	0	50
FOSTER	ND	50	50	50	0	0	50
GRIGGS	ND	50	50	50	0	0	50
KIDDER	ND	50	50	50	0	0	50
LAMOURE	ND	50	50	50	0	0	50

RANSOM	ND	100	100	100	0	0	100
SARGENT	ND	100	100	100	0	0	100
STUTSMAN	ND	100	100	100	0	0	100
BROWN	SD	100	100	100	0	0	100
DAY	SD	25	25	25	0	0	25
EDMUNDS	SD	50	50	50	0	0	50
FAULK	SD	50	50	50	0	0	50
MARSHALL	SD	100	100	100	0	0	100

BRANCH LOCATION(S) OF DEALER

1100 HIGHWAY 13 EAST
(Street Address)

LAMOURE — ND — 58458-00096
(City) (State) (Zip Code)

1620 8TH AVENUE SW
(Street Address)

JAMESTOWN — ND — 58401-0469
(City) (State) (Zip Code)

2000 E. MAIN
(Street Address)

WEST FARGO — ND — 58078
(City) (State) (Zip Code)

4411 East Highway 12
(Street Address)

Aberdeen — SD — 57401
(City) (State) (Zip Code)

Regional Sales Director — 12-20-2005
Date

AMENDMENT TO DEALER AGREEMENT

Region: Northwest

This is an amendment to the CNH America LLC Dealer Agreement dated: January 1, 2000 and amended on May 16, 2005, (the "Agreement") between CNN America LLC a Delaware Limited Liability Corporation and Titan Machinery, inc., a Corporation (state whether an individual, partnership or corporation) in North Dakota (if corporation, name state in which incorporated) doing business as Titan Machinery, inc. and with a principal place of business at 6930 Hwy 32 South, Lisbon, ND 58054 (hereinafter called "Dealer").

In consideration of the mutual promises of the parties hereinafter set forth, it is agreed by the parties that the Agreement be amended as follows:

☐ Amend Schedule B to add the identified products to those products which were previously approved. New Schedule B showing all approved products is attached, reflecting the addition of:

☐ Amend Schedule B to eliminate the identified products from those products which were previously approved. New Schedule B showing all approved products is attached, reflecting the elimination of:

☒ Amend Schedule C to reflect the change in the primary market of responsibility (PMR) resulting from the addition or elimination of those products identified above. This amended Schedule C also reflects the primary market of responsibility (PMR) already designated for previously approved products under the Dealer Agreement.

☐ Amend Schedule C to reflect the elimination of the branch location at LaMoure, West Fargo, Jamestown, & Aberdeen. A new Schedule C is attached reflecting this change.

☐ This Agreement has been entered into by CNH America LLC in reliance upon the dealer's representation and agreement that the individual(s) listed on the Notice of Ownership and/or Management Change form dated , photocopy of which is attached, are the true owners of the dealership. The manager listed will hereto the dealership and is fully empowered to conduct business with CNH America LLC on an ongoing basis as required. Amendment to Schedule A to reflect the individual(s) named in the Notice of Ownership and/or Management Change form is attached.

To the extent not inconsistent herewith, the Agreement shall remain in full force and effect. **IN WITNESS WHEREOF**, the parties have executed this Amendment as of the 1st day of April, 2006.

Titan Machinery, Inc.
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Dealer Signature)

CEO-Chief Executive Officer
(Title)

NOTE: IF DEALER IS CORPORATION, ATTACH CERTIFIED COPY OF CORPORATE MINUTES AUTHORIZING EXECUTION.

CNH AMERICA LLC

April 1, 2006

Regional Sales Director | Date

DEALER AGREEMENT - SCHEDULE C

DEALER PRINCIPAL LOCATION, INDUSTRY POTENTIAL AND PMR

Dealer Trade Name: TITAN MACHINERY, INC.

Dealer Address: 6930 HIGHWAY 32 SOUTH, LISBON, ND 58054
(Physical Address) (Street Address, City, State, Zip Code)

The PRIMARY MARKET OF RESPONSIBILITY (PMR) shall mean the total industry volume (as reported by the Equipment Manufacturers institute) of all products, including competitive products, RETAILED within the geographic area designated in Schedule C for which the Dealer has sales and service responsibility for PRODUCTS. The PMR is the volume of a PRODUCT LINE sold within a geographic area, not the area itself. The Dealer's PMR may vary by PRODUCT or PRODUCT LINE. The Dealer's PMR is NONEXCLUSIVE and will be the base against which the Dealer's sales performance is measured.

The following chart(s) identifies that portion (%) of the industry unit sales potential within the PMR that the Dealer is expected to participate in by PRODUCT LINE. The portion of industry unit sales potential just described will be reviewed periodically by the COMPANY and the Dealer will be advised of any changes.

EXAMPLE: If a Dealer is assigned 50% of the industry sales volume in a county in which 100 units of a given PRODUCT LINE is sold, then the Dealer's PMR for that PRODUCT LINE is 50% of the 100 units or 50 units. So, if this Dealer sold 10 units of this PRODUCT LINE in this county, the Dealer's market share would be 20%.

PRODUCT LINES AND % COUNTY ASSIGNMENT

COUNTY	ST	COMPACTS & CONS. PROD	MID-RANGE TRACTORS	HAY & PT FORAGE	SSL	INDUSTRIAL TRACTORS
BARNES	ND	50	50	50	45	0
RANSOM	ND	100	100	100	90	0
SARGENT	ND	100	100	100	90	0

April 1, 2006

Regional Sales Director | Date

COUNTY	ST	HIGH HP TRACTORS	4WD TRACTORS	COMBINES	SELF-PROP. FORAGE	SELF-PROP. SPRAYERS	CROP PRODUCTION PRODUCTS
BARNES	ND	50	50	50	0	0	50
RANSOM	ND	100	100	100	0	0	100
SARGENT	ND	100	100	100	0	0	100

BRANCH LOCATION(S) OF DEALER

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

(Street Address)

(City) (State) (Zip Code)

April 1, 2006

Regional Sales Director | Date

AMENDMENT TO DEALER AGREEMENT

This is an amendment to the CNH America LLC Dealer Agreement for New Holland brand Agricultural Products dated January 1, 2000 (and amended on April 1, 2006) (the "Agreement") between CNH America LLC, a Delaware Limited Liability Corporation ("Company"), and Titan Machinery inc., a (an) Corporation (individual, partnership or (name of state) corporation) North Dakota (doing business as Titan Machinery inc.) with a principal place of business at 6930 Hwy. 32 South, Lisbon, ND 58054 ("Dealer).

Whereas, the Company has a program whereby Dealer's can receive and take delivery of EQUIPMENT directly from a third-party logistics provider located near Company plant facilities (the 'Will Call Provider) or directly from a Company facility (the "Will Call Program"); and

Whereas, Dealer desires to participate in the Will Call Program; and

Whereas, Company agrees to permit Dealer to participate in the Will Call Program, upon its execution of this Amendment;

Therefore, in consideration of the above and the mutual promises of the parties hereinafter set forth, it is agreed by the parties that the Agreement be amended as follows:

1. Paragraph 9 (f) shall be amended so that it now states:

   Title. Title to each PRODUCT purchased by Dealer shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the PRODUCT to a carrier or Dealer, except for PRODUCT transferred to a Will Call Provider and designated for pick-up under the Will Call Program, in which case, title shall pass to Dealer or to the financial institution designated by Dealer upon delivery of the PRODUCT to the Will Call Provider.

2. Paragraph 9 (g) shall be amended so that it now states:

   Risk of Loss and Claims. Except for EQUIPMENT received by the Dealer under the Will Call Program, all risk of loss and damage to any PRODUCT purchased by Dealer from the Company that is not borne by the carrier while the PRODUCT is in the possession of the carrier shall be the responsibility of the Company, provided upon delivery Dealer promptly and properly inspects and records any loss of or damage to the PRODUCT. For EQUIPMENT received by Dealer under the Will Call Program, risk of loss will be assumed by Dealer upon the EQUIPMENT being delivered by the Company to the Will Call Provider, or if there is no Will Call Provider, the Dealer will assume the risk of loss when Dealer or Dealer's designated carrier receives EQUIPMENT. In accordance with the MANUAL, Dealer shall cooperate with the Company in processing all claims for loss or damage to PRODUCTS. Dealer shall bear all risk of loss or deterioration of, or damage to, PRODUCTS from the time delivery is tendered to Dealer. Dealer shall promptly notify the Company if any new and unused EQUIPMENT is substantially damaged while in Dealer's possession. To preserve the quality and value of new EQUIPMENT offered to the public, the Company shall have the

option to repair or replace any such EQUIPMENT. Dealer shall assign to the Company Dealer's rights under any insurance contract related to such EQUIPMENT repaired or replaced by the Company; however, the total cost to repair or replace such EQUIPMENT shall be the sole responsibility of Dealer.

In witness whereof, the parties have executed this Amendment as of the 14th day of December, 2006.

Titan Machinery Inc.
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Dealer Signature)

CEO
(Title)

NOTE: IF DEALER IS CORPORATION, ATTACH CERTIFIED COPY OF CORPORATE MINUTES AUTHORIZING EXECUTION.

CNH AMERICA LLC

Regional Sales Director

December 20, 2006
Date

DEALER SECURITY AGREEMENT

THE undersigned **NEW HOLLAND NORTH AMERICA, INC.**, a Delaware corporation having offices at New Holland, Pennsylvania, (hereinafter called Company) as secured party and the undersigned Dealer (hereinafter called Dealer) as debtor, intending to be legally bound, hereby agree as follows:

1. It is anticipated that Company in its continuing sole discretion, from time to time may sell its goods on credit to Dealer. Dealer agrees to pay Company for such goods in the manner at the times prescribed in the Terms of Sale in effect at the time of sale.

2. In order to induce Company to make such sales, Dealer hereby grants to Company a security interest under the Uniform Commercial Code in the collateral described in Paragraph 3 below to secure all present and future obligations and liabilities of Dealer to Company, including but not limited to contingent liabilities and future advances made for taxes, levies and repairs to or maintenance of the collateral (all of which obligations and liabilities together are herein called the "indebtedness").

3. The word collateral, as used in this Agreement, shall mean: Debtor's entire inventory now owned or hereafter acquired by Debtor from Secured Party of repair parts for new and used agricultural equipment, construction equipment, other machinery and equipment, and industrial equipment; supplies, twine and wire; and the proceeds of the foregoing.

4. Dealer represents and warrants that: (a) at the time Company's security interest attaches with respect to any collateral, the Dealer shall be the owner of said collateral with good right to sell, transfer, assign or pledge the same, free from any lien, security interest, encumbrances or other right, title or interest, other than that of Company; and (b) all of Dealer's places of business are at the locations(s) identified on the last page of this document. The Dealer shall advise Company in writing prior to the discontinuance of or the establishment of any place of business or the change of location of any place or places of business of Dealer. If Dealer is a corporation, Dealer also represents and warrants that it is duly organized and existing under the laws of its state of incorporation's, is duly qualified and in good standing in every other jurisdiction where the conduct of its business requires such qualification, and the execution, delivery and performance hereof are within its corporate powers, have been duly authorized and do not violate any law or the terms of the Dealer's certificate of incorporation, by-laws or any indenture or agreement to which it is a party.

5. The security interest in each item of the collateral secures the entire indebtedness of the Dealer to Company from time to time outstanding, and all of the collateral shall remain security for the unpaid balance of such indebtedness regardless of individual times of payment as to portions thereof, and such security interest shall continue in any unsold items even though the Dealer may have paid the purchase price of any such item or items.

6. When and to the extent requested by Company at any time, Dealer shall, promptly upon receipt, deliver to Company (or to a bank designated by Company for deposit in an

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account controlled by Company) all cash proceeds, consisting of money, checks and the like, in the exact form in which they are received, and to evidence Company's rights hereunder, assign or endorse such proceeds to Company. Company shall have the right to collect or otherwise deal with proceeds at any time. Company, in its discretion, may apply such cash proceeds to the payment of any indebtedness of Dealer to Company (whether or not the same shall then be due) or may release such cash proceeds to Dealer for use in the operation of Dealer's business.

7. When requested by Company, Dealer shall execute in favor of Company or its assignee, a note or notes or other instrument or instruments, in form satisfactory to Company, evidencing all indebtedness due from Dealer to Company or its assignee or the title or security interest of Company or its assignee in the collateral.

8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also furnish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take inventory of the collateral.

9. Dealer shall give Company written notice by certified mail, return receipt requested, (addressed to Company at its Branch Office serving Dealer's account) setting forth all items of debit or credit disputed by Dealer. Such notice shall be mailed within 60 days after the date of each monthly Statement of Account sent by Company to Dealer. Dealer agrees that the Statement is correct and binding unless the Dealer has mailed the required notice.

10. The Dealer shall:

    (a) take good care of all collateral and provide adequate storage facilities to protect the collateral;

    (b) keep the collateral free from all other liens, encumbrances, security interests, charges and claims whether contractual or imposed by operation of law, and shall not remove the collateral from Dealer's places of business, except in ordinary course of Dealer's retail business, without the prior written consent of Company;

    (c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and

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the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

(d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof, with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear, and

(e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

11. The occurrence of any of the following shall, at the option of Company and without notice or demand, constitute an event of default by the Dealer hereunder:

(a) failure of Dealer to pay promptly when due any present or Mute indebtedness owing to Company by Dealer,
(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,
(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,
(d) any assignment by the Dealer for the benefit of creditors,
(e) the Dealer ceases to do business,
(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,
(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies of a secured party under the Uniform Commercial Code. The Dealer shall pay to the

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extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

14. This agreement is not assignable by Dealer. However, all the rights and privileges of Company under this agreement shall inure to the benefit of its successors and assigns. All words used herein shall be construed to be of such gender or number as the circumstances require.

15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to Company at its Branch Office location serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

2000 E Main Ave.
(Complete street address)

West Fargo — ND — 58078
(City) (State) (Zip Code)

**OTHER LOCATION (PHYSICAL LOCATION)
OF BUSINESS OF PROSPECTIVE DEALER**

(Complete street address)

(City) (State) (Zip Code)

Type of Entity: **Corporation**

By: Titan Machinery Inc.
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

(Title)

4/14/03
(Date)

Signature(s) of other partner(s):

ACCEPTED: NEW HOLLAND NORTH AMERICA, INC.

(Vice-President of Sales)

4/14/03
(Date)

New Holland Construction
245 E. North Ave.
Carol Stream, IL 60188-2099

Exhibit 10.15

CNH America LLC

DEALER SECURITY AGREEMENT

DEALER SECURITY AGREEMENT

THE undersigned CNH AMERICA LLC, a Delaware corporation having offices at New Holland, Pennsylvania, (hereinafter called Company) as secured party and the undersigned Dealer (hereinafter called Dealer) as debtor, intending to be legally bound, hereby agree as follows:

1. It is anticipated that Company in its continuing sole discretion, from time to time may sell its goods on credit to Dealer. Dealer agrees to pay Company for such goods in the manner at the times prescribed in the Terms of Sale in effect at the time of sale.

2. In order to induce Company to make such sales, Dealer hereby grants to Company a security interest under the Uniform Commercial Code in the collateral described in Paragraph 3 below to secure all present and future obligations and liabilities of Dealer to Company, including but not limited to contingent liabilities and future advances made for taxes, levies and repairs to or maintenance of the collateral (all of which obligations and liabilities together are herein called the "indebtedness").

3. The word collateral, as used in this Agreement, shall mean: (a) Dealer's entire inventory now owned or hereafter acquired by Dealer from Secured Party of repair parts for new and used agricultural equipment, industrial equipment, other machinery and equipment; (b) supplies, twine and wire; and (c) all proceeds thereof.

4. Dealer represents and warrants that: (a) at the time Company's security interest attaches with respect to any collateral, the Dealer shall be the owner of said collateral with good right to sell, transfer, assign or pledge the same, free from any lien, security interest, encumbrances or other right, title or interest, other than that of Company; and (b) all of Dealer's places of business are at the locations(s) identified on the last page of this document. The Dealer shall advise Company in writing prior to the discontinuance of or the establishment of any place of business or the change of location of any place or places of business of Dealer. If Dealer is a corporation, Dealer also represents and warrants that it is duly organized and existing under the laws of its state of incorporation's, is duly qualified and in good standing in every other jurisdiction where the conduct of its business requires such qualification, and the execution, delivery and performance hereof are within its corporate powers, have been duly authorized and do not violate any law or the terms of the Dealer's certificate of incorporation, by-laws or any indenture or agreement to which it is a party.

5. The security interest in each item of the collateral secures the entire indebtedness of the Dealer to Company from time to time outstanding, and all of the collateral shall remain security for the unpaid balance of such indebtedness regardless of individual times of payment as to portions thereof, and such security interest shall continue in any unsold items even though the Dealer may have paid the purchase price of any such item or items.

6. When and to the extent requested by Company at any time, Dealer shall, promptly upon receipt, deliver to Company (or to a bank designated by Company for deposit in an account controlled by Company) all cash proceeds, consisting of money, checks and the

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like, in the exact form in which they are received, and to evidence Company's rights hereunder, assign or endorse such proceeds to Company. Company shall have the right to collect or otherwise deal with proceeds at any time. Company, in its discretion, may apply such cash proceeds to the payment of any indebtedness of Dealer to Company (whether or not the same shall then be due) or may release such cash proceeds to Dealer for use in the operation of Dealer's business.

7. When requested by Company, Dealer shall execute in favor of Company or its assignee, a note or notes or other instrument or instruments, in form satisfactory to Company, evidencing all indebtedness due from Dealer to Company or its assignee or the title or security interest of Company or its assignee in the collateral.

8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also furnish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take inventory of the collateral.

9. Dealer shall give Company written notice by certified mail, return receipt requested, (addressed to CNH America LLC, at P.O. Box 1895, New Holland, PA 17557-0903) setting forth all items of debit or credit disputed by Dealer. Such notice shall be mailed within 60 days after the date of each monthly Statement of Account sent by Company to Dealer. Dealer agrees that the Statement is correct and binding unless the Dealer has mailed the required notice.

10. The Dealer shall:

    (a) take good care of all collateral and provide adequate storage facilities to protect the collateral;

    (b) keep the collateral free from all other liens, encumbrances, security interests, charges and claims whether contractual or imposed by operation of law, and shall not remove the collateral from Dealer's places of business, except in ordinary course of Dealer's retail business, without the prior written consent of Company;

    (c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

    (d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof; with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

    (e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

11. The occurrence of any of the following shall, at the option of Company and without notice or demand, constitute an event of default by the Dealer hereunder:

(a) failure of Dealer to pay promptly when due any present or future indebtedness owing to Company by Dealer,

(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

(d) any assignment by the Dealer for the benefit of creditors,

(e) the Dealer ceases to do business,

(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies

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of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

14. This agreement is not assignable by Dealer. However, all the rights and privileges of Company under this agreement shall inure to the benefit of its successors and assigns. All words used herein shall be construed to be of such gender or number as the circumstances require.

15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to CNH America LLC, P. O. Box 1895, New Holland, PA 17557-0903 serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

4411 EAST HWY 12
(Complete street address)

ABERDEEN	SD	57401
(City)	(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

(Complete street address)

(City) (State) (Zip Code)

Type of Entity: **Corporation**

By: **TITAN MACHINERY, INC. dba H C CLARK**
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

CEO-Chief Executive Officer — 3/8/07
(Title) (Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

March 16, 2007
Regional Sales Director — Date

CERTIFIED CORPORATE RESOLUTION

I, Ted Christianson, Secretary of Titan Machinery, Inc do hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Board of Directors

of the said corporation duly called and held on 2/2/07 at which a quorum was present and voting, and that said resolution remains in full force and effect:

"RESOLVED, that the CEO-Chief Executive Officer (Title of Officer) of this Company be, and hereby is authorized, empowered and directed, for and on behalf and in the name of this Company, to enter into an agreement with CNH America LLC titled DEALER SECURITY AGREEMENT, dated as of the date appearing thereon, and to execute and deliver such instruments, documents and other writings as may be desirable to carry out the purposes and intent of the financing arrangement provided by the said agreement."

"FURTHER RESOLVED, that for the convenience of this Company, David Meyer, or any employee or employees of the latter's designation is hereby requested, authorized and empowered, for and on behalf and in the name of this Company, to execute and deliver promissory notes with a confession of judgment, separate warrants of attorney to confess judgment, title retention instruments and any and all other writings as set forth in the said DEALER SECURITY AGREEMENT."

_____ (CORPORATE SEAL)
(Authorized Signature of Secretary)

Dated:

CNH America LLC

DEALER SECURITY AGREEMENT

DEALER SECURITY AGREEMENT

THE undersigned CNH AMERICA LLC, a Delaware corporation having offices at New Holland, Pennsylvania, (hereinafter called Company) as secured party and the undersigned Dealer (hereinafter called Dealer) as debtor, intending to be legally bound, hereby agree as follows:

1. It is anticipated that Company in its continuing sole discretion, from time to time may sell its goods on credit to Dealer. Dealer agrees to pay Company for such goods in the manner at the times prescribed in the Terms of Sale in effect at the time of sale.

2. In order to induce Company to make such sales, Dealer hereby grants to Company a security interest under the Uniform Commercial Code in the collateral described in Paragraph 3 below to secure all present and future obligations and liabilities of Dealer to Company, including but not limited to contingent liabilities and future advances made for taxes, levies and repairs to or maintenance of the collateral (all of which obligations and liabilities together are herein called the "indebtedness").

3. The word collateral, as used in this Agreement, shall mean: (a) Dealer's entire inventory now owned or hereafter acquired by Dealer from Secured Party of repair parts for new and used agricultural equipment, industrial equipment, other machinery and equipment; (b) supplies, twine and wire; and (c) all proceeds thereof.

4. Dealer represents and warrants that: (a) at the time Company's security interest attaches with respect to any collateral, the Dealer shall be the owner of said collateral with good right to sell, transfer, assign or pledge the same, free from any lien, security interest, encumbrances or other right, title or interest, other than that of Company; and (b) all of Dealer's places of business are at the locations(s) identified on the last page of this document. The Dealer shall advise Company in writing prior to the discontinuance of or the establishment of any place of business or the change of location of any place or places of business of Dealer. If Dealer is a corporation, Dealer also represents and warrants that it is duly organized and existing under the laws of its state of incorporation's, is duly qualified and in good standing in every other jurisdiction where the conduct of its business requires such qualification, and the execution, delivery and performance hereof are within its corporate powers, have been duly authorized and do not violate any law or the terms of the Dealer's certificate of incorporation, by-laws or any indenture or agreement to which it is a party.

5. The security interest in each item of the collateral secures the entire indebtedness of the Dealer to Company from time to time outstanding, and all of the collateral shall remain security for the unpaid balance of such indebtedness regardless of individual times of payment as to portions thereof, and such security interest shall continue in any unsold items even though the Dealer may have paid the purchase price of any such item or items.

6. When and to the extent requested by Company at any time, Dealer shall, promptly upon receipt, deliver to Company (or to a bank designated by Company for deposit in an account controlled by Company) all cash proceeds, consisting of money, checks and the

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like, in the exact form in which they are received, and to evidence Company's rights hereunder, assign or endorse such proceeds to Company. Company shall have the right to collect or otherwise deal with proceeds at any time. Company, in its discretion, may apply such cash proceeds to the payment of any indebtedness of Dealer to Company (whether or not the same shall then be due) or may release such cash proceeds to Dealer for use in the operation of Dealer's business.

7. When requested by Company, Dealer shall execute in favor of Company or its assignee, a note or notes or other instrument or instruments, in form satisfactory to Company, evidencing all indebtedness due from Dealer to Company or its assignee or the title or security interest of Company or its assignee in the collateral.

8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also furnish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take inventory of the collateral.

9. Dealer shall give Company written notice by certified mail, return receipt requested, (addressed to CNH America LLC, at P.O. Box 1895, New Holland, PA 17557-0903) setting forth all items of debit or credit disputed by Dealer. Such notice shall be mailed within 60 days after the date of each monthly Statement of Account sent by Company to Dealer. Dealer agrees that the Statement is correct and binding unless the Dealer has mailed the required notice.

10. The Dealer shall:

    (a) take good care of all collateral and provide adequate storage facilities to protect the collateral;

    (b) keep the collateral free from all other liens, encumbrances, security interests, charges and claims whether contractual or imposed by operation of law, and shall not remove the collateral from Dealer's places of business, except in ordinary course of Dealer's retail business, without the prior written consent of Company;

    (c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

(d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof; with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

(e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

11. The occurrence of any of the following shall, at the option of Company and without notice or demand, constitute an event of default by the Dealer hereunder:

(a) failure of Dealer to pay promptly when due any present or future indebtedness owing to Company by Dealer,

(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

(d) any assignment by the Dealer for the benefit of creditors,

(e) the Dealer ceases to do business,

(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies

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of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

14. This agreement is not assignable by Dealer. However, all the rights and privileges of Company under this agreement shall inure to the benefit of its successors and assigns. All words used herein shall be construed to be of such gender or number as the circumstances require.

15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to CNH America LLC, P. O. Box 1895, New Holland, PA 17557-0903 serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

1100 HWY 13 EAST

(Complete street address)

LAMOURE	ND	58458
(City)	(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

(Complete street address)

(City) (State) (Zip Code)

Type of Entity: **Corporation**

By: **TITAN MACHINERY, INC.**
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

CEO-Chief Executive Officer
(Title)

3/8/07
(Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

March 16, 2007

Regional Sales Director — Date

CERTIFIED CORPORATE RESOLUTION

I, Ted Christianson, Secretary of Titan Machinery, Inc do hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Board of Directors of the said corporation duly called and held on 2/2/07 at which a quorum was present and voting, and that said resolution remains in full force and effect:

"RESOLVED, that the CEO-Chief Executive Officer (Title of Officer) of this Company be, and hereby is authorized, empowered and directed, for and on behalf and in the name of this Company, to enter into an agreement with CNH America LLC titled DEALER SECURITY AGREEMENT, dated as of the date appearing thereon, and to execute and deliver such instruments, documents and other writings as may be desirable to carry out the purposes and intent of the financing arrangement provided by the said agreement."

"FURTHER RESOLVED, that for the convenience of this Company, David Meyer, or any employee or employees of the latter's designation is hereby requested, authorized and empowered, for and on behalf and in the name of this Company, to execute and deliver promissory notes with a confession of judgment, separate warrants of attorney to confess judgment, title retention instruments and any and all other writings as set forth in the said DEALER SECURITY AGREEMENT."

(CORPORATE SEAL)

(Authorized Signature of Secretary)

Dated:

CNH America LLC

DEALER SECURITY AGREEMENT

DEALER SECURITY AGREEMENT

THE undersigned CNH AMERICA LLC, a Delaware corporation having offices at New Holland, Pennsylvania, (hereinafter called Company) as secured party and the undersigned Dealer (hereinafter called Dealer) as debtor, intending to be legally bound, hereby agree as follows:

1. It is anticipated that Company in its continuing sole discretion, from time to time may sell its goods on credit to Dealer. Dealer agrees to pay Company for such goods in the manner at the times prescribed in the Terms of Sale in effect at the time of sale.

2. In order to induce Company to make such sales, Dealer hereby grants to Company a security interest under the Uniform Commercial Code in the collateral described in Paragraph 3 below to secure all present and future obligations and liabilities of Dealer to Company, including but not limited to contingent liabilities and future advances made for taxes, levies and repairs to or maintenance of the collateral (all of which obligations and liabilities together are herein called the "indebtedness").

3. The word collateral, as used in this Agreement, shall mean: (a) Dealer's entire inventory now owned or hereafter acquired by Dealer from Secured Party of repair parts for new and used agricultural equipment, industrial equipment, other machinery and equipment; (b) supplies, twine and wire; and (c) all proceeds thereof.

4. Dealer represents and warrants that: (a) at the time Company's security interest attaches with respect to any collateral, the Dealer shall be the owner of said collateral with good right to sell, transfer, assign or pledge the same, free from any lien, security interest, encumbrances or other right, title or interest, other than that of Company; and (b) all of Dealer's places of business are at the locations(s) identified on the last page of this document. The Dealer shall advise Company in writing prior to the discontinuance of or the establishment of any place of business or the change of location of any place or places of business of Dealer. If Dealer is a corporation, Dealer also represents and warrants that it is duly organized and existing under the laws of its state of incorporation's, is duly qualified and in good standing in every other jurisdiction where the conduct of its business requires such qualification, and the execution, delivery and performance hereof are within its corporate powers, have been duly authorized and do not violate any law or the terms of the Dealer's certificate of incorporation, by-laws or any indenture or agreement to which it is a party.

5. The security interest in each item of the collateral secures the entire indebtedness of the Dealer to Company from time to time outstanding, and all of the collateral shall remain security for the unpaid balance of such indebtedness regardless of individual times of payment as to portions thereof, and such security interest shall continue in any unsold items even though the Dealer may have paid the purchase price of any such item or items.

6. When and to the extent requested by Company at any time, Dealer shall, promptly upon receipt, deliver to Company (or to a bank designated by Company for deposit in an account controlled by Company) all cash proceeds, consisting of money, checks and the

like, in the exact form in which they are received, and to evidence Company's rights hereunder, assign or endorse such proceeds to Company. Company shall have the right to collect or otherwise deal with proceeds at any time. Company, in its discretion, may apply such cash proceeds to the payment of any indebtedness of Dealer to Company (whether or not the same shall then be due) or may release such cash proceeds to Dealer for use in the operation of Dealer's business.

7. When requested by Company, Dealer shall execute in favor of Company or its assignee, a note or notes or other instrument or instruments, in form satisfactory to Company, evidencing all indebtedness due from Dealer to Company or its assignee or the title or security interest of Company or its assignee in the collateral.

8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also furnish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or

like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take inventory of the collateral.

9. Dealer shall give Company written notice by certified mail, return receipt requested, (addressed to CNH America LLC, at P.O. Box 1895, New Holland, PA 17557-0903) setting forth all items of debit or credit disputed by Dealer. Such notice shall be mailed within 60 days after the date of each monthly Statement of Account sent by Company to Dealer. Dealer agrees that the Statement is correct and binding unless the Dealer has mailed the required notice.

10. The Dealer shall:

(a) take good care of all collateral and provide adequate storage facilities to protect the collateral;

(b) keep the collateral free from all other liens, encumbrances, security interests, charges and claims whether contractual or imposed by operation of law, and shall not remove the collateral from Dealer's places of business, except in ordinary course of Dealer's retail business, without the prior written consent of Company;

(c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

(d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof; with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

(e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

11. The occurrence of any of the following shall, at the option of Company and without notice or demand, constitute an event of default by the Dealer hereunder:

(a) failure of Dealer to pay promptly when due any present or future indebtedness owing to Company by Dealer,

(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

(d) any assignment by the Dealer for the benefit of creditors,

(e) the Dealer ceases to do business,

(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies

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of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

14. This agreement is not assignable by Dealer. However, all the rights and privileges of Company under this agreement shall inure to the benefit of its successors and assigns. All words used herein shall be construed to be of such gender or number as the circumstances require.

15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to CNH America LLC, P. O. Box 1895, New Holland, PA 17557-0903 serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

6930 HWY 32 SOUTH

(Complete street address)

LISBON	ND	58054
(City)	(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

(Complete street address)

(City) (State) (Zip Code)

Type of Entity: **Corporation**

By: **TITAN MACHINERY INC.**
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

CEO-Chief Executive Officer
(Title)

3/8/07
(Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

March 16, 2007
Regional Sales Director Date

CERTIFIED CORPORATE RESOLUTION

I, Ted Christianson, Secretary of Titan Machinery, Inc do hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Board of Directors of the said corporation duly called and held on 2/2/07 at which a quorum was present and voting, and that said resolution remains in full force and effect:

"RESOLVED, that the CEO-Chief Executive Officer (Title of Officer) of this Company be, and hereby is authorized, empowered and directed, for and on behalf and in the name of this Company, to enter into an agreement with CNH America LLC titled DEALER SECURITY AGREEMENT, dated as of the date appearing thereon, and to execute and deliver such instruments, documents and other writings as may be desirable to carry out the purposes and intent of the financing arrangement provided by the said agreement."

"FURTHER RESOLVED, that for the convenience of this Company, David Meyer, or any employee or employees of the latter's designation is hereby requested, authorized and empowered, for and on behalf and in the name of this Company, to execute and deliver promissory notes with a confession of judgment, separate warrants of attorney to confess judgment, title retention instruments and any and all other writings as set forth in the said DEALER SECURITY AGREEMENT."

(CORPORATE SEAL)
(Authorized Signature of Secretary)

Dated:

CNH America LLC

DEALER SECURITY AGREEMENT

DEALER SECURITY AGREEMENT

THE undersigned CNH AMERICA LLC, a Delaware corporation having offices at New Holland, Pennsylvania, (hereinafter called Company) as secured party and the undersigned Dealer (hereinafter called Dealer) as debtor, intending to be legally bound, hereby agree as follows:

1. It is anticipated that Company in its continuing sole discretion, from time to time may sell its goods on credit to Dealer. Dealer agrees to pay Company for such goods in the manner at the times prescribed in the Terms of Sale in effect at the time of sale.

2. In order to induce Company to make such sales, Dealer hereby grants to Company a security interest under the Uniform Commercial Code in the collateral described in Paragraph 3 below to secure all present and future obligations and liabilities of Dealer to Company, including but not limited to contingent liabilities and future advances made for taxes, levies and repairs to or maintenance of the collateral (all of which obligations and liabilities together are herein called the "indebtedness").

3. The word collateral, as used in this Agreement, shall mean: (a) Dealer's entire inventory now owned or hereafter acquired by Dealer from Secured Party of repair parts for new and used agricultural equipment, industrial equipment, other machinery and equipment; (b) supplies, twine and wire; and (c) all proceeds thereof.

4. Dealer represents and warrants that: (a) at the time Company's security interest attaches with respect to any collateral, the Dealer shall be the owner of said collateral with good right to sell, transfer, assign or pledge the same, free from any lien, security interest, encumbrances or other right, title or interest, other than that of Company; and (b) all of Dealer's places of business are at the locations(s) identified on the last page of this document. The Dealer shall advise Company in writing prior to the discontinuance of or the establishment of any place of business or the change of location of any place or places of business of Dealer. If Dealer is a corporation, Dealer also represents and warrants that it is duly organized and existing under the laws of its state of incorporation's, is duly qualified and in good standing in every other jurisdiction where the conduct of its business requires such qualification, and the execution, delivery and performance hereof are within its corporate powers, have been duly authorized and do not violate any law or the terms of the Dealer's certificate of incorporation, by-laws or any indenture or agreement to which it is a party.

5. The security interest in each item of the collateral secures the entire indebtedness of the Dealer to Company from time to time outstanding, and all of the collateral shall remain security for the unpaid balance of such indebtedness regardless of individual times of payment as to portions thereof, and such security interest shall continue in any unsold items

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6. When and to the extent requested by Company at any time, Dealer shall, promptly upon receipt, deliver to Company (or to a bank designated by Company for deposit in an account controlled by Company) all cash proceeds, consisting of money, checks and the

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like, in the exact form in which they are received, and to evidence Company's rights hereunder, assign or endorse such proceeds to Company. Company shall have the right to collect or otherwise deal with proceeds at any time. Company, in its discretion, may apply such cash proceeds to the payment of any indebtedness of Dealer to Company (whether or not the same shall then be due) or may release such cash proceeds to Dealer for use in the operation of Dealer's business.

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8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also furnish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take inventory of the collateral.

9. Dealer shall give Company written notice by certified mail, return receipt requested, (addressed to CNH America LLC, at P.O. Box 1895, New Holland, PA 17557-0903) setting forth all items of debit or credit disputed by Dealer. Such notice shall be mailed within 60 days after the date of each monthly Statement of Account sent by Company to Dealer. Dealer agrees that the Statement is correct and binding unless the Dealer has mailed the required notice.

10. The Dealer shall:

(a) take good care of all collateral and provide adequate storage facilities to protect the collateral;

(b) keep the collateral free from all other liens, encumbrances, security interests, charges and claims whether contractual or imposed by operation of law, and shall not remove the collateral from Dealer's places of business, except in ordinary course of Dealer's retail business, without the prior written consent of Company;

(c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

(d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof; with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

(e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

11. The occurrence of any of the following shall, at the option of Company and without notice or demand, constitute an event of default by the Dealer hereunder:

(a) failure of Dealer to pay promptly when due any present or future indebtedness owing to Company by Dealer,

(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

(d) any assignment by the Dealer for the benefit of creditors,

(e) the Dealer ceases to do business,

(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies

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of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

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15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to CNH America LLC, P. O. Box 1895, New Holland, PA 17557-0903 serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

2000 E MAIN

(Complete street address)

WEST FARGO	**ND**	**58078**
(City)	(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

(Complete street address)

(City) (State) (Zip Code)

Type of Entity: **Corporation**

By: **TITAN MACHINERY, INC**
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

CEO-Chief Executive Officer (Title) 3/8/07 (Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

March 16, 2007
Regional Sales Director Date

CERTIFIED CORPORATE RESOLUTION

I, Ted Christianson, Secretary of Titan Machinery, Inc do hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Board of Directors of the said corporation duly called and held on at which a quorum was present and voting, and that said resolution remains in full force and effect:

"RESOLVED, that the CEO-Chief Executive Officer (Title of Officer) of this Company be, and hereby is authorized, empowered and directed, for and on behalf and in the name of this Company, to enter into an agreement with CNH America LLC titled DEALER SECURITY AGREEMENT, dated as of the date appearing thereon, and to execute and deliver such instruments, documents and other writings as may be desirable to carry out the purposes and intent of the financing arrangement provided by the said agreement."

"FURTHER RESOLVED, that for the convenience of this Company, David Meyer, or any employee or employees of the latter's designation is hereby requested, authorized and empowered, for and on behalf and in the name of this Company, to execute and deliver promissory notes with a confession of judgment, separate warrants of attorney to confess judgment, title retention instruments and any and all other writings as set forth in the said DEALER SECURITY AGREEMENT."

(CORPORATE SEAL)
(Authorized Signature of Secretary)

Dated:

CNH America LLC

DEALER SECURITY AGREEMENT

DEALER SECURITY AGREEMENT

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(c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

(d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof; with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

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(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

(d) any assignment by the Dealer for the benefit of creditors,

(e) the Dealer ceases to do business,

(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have

at law or in equity, including but not limited to rights and remedies

of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

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PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

1620 8TH AVE SW

(Complete street address)

JAMESTOWN	**ND**	**58401**
(City)	(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

(Complete street address)

(City)	(State)	(Zip Code)

Type of Entity: **Corporation**

By: **TITAN MACHINERY, INC.**
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

CEO-Chief Executive Officer (Title) — 3/8/07 (Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

March 16, 2007

Regional Sales Director — Date

CERTIFIED CORPORATE RESOLUTION

I, Ted Christianson, Secretary of Titan Machinery, Inc do hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Board of Directors of the said corporation duly called and held on 2/2/07 at which a quorum was present and voting, and that said resolution remains in full force and effect:

"RESOLVED, that the CEO-Chief Executive Officer (Title of Officer) of this Company be, and hereby is authorized, empowered and directed, for and on behalf and in the name of this Company, to enter into an agreement with CNH America LLC titled DEALER SECURITY AGREEMENT, dated as of the date appearing thereon, and to execute and deliver such instruments, documents and other writings as may be desirable to carry out the purposes and intent of the financing arrangement provided by the said agreement."

"FURTHER RESOLVED, that for the convenience of this Company, David Meyer, or any employee or employees of the latter's designation is hereby requested, authorized and empowered, for and on behalf and in the name of this Company, to execute and deliver promissory notes with a confession of judgment, separate warrants of attorney to confess judgment, title retention instruments and any and all other writings as set forth in the said DEALER SECURITY AGREEMENT."

(CORPORATE SEAL)

(Authorized Signature of Secretary)

Dated:

DEALER SECURITY AGREEMENT

THE undersigned CNH AMERICA LLC, a Delaware corporation having offices at New Holland, Pennsylvania, (hereinafter called Company) as secured party and the undersigned Dealer (hereinafter called Dealer) as debtor, intending to be legally bound, hereby agree as follows:

1. It is anticipated that Company in its continuing sole discretion, from time to time may sell its goods on credit to Dealer. Dealer agrees to pay Company for such goods in the manner at the times prescribed in the Terms of Sale in effect at the time of sale.

2. In order to induce Company to make such sales, Dealer hereby grants to Company a security interest under the Uniform Commercial Code in the collateral described in Paragraph 3 below to secure all present and future obligations and liabilities of Dealer to Company, including but not limited to contingent liabilities and future advances made for taxes, levies and repairs to or maintenance of the collateral (all of which obligations and liabilities together are herein called the "indebtedness").

3. The word collateral, as used in this Agreement, shall mean: (a) Dealer's entire inventory now owned or hereafter acquired by Dealer from Secured Party of repair parts for new and used agricultural equipment, industrial equipment, other machinery and equipment; (b) supplies, twine and wire; and (c) all proceeds thereof.

4. Dealer represents and warrants that: (a) at the time Company's security interest attaches with respect to any collateral, the Dealer shall be the owner of said collateral with good right to sell, transfer, assign or pledge the same, free from any lien, security interest, encumbrances or other right, title or interest, other than that of Company; and (b) all of Dealer's places of business are at the locations(s) identified on the last page of this document. The Dealer shall advise Company in writing prior to the discontinuance of or the establishment of any place of business or the change of location of any place or places of business of Dealer. If Dealer is a corporation, Dealer also represents and warrants that it is duly organized and existing under the laws of its state of incorporation's, is duly qualified and in good standing in every other jurisdiction where the conduct of its business requires such qualification, and the execution, delivery and performance hereof are within its corporate powers, have been duly authorized and do not violate any law or the terms of the Dealer's certificate of incorporation, by-laws or any indenture or agreement to which it is a party.

5. The security interest in each item of the collateral secures the entire indebtedness of the Dealer to Company from time to time outstanding, and all of the collateral shall remain security for the unpaid balance of such indebtedness regardless of individual times of payment as to portions thereof, and such security interest shall continue in any unsold items even though the Dealer may have paid the purchase price of any such item or items.

6. When and to the extent requested by Company at any time, Dealer shall, promptly upon receipt, deliver to Company (or to a bank designated by Company for deposit in an account controlled by Company) all cash proceeds, consisting of money, checks and the

like, in the exact form in which they are received, and to evidence Company's rights hereunder, assign or endorse such proceeds to Company. Company shall have the right to collect or otherwise deal with proceeds at any time. Company, in its discretion, may apply such cash proceeds to the payment of any indebtedness of Dealer to Company (whether or not the same shall then be due) or may release such cash proceeds to Dealer for use in the operation of Dealer's business.

7. When requested by Company, Dealer shall execute in favor of Company or its assignee, a note or notes or other instrument or instruments, in form satisfactory to Company, evidencing all indebtedness due from Dealer to Company or its assignee or the title or security interest of Company or its assignee in the collateral.

8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also furnish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take inventory of the collateral.

9. Dealer shall give Company written notice by certified mail, return receipt requested, (addressed to CNH America LLC, at P.O. Box 1895, New Holland, PA 17557-0903) setting forth all items of debit or credit disputed by Dealer. Such notice shall be mailed within 60 days after the date of each monthly Statement of Account sent by Company to Dealer. Dealer agrees that the Statement is correct and binding unless the Dealer has mailed the required notice.

10. The Dealer shall:

    (a) take good care of all collateral and provide adequate storage facilities to protect the collateral;

    (b) keep the collateral free from all other liens, encumbrances, security interests, charges and claims whether contractual or imposed by operation of law, and shall not remove the collateral from Dealer's places of business, except in ordinary course of Dealer's retail business, without the prior written consent of Company;

    (c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

    (d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof; with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

    (e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

11. The occurrence of any of the following shall, at the option of Company and without notice or demand, constitute an event of default by the Dealer hereunder:

(a) failure of Dealer to pay promptly when due any present or future indebtedness owing to Company by Dealer,

(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

(d) any assignment by the Dealer for the benefit of creditors,

(e) the Dealer ceases to do business,

(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies

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of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

14. This agreement is not assignable by Dealer. However, all the rights and privileges of Company under this agreement shall inure to the benefit of its successors and assigns. All words used herein shall be construed to be of such gender or number as the circumstances require.

15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to CNH America LLC, P. O. Box 1895, New Holland, PA 17557-0903 serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

COUNTY RD 11 & I 94

(Complete street address)

MOORHEAD	**MN**	**56561**
(City)	(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

(Complete street address)

(City) (State) (Zip Code)

Type of Entity: **Corporation**

By: **TITAN MACHINERY INC.**
(Dealer Trade Name)

/s/ Peter Christianson, President
(Authorized Signature)

COO-President
(Title)

(Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

March 23, 2007

Regional Sales Director — Date

CERTIFIED CORPORATE RESOLUTION

I, Ted Christianson, Secretary of Titan Machinery, Inc do hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Board of Directors of the said corporation duly called and held on at which a quorum was present and voting, and that said resolution remains in full force and effect:

"RESOLVED, that the CEO-Chief Executive Officer (Title of Officer) of this Company be, and hereby is authorized, empowered and directed, for and on behalf and in the name of this Company, to enter into an agreement with CNH America LLC titled DEALER SECURITY AGREEMENT, dated as of the date appearing thereon, and to execute and deliver such instruments, documents and other writings as may be desirable to carry out the purposes and intent of the financing arrangement provided by the said agreement."

"FURTHER RESOLVED, that for the convenience of this Company, David Meyer, or any employee or employees of the latter's designation is hereby requested, authorized and empowered, for and on behalf and in the name of this Company, to execute and deliver promissory notes with a confession of judgment, separate warrants of attorney to confess judgment, title retention instruments and any and all other writings as set forth in the said DEALER SECURITY AGREEMENT."

_____ (CORPORATE SEAL)
(Authorized Signature of Secretary)

Dated:

CNH America LLC

DEALER SECURITY AGREEMENT

DEALER SECURITY AGREEMENT

THE undersigned CNH AMERICA LLC, a Delaware corporation having offices at New Holland, Pennsylvania, (hereinafter called Company) as secured party and the undersigned Dealer (hereinafter called Dealer) as debtor, intending to be legally bound, hereby agree as follows:

1. It is anticipated that Company in its continuing sole discretion, from time to time may sell its goods on credit to Dealer. Dealer agrees to pay Company for such goods in the manner at the times prescribed in the Terms of Sale in effect at the time of sale.

2. In order to induce Company to make such sales, Dealer hereby grants to Company a security interest under the Uniform Commercial Code in the collateral described in Paragraph 3 below to secure all present and future obligations and liabilities of Dealer to Company, including but not limited to contingent liabilities and future advances made for taxes, levies and repairs to or maintenance of the collateral (all of which obligations and liabilities together are herein called the "indebtedness").

3. The word collateral, as used in this Agreement, shall mean: (a) Dealer's entire inventory now owned or hereafter acquired by Dealer from Secured Party of repair parts for new and used agricultural equipment, industrial equipment, other machinery and equipment; (b) supplies, twine and wire; and (c) all proceeds thereof.

4. Dealer represents and warrants that: (a) at the time Company's security interest attaches with respect to any collateral, the Dealer shall be the owner of said collateral with good right to sell, transfer, assign or pledge the same, free from any lien, security interest, encumbrances or other right, title or interest, other than that of Company; and (b) all of Dealer's places of business are at the locations(s) identified on the last page of this document. The Dealer shall advise Company in writing prior to the discontinuance of or the establishment of any place of business or the change of location of any place or places of business of Dealer. If Dealer is a corporation, Dealer also represents and warrants that it is duly organized and existing under the laws of its state of incorporation's, is duly qualified and in good standing in every other jurisdiction where the conduct of its business requires such qualification, and the execution, delivery and performance hereof are within its corporate powers, have been duly authorized and do not violate any law or the terms of the Dealer's certificate of incorporation, by-laws or any indenture or agreement to which it is a party.

5. The security interest in each item of the collateral secures the entire indebtedness of the Dealer to Company from time to time outstanding, and all of the collateral shall remain security for the unpaid balance of such indebtedness regardless of individual times of payment as to portions thereof, and such security interest shall continue in any unsold items even though the Dealer may have paid the purchase price of any such item or items.

6. When and to the extent requested by Company at any time, Dealer shall, promptly upon receipt, deliver to Company (or to a bank designated by Company for deposit in an account controlled by Company) all cash proceeds, consisting of money, checks and the

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like, in the exact form in which they are received, and to evidence Company's rights hereunder, assign or endorse such proceeds to Company. Company shall have the right to collect or otherwise deal with proceeds at any time. Company, in its discretion, may apply such cash proceeds to the payment of any indebtedness of Dealer to Company (whether or not the same shall then be due) or may release such cash proceeds to Dealer for use in the operation of Dealer's business.

7. When requested by Company, Dealer shall execute in favor of Company or its assignee, a note or notes or other instrument or instruments, in form satisfactory to Company, evidencing all indebtedness due from Dealer to Company or its assignee or the title or security interest of Company or its assignee in the collateral.

8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also furnish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take inventory of the collateral.

9. Dealer shall give Company written notice by certified mail, return receipt requested, (addressed to CNH America LLC, at P.O. Box 1895, New Holland, PA 17557-0903) setting forth all items of debit or credit disputed by Dealer. Such notice shall be mailed within 60 days after the date of each monthly Statement of Account sent by Company to Dealer. Dealer agrees that the Statement is correct and binding unless the Dealer has mailed the required notice.

10. The Dealer shall:

    (a) take good care of all collateral and provide adequate storage facilities to protect the collateral;

    (b) keep the collateral free from all other liens, encumbrances, security interests, charges and claims whether contractual or imposed by operation of law, and shall not remove the collateral from Dealer's places of business, except in ordinary course of Dealer's retail business, without the prior written consent of Company;

(c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

(d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof; with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

(e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

11. The occurrence of any of the following shall, at the option of Company and without notice or demand, constitute an event of default by the Dealer hereunder:

(a) failure of Dealer to pay promptly when due any present or future indebtedness owing to Company by Dealer,

(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

(d) any assignment by the Dealer for the benefit of creditors,

(e) the Dealer ceases to do business,

(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies

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of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

14. This agreement is not assignable by Dealer. However, all the rights and privileges of Company under this agreement shall inure to the benefit of its successors and assigns. All words used herein shall be construed to be of such gender or number as the circumstances require.

15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to CNH America LLC, P. O. Box 1895, New Holland, PA 17557-0903 serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

1701 Governors Drive
(Complete street address)

Casselton		**ND**	**58012**
(City)		(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

(Complete street address)

(City) (State) (Zip Code)

Type of Entity: Corporation

By: **Titan Machinery Inc.**
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

CEO-Chief Executive Officer (Title)

June 6, 2006 (Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

Regional Sales Director — Date: June 22, 2006

CERTIFIED CORPORATE RESOLUTION

I, Ted Christianson, Secretary of Titan Machinery Inc. do hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Board of Directors of the said corporation duly called and held on June 6, 2006, at which a quorum was present and voting, and that said resolution remains in full force and effect:

"RESOLVED, that the CEO-Chief Executive Officer (Title of Officer) of this Company be, and hereby is authorized, empowered and directed, for and on behalf and in the name of this Company, to enter into an agreement with CNH America LLC titled DEALER SECURITY AGREEMENT, dated as of the date appearing thereon, and to execute and deliver such instruments, documents and other writings as may be desirable to carry out the purposes and intent of the financing arrangement provided by the said agreement."

"FURTHER RESOLVED, that for the convenience of this Company, President, or any employee or employees of the latter's designation is hereby requested, authorized and empowered, for and on behalf and in the name of this Company, to execute and deliver promissory notes with a confession of judgment, separate warrants of attorney to confess judgment, title retention instruments and any and all other writings as set forth in the said DEALER SECURITY AGREEMENT."

(CORPORATE SEAL)

(Authorized Signature of Secretary)

Dated:

CNH America LLC

DEALER SECURITY AGREEMENT

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7. When requested by Company, Dealer shall execute in favor of Company or its assignee, a note or notes or other instrument or instruments, in form satisfactory to Company, evidencing all indebtedness due from Dealer to Company or its assignee or the title or security interest of Company or its assignee in the collateral.

8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also furnish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take

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(c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

(d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof; with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

(e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

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(a) failure of Dealer to pay promptly when due any present or future indebtedness owing to Company by Dealer,

(b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

(c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

(d) any assignment by the Dealer for the benefit of creditors,

(e) the Dealer ceases to do business,

(f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

(g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies

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of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

14. This agreement is not assignable by Dealer. However, all the rights and privileges of Company under this agreement shall inure to the benefit of its successors and assigns. All words used herein shall be construed to be of such gender or number as the circumstances require.

15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to CNH America LLC, P. O. Box 1895, New Holland, PA 17557-0903 serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

17805 HWY 13

(Complete street address)

WAHPETON		**ND**	**58075**
(City)		(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

(Complete street address)

(City) (State) (Zip Code)

Type of Entity: **Corporation**

By: **Titan Machinery, Inc. dba Richland Implement**
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

CEO-Chief Executive Officer (Title)

2-16-07 (Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

Regional Sales Director

February 20, 2007
Date

CERTIFIED CORPORATE RESOLUTION

I, Ted Christianson, Secretary of Titan Machinery Inc. do hereby certify that the following is a true and correct copy of a resolution adopted at a meeting of the Board of Directors of the said corporation duly called and held on February 2, 2007, at which a quorum was present and voting, and that said resolution remains in full force and effect:

"RESOLVED, that the CEO-Chief Executive Officer (Title of Officer) of this Company be, and hereby is authorized, empowered and directed, for and on behalf and in the name of this Company, to enter into an agreement with CNH America LLC titled DEALER SECURITY AGREEMENT, dated as of the date appearing thereon, and to execute and deliver such instruments, documents and other writings as may be desirable to carry out the purposes and intent of the financing arrangement provided by the said agreement."

"FURTHER RESOLVED, that for the convenience of this Company, David Meyer, or any employee or employees of the latter's designation is hereby requested, authorized and empowered, for and on behalf and in the name of this Company, to execute and deliver promissory notes with a confession of judgment, separate warrants of attorney to confess judgment, title retention instruments and any and all other writings as set forth in the said DEALER SECURITY AGREEMENT."

(CORPORATE SEAL)

(Authorized Signature of Secretary)

Dated:

CNH America LLC

DEALER SECURITY AGREEMENT

DEALER SECURITY AGREEMENT

THE undersigned CNH AMERICA LLC, a Delaware corporation having offices at New Holland, Pennsylvania, (hereinafter called Company) as secured party and the undersigned Dealer (hereinafter called Dealer) as debtor, intending to be legally bound, hereby agree as follows:

1. It is anticipated that Company in its continuing sole discretion, from time to time may sell its goods on credit to Dealer. Dealer agrees to pay Company for such goods in the manner at the times prescribed in the Terms of Sale in effect at the time of sale.

2. In order to induce Company to make such sales, Dealer hereby grants to Company a security interest under the Uniform Commercial Code in the collateral described in Paragraph 3 below to secure all present and future obligations and liabilities of Dealer to Company, including but not limited to contingent liabilities and future advances made for taxes, levies and repairs to or maintenance of the collateral (all of which obligations and liabilities together are herein called the "indebtedness").

3. The word collateral, as used in this Agreement, shall mean: (a) Dealer's entire inventory now owned or hereafter acquired by Dealer from Secured Party of repair parts for new and used agricultural equipment, industrial equipment, other machinery and equipment; (b) supplies, twine and wire; and (c) all proceeds thereof.

4. Dealer represents and warrants that: (a) at the time Company's security interest attaches with respect to any collateral, the Dealer shall be the owner of said collateral with good right to sell, transfer, assign or pledge the same, free from any lien, security interest, encumbrances or other right, title or interest, other than that of Company; and (b) all of Dealer's places of business are at the locations(s) identified on the last page of this document. The Dealer shall advise Company in writing prior to the discontinuance of or the establishment of any place of business or the change of location of any place or places of business of Dealer. If Dealer is a corporation, Dealer also represents and warrants that it is duly organized and existing under the laws of its state of incorporation's, is duly qualified and in good standing in every other jurisdiction where the conduct of its business requires such qualification, and the execution, delivery and performance hereof are within its corporate powers, have been duly authorized and do not violate any law or the terms of the Dealer's certificate of incorporation, by-laws or any indenture or agreement to which it is a party.

5. The security interest in each item of the collateral secures the entire indebtedness of the Dealer to Company from time to time outstanding, and all of the collateral shall remain security for the unpaid balance of such indebtedness regardless of individual times of payment as to portions thereof, and such security interest shall continue in any unsold items even though the Dealer may have paid the purchase price of any such item or items.

6. When and to the extent requested by Company at any time, Dealer shall, promptly upon receipt, deliver to Company (or to a bank designated by Company for deposit in an account

controlled by Company) all cash proceeds, consisting of money, checks and the

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like, in the exact form in which they are received, and to evidence Company's rights hereunder, assign or endorse such proceeds to Company. Company shall have the right to collect or otherwise deal with proceeds at any time. Company, in its discretion, may apply such cash proceeds to the payment of any indebtedness of Dealer to Company (whether or not the same shall then be due) or may release such cash proceeds to Dealer for use in the operation of Dealer's business.

7. When requested by Company, Dealer shall execute in favor of Company or its assignee, a note or notes or other instrument or instruments, in form satisfactory to Company, evidencing all indebtedness due from Dealer to Company or its assignee or the title or security interest of Company or its assignee in the collateral.

8. The Dealer shall keep accurate books and records of account in accordance with recognized accounting practices. Within 90 days after the end of the Dealer's fiscal year, and at such other times as Company may request, the Dealer shall furnish Company with full and complete financial and operating statements in the form satisfactory to Company and containing such information as Company may require. The Dealer shall also furnish Company at any time upon request, full information regarding collateral on hand, collateral sold and any contracts or agreements affecting such collateral. The Dealer shall also furnish Company promptly, without request, true and complete copies of all settlement sheets, or like documents, in all transactions involving goods received in trade for collateral and such settlement sheets shall adequately describe such trade-ins by make, model, type and serial numbers. Company shall have the right at any reasonable time or times during the Dealer's regular hours to audit Dealer's financial books and records and to inspect and take inventory of the collateral.

9. Dealer shall give Company written notice by certified mail, return receipt requested, (addressed to CNH America LLC, at P.O. Box 1895, New Holland, PA 17557-0903) setting forth all items of debit or credit disputed by Dealer. Such notice shall be mailed within 60 days after the date of each monthly Statement of Account sent by Company to Dealer. Dealer agrees that the Statement is correct and binding unless the Dealer has mailed the required notice.

10. The Dealer shall:

    (a) take good care of all collateral and provide adequate storage facilities to protect the collateral;

    (b) keep the collateral free from all other liens, encumbrances, security interests, charges and claims whether contractual or imposed by operation of law, and shall not remove the collateral from Dealer's places of business, except in ordinary course of Dealer's retail business, without the prior written consent of Company;

    (c) notify Company of any levy or attachment on the whole or any part of the collateral as promptly as possible on the day the levy or attachment is made, and the Dealer shall cause the levy or attachment to be dissolved within three (3) days of any request by Company to do so;

    (d) insure and keep insured all items of inventory collateral consisting of goods which have been paid for in full, but not resold, from loss or destruction by fire, windstorm and such other perils stipulated by Company in an amount not less than the full insurable value thereof; with appropriate endorsement to secure Company, the Dealer and any assignee of Company as their interest shall appear; and

    (e) pay when due all taxes, license fees and charges of any kind whatsoever that may be assessed or charged on or against any of the collateral, or the sale or use thereof, at any time on or after the date of the delivery of collateral to the Dealer.

If the Dealer allows any lien or encumbrance to attach to the collateral, or fails to insure or pay such taxes, license fees, and charges, Company, without obligation to do so, may discharge such lien or encumbrance, obtain such insurance, and pay such taxes, license fees and charges, and the Dealer shall reimburse Company promptly for all money so paid out together with interest at the highest contract rate or ten percent (10%) per annum, whichever is lower. The amounts so paid by Company shall be deemed conclusive as to the amounts properly payable, and such amounts shall be secured hereunder.

11. The occurrence of any of the following shall, at the option of Company and without notice or demand, constitute an event of default by the Dealer hereunder:

    (a) failure of Dealer to pay promptly when due any present or future indebtedness owing to Company by Dealer,

    (b) failure of the Dealer to observe or perform any obligation of the Dealer hereunder or any obligation of the Dealer under any other present or future agreement between the Dealer and Company,

    (c) Company's learning that any representation or warranty of Dealer or information furnished Company by Dealer now or in the future is false or misleading,

    (d) any assignment by the Dealer for the benefit of creditors,

    (e) the Dealer ceases to do business,

    (f) Company's believing in good faith that the prospect of payment of any indebtedness secured hereby is impaired, or,

    (g) the commencement by or against the Dealer of any proceeding relating to the bankruptcy, insolvency or reorganization of the Dealer or relating to the arrangement or adjustment of obligations of the Dealer.

12. If any event of default hereunder occurs, Company, without notice or demand, may declare immediately due and payable all indebtedness secured hereby, may immediately declare this agreement terminated, take immediate possession of the collateral by any method permitted by law and exercise any one or more other rights and remedies Company may have at law or in equity, including but not limited to rights and remedies

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of a secured party under the Uniform Commercial Code. The Dealer shall pay to the extent permitted by law all expenses of protecting and enforcing Company's rights, including court costs and reasonable attorney's fees.

13. The rights of Company hereunder are cumulative and the exercise of any one right is not an election or waiver of the power to exercise any other right. Waiver of any default hereunder is not a waiver of any prior or subsequent default. Action against a guarantor, if any, is not an election or waiver of the right to proceed against the Dealer.

14. This agreement is not assignable by Dealer. However, all the rights and privileges of Company under this agreement shall inure to the benefit of its successors and assigns. All words used herein shall be construed to be of such gender or number as the circumstances require.

15. This agreement may be terminated by either party giving the other thirty (30) days' written notice of intention to terminate, mailed by certified or registered mail, return receipt requested, as follows: to the Dealer at any of the addresses shown, below, and to CNH America LLC, P. O. Box 1895, New Holland, PA 17557-0903 serving the dealer's account; but no such termination shall in any way affect the rights and liabilities of the parties hereunder accrued or incurred prior to the date named in such notice.

16. If this agreement is made in Colorado, Delaware, Illinois, Maryland or Pennsylvania, the Dealer hereby irrevocably authorizes an attorney-at-law, at any time after any part of the indebtedness is due, whether by acceleration or otherwise, to appear for the Dealer as of any term and confess judgment without process against the Dealer for the entire

indebtedness, to waive all errors and rights to review such judgment, and to consent to immediate execution on such judgment, hereby waiving the benefit of any and all stay or exemption laws.

PRINCIPAL LOCATION (PHYSICAL LOCATION) OF PROSPECTIVE DEALERSHIP

Jct Highway 60 & 75 North

(Complete street address)

LeMars	**IA**	**51031**
(City)	(State)	(Zip Code)

OTHER LOCATION (PHYSICAL LOCATION) OF BUSINESS OF PROSPECTIVE DEALER

(Complete street address)

(City) (State) (Zip Code)

Type of Entity: **Corporation**

By: **Titan Machinery Inc.**
(Dealer Trade Name)

/s/ David J. Meyer
(Authorized Signature)

CEO-Chief Executive Officer (Title) 10/31/05 (Date)

Signature(s) of other partner(s);

ACCEPTED: CNH AMERICA LLC

Regional Sales Director

November 1, 2004
Date

LEASE

THIS LEASE is made this 2nd day of August, 2004, to commence on the completion of the building constructed on the real estate described in paragraph 1 below, estimated to be on or about February 15, 2005, by and between ROCKING HORSE FARM, LLC, a North Dakota limited liability company, called "Landlord," and TITAN MACHINERY, INC., a corporation duly licensed to conduct business in the State of North Dakota, called "Tenant".

For and in consideration of the rentals herein reserved and the conditions, covenants and agreements herein contained, to be kept, observed and performed by Tenant, Landlord does hereby lease to Tenant the Leased Premises as described in paragraph 1 below.

The terms and conditions of this lease and the obligations of the Landlord to proceed with the transaction contemplated herein is contingent on the following: (1) Landlord negotiating and entering into a construction contract with the builder, Olaf Anderson and Son Construction Company, with estimated construction costs within the budget described as the estimated project cost in paragraph 4 below, and the Landlord negotiating and entering into a loan transaction with a lender of Landlord's choice under terms and conditions acceptable to the Landlord. Landlord shall notify Tenant on or before September 15, 2004, that the contingencies have been satisfied. Should the contingencies not be satisfied by such date, the Tenant may terminate this Lease.

1. LEASED PREMISES.

Lot 3, Block 1, Rocking Horse Farm First Subdivision, to the City of Fargo, Cass County, North Dakota, together with a building to be constructed on the real estate containing approximately 12,700 leaseable square feet ("Building") and other improvements all as further described below and as further described in the attached schedules;

Subject to or otherwise benefiting from the following easements:

a. The Landlord shall cause to be constructed a parking lot on and adjacent to the lot line separating Lots 2 and 3 of Rocking Horse Farm First Subdivision. The easement is in the process of being drafted but the tenant shall have a right of ingress and egress and the right to park on such parking lot and the owner of Lot 2 shall have a similar easement for ingress and egress and parking on the parking lot; and

b. All lots in Rocking Horse Farm First Subdivision (Lots 1 through 5) will drain through a "swale" which will run through the center of the lots and along the lot line between Lots 1 and 5 to a central holding pond. The easement is in the process of being drafted. Lot 3, as the other lots in Rocking Horse Farm First Subdivision, will be subject to and otherwise benefit from the easement regarding drainage.

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c. A currently undefined circular area around the center of the subdivision where all lots adjoin, which area will be maintained as a common area (see Schedule 1.A.)

The easements are subject to the approval of the Tenant, which approval will not be unreasonably withheld.

The purpose of this Lease is for Landlord to lease to Tenant and Tenant to lease from Landlord the underlying real estate described above together with the built-to-suit building to be built by the Landlord for use by the Tenant (collectively referred to as the "Leased Premises"). Landlord shall be responsible for any costs and expenses associated with the general construction of the building and basic "fit-up" as described below, the improvements to the grounds, including location of the above-described easements, landscaping sidewalks, and parking lot and parking lot lighting, and the costs of providing utilities and other basic services to the Building. Attached hereto and incorporated by reference herein as schedules 1.A. and 1.B. are copies of the site plan and the plans and specifications for the Building.

Landlord and Tenant shall be separately responsible for paying the costs of "fit up" of the Leased Premises as described in Schedule 1.C. Subject to review by the Tenant, it will be the Landlord's responsibility, along with the Landlord's architect, to establish the interior floor plan and to make determinations with regard to location of walls and utility services. The Tenant shall have an opportunity to review such plans and to consent to the same, the consent to not be unreasonably withheld. The Landlord will contract for the construction of the Building and the Landlord "fit up" and pay for the same.

The Tenant acknowledges that a portion of the Building will be delivered "unfinished" for later use by the Tenant or subtenants. The Tenant shall be responsible for all "fit up" associated with the "unfinished" space, although the parties agree that they will negotiate, in good faith, regarding the Landlord paying for such fit up with a corresponding increase in the rent. Tenant "fit up" of the unfinished, including floor plan and design, will be subject to the approval of the Landlord, which approval will not be unreasonably withheld.

2. USE. Tenant shall occupy and use the Leased Premises solely for the purposes of an office building, housing the corporate offices of Tenant and other administrative functions related to the business of Tenant.

3. TERM. The term of this Lease shall be for about ten (10) years beginning approximately February 15, 2005, and ending January 31, 2015, based upon construction commencing on or about August 15, 2004. The end date of the initial term will not be adjusted based upon the occupancy date and commencement date of the lease term.

(A) OPTIONS TO RENEW. Provided Tenant has complied with all of the terms and conditions of this Lease, and is not otherwise in default Tenant shall have the option to extend this Lease for two (2) additional terms of five (5) years each from and after the original lease term, by giving to Landlord written notice of the

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exercise of such option at least 120 days prior to the expiration of the original term or any renewal term. If the option is exercised, this Lease shall be extended on the same terms and conditions as for the original term, except that the monthly rental in effect at the end of the initial lease period or any renewal term shall be increased pursuant to the provisions described in paragraph 4 below.

Landlord shall not be liable to Tenant for damages resulting in delays in having the Building suitable for occupancy because of delays in construction.

4. RENT. The rent herein described and agreed to be paid by Tenant to Landlord is based upon a total estimated project cost to Landlord not to exceed $1,400,000, including the amount of $160,000 dollars allocated to the underlying real estate. If the construction costs exceed this estimate because of the changes requested by Titan, the rent shall increase to reflect the increased cost to Landlord. Increased costs due to Landlord design or material requests shall not cause an adjustment in rent.

For years one (1) through five (5) of the lease term, Tenant shall pay to the Landlord, at its office or such other place designated by the Landlord, without deduction or setoff whatsoever, an annual rent of One Hundred Thirty-One Thousand ($131,000). The rent will be payable in equal monthly installments of Ten Thousand Nine Hundred Sixteen and 67/100 Dollars ($10,916.67) on the first day of each month during the entire term of the Lease. The rent for the first month, if occupancy is on other than the first day of the month, will be prorated for the month and due on the occupancy date. The rent shall be considered delinquent on the 10th day of the month if not paid.

The rent will be increased for years six (6) through ten (10) commencing February 1, 2010, to an amount equal to the lesser of two and one-half percent (2 1/2%) per year (compounded annually) or the increase in the Consumer Price Index, as described below, from the lease commencement (occupancy) date. In no event shall the rent be less than the initial rent.

On February 1, 2010, and on the 1st day of each of the five (5) year renewal terms, Landlord shall ascertain the Consumer Price Index for all urban consumers of the Bureau of

Labor Statistics, United States Department of Labor (or other similar governmental or institutional indexes should the Department of Labor discontinue the same). Landlord shall also determine said Index for February 1, 2005. Landlord shall determine the percentage increase, if any, of such Index on February 1, 2010, February 1, 2015 and February 1, 2020, as compared to the Index for February 1, 2005. The monthly rental shall be adjusted upward beginning on the first day of the sixth (6th) year, subject to the provisions of the immediately-preceding paragraph. Rent for each of the two (2) five (5) year renewal terms will be calculated based upon the Consumer Price Index in accordance with the preceding sentences. In no event shall the rent be less than the initial rent. The adjusted rent shall be payable monthly as provided above. Pending the determination of the additional amount, if any, to be paid by Tenant, Tenant shall continue to pay the rent at the rate previously paid until the additional amount has been determined. The Tenant, on the first day of the month immediately following the furnishing by Landlord to Tenant of the computation thereof, shall pay to Landlord the

accrued increase up to and including the first day of the month such payment would have otherwise been paid.

5. COMMON EXPENSES.

(A) Area Included. The Leased Premises shall include the use in common with others of the parking lot described in paragraph 1.a. above and common areas and facilities which may be developed in the future as part of the Rocking Horse Farm First Subdivision, subject to rules and regulations for use prescribed by Landlord.

(B) Common Expenses. Landlord shall make arrangements for the maintenance and cleaning of the exterior windows on the Building, snow removal, yard care and cleaning, and exterior painting or finishing of the Building. Tenant shall pay such expenses associated with Lot 3. If not separately billed to Tenant, Tenant shall monthly pay its expenses within ten (10) days of the billing by Landlord.

6. REAL ESTATE TAXES. Tenant shall pay all real estate taxes and installments of special assessments levied and assessed against the Leased Premises, including the Tenants improvements to the Leased Premises. The real estate taxes and installments of special assessments shall be paid on or prior to February 15 of each year and at no time shall the Tenant allow the real estate taxes and installments of special assessment to become delinquent. Landlord, upon receipt of the tax statement, will promptly deliver the statement to Tenant. Upon payment of the taxes, Tenant shall provide proof of payment to Landlord. Real estate taxes and installments of specials for any partial year in the lease term shall be prorated between the parties, except Tenant shall pay all 2005 payments.

7. UTILITIES. Tenant shall pay for all telephone, fuel, electricity, gas, oil, water, sewer and other utilities used on the Leased Premises, including utility expenses related to a drain field and water well to be constructed on Lot 3. If the City of Fargo requires the connection to city water and sewer, the costs or assessments associated with such installation shall be paid by Tenant as part of its obligation under paragraph 6 above.

8. INSURANCE.

(A) Tenant, at its expense, shall carry fire and extended coverage insurance upon the Building and any Tenant improvements to the Leased Premises in an amount equal to the "full replacement value" and against all loss or damage customarily included under standard "all risk" policies. Landlord shall be named as an additional insured and loss payee under the policy. Copies of the building insurance policy and/or certificates of insurance shall be delivered to Landlord. The building insurance policy shall require the insurance company to notify Landlord, in writing, not less than thirty (30) days prior to the effective cancellation date of the insurance.

(B) Tenant, at its own expense, shall keep in force public liability insurance, to include commercial general liability insurance, contractual liability insurance and personal injury liability coverage with respect to the leased premises, with limits

of at least $1,000,000 for one person and $3,000,000 for more than one person injured or killed, and at least $500,000 for property damage in any one accident, with the Landlord named as an additional insured. Copies of liability insurance policies or certificates of insurance shall be delivered to Landlord. All policies shall require the insurance company to notify Landlord, in writing, at least thirty (30) days prior to any cancellation of the insurance and that no act or omission of others shall avoid coverage as to Landlord.

9. WAIVER OF SUBROGATION. The parties release each other from all claims for recovery for any loss or damage to any of its property which is insured under an insurance policy to the extent of any recovery collectible under the insurance. This release and waiver shall apply only when permitted by the applicable insurance policy.

10. DAMAGE OR DESTRUCTION. If the Building shall be partially or totally damaged by fire, flood or other casualty so as to become partially or totally untenable, the Building shall be rebuilt as soon as reasonably possible at the expense of the Landlord, but only to the extent of the insurance proceeds available. To the extent that portions (or all) of the Building are not useable and the Tenant's business is substantially interfered with, the rent and other charges due from Tenant to Landlord shall be proportionately abated during the period of reconstruction.

Tenant shall give Landlord immediate notice of any damage or destruction to the Leased Premises.

11. CONDEMNATION. If any part of the Leased Premises is taken over or condemned for a public or quasi-public use and a part remains which is suitable for occupancy, this Lease shall, as to the parts so taken, terminate on the date title shall vest in the condemnor and rent payable shall be adjusted so Tenant shall pay only that portion of the rent as the value of the part remaining bears to the value of the entire Leased Premises at the date of condemnation.

The parties shall cooperate in applying for and in prosecuting any claim for condemnation award. The award, after deducting all expenses, including attorney's fees, shall be divided, and Tenant shall be entitled to that portion of the award which would be awarded for its leasehold interest and expenses for moving its fixtures and property.

12. ASSIGNMENT. Tenant shall not assign, sublet or mortgage this Lease or any right hereunder without prior written consent of Landlord. Subletting space to a related or commonly owned company is authorized without Landlord consent. If assignment or subletting is permitted, Tenant shall continue to be liable for the rent and performance of all covenants in the Lease. Neither this Lease nor any right hereunder shall be assignable by operation of law, including bankruptcy or other law relating to debtors, and no trustee, receiver, sheriff, creditor or purchaser at judicial sale, or any officer of any court shall acquire any right under this Lease or to the possession or use of the Leased Premises or any part thereof without the prior written consent of Landlord. If this Lease or the Leased Premises or any interest therein is levied on by any legal process against Tenant,

at the option of Landlord, the Landlord may terminate the Lease on not less than ninety (90) days notice to Tenant.

13. REPAIRS AND MAINTENANCE. To the extent the insurance procured by the Tenant does not cover damage or repair, Landlord shall be responsible for keeping the foundation, exterior walls and roof of the Building in good repair. Tenant shall keep the HVAC, plumbing and electrical systems in good repair. Specialized plumbing, electrical, communication or HVAC equipment or systems included in Leased Premises shall be the responsibility of the Tenant.

Subject to the provisions of paragraph 5 above, Tenant, at its cost, shall keep all portions of the Leased Premises clean, maintained and in good repair, including the parking lot described in paragraph 1(a) above, plumbing, doors, windows, hardware, glazing, including all necessary replacements, interior painting, floor covering and normal wear and tear items.

The Leased Premises shall not be altered or changed from the plans and specifications attached hereto and incorporated by reference herein as Schedule 1.B. without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. "Fit-up" of the unfinished areas of the Building shall be the sole responsibility of the Tenant, and the design and materials used are subject to Landlord approval.

14. ENVIRONMENTAL. Tenant shall take all necessary precautions to not allow the deposit or placing of hazardous substances and to immediately remove any hazardous materials from the Leased Premises.

Tenant shall at all times conform to city, county, state and federal guidelines relating to the presence or disposal of hazardous substances, including the maintenance, control and disposal of such hazardous substances. For purposes of this Lease Agreement, hazardous substances means hazardous waste, toxic substances and such other materials as may be defined as hazardous by state and federal ordinance, statute or regulation. Tenant shall defend, at Tenant's expense, and at all times indemnify and hold Landlord harmless from any such lien, claim, action, or demand, by any governmental agency or third party for damages, remedial or otherwise, resulting from the presence, release or disposal of any hazardous substance located on or generated from the Leased Premises. In the event the Landlord becomes aware of any such claim and the Landlord so notifies the Tenant, the Tenant shall have a reasonable period of time under the circumstances to cure the default resulting from Tenant's breach of this provision.

15. INDEMNITY. Tenant shall hold Landlord harmless and free from all liability and claims for damages by reason of any injury to any persons, including Tenant, or property, including Tenant's, and occurring during Tenant's occupation of the Leased Premises. Tenant shall indemnify and save Landlord harmless from all liability, loss, costs, attorney's fees and obligations arising out of such claims.

16. LANDLORD'S ACCESS. Landlord may enter upon the Leased Premises and Tenant improvements of the Leased Premises at any reasonable times to inspect the same.

Landlord shall not unreasonably interfere with Tenant's business, nor shall Tenant be entitled to any abatement of rent by reason of the exercise by Landlord of any rights hereunder.

17. NOTICES. Any notice required or desired to be given by either party shall be deemed given if left at the address of the party, delivered (with proof of delivery) by facsimile or electronic mail, or deposited in the United States Post Office for certified mail, return receipt requested, postage prepaid, at the following:

To the Landlord:
Rocking Horse Farm, LLC
Attn: Ken Promersberger
4838 Rocking Horse Circle
Fargo, ND 58104
Ph: 701-492-9194
Fax: 701-277-4611
E-mail: ken@promersberger.com

To the Tenant:
Titan Machinery, Inc.
Attn: Ted O. Christianson, CFO
4645 8th Avenue SW, Suite 1
PO Box 10818
Fargo, ND 58106
Ph: 701-356-0141
Fax: 701-356-0139
E-mail: ted.christianson@titanmachinery.com

18. SIGNS AND COVENANTS. Tenant may, at its own expense, install a sign on the gate at the entrance to the parking lot, which design may be submitted by Landlord or, if not, subject to Landlord approval. Tenant acknowledges that Landlord desires to maintain a common theme regarding properties in the development and Tenant's signage will be required to comply with Landlord's intentions. Upon termination of the Lease, all signage will be removed by Tenant, at its expense.

Tenant has advised that it proposes to locate an antique tractor on the grounds of the Leased Premises. Landlord consents to the same, subject to final approval of the Landlord regarding location and the form of the installation. If placed on the Leased Premises, the tractor shall be kept in good, presentable condition.

Landlord is in the process of developing covenants and restrictions affecting Rocking Horse Farm First Subdivision. Tenant agrees to comply with all such covenants and restrictions once adopted by Landlord, provided such covenants and restrictions are applicable to all other tenants or owners of Lots 1 through 5 in Rocking Horse Farm First Subdivision.

19. QUIET POSSESSION. Tenant, upon paying the rent and performing the agreements of this Lease, shall peaceably and quietly have, hold and enjoy the Leased Premises for the specified term.

20. LIENS. Tenant shall not permit any mechanic's or other lien to stand against Landlord's property arising out of any act or omission of Tenant. Tenant may contest the validity or amount of any lien if Tenant gives Landlord security required by Landlord to ensure payment or prevent any forfeiture of the property. Tenant shall have all liens released or judgments satisfied at Tenant's expense.

21. SUBORDINATION. This Lease and all rights of Tenant hereunder shall be subject and subordinate to the lien of any and all mortgages that may now or hereafter affect the Leased Premises or any part thereof, and to any or all renewals, modifications or extensions of any such mortgages. Tenant shall, on demand, execute, acknowledge and deliver to Landlord, without expense to Landlord, any and all instruments that may be necessary or proper to subordinate this Lease and all rights therein to the lien of any such mortgage or mortgages, and each renewal, modification or extension, and if Tenant shall fail at any time to execute, acknowledge and deliver any such subordination instrument, Landlord, in addition to any other remedies available in consequence thereof, may execute, acknowledge and deliver the same as Tenant's attorney-in-fact and in Tenant's name. Tenant hereby irrevocably makes, constitutes and appoints Landlord, its successors and assigns, its attorney in fact for that purpose.

22. BANKING. Tenant acknowledges that Landlord will procure financing to construct the Building and other improvements on the underlying real estate of the Leased Premises. Landlord's lender has required that Tenant, as the sole occupier of the Building provide audited financial statements, including a balance sheet and income or profit and loss statements, on an annual basis. Tenant represents that its financial statements are audited by the company's accountant and that within ten (10) days following delivery of the audited financial statements to Tenant by accountant, Tenant shall cause the same to be delivered to Landlord or Landlord's designee. In no event shall the audited financial statement be delivered later than the 1st day of July of each year.

23. REQUIREMENTS OF PUBLIC AUTHORITY. Tenant shall comply with all covenants and restrictions of record, and all laws, ordinances and regulations of governmental authority which affect the Leased Premises, Building, improvements, business or use thereof. Tenant shall obtain, at its own expense, all licenses and permits necessary for Tenant's business.

24. DEFAULT. If Tenant shall fail to pay the rent when due or defaults in any provisions of this Lease, or if Tenant shall make an assignment for the benefit of creditors, enter bankruptcy, receivership or insolvency, Landlord may, at its election, give notice to Tenant in writing of its intention to terminate the Lease. Tenant shall have ten (10) days after notice is sent to cure any default arising out of its failure to pay rent and shall have thirty (30) days after notice is sent to cure any other default. If default continues thereafter, Landlord may declare the term ended and re-enter the Leased Premises without a forfeiture of rents to become due hereunder, either with or without process of law, and to remove the Tenant and all persons on the Leased Premises, using force as may be necessary to repossess and enjoy the Leased Premises without prejudice to any other remedy which might be available. Landlord may re-rent at a price and terms as Landlord determines, and receive the rent applying it to payment of the rent due under

this Lease, after all expenses of re-rental, including advertising, rental commissions, decorating, repairs and maintenance. Tenant shall pay any deficiency and remain liable for failure to comply with all terms and conditions of the Lease. Landlord may, but is not obligated to, make payments or to keep covenants required of Tenant under this Lease. All expenses of Landlord in so doing shall be additional rent and paid by Tenant to Landlord. All of Landlord's remedies are cumulative and pursuit of any remedy shall not be an election of remedies. Landlord shall have all remedies allowed by law and this Lease.

If Landlord is in default under this Lease, Landlord shall have thirty (30) days time to cure the default after written notice specifying the default to Landlord by Tenant. If the default cannot be cured within thirty (30) days but Landlord is proceeding in good faith to cure the default, the cure period will be extended for so long as Landlord continues the process of cure.

25. OPTION TO PURCHASE. Provided Tenant is not in default under the Lease, Landlord hereby gives and grants to Tenant and/or Dealer Sites, LLC, (provided that Meyer Family Limited Partnership and Adam Smith Income Partners, LLC, own voting control of Dealer Sites, LLC) the option of purchasing the Leased Premises under the terms and conditions that follow:

(A) Tenant's option to purchase shall come into effect at the end of the 6th year of the initial term of this Lease (January 31, 2011). If Tenant intends to exercise the option immediately following the expiration of the 6th year, pursuant to the provisions below, Tenant would give Landlord notice of its exercise of the option on or prior to August 1, 2010, with a contemplated closing on or following January 31, 2011. Unless otherwise agreed to between the parties, Tenant's option to purchase the property is an annual option with the closing contemplated to be on or following the last day of each year of the lease term from and after the expiration of the initial six years of the lease.

(B) The option shall expire, unless sooner exercised, on January 31, 2015, provided the Lease is still in full force and effect. However, should Tenant exercise its option to renew the lease, this option to purchase shall continue for so long as the lease is in full force and effect.

(C) The option may be exercised by Tenant by delivering to Landlord, not later than August 1 of the year immediately preceding the closing date a written notice stating that Tenant exercises the option and fixing a date for conveyance of the Premises (Date of Closing), which date shall be on or following January 31 of the year following the notice unless otherwise agreed to by Landlord. With the option notice, Tenant shall deliver to Landlord earnest money of Twenty Thousand Dollars ($20,000).

(D) If the option is duly exercised as provided above, Landlord agrees to sell to Tenant and Tenant agrees to purchase from Landlord the Premises for the price of One Million Four Hundred Thousand Dollars ($1,400,000), plus the amount of

construction costs associated with Tenant-requested changes, if any, and the later costs incurred by Landlord, if any, to "fit up" the unfinished space (the "base price"), plus the following:

(1) The increase in the Consumer Price Index as calculated pursuant to ¶ 4 above off the base price above described, but in no event shall the increase be less than three percent (3%) compounded annually from and after the lease commencement date or greater than four percent (4%), again compounded annually; and

(2) any prepayment penalties or other costs incurred by Landlord to pay the mortgage note at closing.

Monthly rentals paid shall not be credited against the purchase price and shall continue to be paid until closing.

(E) Within thirty (30) days following receipt by Landlord of notice of Tenant's election to exercise this option, Landlord shall deliver to Tenant an Abstract of Title showing good and marketable title, free and clear of all liens and encumbrances, taxes and special assessments, except installments of special assessments or assessments for special improvements which have not been certified to the County Auditor or Treasurer for collection. The abstract will be continued by the Tenant, at Landlord's expense. If the abstract contains evidence of mortgages against the Leased Premises, Landlord shall deliver to Tenant, a statement from the mortgagee describing the balances due and owing as of the proposed Date of Closing, including an estimate of the expenses described in subparagraph (2) above. Tenant shall have thirty (30) days in which to give written notification to Landlord of any objections Tenant has to the title or any such objections shall be deemed waived.

At closing, Tenant shall deliver to Landlord the purchase price, less customary credits, payable in cash or by check certifying such funds. Landlord shall deliver to Tenant good and sufficient warranty deed, together with documents indicating the satisfaction of any mortgages.

(F) If an association is to be established for the owners of property in Rocking Horse Farm First Subdivision, Tenant will be a member of the owner association.

26. RIGHT OF FIRST REFUSAL. In the event Tenant exercises the option and does purchase the Leased Premises from the Landlord pursuant to the provisions of paragraph 25 above, Tenant will grant to Landlord or the owner will expressly reserve a right of first refusal to repurchase the Leased Premises in the event Tenant intends to sell the same. Upon receiving a bona fide offer, an offer Tenant intends to accept, Tenant shall notify Landlord of such offer, together with the terms of payment. The Landlord may, within thirty (30) days following notification from Tenant, notify Tenant, in writing, of its intent to repurchase the Leased Premises pursuant to the terms of the notification given by Tenant.

27. NONWAIVER. No waiver by a party of any breach by the other of its obligations hereunder shall be a waiver of any other subsequent or continuing breach. Forbearance by a party to seek a remedy for any breach by the other shall not be a waiver of its rights or remedies with respect to the breach, or the required time of payment of rent or performance of a party's obligations.

28. HOLDING OVER. If Tenant shall continue to occupy the Leased Premises after termination of this Lease, such occupancy shall create a tenancy at will only and shall not be a renewal of this Lease. Tenant shall pay rent for the Leased Premises at the same rate per month as under the last preceding tenancy.

29. SURRENDER. At the termination of this Lease for any reason, Tenant shall quit and surrender the Leased Premises in as good condition as when received, reasonable wear and tear or causes beyond Tenant's control excepted.

Tenant shall remove its fixtures, equipment, signage and property installed by Tenant and shall repair all damages caused by removal.

30. OBLIGATION OF PARTIES. The agreements in this Lease shall be binding upon and enforceable by the parties, their heirs, representatives, successors and assigns.

31. RELATIONSHIP OF PARTIES. Nothing contained in this Lease or any act or omission of the parties shall be construed to create a relationship of principal and agent, partnership, joint venture or association or any relationship between the parties other than the relationship of Landlord and Tenant.

32. GOVERNING LAW. This Lease covers property in North Dakota and shall be construed according to North Dakota law. Invalidity of any provision of this Lease shall not affect the validity of any other provision.

The parties have signed this Lease the day and year first written above.

ROCKING HORSE FARM, LLC

By: /s/ Ken Promersberger
Ken Promersberger
Its: President

Landlord

TITAN MACHINERY, INC.

By: /s/ Ted O. Christianson
Ted O. Christianson
Its: Chief Financial Officer

Tenant

STATE OF NORTH DAKOTA

COUNTY OF CASS

The foregoing instrument was acknowledged to before me this 2nd day of August, 2004, by Ken Promersberger the President of Rocking Horse Farm, LLC, a North Dakota limited liability company, who executed the same for and on behalf of the limited liability company.

/s/ Timothy R. Meyer
Notary Public

STATE OF NORTH DAKOTA

COUNTY OF CASS

The foregoing instrument was acknowledged to before me this 2nd day of August, 2004, by Ted O. Christianson, the Chief Financial Officer of Titan Machinery, Inc., a corporation, who executed the same for and on behalf of the corporation.

/s/ Timothy R. Meyer
Notary Public

GUARANTY

In order to induce Landlord to enter into this Lease with Tenant, David Meyer, and in consideration thereof, personally does hereby unconditionally guaranty to Landlord that Tenant willfully and promptly pay and discharge all its present and future obligations to Landlord under the above-described Lease and under each and every modification, amendment and renewal thereof, and does further unconditionally guarantee the prompt payment when due of any and all monies agreed to be paid to Landlord by Tenant under the Lease, irrespective of any invalidity thereof or the unenforceability thereof. I further agree to pay on demand all sums due or to become due from and all losses, costs, reasonable attorneys' fees or expenses which may be suffered or incurred by Landlord by reason of Tenant's default or default of the undersigned.

Notwithstanding the above, the undersigned's guaranty will be limited to the rental payments and other financial obligation (i.e. real estate taxes, insurance and common expenses) due and payable by the Tenant during the first five (5) years of initial lease term.

/s/ David Meyer
David Meyer

Schedule 1.A.

See attached site plan.

Schedule 1.B.

See attached Building plans and specifications.

Schedule 1.C.

Landlord construction and "fit up" responsibilities

1. Building structure, roof, doors and windows
2. Parking lot and lighting
3. Sidewalks
4. Landscaping
5. Utility services to building
6. Window coverings (blinds)
7. Interior walls, taped and painted
8. Floor coverings
9. Building HVAC systems
10. Basic lighting fixtures
11. Basic electrical systems
12. Kitchen cabinets and bathroom counters
13. Bathroom fixtures
14. Dumpster/transformer enclosure
15. Entrance gate(s)
16. Emergency lighting system
17. Security system
18. Water well
19. Septic system/drain field

Tenant "fit up" responsibilities

1. Special computer HVAC requirements
2. Telephone system
3. Computer cabling system, including internet
4. Kitchen appliances
5. Signage (interior and exterior)
6. Pads for antique farm equipment
7. Workroom millwork
8. Reception counter/snack bar
9. Coat hooks/racks

Schedule 5.B.
Estimate of Annual Expenses
for Titan Building

1. Real estate property taxes	$	24,000
2. Special assessments (asphalt road surfacing only)		2,600
3. Property (building) insurance		6,000
4. Heat/electricity		9,000
5. Yard (lawn) and snow removal		5,500
6. Security system		200
7. Maintenance, including parking lot		1,000
8. Window cleaning		500
9. Waste management		700
10. Rug clean/rental		700
11. Water/sewer (currently)		0
12. Janitorial		unknown
	$	50,300

[approximately $4.00 per square foot]

ADDENDUM NO. 1 TO LEASE

THIS ADDENDUM is made and entered into this 13th day of September, 2005, to be in all things effective March 11, 2005, by and between ROCKING HORSE FARM, LLC, a North Dakota limited liability company ("Landlord") and TITAN MACHINERY, INC., a corporation duly licensed to conduct business in the State of North Dakota ("Tenant").

WHEREAS, Landlord and Tenant entered into a Lease Agreement dated August 2, 2004, which Lease contemplated the construction of a building on the Leased Premises, as defined in the Lease; and

WHEREAS, the Building has been completed; and

WHEREAS, there were cost overruns because of changes requested by Tenant totaling $77,642 and, pursuant to paragraph 4 of the Lease, the parties have determined that the rent shall be adjusted as herein described.

NOW, THEREFORE, in consideration of the Lease, the construction of the Building and the Tenant's occupancy of the same, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Where the terms of this Addendum are inconsistent with the terms and conditions of the Lease, the terms and conditions of this Addendum shall apply.

2. The Tenant acknowledges that Landlord has arranged for financing the cost overruns and incurred additional out-of-pocket bank costs and expenses in arranging for such financing in the approximate amount of $294. This amount has been added to the cost overruns in calculating the new monthly rent.

3. Paragraph 3 with regard to the Term is clarified for the sole purposes of the parties agreeing that the lease commencement date is March 11, 2005. The expiration date of the original ten (10) year term remains as January 31, 2015.

4. The following terms shall apply with regard to the rent described in paragraph 4 of the Lease:

(a) Tenant commenced paying rent in the amount of $10,916.67 per month on April 1, 2005. Tenant also paid Landlord for the prorated rent for the period from and after March 11, 2005. Tenant has timely paid all other monthly rent payments through the rent payment paid September 1, 2005.

(b) For years one (1) through five (5) of the initial ten (10) year lease term, the rent, to cover the construction cost overruns and additional costs described above, shall be adjusted upward to a monthly rent installment of $12,563.01 per month.

(c) Upon execution of this Addendum No. 1, Tenant has caused to be paid to Landlord the sum of $11,524.38 representing the "make-up" rent for the increase described in

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subparagraph (b) above for the months of March 2005 through September 2005. Commencing on October 1, 2005, and each month thereafter through the rent due February 1, 2010, the monthly rent obligation shall be $12,563.01.

(d) Commencing with the rent payment due March 1, 2010, and for the remaining five (5) years of the initial (10) year term, the rent will be adjusted upward pursuant to the provisions of paragraph 4, but based on a base rent for the initial five (5) years of $10,916.67.

5. Paragraph 25(D) of the Lease shall continue to reflect a purchase price of $1,400,000 upon which Tenant's option to purchase shall be based. The purchase price will be adjusted annually pursuant to paragraph 25(D)(1) and (2).

6. Except as amended, qualified or explained in this Addendum No. 1, the terms and conditions of the August 2, 2004 lease, shall remain in full force and effect.

7. This Agreement shall be binding upon the respective successors and assigns of the parties hereto.

ROCKING HORSE FARM, LLC

By: /s/ Ken Promersberger
Its: President

TITAN MACHINERY, INC.

By: /s/ Ted O. Christianson
Its: Chief Financial Officer

ACKNOWLEDGEMENT

The undersigned, David Meyer, the guarantor of Tenant's obligations under the Lease, consents to the above-described Addendum No. 1 and confirms and acknowledges that his unconditional guaranty remains in full force and effect for the first five (5) years of the initial lease term.

/s/ David Meyer
David Meyer

WHOLESALE FLOOR PLAN CREDIT FACILITY
AND
SECURITY AGREEMENT

between

CNH CAPITAL AMERICA LLC,
as Lender

and

TITAN MACHINERY, INC.,

as Borrower

US $125,000,000

Dated as of February 21, 2006

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Exhibit B	Form of Subordinated Note Purchase Agreement

WHOLESALE FLOOR PLAN CREDIT FACILITY
AND SECURITY AGREEMENT

THIS WHOLESALE FLOOR PLAN CREDIT FACILITY AND SECURITY AGREEMENT, dated as of February 21, 2006, between CNH CAPITAL AMERICA LLC, a limited liability company organized under the laws of the State of Delaware ("Lender") and TITAN MACHINERY, INC., a North Dakota corporation ("Borrower").

RECITALS

WHEREAS, Borrower is engaged in the business of, among other things, the sale, rental and lease of agricultural and/or construction machinery and equipment, and related goods and services;

WHEREAS, Lender is engaged in the business of, among other things, providing wholesale, retail and other financing arrangements to equipment dealers and others;

WHEREAS, Borrower has existing senior credit facilities with Lender in the amount of $58 Million pursuant to the agreements identified on Schedule 1 (collectively, the "Existing Wholesale Credit Agreements"), which Existing Wholesale Credit Agreements are exclusive of Lender's Subordinated Debt Facilities (as defined below);

WHEREAS, Borrower desires to amend and restate all the Existing Wholesale Credit Agreements and to provide a wholesale floor plan credit facility of up to an aggregate $125 Million, including such amounts currently outstanding under the Existing Wholesale Credit Agreements, to acquire new equipment, used equipment and parts, and has requested that Lender provide such a credit facility;

WHEREAS, as part of the establishment of the wholesale floor plan credit facility, effective as of January 31, 2006 (subject to Section 4.01), Borrower issued a subordinated note to Lender of up to $7.5 Million pursuant to a subordinated note purchase facility (the "Subordinated Note Purchase Facility"), and effective as of November 10, 2005, Borrower issued a convertible subordinated note to Lender in the amount of $3 million (together with the Subordinated Note Purchase Facility, the "Lender's Subordinated Debt Facilities");

WHEREAS, Lender is willing to provide the wholesale floor plan credit financing upon the terms and conditions set forth in this Agreement, with the understanding that the Borrower will concurrently enter into the Subordinated Note Purchase Facility and issue the subordinated note attached to the Subordinated Note Purchase Agreement (as defined below).

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt of which is hereby acknowledged, Borrower and Lender hereby agree as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Definitions. As used in this Agreement, the following terms have the following meanings:

"Adjusted Net Worth" means the result of Tangible Net Worth plus Lender's Subordinated Debt Facilities.

"Advance" has the meaning specified in Section 2.02(a).

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Aggregate Credit Limit" has the meaning specified in Section 2.02(a).

"Agreement" means this Wholesale Floor Plan Credit Facility and Security Agreement, as from time to time amended, restated, supplemented or otherwise modified.

"Authorized Officer" shall mean with respect to Borrower, the chief executive officer, the president, any vice president, the treasurer or the chief financial officer of Borrower.

"Borrower" has the meaning specified in the Preamble.

"Business Day" means any day other than a Saturday or Sunday or any other day on which banking institutions in Wisconsin, Illinois and North Dakota are authorized or required by law or executive order to close.

"Change of Control" means a change in ownership, directly or indirectly, of equity interests in Borrower, or the voting power of Borrower, which results in the holding of at least fifty percent (50%) of Borrower, or at least fifty percent (50%) of the voting power of Borrower, by a Person or Persons other than David Meyer (or his family members, or his or their Affiliates, or a trust for his or their benefit).

"Collateral" has the meaning specified in Section 2.03.

"Credit Agreements" means this Agreement, the Existing Wholesale Credit Agreements as amended and superseded herein, and any other agreement (other than the Subordinated Note Purchase Agreement) pursuant to which Lender extends credit to or provides financial accommodations to Borrower (other than pursuant to Lender's Subordinated Debt Facilities), all as amended and supplemented. For clarification, Credit Agreements do not include the Subordinated Note Purchase Agreement or any other agreements in connection with Lender's Subordinated Debt Facilities or any agreements related to Lender's rights or obligations as an equity holder or Lender's rights to acquire equity of Borrower.

"Debt" means the aggregate amount of Borrower's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP, less any non-interest bearing floor plan liabilities, and less any liabilities that constitute Subordinated Debt.

"Debt to Adjusted Net Worth Ratio" means the ratio of Debt to Adjusted Net Worth.

"Default" means any condition, event or circumstance which, with the giving of notice or lapse of time or both, would, unless cured or waived, become an Event of Default.

"End User" has the meaning specified in Section 3.04.

"ESS" has the meaning specified in Section 3.03.

"Environmental Laws" means all federal, national, state, provincial, municipal, local and foreign laws, principles of common law, regulations and codes, as well as orders, decrees, judgments or injunctions issued, promulgated, approved or entered thereunder relating to pollution, protection of the environment or public health and safety.

"Events of Default" has the meaning specified in Section 8.01.

"Excluded Taxes" has the meaning set forth in the definition of the term "Taxes".

"Existing Wholesale Credit Agreements" has the meaning set forth in the Recitals.

"Financial Statements" means balance sheets, statements of income, changes in cash flow, sources and applications of funds, related profit and loss accounts, operating statements and any other statement, however called, and the notes thereto.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board that are applicable to the circumstances as of the date of determination.

"Guarantor" means David Meyer.

"Government Lists" has the meaning specified in Section 9.01(b).

"Guaranty" means the guaranty in the form of Exhibit A attached to, and executed by Guarantor concurrently with, this Agreement.

"Indebtedness" of any Person means, without duplication:

(a) all obligations for borrowed money and debit balances at banks;

(b) all obligations evidenced by debentures, bonds, notes or other similar debt instruments;

(c) all indebtedness for the deferred purchase price of property or services;

(d) all obligations in respect of letters of credit (in the case of standby letters of credit, to the extent obligations supported thereby have been issued and are, at the time, outstanding), acceptance facilities (to the extent drafts have been accepted thereunder) or drafts or similar instruments issued or accepted by banks or other financial institutions for the account of such Person, (and, in the case of clause (c) above and this clause (d), excluding any indebtedness or obligations consisting of trade accounts payable or other current liabilities arising in the ordinary course of business and on terms requiring payment in full within no more than 180 days);

(e) any direct or indirect guaranty, indemnity or similar assurance against financial loss of any Person with respect to Indebtedness of or guaranteed by such Person; or

(f) any indebtedness or obligations referred to in clauses (a) through (e) above secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any lien upon or in any Property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness.

"Indemnified Party" has the meaning specified in Section 9.07(a).

"Interest Rate" means the Prime Rate plus 1.6%.

"Lender" has the meaning specified in the Preamble.

"Lender's Subordinated Debt Facilities" has the meaning set forth in the Recitals.

"Material Adverse Effect" means a material and adverse effect, whether individually or in the aggregate, on or change in (a) Borrower's assets, business, operations, properties or condition (financial or otherwise) of Borrower or (b) the ability of Borrower to perform its obligations under any Transaction Document to which it is a party in accordance with the terms thereof and to make payment as and when due of all or any part of the Obligations or (c) the value of the Collateral taken as a whole.

"Net Worth" means the aggregate amount of Borrower's items properly shown as assets on its balance sheet minus the aggregate amount of Borrower's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP.

"Obligations" means all of the Indebtedness whether for principal, interest (including any interest payable subsequent to an Event of Default), fees, expenses, indemnities or otherwise), obligations and liabilities of Borrower to Lender, now or in the future existing under or in connection with the Credit Agreements, whether direct or indirect, absolute or contingent, due or to become due. For clarification, Obligations in this Agreement do not include any of the obligations now or in the future owing under any of Lender's Subordinated Debt Facilities or in connection with Lender's status as an equity holder of Borrower or Lender's rights to acquire equity of Borrower.

"OFAC" means the Office of Foreign Assets Control.

"Other Taxes" means any present or future stamp or documentary taxes; charges or similar levies of the United States or any applicable foreign jurisdiction which are imposed on any payment made hereunder or arise from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document.

"Participant" has the meaning specified in Section 9.08(b).

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

Patriot Act Offense" has the meaning specified in Section 9.01(b).

"Payment Documents" has the meaning specified in Section 3.05.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Liens" has the meaning set forth in Section 6.02.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture or other business entity or Governmental Authority, whether or not having a separate legal personality.

"Plan" means an employee pension benefit plan (including a multiemployer plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and is maintained by Borrower.

"Prime Rate" means, commencing Monday of each week, the interest rate publicly announced from time to time by Bank of America as its 'prime rate' as of Friday of the preceding week.

"Property" of any Person means any asset, revenue or other property, whether tangible or intangible, real or personal of such Person.

"Related Interests" means, with respect to any specified Person, such Person's Affiliates, successors, and assigns, and Representatives of such Person or its Affiliates

"Rental Contract" has the meaning specified in Section 4.03(b).

"Representatives" means, with respect to any specified Person, such Person's shareholders, equity owners, employees, officers, directors, agents, or other agents or representatives.

"Requirements of Law" means, as to any Person, any law, treaty, act, rule or regulation or determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such Person or any of its Properties or to which such Person or any of its Property is subject.

"Security Interest" has the meaning specified in Section 2.03.

"Subordinated Debt" means all of Borrower's liabilities that are subordinated to the payment of Borrower's Obligations to Lender. Subordinated Debt includes, without limitation, Lender's Subordinated Debt Facilities.

"Subordinated Note" means the note issued pursuant to the Subordinated Note Purchase Agreement, a form of which is attached thereto.

"Subordinated Note Purchase Agreement" means the agreement in the form of Exhibit B attached to, and executed concurrently with, this Agreement.

"Subordinated Note Purchase Facility" has the meaning set forth in the Recitals.

"Supplier" means a manufacturer, distributor or other party with whom Borrower does business or from whom Borrower purchases equipment or other goods.

"Tangible Net Worth" means Net Worth minus the aggregate amount of Borrower's items properly shown as the following types of assets on its balance sheet determined in accordance with GAAP: intangible assets, leasehold improvements, receivables plus loans and other amounts due from any shareholder, director, officer, employee and any other Affiliate.

"Taxes" means any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding such taxes (including income taxes or franchise taxes) as are imposed on or measured by Lender's net income by the jurisdiction (or any political subdivision or taxing authority thereof) under the laws of which Lender is organized or maintains any office (such excluded taxes being called "Excluded Taxes").

"Transaction Documents" means the Credit Agreements, the Subordinated Note Purchase Agreement, the Guaranty, all exhibits or schedules to the foregoing and all related documents executed or contemplated in connection with any of the foregoing.

"UCC" has the meaning specified in Section 2.03.

"Wholesale Facility Minimum Debt Service Coverage Ratio" means the ratio computed when the sum of (i) net income, plus (ii) depreciation and amortization expense, plus (iii) interest expense is divided by the sum of (x) current maturities of long-term debt (including Subordinated Debt), plus (y) interest expense, plus (z) capital expenditures not financed by long-term debt.

"Wholesale Finance Plans" means, collectively, all terms and conditions, whether set forth in documents called "Wholesale Finance Plans," "Schedule of Terms," "Schedules of Discounts and Terms," "Dealer Handbook," "Dealer Policy Manual," "Dealer Operating Guide," or otherwise, under which Lender is willing to provide financing for a dealer for the purpose of acquiring and maintaining new and used inventory, parts, equipment and other goods held for sale, lease or rental to its customers, and other financing accommodations identifying such inventory, parts, equipment and other goods eligible for such financing and will include

maximum loan amounts for each item, repayment and curtailment terms, interest rates, default interest rates, late payment and other service charges and fees, maximum annual hour usage limits, excess hourly usage rates and other terms, conditions and limitations of the financing, together with any policy or operating manuals or guides and "dealer bulletins" and other publication from time to time delivered by Lender to Borrower (which may be through Lender's website) and which relate to the foregoing; and any supplemental publications or agreements specifically applicable to Borrower as a dealer, all as in effect and amended and supplemented from time to time. The Wholesale Finance Plans are incorporated herein by reference.

"Wholesale Obligations" means Indebtedness arising under this Agreement and Wholesale Finance Plans. For clarification, Wholesale Obligations do not include any obligations under Lender's Subordinated Debt Facilities or any obligations in connection with Lender's status as an equity holder of Borrower or Lender's rights to acquire equity of Borrower.

1.02 Other Definitional Provisions.

(a) The terms "including" and "include" are not limiting and mean "including but not limited to" and "include but are not limited to".

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein are equally applicable to both the singular and plural forms of such terms.

(d) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding." Periods of days referred to in this Agreement shall be counted in calendar days unless otherwise stated.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.03 Accounting Terms and Determinations. All accounting and financing terms not specifically defined herein shall be construed in accordance with GAAP.

ARTICLE II
THE WHOLESALE FLOOR PLAN CREDIT FACILITY

2.01 Amendment and Restatement.

(a) This Agreement is an amendment and restatement of the Existing Wholesale Credit Agreements. All provisions of the Existing Wholesale Credit Agreements are hereby superseded, provided that the provisions thereof that are necessary to preserve any of Lender's first priority security interest over any of Borrower's assets shall survive. All of the terms and conditions of other existing agreements between Lender and Borrower (excluding

those within the definition of Existing Wholesale Credit Agreements) are hereby affirmed, confirmed and ratified. Lender represents that Lender is the successor by conversion to Case Credit Corporation, and is the assignee of the agreement with New Holland Credit Company, LLC referenced on Schedule 1, and as such, is duly authorized to so amend and restate all of the Existing Wholesale Credit Agreements on behalf of the lender entities named therein.

(b) The Aggregate Credit Limit under this Agreement is a cumulative total for all of Borrower's secured indebtedness to the Lender (exclusive of Lender's Subordinated Debt Facilities), and not in addition to the credit limit under the Existing Wholesale Credit Agreements.

2.02 Credit Facility.

(a) Subject to the terms of this Agreement, Lender may make loans or otherwise extend credit (each an "Advance" and collectively, "Advances") to Borrower from time to time to acquire goods and to use for other lawful purposes in Borrower's business of selling, renting and leasing of agricultural and/or construction machinery and equipment, and related goods, parts, attachments, and services, up to an aggregate maximum principal balance outstanding of up to $125 Million inclusive of amounts outstanding on the date hereof but exclusive of amounts under Lender's Subordinated Debt Facilities (the "Aggregate Credit Limit"). Lender's decision to make any Advance is discretionary, and Lender will determine the amounts of such Advance in its sole discretion.

(b) Borrower hereby authorizes and directs Lender to pay on Borrower's behalf up to the full amount of any invoices, or electronic remittance advices, presented to Lender from time to time which evidence a sale of an item of goods by a Supplier to Borrower or any other amount due to a Supplier. Payment when so made by Lender shall be deemed to be an Advance to Borrower and shall become due and payable pursuant to this Agreement and the Wholesale Finance Plans. Lender shall have no responsibility for the accuracy, validity or genuineness of any such invoice or remittance advice. Advances by Lender, the proceeds of which are remitted to a Supplier pursuant to this Agreement, shall be unconditionally due and payable by Borrower to Lender in accordance with this Agreement and the Wholesale Finance Plans, notwithstanding any claim, off-set or defense to payment Borrower may have against such Supplier with respect to the related invoice or remittance advice or any other transactions or relationships between Borrower and the Supplier. In addition to any other indemnity, Borrower agrees to indemnify and hold Lender harmless from and against any demand, claim action, cost, liability, damage or expense of any kind, including attorneys' fees, arising from or in connection with payment to Suppliers.

(c) Within the foregoing limits and subject to the terms and conditions set forth herein, upon receipt of any invoices or electronic remittance advices submitted on Borrower's behalf by a Supplier, Lender will make Advances.

(d) Lender's agreement to make Advances on the terms and conditions of this Agreement shall expire on May 31, 2008, unless such term is extended by Lender and

Borrower in writing or unless earlier terminated pursuant to ARTICLE VIII hereof.

2.03 Security Agreement.

(a) To secure payment and performance of the Wholesale Obligations, Borrower hereby grants to Lender a security interest (the "Security Interest") in and to all of Borrower's right, title and interest in and to present and future Property in any form and in any location including, but not limited to, the following (collectively, the "Collateral"):

(i) All of Borrower's now owned and hereafter acquired inventory, equipment, software and other goods wherever located, of whatever kind, make, model, brand or nature, that have been or hereafter are obtained from Lender (or any Affiliate of Lender) or that are or were financed by Lender, together with all trade-ins, accessions and rights relating to, and all proceeds of, any of the foregoing;

(ii) All now owned or hereafter arising or acquired accounts, general intangibles, chattel paper, leases, instruments, certificated securities, checks, contracts for sale, deposit accounts, documents (including those in electronic form), and agreements arising from Borrower's sale or lease of goods or provision of services, or otherwise, that have been or hereafter are sold or assigned to Lender, together with any goods that are the subject of any of the foregoing, all support obligations relating to any of the foregoing, and all proceeds of any of the foregoing;

(iii) Borrower's present and future accounts with Lender and all credits and other amounts due Borrower from Lender (or any Affiliate of Lender), and all proceeds of any of the foregoing; and

(iv) Such other or additional assets of Borrower in which Borrower may have heretofore granted or may hereafter grant Lender a security interest in writing, and all proceeds of the foregoing.

(b) The Security Interest is a first priority security interest and is subject to no security interests or other liens other than purchase money security interests and Permitted Liens.

(c) Borrower hereby appoints Lender as Borrower's agent and attorney in fact for the purposes of executing on behalf of Borrower, and in Borrower's name, if necessary, and filing in such places, any and all financing statements, certificates of title (or applications therefor) and other documents (and amendments thereto), all as Lender deems necessary or advisable to evidence, perfect or maintain Lender's security interest in the Collateral.

(d) Borrower agrees to take any and all actions necessary to allow Lender to perfect its security interest in the Collateral.

Terms used herein that are not otherwise specifically defined herein shall have the meaning ascribed to them in the Uniform Commercial Code as enacted in the State of Wisconsin ("UCC").

ARTICLE III
PAYMENT PROVISIONS

3.01 Interest and Principal.

(a) Except as otherwise provided in the Wholesale Finance Plans, the cumulative and unpaid balance of Advances under Section 2.02 shall accrue interest each month at an annual rate equal to the Interest Rate and shall be due and payable monthly as provided in the Wholesale Finance Plans.

(b) Borrower agrees that the cumulative and unpaid principal balance of Advances shall be due and payable at the time or times set forth in the Wholesale Finance Plans (or if not specified therein, then payable upon demand by Lender) except as payment of such amounts are accelerated pursuant to the terms of this Agreement.

(c) Borrower agrees to pay Lender such reasonable fees and other charges, in such amounts and at such times related to all of Borrower's Wholesale Obligations, all as provided in this Agreement and the Wholesale Finance Plans.

(d) The Wholesale Obligations may be prepaid in whole or in part at any time without premium or penalty.

3.02 Set-off. Lender may, at any time and from time to time, without prior notice to Borrower, withhold and deduct from amounts otherwise due to Borrower from Lender under this Agreement or otherwise, the amount of any Wholesale Obligations then due and payable and Lender may apply any amounts so withheld or deducted in reduction of such Wholesale Obligations. Conversely, Lender may, at any time and from time to time, without prior notice to Borrower, withhold or deduct from any Advance hereunder the amount of any Obligations then due and payable by Borrower to Lender pursuant to any other present or future agreement between Borrower and Lender and Lender may apply amounts so withheld or deducted to such Obligations or Indebtedness owed to Lender.

3.03 Statement of Account. Borrower's Obligations shall, absent manifest error, be conclusively evidenced by Lender's books and records, Lender's electronic settlement system ("ESS"), or any successor system to ESS, any promissory note or other document specifically evidencing an Advance, and the terms and conditions of the Wholesale Finance Plans. Lender will deliver monthly statements to Borrower which will include detail regarding Borrower's Wholesale Obligations and the Collateral. Unless Borrower objects in writing within thirty (30) days after Lender's mailing or other transmission of such monthly statements to Borrower, such monthly statements shall be deemed an account stated, and Borrower shall be deemed to have accepted as accurate all information regarding the Wholesale Obligations and Collateral set forth in such monthly statements.

3.04 Sale or Lease of Inventory Collateral. So long as no Event of Default exists hereunder, and subject to the terms and conditions of this Agreement and the Wholesale Finance Plans, Borrower may with respect to Collateral consisting of inventory (a) sell inventory only to End Users in the ordinary course of Borrower's business or to other authorized dealers if in accordance with Wholesale Finance Plans through ESS or (b) lease or rent inventory to End

Users or to other authorized dealers if in accordance with Wholesale Finance Plans through ESS on terms approved by Lender hereunder as set forth in Section 4.03 and under the Wholesale Finance Plans. For purposes hereof, the term "sale" shall include a cash sale, conditional sale, installment sale, finance lease or other similar transaction. For purposes hereof an "End User" shall mean any customer which is not a Related Interest of Borrower, who purchases inventory in an "arms length" transaction for its use, lease or rental, but not for resale. Sales to Affiliates engaged in the equipment rental business may be permitted subject to all of the terms and conditions provided in the Wholesale Finance Plans. Upon the sale or lease by Borrower of any item of inventory with respect to which there is a specific Advance outstanding (other than short term rentals of inventory permitted hereunder and inventory consisting of replacement parts), such Advance shall be immediately due and payable.

3.05 Proceeds of Collateral. All proceeds of Collateral with respect to which there is a specific Advance outstanding shall be remitted to Lender by Borrower in accordance

with the terms of the Wholesale Finance Plans. In addition, Borrower shall, upon demand by Lender and as Lender may direct, hold all proceeds of Collateral in which Lender holds a first security interest in express trust for Lender and deliver to Lender all proceeds of such Collateral which are in Borrower's possession and/or deposit all such proceeds of Collateral in a separate account and not commingle such proceeds of Collateral with any other funds of Borrower. If any proceeds of Collateral are evidenced by notes, leases, Rental Contracts or checks (collectively "Payment Documents"), Borrower hereby assigns and, upon demand, shall deliver and/or endorse such Payment Documents to Lender. It is understood and agreed that the foregoing assignment is for security purposes only and in accepting such assignment Lender does not assume any of Borrower's obligations with respect to such Payment Documents. If any proceeds of Collateral are evidenced by customer accounts, Borrower shall, at any time upon request, provide the necessary information to Lender to enable Lender to collect such accounts directly from the customer. All payments received by Lender that are attributable to the sale or lease of an item of Collateral with respect to which there is a specific Advance outstanding shall be applied first against that Advance and then, if any surplus exists, to such other Obligations, or returned to Borrower, as Lender in its sole discretion, shall determine.

3.06 Taxes.

(a) Any and all payments by Borrower to Lender shall be made free and clear of, and without deduction or withholding for, any Taxes. In addition, Borrower shall promptly pay all Other Taxes.

(b) Borrower agrees to indemnify and hold Lender harmless for the full amount of Taxes or Other Taxes (including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this section, other than Excluded Taxes) paid by Lender in respect of any sum payable hereunder and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days after the date Lender makes written demand therefor.

(c) If Borrower shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder to Lender, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this section), Lender receives an amount equal to the sum it would have received had no such deductions or withholdings been made;

(ii) Borrower shall make such deductions and withholdings; and

(iii) Borrower shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law.

(d) Upon request, Borrower shall furnish to Lender the original or a copy of a receipt evidencing payment of Taxes or Other Taxes, or other evidence of payment satisfactory to Lender.

(e) Borrower shall do any and all actions requested by Lender to establish any available exemption from, or reduction in the amount of, otherwise applicable Taxes or Other Taxes.

ARTICLE IV
CONDITIONS PRECEDENT

4.01 Conditions to Effectiveness. The effectiveness of this Agreement is subject to the delivery of the following documents and satisfaction of the following conditions precedent:

(a) Guaranty. Guarantor shall execute the personal Guaranty for all present and future Obligations of Borrower to Lender substantially in the form attached hereto as Exhibit A.

(b) Subordinated Note Purchase Facility. Borrower shall execute a Subordinated Note Purchase Agreement substantially in the form attached hereto as Exhibit B, and all other documents contemplated therein.

(c) Intercreditor Agreement. Lender shall have entered into an intercreditor agreement with Bremer Bank and any other existing creditor to Borrower, upon terms satisfactory to Lender, as to the priority of the Security Interest granted herein and the priority of repayment of Borrower's Obligations under this Agreement.

(d) Financing Statements. Lender shall have received copies of UCC financing statements as filed with the appropriate governing jurisdiction evidencing the first priority and perfection of Lender's security interest in the Collateral.

(e) Opinions of Borrower's Counsel. Lender shall have received the opinion of Borrower's counsel, addressed to Lender, as to certain corporate matters of Borrower, enforceability against Borrower of this Agreement and the validity and perfection (but not priority) of Lender's security interest in the Collateral, and as to the enforceability of the Subordinated Note Purchase Agreement, in form and substance satisfactory to Lender.

(f) Opinion of Guarantor's Counsel. Lender shall have received the opinion of Guarantor's counsel, addressed to Lender, as to the enforceability of the Guaranty against Guarantor, in form and substance satisfactory to Lender.

(g) Supporting Documents of Borrower. Lender shall have received the following documents:

(i) a certificate of Borrower's President, attaching and certifying as to resolutions of Borrower's Board of Directors authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents (excluding the Guaranty) and attaching a true and complete copy of Borrower's certificate of incorporation and by-laws; and

(ii) a certificate of Borrower's President certifying as to the incumbency and signatures of Borrower's officers executing this Agreement and the other Transaction Documents (excluding the Guaranty) and as to Borrower's compliance with the financial covenants herein as of the date of execution.

(h) Financial Statements. Borrower shall have delivered to Lender: (i) Borrower's audited Financial Statements for the fiscal year ended January 31, 2005 prepared in accordance with GAAP, consistently applied, and (ii) unaudited monthly Financial Statements for the interim period from January 31, 2005 through the month immediately preceding the date of execution of this Agreement. Guarantor shall have delivered to Lender the most recent federal income tax return of Guarantor; provided, however, that Lender may allow a period of seven (7) calendar days following the effective date hereof for Guarantor to furnish to Lender the personal financial statements required hereunder and under the Guaranty.

(i) Insurance. Borrower will provide Lender with written evidence of such insurance coverage and lender's loss-payee endorsement required by Section 5.03.

(j) Fees and Expenses. All fees and other amounts payable by Lender hereunder on or prior to execution of this Agreement shall have been paid.

(k) Other Documents. Lender shall have received such other certificates and other documents and undertakings, as may be reasonably requested by Lender.

4.02 Conditions Precedent to Each Advance. Lender may refuse, with or without cause, to make any Advance. Nonetheless, Borrower's ability to request a Advance is subject to the satisfaction of the following conditions:

(a) if Borrower's requested Advance is granted, the cumulative unpaid principal balance shall not exceed the Aggregate Credit Limit; and

(b) no Default or Event of Default shall have occurred and be continuing and such Advance will not cause or result in a Default or Event of Default.

4.03 Use of Funds; Rental Contracts.

(a) Borrower shall use the proceeds of any loan under this Agreement only to acquire new equipment, used equipment or parts, and for no other purpose.

(b) Borrower may rent to End Users the inventory with respect to which Lender has made an Advance, pursuant to the terms of Borrower's rental contracts including all amendments and supplements thereto (individually, a "Rental Contract"). Advances with respect to such inventory will thereafter be subject to the rates and terms of Lender's financing program in effect for goods which are rented, as reflected in the Wholesale Finance Plans and ESS.

(c) All of Borrower's Rental Contracts must permit assignment to Lender, conform in all respects with all applicable federal, state and local laws and otherwise be acceptable to Lender. Borrower will indemnify Lender against any loss or damage which Lender suffers, whether direct or indirect, resulting in any way from any Rental Contract including any noncompliance with applicable laws and any claims by Borrower's customers regarding Borrower's obligations under the Rental Contracts.

(d) All Rental Contracts are hereby assigned to Lender. Borrower will immediately, upon Lender's request, deliver to Lender the executed originals of all Rental Contracts and all related documents or mark such original Rental Contracts as having been assigned to Lender. This assignment is a transfer for security only, and, until Lender has foreclosed its interest in the Rental Contracts, will not be deemed to delegate any of Borrower's duties under the Rental Contracts to Lender or constitute an assumption by Lender of such duties, nor is it intended to alter or impair performance by either party to the Rental Contracts.

(e) Lender may, from time to time, verify with End Users the accuracy of the Rental Contracts and the location of any inventory which is the subject of a Rental Contract. Borrower will immediately, upon Lender's request, provide Lender with copies of all such Rental Contracts, together with the following information regarding such Rental Contracts which are in effect on the date of such request: (i) name, address and telephone number of each End User who has executed such a Rental Contract; (ii) the location of the inventory; (iii) the date and all of the terms of each such Rental Contract; (iv) the payment history with respect to each such Rental Contract; (v) the date when the inventory is to be returned under each such Rental Contract; and (vi) any other information which Lender may reasonably request.

(f) Other than to Lender, Borrower will not assign, sell, pledge, convey or by any other means transfer any Rental Contracts or chattel paper covering inventory financed by Lender, without Lender's prior written consent. Borrower will not enter into any Rental Contracts for inventory financed by Lender or against which Lender has advanced funds pursuant to which: (i) the original term of the Rental Contract (including renewal options) is greater than one-hundred-eighty (180) days; (ii) the original term of the Rental Contract is equal to or greater than the remaining economic life of such inventory; (iii) the customer is bound to renew the Rental Contract for the economic life of such inventory or is bound to become the owner of such inventory; or (iv) the customer has an option to renew the Rental Contract for the remaining economic life of such inventory, or to become the owner of such inventory, for

nominal consideration, or for consideration which is less than the unpaid balance owed to Lender for such inventory.

(g) Borrower will take any action which Lender may reasonably require to perfect and/or protect Lender's security interest in Rental Contracts and/or the inventory subject thereto and Borrower hereby authorizes Lender to take any such action in Borrower's name.

ARTICLE V
AFFIRMATIVE COVENANTS

Borrower covenants and agrees that for so long as any Obligation remains unpaid under this Agreement:

5.01 Financial Covenants.

(a) Borrower's Wholesale Facility Minimum Debt Service Coverage Ratio shall not be less than 1.20 to 1.00 on a trailing twelve (12) months basis, measured at the end of each fiscal quarter.

(b) Borrower's ratio of Debt to Adjusted Net Worth shall not be greater than 5.00 to 1.00 as measured at the end of each fiscal year.

(c) Concurrently with the delivery of the certificate required by Section 5.02(e), Borrower shall provide Lender a certificate signed by Borrower's Chief Financial Officer, in a form acceptable to Lender, reflecting calculation of the foregoing ratio under Section 5.01(a) on a trailing. 12-month/4 quarters basis, and before the end of each quarter after Borrower's fiscal year end, a calculation of the ratio under Section 5.01(b).

5.02 Financial Statements and Other Information. Borrower shall deliver (including electronically if requested by Lender), in a form satisfactory to Lender:

(a) Borrower's monthly internally prepared Financial Statements, within 30 days following each calendar month-end reflecting operations through the preceding month and current reports of sales and inventory;

(b) Borrower's quarterly internally prepared Financial Statements, within 30 days following each calendar quarter reflecting operations through the preceding quarter and current reports of sales and inventory;

(c) Borrower's annual business and financial plan;

(d) as soon as available but in any event not later than 120 days after the end of each of its fiscal year, copies of the Financial Statements for such fiscal year, setting forth in comparative form the corresponding figures for the preceding year, audited and accompanied by a report and unqualified opinion (which shall not be limited as to the scope of the audit or qualified as to the status of Borrower as a going concern) from an independent certified public accountant selected by Borrower and approved by Lender, which approval shall not be

unreasonably withheld, each such statement prepared in accordance with GAAP, consistently applied (except to the extent disclosed therein), and audited in accordance with GAAP;

(e) concurrently with the delivery of each of the Financial Statements referred to in this Section, a certificate of the Chief Financial Officer of Borrower stating

whether any Default or Event of Default exists on the date of such certificate and, if any Default or Event of Default then exists, setting forth the details thereof and the action which Borrower is taldng or proposes to take with respect thereto;

(f) written notice of any change in Borrower's name, form of business organization, majority shareholder, principal executive office, business locations or Collateral locations at least thirty (30) days prior to any such change;

(g) promptly, copies of all documents provided by Borrower to its shareholders, copies of all amendments or supplements to Borrower's certificate of incorporation and by-laws, or any other governing document including a copy of documents as filed, bearing indicia of filing, with appropriate governmental authority which change Borrower's name, place of formation, principal executive office, directors, officers or agent for service of process;

(h) immediately upon Lender's request, each Certificate of Title or Statement of Origin or similar document (regardless of the document's title) issued for any of the Collateral which may be retained by Lender until the Advance with respect to such Collateral has been fully repaid;

(i) from time to time such additional information readily available to Borrower regarding the business, properties or the condition or operations of Borrower, financial or otherwise, as Lender may reasonably request, including any auditor's management letters; and

(j) from time to time such other information readily available to Borrower relating to the business, Property or condition or operation of Borrower, financial or otherwise, as Lender may from time to time reasonably request.

5.03 Insurance. Borrower shall at all times bear all risk of loss of, damage to, or destruction of, the Collateral. Borrower shall maintain public liability insurance and shall keep all Collateral insured against risks covered by standard "all risk" forms of fire, theft, and extended coverage insurance and such other risks as may be required by Lender, in amounts and with such deductibles, under policies issued by such insurance companies all as are satisfactory to Lender. Borrower agrees to deliver promptly to Lender certificates, or if requested, policies of insurance, satisfactory to Lender, each with an endorsement naming Lender or its assigns as additional insured or lender loss payee as their interests may appear, along with proof of payment of the premium therefor. Each policy shall provide that Lender's interest therein will not be invalidated by the acts, omissions or neglect of anyone other than Lender, and will contain the insurer's agreement to give thirty (30) days prior written notice to Lender before any cancellation, lapse, expiration or other termination of, or any material change in, the policy will be effective as to Lender, whether such termination or change is at the direction of Borrower or insurer. Borrower assigns to Lender all policies and all proceeds of such insurance, including returned and unearned premiums, not to exceed the sum of all Obligations, as additional security.

Borrower directs all insurers to pay such proceeds directly to Lender, and Borrower shall hold in trust for Lender and promptly remit to Lender, in the form received with all necessary endorsements, any proceeds of such insurance which Borrower may receive. Lender shall apply any proceeds of insurance which may be received by it toward payment of the Obligations to which such insurance proceeds relate, whether or not then due, such proceeds to be applied first to interest and then to principal. Excess insurance proceeds, if any, shall be returned to Borrower or applied to any other Obligations as Lender in its discretion may determine. In the event any item of Collateral is damaged and a claim submitted to the insurer is in dispute, Borrower will pay the unpaid balance of all Advances attributable to the damaged Collateral, plus all accrued interest thereon, within five (5) days of Lender's request. If, in the opinion of Lender, Borrower fails to maintain insurance on the Collateral in an amount or manner satisfactory to Lender, Lender may, but shall not be obligated to, purchase such insurance, and Borrower agrees to immediately reimburse Lender, upon demand, for any payment made or expense incurred by Lender in purchasing such insurance, plus interest thereon at the post-maturity interest rate specified in the Wholesale Finance Plans.

5.04 Locations. Borrower shall keep all Collateral at one of the locations identified in Schedule 5.04 and shall give Lender at least thirty (30) days written notice prior to moving any Collateral to another location while an Advance with respect to such Collateral is outstanding.

5.05 Notice of Default and Litigation. Borrower shall furnish to Lender, promptly but in any event not later than three Business Days after Borrower obtains knowledge thereof:

(a) notice of any Default or Event of Default, or the occurrence of any event or circumstance, including any pending action, suit or proceeding, which may materially and adversely affect Borrower's ability to perform its Obligations under any Transaction Document to which it is a party, signed by Borrower's President or Chief Financial Officer, describing such Default or Event of Default or event or circumstance and the steps that Borrower proposes to take in connection therewith;

(b) notice of the commencement of any litigation against Guarantor involving in the aggregate a potential liability of $100,000 or more; and

(c) notice of the appointment of an inspector or auditor pursuant to any applicable Requirements of Law to investigate any financial or criminal misconduct in respect of all or any part of Borrower's affairs or business.

5.06 Maintenance of Governmental Approvals. Borrower shall maintain in full force and effect all governmental approvals, consents, licenses and authorizations which may be necessary or appropriate under any applicable Requirements of Law (i) for the conduct of its business, (ii) for the execution, delivery and performance of the Transaction Documents by Borrower and (iii) for the validity or enforceability hereof and thereof.

5.07 Payment of Taxes. Borrower shall pay and discharge, before the same shall become delinquent, all taxes, assessments and other governmental charges and levies imposed on it or any of its Properties or in respect of its business or income, except for (a) those being contested in good faith by proper proceedings diligently conducted and against which adequate

reserves, in accordance with GAAP consistently applied, have been funded and are being maintained and (b) any tax, assessment, charge or levy the failure to pay or discharge which would not materially adversely affect the ability of Borrower to meet its Obligations under this Agreement or the other Transaction Documents. If Borrower fails to pay any taxes, fees or other obligations which may impair Lender's interest in the Collateral, or fails to keep the Collateral insured, Lender may, but shall not be required to, pay such amounts. Such paid amounts will be deemed an additional Advance under this Agreement and treated as principal which Borrower owes to Lender, and shall be subject to interest as provided herein.

5.08 Compliance with Laws. Borrower shall comply with all applicable Requirements of Law, the non-compliance with which would, singly or in the aggregate, have a Material Adverse Effect with respect to Borrower, unless the same shall be contested by Borrower in good faith and by appropriate proceedings and such contest shall operate to stay the Material Adverse Effect of any such non-compliance.

5.09 Conduct of Business and Maintenance of Existence. Borrower shall continue to engage principally in the business of the same general type as now conducted by Borrower and do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate existence and its rights, privileges and franchises.

5.10 Protection of Collateral. Borrower shall take all action necessary to ensure (i) that Borrower has good title to all Collateral, (ii) that Lender's security interest in the Collateral shall at all times be a first priority security interest, senior to all interests of third parties, except for Permitted Liens and except to the extent that Lender agrees in writing to subordinate its interest to another party, and (iii) that the Collateral is adequately protected and the inventory is maintained in good working order and condition.

5.11 Inspection of Collateral; Books and Records; Discussions.

(a) Borrower shall install and maintain in good order an accounting system capable of generating information in sufficient detail as is required to be reported to Lender under this Agreement and the Wholesale Finance Plans, and shall keep proper books of record and account in which true and correct entries in conformity with GAAP consistently applied, and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities.

(b) Borrower shall maintain all such books of record and account at its principal executive office.

(c) Borrower's Authorized Officers shall be available for quarterly meetings with Lender and Lender's representatives, if and as requested by Lender.

(d) Borrower shall permit Lender's representatives to visit and inspect any of the Collateral, and to examine any and all of Borrower's books and records, bank statements and deposit records and all supporting data, and make copies of any of the foregoing, at any reasonable time during Borrower's normal business hours and as often as may reasonably be desired, and to discuss the business, operations, Collateral and financial and other condition of

Borrower with officers and employees of Borrower and with its independent certified public accountants.

5.12 Perfection of Security Interest. Borrower shall take any and all actions necessary to permit Lender to perfect its security interest in the Collateral and to ensure that such interest is a first priority lien except for purchase money security interests and Permitted Liens.

5.13 Further Assurances. Borrower will, at its own cost and expense, execute and deliver to Lender all such other documents, instruments and agreements and do all such other acts and things as may be reasonably required to enable Lender to exercise and enforce their rights under this Agreement and under the other Transaction Documents, and to carry out the intent of this Agreement and the other Transaction Documents.

ARTICLE VI
NEGATIVE COVENANTS

Borrower covenants and agrees that for so long as any Obligation under this Agreement remains unpaid:

6.01 Collateral. Borrower will not at any time without Lender's express prior written consent:

(a) sell, rent, lease, consign or otherwise dispose of or transfer any of the Collateral, other than in the ordinary course of its business and as permitted under this Agreement and the Wholesale Finance Plans; or

(b) move any Collateral out of the United States of America.

6.02 Negative Pledge. Borrower shall not create, incur, assume or suffer to exist any lien of any nature upon any substantial part of its present or future assets to secure any indebtedness of Borrower without Lender's express prior written consent, except the following ("Permitted Liens"):

(a) Any liens securing the Obligations in favor of Lender;

(b) Liens for taxes or assessments or other government charges or levies if not yet due and payable or, if due and payable, if they are being contested in good faith by appropriate proceedings and for which appropriate reserves are maintained;

(c) Liens imposed by law, such as mechanics', materialmen's, landlords', warehousemen's and carrier's liens, and other similar liens, securing obligations incurred in the ordinary course of business that are not past due or that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established;

(d) Liens to secure the performance of surety, stay, appeal, indemnity, performance or other similar bonds, or other similar obligations arising in the ordinary course of business;

(e) Liens on any property of Borrower (or the contract for the acquisition of any such property) acquired or constructed after the date of this Agreement which is existing or created at the time of such acquisition or construction and secures payment of or money borrowed or raised to finance payment of the acquisition or construction cost of such property, provided, the indebtedness secured by such property does not exceed the value of such property;

(f) Liens arising in favor of any government authority by operation of law;

(g) Liens arising in the ordinary course of the day-to-day operations of Borrower not related to borrowing;

(h) Existing Liens on the assets of Borrower on and as of the date hereof and listed on Schedule 6.02(h) hereto provided, however, that Schedule 6.02(h) need not list any purchase money security interests;

(i) Purchase money security interest (including security interests in the accounts receivable and proceeds from the sale thereof of inventory items subject thereto; and

(j) Liens granted in favor of Bremer Bank and other lender to Borrower that provides an operating line or working capital facility for Borrower if Borrower and Lender enter into an intercreditor agreement with such other lenders (and in connection therewith, Lender agrees to not unreasonably withhold its consent to entering into any such intercreditor agreement which is in form and content usual and customary for such agreements).

6.03 Mergers; Acquisitions. Without Lender's express prior written consent, Borrower shall not engage in (i) any dissolution, liquidation, or any action for the purpose of winding up its business. (ii) any acquisition of, consolidation or merger with or into any other business entity in which Borrower is not the surviving entity, (iii) any business activity that would result in Borrower violating Section 5.09, or (iv) the transfer, lease or sale, in one transaction or any combination of transactions, of all or substantially all of the property or assets of Borrower.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that as of the date of this Agreement and shall be deemed to represent and warrant as of each Advance:

7.01 Corporate Existence and Power.

(a) Borrower is a corporation duly incorporated and validly existing under the laws of the State of North Dakota and has all requisite corporate power and authority and legal right to conduct its business, to own its properties and to execute and deliver, and to perform all of its obligations under, this Agreement and the other Transaction Documents to which it is a party.

(b) Borrower has provided Lender with a copy of Borrower's Articles of Incorporation and will provide any subsequent amendments thereto bearing indicia of filing from

the appropriate governmental authority, or such other documents verifying Borrower's true and correct legal name.

(c) Borrower is qualified to do business as a foreign corporation under the laws of each jurisdiction in which the failure to be so qualified could be reasonably be expected to have a Material Adverse Effect.

7.02 Corporate Authority, Enforceable Obligations.

(a) The execution, delivery and performance by Borrower of this Agreement and the other Transaction Documents to which Borrower is a party have been duly authorized by all necessary corporate action.

(b) This Agreement and the other Transaction Documents to which Borrower is a party constitute legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principles.

7.03 Compliance with Law and Other Instruments. Neither the execution, delivery or performance of this Agreement or any of the other Transaction Documents to which Borrower is a party nor the consummation of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will (i) contravene any Requirements of Law to which Borrower is subject, or any judgment, decree, franchise, order or permit applicable to Borrower, (ii) conflict or be inconsistent with or result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute a default under, any material contractual obligation to which Borrower is a party or by which Borrower or any of its material Properties is bound or to which it may be subject, (iii) violate any provision of the articles of incorporation or by-laws of Borrower or (iv) result in the creation or imposition of (or the obligation to create or impose) any lien upon any material Property of Borrower.

7.04 Litigation. Except as disclosed on Schedule 7.04, there are no actions, suits, attachments or proceedings pending or, to Borrower's knowledge, threatened against Borrower or its Properties before any court, tribunal or other governmental authority (including the Securities and Exchange Commission of the United States and any regulatory commission of any jurisdiction): (a) with respect to this Agreement, any other Transaction Document or the transactions contemplated hereby or thereby or (b) which, if determined adversely to the interest of Borrower, could be reasonably expected to have a Material Adverse Effect.

7.05 Governmental Approvals. All regulatory consents, authorizations, approvals, exemptions and filings required to be obtained or made by Borrower under the federal and state laws of the United States for the valid execution, delivery and performance of this Agreement and the Transaction Documents have been obtained or made and are in full force and effect.

7.06 Financial Information. Borrower's Financial Statements have been prepared in accordance with GAAP consistently applied, and fairly present the financial situation of Borrower on the date of such Financial Statement, and since January 31, 2005, no development

or event has occurred which has had or could reasonably be expected to have a Material Adverse Effect with respect to Borrower.

7.07 Absence of Default. No circumstance or event has occurred and is continuing which would constitute a Default or an Event of Default under this Agreement.

7.08 Taxes, Assessments and Fees. Borrower has timely filed all tax returns, reports or statements that are required to be filed by it and has paid all taxes due pursuant such returns, reports or statements except for (i) such taxes as are being contested in good faith by proper proceedings, diligently conducted and against which adequate reserves in accordance with GAAP, consistently applied, are maintained; and (ii) any failure to effect or pay which would not materially adversely affect the ability of Borrower to meet its obligations under this Agreement or the other Transaction Documents to which Borrower is a party.

7.09 Borrower Status. Borrower is not required to be registered as an 'investment company" within the meaning of the Investment Company Act of 1940, as amended and Borrower is not a "holding company" or a "subsidiary company" of a "holding company" as defined in the Public Utility Holding Company Act of 1935, as amended.

7.10 First Priority Security Interest. Borrower represents and warrants that the Security Interest is a first priority security interest, subject to no other security interests or liens other than purchase money security interests and Permitted Liens.

7.11 No Liens. Except for purchase money security interests and Permitted Liens, there are no Liens on any material Property of Borrower except such liens as have been or may be created under this Agreement and the other Transaction Documents to which it is a party.

7.12 ERISA Compliance. The consummation of the transactions contemplated by this Agreement will not constitute a prohibited transaction for which there is no available exemption within the meaning of Section 406 of ERISA or Section 4975 of the Code. Borrower has not incurred nor is reasonably expected to incur any liability under Title IV of ERISA to the PBGC (other than for the payment of premiums to the PBGC). Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and all other applicable federal and state laws and regulations thereunder. No Plan has incurred any material accumulated funding deficiency (as defined in Section 412(a) of the Internal Revenue Code of 1986, as amended), whether or not waived. No event for which notice to the PBGC is required has occurred and is continuing with respect to any Plan. Borrower has (i) no material liability under any multiple employer plan (within the meaning of Section 413(c) of the Code), (ii) no liability under any Plan which provides for post-retirement welfare benefits except as noted in Borrower's financial statements, and (iii) no Plan which provides for "parachute payments" (within the meaning of Section 280G(b) of the Code).

7.13 Environmental. Borrower (i) is and has been in compliance with all applicable Environmental Laws; (ii) represents that there is no civil, criminal or administrative judgment, action, suit, demand, claim, hearing, notice of violation, investigation, proceeding, notice or demand letter pending or, to its knowledge, threatened against Borrower pursuant to Environmental Laws which would reasonably be expected to result in a fine, penalty or other

obligation, cost or expense which would result in a Material Adverse Effect; and (iii) represents that there are no past or present events, conditions, circumstances, activities, practices, incidents, agreements, actions or plans which may prevent compliance with, or which have given rise to or will give rise to any material liability under, such Environmental Laws.

7.14 Insurance. All binders for policies of insurance of any kind or nature owned by or issued to Borrower, including policies or bonds of fire, theft, product liability, general liability, property, casualty, employee fidelity, worker's compensation, employee health and welfare insurance, are in full force and effect and all such policies are of a nature and provide such coverage as is required by any governmental authority and are on such basis and have such limits per occurrence and in the aggregate as are sufficient and are subject to such deductibles as are appropriate, given the size, character and financial strength of Borrower and the customary practices of similar companies. Borrower is in compliance with all terms and conditions of such policies, has paid all premiums when due and has received no notice of termination of any such policies.

ARTICLE VIII
EVENTS OF DEFAULT

8.01 Events of Default. Any of the following specified events shall constitute "Events of Default" for the purposes of this Agreement:

(a) Payment Defaults. Borrower fails to pay any principal or interest of any Advance when due in accordance with the terms hereof and the Wholesale Finance Plans.

(b) Representations and Warranties. Any representation or warranty made by Borrower or Guarantor herein or in any other Transaction Document or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any other Transaction Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made.

(c) Other Borrower Defaults. Borrower fails to perform or observe any term, covenant or agreement contained in this Agreement or any other Transaction Document or any other agreement between Lender and Borrower and, if such failure is capable of being remedied, such failure shall continue unremedied for the lesser of (i) the period specified in the Wholesale Finance Plans and (ii) a period of five (5) days after written notice thereof has been given to Borrower by Lender, it being understood that no cure period will be available for a breach of Borrower's financial covenants set forth in this Agreement

(d) Default Under Other Agreements. Borrower fails to pay any Obligations owed to Lender when due under any other agreement with Lender, or breaches or defaults under any agreement for Indebtedness (other than under a Transaction Document) or any agreement with a third party and such failure, breach or default shall (i) consist of the failure to make any payment in respect of any Indebtedness when due (whether at scheduled maturity, by required prepayment, acceleration, demand or otherwise) after giving effect to any applicable grace or notice period, or (ii) result in, or continue unremedied for a period of time sufficient to permit, the acceleration of the obligations owed by Borrower thereunder.

(e) Guarantor. Guarantor dies or becomes incapacitated, or notifies Lender of its intent to terminate, or terminates, the Guaranty, or otherwise breaches any terms contained in any other agreement between Guarantor and Lender. Guarantor fails to perform or observe any term, covenant or agreement contained in any Transaction Document to which he is a party or any other agreement between Lender and Guarantor after giving effect to any applicable grace or notice period.

(f) Collateral and Proceeds. Borrower abandons the Collateral or fails to deliver proceeds of Collateral to Lender as required by this Agreement or the Wholesale Finance Plans.

(g) Insolvency of Borrower or Guarantor. Borrower or Guarantor shall admit in writing its (or his) inability to pay its or his debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its (or his) creditors, or voluntarily suspend payment of its (or his) obligations, consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to Borrower or Guarantor, as applicable, or of or relating to all or substantially all of its (or his) property; or a decree or order of a court or agency or supervisory authority having jurisdiction over Borrower or Guarantor, as applicable, in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceeding, or for the winding-up or liquidation of its affairs, shall have been entered against Borrower or Guarantor and if such proceeding is being contested by Borrower or Guarantor, as applicable, in good faith, such decree or order shall have remained in force undischarged or unstayed for a period of 60 days or results in the entry of an order for relief or any such adjudication or appointment.

(h) Cessation of Business. Borrower shall cease to carry on its business as currently operated.

(i) Monetary Judgments. One or more judgments, orders or decrees involving in the aggregate a liability of $100,000 or more shall be rendered against Borrower or Guarantor, and either (i) enforcement proceedings shall have been initiated by any creditor upon such judgment or order or (ii) such judgment or order shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof.

(j) Validity of Documents. This Agreement, or any other Transaction Document shall for any reason, cease to be in full force and effect in any material respect or shall be declared by a court of competent jurisdiction to be null and void in whole or in part, or the validity or enforceability thereof shall be contested by Borrower or Guarantor or any governmental authority, or Guarantor shall deny he has any or further liability or obligation under the Guaranty; or it shall become unlawful for Borrower or Guarantor to perform any of its (or his) obligations under this Agreement or any other Transaction Document to which it (or he) is a party.

(k) Material Adverse Effect. Any Material Adverse Effect with respect to the financial condition or results of operations of Borrower or Guarantor which in the reasonable opinion of Lender creates the likelihood of the occurrence of any other Event of Default.

(l) Change of Control. Any Change of Control with respect to Borrower.

8.02 Remedies. If any Event of Default has occurred and is continuing:

(a) Lender may at any time, without notice or demand to Borrower, do any one or more of the following: terminate this Agreement or any other agreement between the Lender and the Borrower, declare all or any part of the debt Borrower owes Lender immediately due and payable, together with all costs and expenses of Lender's collection activity, including all reasonable attorneys' fees; exercise any rights under applicable law; and/or cease extending any additional credit to Borrower which shall not be construed to limit the discretionary nature of this credit facility.

(b) Borrower will segregate and keep the Collateral in trust for Lender, and will not dispose of or use any Collateral, nor further encumber any Collateral.

(c) Upon Lender's demand, Borrower will immediately deliver the Collateral to Lender at a place specified by Lender, together with all related documents; or Lender may, without notice or demand to Borrower, take immediate possession of the Collateral together with all related documents, including the original Rental Contacts assigned hereunder and Lender may collect in Lender's name all amounts owed to Borrower under such Rental Contracts.

(d) Lender may, without notice, apply a default finance charge to Borrower's outstanding principal indebtedness equal to the default rate specified in the Wholesale Finance Plans, but not in excess of the highest lawful contract rate of interest permitted under applicable law.

(e) Lender may exercise its rights under the Guaranty.

(f) All or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under the Transaction Documents or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Obligations owed to Lender shall be declared, or be automatically, due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Transaction Documents. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law, equity or contract or as set forth in the Transaction Documents.

(g) Borrower grants Lender an irrevocable power of attorney to: execute or endorse on Borrower's behalf any checks, drafts or other forms of exchange received as payment on any Collateral for deposit in Lender's account; execute financing statements, instruments, Certificates of Title and Statements of Origin pertaining to the Collateral; sell, assign, transfer,

negotiate, demand, collect, receive, settle, extend, or renew any amounts due on any of the Collateral; do anything Borrower is obligated to do hereunder; initiate and settle any insurance claim pertaining to the Collateral; and do anything to preserve and protect the Collateral and Lender's rights and interests therein.

8.03 Delay and Waiver. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default, or the granting of any indulgence or compromise by Lender shall impair any such remedy, right or power hereunder or be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Default or Event of Default shall not be construed to be a waiver of any subsequent Default or Event of Default or to impair any remedy, right or power consequent thereon.

8.04 Expenses of Collection and Enforcement. Borrower shall be liable to Lender for all expenses of retaking, holding, preparing for sale and selling the inventory and other Collateral, all collection costs, court costs, legal expenses and reasonable attorneys' fees and any other expenses incurred by Lender in enforcing this Agreement (including, without limitation, any such expenses and fees incurred by Lender in connection with any refinancing or restructuring of the Obligations), in collecting any Obligation owed by Borrower to Lender or in proceeding against the Collateral. The foregoing costs, fees and expenses shall constitute a part of the Obligations and shall bear interest at the default rate as specified in the Wholesale Finance Plans. Borrower shall be liable for any deficiency remaining due on the Obligations after disposition of the Collateral. If any, Lender shall pay to Borrower any surplus funds remaining after the Obligations are fully satisfied.

8.05 Right of Set-Off. Notwithstanding any other provision of this Agreement, upon the occurrence and during the continuance of any Event of Default, Lender is hereby authorized at any time and from time to time, without prior notice to Borrower and to the fullest extent permitted by applicable law, to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by Lender to or for the credit or the account of Borrower against any and all of the Obligations of Borrower now or hereafter existing under this Agreement, whether or not Lender shall have made any demand hereunder and although such Obligations may be unmanned. For clarity, the right of set-off herein shall not limit the right of set-off under Section 3.02.

8.06 Authority to Perform. If Borrower fails to perform any covenant or obligation contained herein and such failure shall continue for a period of five (5) Business Days after Borrower's receipt of written notice thereof from Lender, without in any way limiting Lender's right to exercise any of its rights, powers or remedies as provided hereunder, or under any of the other Transaction Documents, Lender may, but shall have no obligation to, perform, or cause performance of, such covenant or obligation, and all costs, expenses, liabilities, penalties and fines of Lender incurred or paid in connection therewith shall be payable by Borrower to Lender upon demand and if not paid shall be added to the Obligations (and to the extent permitted under applicable laws, secured by the Collateral) and shall bear interest thereafter at the default rate as specified in the Wholesale Finance Plans. Notwithstanding the foregoing, Lender shall have no obligation to send notice to Borrower of any such failure other than as may be required by the Wholesale Finance Plans.

8.07 Power of Attorney. For so long as any Obligations remain unpaid, Borrower hereby grants Lender an irrevocable power of attorney, exercisable at any time, to (i) execute or endorse on Borrower's behalf any checks, drafts or other forms of exchange received as payment on any Collateral for deposit in Lender's account (ii) execute financing statements, instruments, Certificates of Title and Statements of Origin pertaining to the Collateral; (iii) sell, assign, transfer, negotiate, demand, collect, receive, settle, extend, or renew any amounts due on any of the Collateral; (iv) take any action that Borrower is obligated to do hereunder; (v) initiate and settle any insurance claim pertaining to the Collateral; and (vi) do anything to preserve and protect the Collateral and Lender's rights and interests therein. Lender may provide to any third party any standard credit information on Borrower that Lender may from time to time possess in response to a request for a credit rating, and any other information on Borrower that Lender may from time to time possess if required by law. Lender may obtain from any Supplier, manufacturer or distributor, any credit, financial or other information regarding Borrower that such Supplier, manufacturer or distributor may from time to time possess.

8.08 Subsequent Documentation. Borrower agrees that, from time to time, upon the reasonable request of Lender, it will execute such documents and instruments containing terms and conditions mutually satisfactory to Borrower and Lender to further effectuate the terms hereof including, without limitation, to provide any omitted information and to correct errors in any documents or agreements between Borrower and Lender.

ARTICLE IX
MISCELLANEOUS

9.01 Patriot Act.

(a) Borrower will use its good faith and commercially reasonable efforts to comply with the Patriot Act and all applicable requirements of governmental authorities having jurisdiction over Borrower, including those relating to money laundering and terrorism. Lender shall have the right to audit Borrower's compliance with the Patriot Act and all applicable requirements of governmental authorities, including those relating to money laundering and terrorism, and Borrower shall, upon Lender's request, obtain for Lender the right to audit such compliance on the part of Guarantor. In the event that Borrower fails to comply (or cause such compliance) with the Patriot Act or any such requirements of governmental authorities, then Lender may, at its option, cause Borrower to comply or Lender may compel compliance by Guarantor therewith and any and all reasonable costs and expenses incurred by Lender in connection therewith shall be secured by the Collateral and shall be immediately due and payable.

(b) Neither Borrower nor any owner of a direct or indirect interest in Borrower (a) is listed on any Government Lists (as defined below), (b) is a person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof, (c) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense (as defined below), or (d) is currently under investigation by any governmental authority for alleged criminal

activity. For purposes hereof, the term "Patriot Act Offense" means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (a) the criminal laws against terrorism; (b) the criminal laws against money laundering, (c) the Bank Secrecy Act, as amended, (d) the Money Laundering Control Act of 1986, as amended, or the (e) Patriot Act. Patriot Act Offense also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense. For purposes hereof, the term "Government Lists" means (i) the Specially Designated Nationals and Blocked Persons Lists maintained by OFAC (ii) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC, or (iii) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other government authority or pursuant to any Executive Order of the President of the United States of America.

9.02 Time of Essence. Time is of the essence regarding Borrower's performance of its obligations to Lender.

9.03 Notices.

(a) Except as otherwise expressly provided herein, all notices, requests, demands or other communications to or upon any party hereunder shall be in writing (including facsimile transmission) and shall be sent by overnight courier service, transmitted by facsimile or delivered by hand to such party at its address or facsimile number set forth on the signature pages hereof or at such other address or facsimile number as such party may designate by notice to the other parties hereto.

(b) Unless otherwise expressly provided for herein, each such notice, request, demand or other communication shall be effective (i) if sent by overnight courier service

or delivered by hand, upon delivery, (ii) if given by facsimile, when transmitted to the facsimile number specified pursuant to paragraph (a) above and confirmation of receipt of a legible copy is received, or (iii) if given by any other means, when delivered at the address specified pursuant to paragraph (a) above.

9.04 Amendments and Waivers. Except for the Wholesale Finance Plans, no amendment or waiver of any provision of this Agreement, and no consent to any departure by Borrower from the terms of this Agreement, shall in any event be effective unless the same shall be in writing signed by Borrower and Lender, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. All of the terms and conditions of the Wholesale Finance Plans shall be established at Lender's sole discretion and are subject to change without prior notice at any time, and from time to time, by Lender, also at its sole discretion. Lender may terminate the Wholesale Finance Plans without prior notice at any time at its sole discretion. Changes in the Wholesale Finance Plans instituted by Lender that would have the effect of increasing the interest rates or fees payable by Borrower under the Wholesale Finance Plans, or amending the timing, or increasing the amount, of future periodic payments to Lender under the Wholesale Finance Plans, shall only be applied prospectively from the effective date of such changes as established by Lender.

9.05 Entire Agreement. This Agreement, together with the Wholesale Finance Plans, the other Transaction Documents (excluding the Subordinated Note Purchase Agreement) and all documents and certificates contemplated herein shall be deemed the complete and final expression of the agreement between Lender and Borrower as to matters herein contained and relative thereto, and supersede all previous agreements between them pertaining to such matters. It is clearly understood that no promise or representation not contained herein was an inducement to either Borrower or Lender or was relied on by either of them in entering into this Agreement.

9.06 Counsel; Payment of Expenses.

(a) Lender reserves the right to retain counsel to prepare, negotiate, review and approve, as to form and content, all of the Transaction Documents. Borrower agrees, whether or not the transactions contemplated hereby shall be consummated, upon demand to reimburse and hold Lender harmless from liability for the payment of all reasonable out-of-pocket costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and any other documents relating to the transactions contemplated hereby, including (i) the reasonable fees, travel expenses, courier charges, communication expenses, expenses associated with the execution of this Agreement and all other out-of-pocket expenses and (ii) all fees and disbursements of counsel provided, however, Lender's counsel fees payable by Borrower shall be limited to an amount not to exceed $50,000 (without duplication of expense reimbursement under the Subordinated Note Purchase Agreement).

(b) Borrower further agrees, upon demand communicated through Lender for the payment of all reasonable out-of-pocket costs and expenses incurred by any of them in connection with the enforcement of, or the amendment, modification, waiver and/or preservation of any rights under, this Agreement or any other Transaction Document or otherwise in connection with the transactions contemplated hereby, including all fees and disbursements of counsel, and all stamp taxes (including interest and penalties, if any), recording taxes and fees and filing taxes and fees which may be payable in respect thereof.

9.07 Indemnification; Damages.

(a) Borrower agrees to indemnify Lender and their respective directors, officers, agents and employees (each an "Indemnified Party") and hold each Indemnified Party harmless from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, costs and expenses (including reasonable attorneys' fees and expenses), whether incurred in respect of claims by third parties or otherwise) or judgments of any nature arising from (i) product liability and/or personal injury arising out of the use of the Collateral by any Person; (ii) breach by Borrower of any warranty to a third party with respect to any Collateral (including but not limited to a claim of latent or patent defect); (iii) breach by Borrower of any representations, warranties, covenants or other obligations or agreements contained in this Agreement or any other Transaction Document; (iv) Borrower's performance of any reconditioning or remarketing services provided by Borrower; (v) failure of Borrower to perform its obligations with respect to any warranty, maintenance, service or other similar agreements with any Person; (vi) any governmental fees, charges, taxes or penalties levied or imposed with respect to any of the Collateral; and (vii) failure of Borrower to comply with any applicable federal, state or local law or regulation.

(b) If any action, suit or proceeding is brought against the Indemnified Party, Borrower may, and, if within a reasonable time is requested in writing to do so, shall, and at its expense, resist and defend such action, suit or proceeding or cause the same to be resisted and defended by counsel designated by Borrower (which counsel shall be reasonably satisfactory to such Indemnified Party), and Borrower shall furnish Lender with such information relating to the conduct or status of such defense as Lender or its counsel may from time to time reasonably request. If Borrower does not resist or defend such action, suit or proceeding as provided in the immediately preceding sentence, the Indemnified Party may elect to resist or defend such action, suit or proceeding with counsel designated by it at Borrower's expense.

(c) No party hereto shall be liable to the other party for any punitive, consequential, incidental, special or similar damages in connection with this Agreement or the Wholesale Finance Plans, except to the extent that such damages are the result of or arise from a third party action for which Lender is entitled to indemnification under subsection (a) above.

9.08 Successor and Assigns.

(a) The provisions of this Agreement shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of Lender and their respective successors and assigns, except that Borrower may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of Lender.

(b) Lender may assign its rights hereunder, in whole or in part, at any time without notice to Borrower and without Borrower's consent. Lender may grant to one or more third parties (each a "Participant") participating interests in Lender's Advances. In the event of any such grant by Lender of a participating interest to a Participant whether or not upon notice to Borrower, Lender's obligations under this Agreement to the other parties hereto shall remain unchanged and Lender shall remain solely responsible for the performance of its obligations hereunder, and Borrower shall continue to deal solely and directly with Lender in connection with its rights and obligations under this Agreement.

9.09 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin without regard to its conflict of laws rules.

9.10 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

9.11 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

9.12 Survival of Representations and Agreements. All representations and warranties made herein or in any other Transaction Document shall survive the execution and delivery of this Agreement and the Transaction Documents, and the making of the Advances hereunder.

9.13 No Agency. Nothing in this Agreement shall be construed as constituting Borrower an agent or legal representative of Lender or any of its Affiliates for any purpose

whatsoever. Borrower has no right or authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of Lender, or to bind Lender in any manner whatsoever. This Agreement does not constitute a joint venture, partnership, association or agency between Lender and Borrower.

9.14 Publicity. All news releases, publicity or advertising by Borrower or its Affiliates through any media intended to reach the general public, which refers to any of the Transaction Documents, the Advances, Lender or a Participant shall be subject to the prior written approval of Lender. Lender shall have the right to issue any of the foregoing without Borrower's approval.

9.15 Conflict; Construction of Documents. In the event of any conflict between the provisions of this Agreement and any of the other Transaction Documents, the provisions of this Agreement shall control. In the event of any conflict between the provisions of this Agreement and the Wholesale Finance Plans, the provisions of the Wholesale Finance Plans shall control. The parties hereto acknowledge that each is represented by separate counsel in connection with the negotiation and drafting of the Transaction Documents and that the Transaction Documents shall not be subject to the principle of construing their meaning against the party that drafted them.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

CNH CAPITAL AMERICA LLC,
as Lender

By: _____
Name:
Title: President

Address for Notices

CNH Capital America LLC
233 Lake Avenue
Racine, WI 53403
Attention: Senior Director Commercial Finance
Telephone. 262-636-5257
Facsimile: 262-636-6284

This page is a signature page for the WHOLESALE FLOOR PLAN CREDIT FACILITY AND SECURITY AGREEMENT dated as of February 21, 2006 between CNH CAPITAL AMERICA LLC and TITAN MACHINERY, INC.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

TITAN MACHINERY, INC.,
as Borrower

By: /s/ Ted O. Christianson
Name: Ted O. Christianson
Title: CFO and Secretary

Address for Notices

Titan Machinery, Inc.
Rocking Horse Circle
4645 8th Avenue Southwest, Suite 1
Fargo, North Dakota 58103-7256
Attention: David Meyer, CEO and Chairman
Telephone:
Facsimile:

This page is a signature page for the WHOLESALE FLOOR PLAN CREDIT FACILITY AND SECURITY AGREEMENT dated as of February 21, 2006 between CNH CAPITAL AMERICA LLC and TITAN MACHINERY, INC.

Solely for purposes of Section 2.01(a):

CNH AMERICA LLC,
as successor-in-interest to Case, LLC

By: _____
Name:
Title: V.P., Associate General Counsel

AGREEMENT FOR WHOLESALE FINANCING

(Industrial/Construction - - Rental/CAL)

This Agreement for Wholesale Financing ("Agreement") is made between **GE Commercial Distribution Finance Corporation** ("CDF") and **Titan Machinery Inc**., a ☐ SOLE PROPRIETORSHIP, ☐ PARTNERSHIP, ☒ CORPORATION, ☐ LIMITED LIABILITY COMPANY (check applicable term) ("Dealer"), having its chief executive office located at 4645 8th Ave. SW, Suite 1, Fargo, ND 58103.

1. **Extension of Credit**. Subject to the terms of this Agreement CDF may extend credit to Dealer from time to time to purchase Inventory from CDF approved vendors ("Vendors"), and for other purposes. CDF's decision to advance funds is discretionary, and will not be binding until the funds are actually advanced. CDF may combine all of CDF's advances to Dealer or on Dealer's behalf, whether under this Agreement or any other agreement, and whether provided by one or more of CDF's branch offices, together with all finance charges, fees and expenses related thereto, to make one debt owed by Dealer. CDF may, without notice to Dealer, elect not to finance any inventory sold by particular Vendors who are in default to CDF, or with respect to which CDF reasonably feels insecure.

2. **Financing Terms**. Certain financial terms of any advance which CDF makes under this Agreement are not set forth herein because such terms depend, in part, upon many variable factors, including the availability of Vendor discounts, payment terms or other incentives, and CDF's floorplanning volume with Dealer and with Vendors. Therefore, CDF and Dealer agree to set forth in this Agreement only the general terms of Dealer's financing arrangement with CDF. Upon agreeing to finance an item of inventory for Dealer, CDF will send Dealer a Statement of Transaction ("SOT") identifying such inventory and the applicable financial terms. Dealers failure to notify CDF in wilting of any objection to an SOT within fifteen (15) days after an SOT is malted to Dealer shall constitute Dealer's: (a) acceptance of all terms thereof; (b) agreement that CDF is financing such inventory at Dealer's request and (c) agreement that such SOT will be incorporated herein by reference. If Dealer objects to the terms of any SOT, Dealer will pay CDF for such inventory in accordance with the most recent terms for similar inventory to which Dealer has not objected (or, if there are no prior terms, at the rate of Prime 4.25%, with Prime being defined as referenced on the SOT), but CDF may then elect to terminate Dealer's financing program. Such termination will not accelerate the maturities of advances previously made, unless Dealer is otherwise in default of this Agreement.

3. **Security Interest**. To secure payment of all Dealer's current and future debts to CDF, whether under this Agreement or any current or future guaranty or other agreement Dealer grants CDF a security interest in all of Dealer's new and used inventory and equipment, which is financed by CDF or against which CDF has advanced monies, whether now owned or hereafter acquired by Dealer, and all accounts, chattel paper, deposit accounts, documents, general intangibles, instruments and letter of credit rights and other supporting obligations, arising from the sale, lease, rental or other disposition of such inventory and equipment, and all judgments, claims, insurance policies and payments owed or made to Dealer thereon, and all attachments, accessories, accessions, substitutions and replacements thereto, and all proceeds thereof. All such assets are collectively referred to herein as the "Collateral." All of such terms for which

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meanings are provided in the Uniform Commercial Code of the applicable state, as the same may be amended, are used herein with such meanings.

4. **Affirmative Warranties and Representations**. Dealer warrants and represents to CDF that: (a) Dealer has good title to all Collateral; (b) CDF's security interest in the Collateral financed by CDF is not now and will not become subordinate to the security Interest or Claim of any person; (c) Dealer will execute all documents CDF requests to perfect and maintain CDF's security interest in the Collateral, and will cause all third parties in possession of Collateral to provide such acknowledgment or control of CDF's security interest as CDF may require; (d) Dealer will deliver to CDF immediately upon each request and CDF may retain, each Certificate of Title or Statement of Origin Issued for Collateral financed by CDF; (e) Dealer will at all times be duly organized, existing, in good standing, qualified and licensed to do business in each jurisdiction in which the nature of its business or property so requires; (f) Dealer has the right and is duly authorized to enter into this Agreement (g) Dealer's execution of this Agreement does not, and will not, constitute a breach of any law or agreement to which Dealer is now or hereafter becomes bound; (h) there are and will be no undisclosed actions or proceedings pending or threatened against Dealer which might result litany material adverse change in Dealers financial or business condition; (i) Dealer will maintain the Collateral in good condition; (j) Dealer has duly filed and will duly file all tax returns required by law, and will pay when due all taxes, levies, assessments and governmental charges; (k) Dealer will keep and maintain all of its books and records pertaining to the Collateral at its chief executive office designated in this Agreement; (l) Dealer will keep all Collateral at its chief executive office listed herein, and such other locations within the United States of America of which Dealer has notified CDF in writing or has listed on any current or future Exhibit "A" attached hereto; (m) Dealer will give CDF thirty (30) days prior written notice of any change in Dealer's identity, name, form of business organization, majority shareholder, chief executive office, Collateral locations or other business locations; (n) Dealer will notify CDF of the commencement of material legal proceedings against Dealer or any guarantor, (o) Dealer will comply with all applicable laws; and (p) Dealer has provided CDF with a copy of Dealer's Articles of Incorporation, Articles of Organization, Articles of Formation, Partnership Agreement, or Certificate of Limited Partnership, as applicable, and will provide any subsequent amendments thereto bearing indicia of filing from the appropriate governmental authority, or such other documents verifying Dealer's true and correct legal name.

5. **Negative Covenants**. Dealer will not at any time (without CDF's prior written consent): (a) other than in the ordinary course of its business, sell, demonstrate, lease or otherwise dispose of or transfer any of the Collateral; (b) consignany Collateral; (c) merge or consolidate with another entity; or (d) move any Collateral financed by CDF out of the United States of America.

6. **Insurance**. Dealer will immediately notify CDF of any loss, theft or damage to any Collateral. Dealer will keep the Collateral insured for its full insurable value under an "all risk" property Insurance policy with a company acceptable to CDF, naming CDF as a lender loss-payee and containing standard lender's loss payable and termination provisions. Dealer will provide CDF with written evidence of such property insurance coverage and lenders loss-payee endorsement.

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7. **Financial Statements**. Dealer will deliver to CDF, in a form satisfactory to CDF: (a) within ninety (90) days after the end of each of Dealer's fiscal years, a reasonably detailed balance sheet and income statement as of the last day of such fiscal year covering Dealers operations for such fiscal year; (b) within forty-five (45) days after the end of each of Dealer's fiscal quarters, a reasonably detailed balance sheet and income statement as of the last day of such quarter covering Dealer's operations for such quarter; and (c) within ten (10) days after CDF's request, any other information relating to the Collateral or the financial condition of Dealer or any guarantor. Dealer represents that all financial statements and information which have been or may hereafter be delivered by Dealer or any guarantor are and will be correct and prepared in accordance with generally accepted accounting principles consistently applied and, there has been no undisclosed material adverse change in the financial or business condition of Dealer or any guarantor since the submission to CDF of such financial statements, and Dealer acknowledges CDF's reliance thereon.

8. **Reviews**. Dealer grants CDF an irrevocable license to enter Dealer's business locations during normal business hours without notice to Dealer to: (a) account for and inspect all Collateral; and (b) examine and copy Dealer's books and records related to the Collateral.

9. **Payment Terms**. Dealer will immediately pay CDF the principal indebtedness owed CDF on each item of inventory financed by CDF or against which CDF has advanced funds on the earliest occurrence of any of the following events: (a)(i) when such inventory is lost, stolen or damaged - immediately if such loss, theft or damage is not covered completely by insurance, or (ii) if completely covered by insurance, then upon Dealers receipt of the insurance proceeds therefor or thirty (30) days following the loss theft or damage, whichever occurs first (b) when such inventory is sold, transferred or otherwise disposed of; provided, however, if any item of inventory financed by CDF or against which CDF has advanced funds is sold and Dealer does not receive payment for such item at the time of sale, Dealer will pay CDF the full amount of the principal balance owed CDF on such item of inventory within thirty (30) days immediately following the sale date of such item of inventory or immediately upon Dealers receipt of payment for such items of inventory, whichever occurs first (c) in strict accordance with any curtailment schedule for such inventory (as shown on the SOT identifying such inventory); (d) when any item of such inventory matures (as shown on the SOT identifying such inventory). With respect to inventory financed by CDF or against which CDF has advanced funds and held for rent and/or lease, Dealer will owe CDF and agree to pay CDF monthly the percentage of the principal balance owed on each item of such inventory that is required under the terms of Dealers financing program with CDF. However, if any inventory financed by CDF or against which CDF has advanced funds and held for rent and/or lease: (A) is sold and Dealer does not receive payment for such item at the lime of sale, Dealer will pay CDF the full amount of the principal balance owed to CDF on such item of inventory within thirty (30) days immediately following the sale date of such item of Inventory or immediately upon Dealer's

receipt of payment for such item of inventory, whichever occurs first or (B) is stolen, destroyed or otherwise disposed of, Dealer will immediately pay CDF the full amount of Dealers outstanding Indebtedness owed to CDF for such inventory. If Dealer from time to time is required to make immediate payment to CDF of any past due obligation discovered during any inventory audit, or at any other time, CDF's acceptance of such payments will not be construed to have waived or amended the terms of its financing program. Dealer will send all payments to CDF's branch office(s) responsible for Dealer's account. CDF may apply; (i) payments to reduce finance charges first and then

principal, regardless of Dealer's instructions; and (ii) principal payments to the oldest (earliest) invoice for inventory financed by CDF, but in any event, all principal payments will first be applied to such inventory which is sold, lost, stolen, damaged, rented, leased, or otherwise disposed of or unaccounted for. Any third party discount, rebate, bonus or credit granted to Dealer for any Inventory will not reduce the debt Dealer owes CDF until CDF has received payment therefor in cash. Dealer will: (1) pay CDF even if any inventory is defective or fails to conform to any warranties extended by any third party; (2) not assert against CDF any claim or defense Dealer has against any third party; and (3) indemnify and hold CDF harmless against all claims and defenses asserted by any buyer of the inventory relating to the condition of, or any representations regarding, any of the inventory. Dealer waives all rights of offset and counterclaims which Dealer may have against CDF. Any payment hereunder which would otherwise be due on a day which is not a Business Day, shall be due on the next succeeding Business Day, with such extension of time included in any calculation of applicable finance charges. A "Business Day" shall mean any day other than a Saturday, Sunday or other days on which commercial banks are authorized or required to be closed under the laws of the United States.

10. **Calculation of Changes**. Dealer will pay finance charges to CDF on the outstanding principal debt which Dealer owes CDF for each item of Collateral financed by CDF at the rate(s) shown on the SOT for such Collateral, unless Dealer objects thereto as provided in Section 2. CDF will calculate such finance charges by multiplying the Daily Charge by the actual number of days in the applicable billing period. Such finance charges will accrue from the invoice date of the Collateral identified on such SOT until CDF is paid in full in accordance with CDF's payment recognition policy, and CDF applies such payment to Dealer's principal debt as provided in this Agreement. The "Daily Charge" is the Daily Rate multiplied by the Average Daily Balance. The "Daily Rate" is the annual rate shown on the SOT divided by 360. or the monthly rate shown on the SOT divided by 30. The "Average Daily Balance" equals: (i) the sum of the outstanding principal debt owed CDF on each day of a billing period for each item of Collateral identified on a SOT, divided by (ii) the actual number of days in such billing period. Dealer will pay CDF $100 (or such other amount as may be communicated pursuant to Section 11(b) below) for each check returned unpaid for insufficient funds (an "NSF check") (such $100 payment repays CDF's estimated administrative costs; it does not waive the default caused by the NSF check). The annual percentage rate of the finance charges for any item of Collateral financed by CDF will be calculated from the invoice date of such Collateral, regardless of any period for which a third party pays a finance charge subsidy. CDF intends to strictly conform to the usury laws governing this Agreement. Regardless of any provision contained herein, in any SOT, or in any other document, CDF shall never be deemed to have contracted for, charged or be entitled to receive, collect or apply as interest, any amount in excess of the maximum amount allowed by applicable law. If CDF ever receives any amount which, if considered to be interest would exceed the maximum amount permitted by law. CDF will apply such excess amount to the reduction of the unpaid principal balance which Dealer owes, and then will pay any remaining excess to Dealer. In determining whether the interest paid or payable exceeds the highest lawful rate, Dealer and CDF shall, to the maximum extent permitted under applicable law: (A) characterize any non-principal payment (other than payments which are expressly designated as interest payments hereunder) as an expense or fee rather than as interest (B) exclude voluntary pre-payments and the effect thereof; and (C) spread the total amount of interest throughout the entire term of this Agreement so that the interest rate is uniform

throughout such term. CDF will recognize and credit payments made by check, ACH, federal wire, or other means, according to its payment recognition policies from time to time in effect, or as otherwise agreed. Information regarding CDF payment recognition policies is available from Dealer's CDF representative, the CDF website, or will be communicated pursuant to Section 11(b) below.

11. **Billing Statement**. (a) CDF will send Dealer a monthly billing statement Identifying all charges due on Dealer's account with CDF. The charges specified on each billing statement will be: (i) due and payable in full immediately on receipt; and (ii) an account stated, unless CDF receives Dealer's written objection thereto within fifteen (15) days after it is mailed to Dealer. If CDF does not receive, by the 25th day of any given month, payment of all charges accrued to Dealers account with CDF during the immediately preceding month, Dealer will (to the extent allowed by law) pay CDF a late fee equal to the greater of $5 or 5% of the amount of such finance charges (payment of such fee does not waive the default caused by the late payment). CDF may adjust the billing statement at any time to conform to applicable law end this Agreement.

(b) From time to time, CDF may provide written notice to Dealer of new or changed fees, finance charges, policies, practices and other costs (collectively, "Fees") payable by, or applicable to, Dealer and relating to Dealer's account generally, or in connection with specific services, or events, to be effective as of the notice date, or such other future date as CDF shall advise. Such notice may be delivered by mail, courier or electronically in a separate writing or website posting, or set forth in the SOT and/or the billing statement Dealer shall be deemed to have accepted such Fees by either: (i) making any request for financing after the effective date of such notice; or (ii) falling to notify CDF in writing of any objection to an SOT, billing statement or written notice advising of such Fee within fifteen (15) days after such notice has been sent to Dealer. If Dealer objects to any Fee, such Fee shall not be Imposed, but CDF may charge or implement the last Fee to which Dealer has not objected, and may elect to terminate Dealer's financing program. Such termination will not accelerate the maturities of advances previously made, unless Dealer is otherwise in default of this Agreement, or unless otherwise provided in Dealer's agreements with CDF.

12. **Rental Contracts**. Dealer may rent the inventory financed by CDF or against which CDF has advanced funds pursuant to the terns of Dealer's rental contracts ("Rental Contracts"). Such inventory will thereafter be subject to the rates and terms of CDF's financing program in effect for goods which are rented, as reflected in the SOT for such inventory. All of Dealers Rental Contracts, agreements, and rental transactions will be in a form satisfactory to CDF and conform with all applicable Federal, State and local laws. Dealer will indemnify CDF against any loss or damage which CDF suffers, whether direct or indirect, resulting in any way from the Rental Contracts, agreements, or rental transactions which fail to comply with such laws. All Rental Contracts will be transferable to CDF. Dealer will indemnify CDF against any claims by its customers regarding Dealer's obligations under the Rental Contracts. Dealer will immediately, upon CDF's request deliver to CDF all Rental Contracts and all related documents. This assignment is a transfer for security only, and, until CDF has foreclosed its interest in the Rental Contracts, will not be deemed to delegate any of Dealer's duties under the Rental Contracts to CDF, nor is a intended to alter or impair performance by either party to the Rental Contracts. CDF may, from time to time, verify the accuracy of the Rental Contracts. Dealer will

immediately, upon CDF's request, provide CDF with the following information regarding Rental Contracts which are in effect on the date of such request: (a) the name, address and telephone number of each customer who has executed a Rental Contract; (b) the location of the inventory; (c) the date of each Rental Contract; (d) the date when the inventory is to be returned under each Rental Contract and, (e) any other information which CDF may reasonably request. Other than to CDF, Dealer will not assign, sell, pledge, convey or by any other means transfer any Rental Contracts or chattel paper covering inventory financed by CDF that are for a term of thirty-two (32) days or more, without CDF's prior written consent. Dealer will not enter into any Rental Contracts for inventory financed by CDF or against which CDF has advanced funds pursuant to which: (i) the original term of the Rental Contract is greater than ninety (90) days; (ii) the original term of the Rental Contract is equal to or greater than the remaining economic life of such inventory; (iii) the customer is bound to renew the Rental Contract for the economic life of such inventory or is bound to become the owner of such inventory; or, (iv) the customer has an option to renew the Rental Contract for the remaining economic life of such inventory, or to become the owner of such inventory, for nominal consideration, or for consideration which is less than the unpaid balance owed to CDF for such inventory. If any such Rental Contracts are issued, Dealer will take any action which CDF may reasonably require to perfect and/or protect CDF's security interest in such Rental Contracts and/or the inventory subject thereto.

13. **Default**. Dealer will be in default under this Agreement if: (a) Dealer breathes any terms in this Agreement, or in any other agreement between CDF and Dealer and such breath is not cured within five (5) Business Days from the date of notice of breach from CDF, it being understood that no such cure period will be available for a breach of Dealers financial covenants, a breach under subsection 13(b) and any other subsentence of this **Section 13** for which no express cure period is provided; (b) Dealer fails to pay any debt to CDF when due and payable hereunder or under any other agreement between CDF and Dealer; (c) any guarantor of Dealer's debts to CDF ("Guarantor") dies, or notifies CDF of its intent to terminate, or

terminates, its guaranty, or otherwise breaches any terms contained in any guaranty or other agreement between the Guarantor and CDF; (d) any representation, statement, report or certificate which Dealer or any Guarantor makes or delivers to CDF is not accurate when made; (e) Dealer abandons any Collateral; (f) Dealer or any Guarantor is or becomes in default after expiration of any applicable cure period in the payment of any debt owed to any third party, or Dealer is or becomes in default after expiration of any applicable cure period under any loan agreement (g) an attachment, sale or seizure issues or is executed against any assets of Dealer or of any Guarantor, (h) Dealer or any Guarantor ceases existence as a corporation, partnership, limited liability company or trust, as applicable, or ceases or suspends business; (i) Dealer, any Guarantor or any Member, as applicable, makes a general assignment for the benefit of creditors; (j) Dealer, any Guarantor or any Member, as applicable, becomes insolvent or voluntarily or involuntarily becomes subject to the Federal Bankruptcy Code, any state insolvency law or any similar law; (k) any receiver is appointed for any assets of Dealer, any Guarantor or any Member, as applicable; (l) Dealer loses, or is in default of any franchise, license or right to deal in any Collateral which CDF finances and such default is not cured within 30 days after Dealer's receipt of written notice; (m) Dealer or any Guarantor misrepresents Dealer's or such Guarantors financial condition or organizational structure; or (n) CDF determines in good faith that it is insecure with respect to any of the Collateral or the payment of Dealer's obligation to CDF and Dealer fails to correct the situation within 10 days after Dealer's receipt of written notice from CDF.

14. **Rights of CDT Upon Default**. In the event of a default:

(a) CDF may at any time, without notice or demand to Dealer, do any one or more of the following: declare all or any part of the debt Dealer owes CDF immediately due and payable, together with all costs and expenses of CDF's collection activity, including all reasonable attorneys' fees; exercise any rights under applicable law; and/or cease extending any additional credit to Dealer which shall not be construed to limit the discretionary nature of this credit facility.

(b) Dealer will segregate and keep the Collateral in trust for CDF, and will not dispose of or use any Collateral, nor further encumber any Collateral.

(c) Upon CDF's demand, Dealer will immediately deliver the Collateral to CDF at a place specified by CDF, together with all related documents; or CDF may, without notice or demand to Dealer, take immediate possession of the Collateral together with all related documents.

(d) CDF may, without notice, apply a default finance charge to Dealer's outstanding principal indebtedness equal to the default rate specified in Dealer's financing program with CDF, if any, or if there is none so specified, at the lesser of 3% per annum above the rate in effect immediately prior to the default, or the highest lawful contract rate of interest permitted under applicable law.

(e) Dealer grants CDF an irrevocable power of attorney to: execute or endorse on Dealer's behalf any checks, drafts or other forms of exchange received as payment on any Collateral for deposit in CDF's account execute financing statements, instruments, Certificates of Title and Statements of Origin pertaining to the Collateral; sell, assign, transfer. negotiate, demand, collect receive, settle, extend, or renew any amounts due on any of the Collateral; do anything Dealer is obligated to do hereunder; initiate and settle any insurance claim pertaining to the Collateral; and do anything to preserve and protect the Collateral and CDF's rights and interests therein.

(f) Upon CDF's oral or written demand, Dealer will immediately deliver the original Rental Contracts to CDF, and CDF may collect in CDF's name all amounts owed to Dealer under the Rental Contracts.

All of CDF% rights and remedies are cumulative. CDF's failure to exercise any of CDF's rights or remedies hereunder will not waive any of CDF's rights or remedies as to any past, current or future default.

15. **Sale of Collateral**. If CDF conducts a sale of any Collateral by requesting bids from ten (10) or more dealers or distributors in that type of Collateral, or pursuant to any Internet auction or sale posting on a third party auction sale site, any sale by CDF of such Collateral in bulk or in parcels within one hundred twenty (120) days of: (a) CDF's taking possession and control of such Collateral; or (b) when CDF is otherwise authorized to sell such Collateral; whichever occurs last, to the bidder submitting the highest cash bid therefor, is a commercially reasonable sale of such Collateral under the Uniform Commercial Code. Dealer agrees that the purchase of any Collateral by a Vendor, as provided in any agreement between CDF and the Vendor, is a

commercially reasonable disposition and private sale of such Collateral under the Uniform Commercial Code, and no request for bids shall be required. Dealer further agrees that seven (7) or more days prior written notice will be commercially reasonable notice of any public or private sale (including any sale to a Vendor). Dealer irrevocably waives any requirement that CDF retain possession and not dispose of any Collateral until after an arbitration hearing, arbitration award, confirmation, trial or final judgment if CDF disposes of any Collateral other than as herein contemplated, the laws of the state governing this Agreement will determine the commercial reasonableness of such disposition. Dealer and CDF irrevocably waive all rights to claim punitive and/or exemplary damages.

16. **Power of Attorney; Information**. Dealer grants CDF an irrevocable power of attorney, exercisable at any time, to: do anything necessary to preserve and protect the Collateral and CDF's rights and interest therein; and supply any omitted information and correct errors in any documents between CDF and Dealer. CDF may provide to any third party any standard credit information on Dealer that CDF may from time to time possess in response to a request for a credit rating, and any other information on Dealer that CDF may from time to time possess if required by law. CDF may obtain from any Vendor, manufacturer or distributor, any credit, financial or other information regarding Dealer that such Vendor, manufacturer or distributor may from time to time possess.

17. **Access to CDF's System**. CDF has developed a system which will allow Dealer to access CDF's computers via an Internet connection for the sole purposes of allowing Dealer to obtain certain Information regarding the amount which Dealer owes to CDF with respect to its account with CDF, and to pay CDF the amounts which Dealer owes pursuant to this Agreement, which will include the amount of principal, interest fees and charges ("System"). CDF grants to Dealer the right to use the System in the manner provided herein. Dealer may access the System at no charge during the term of this Agreement. Dealer will access Information in the System via an Internet connection and by entering a user identification number and a password which CDF will provide to Dealer. Dealer may thereafter change the password which CDF provides to Dealer. Dealer will assume complete responsibility in protecting the safety and security of to user identification number, password and personal identification number ("PIN"). Dealer will be solely liable for all losses, damages or claims resulting from any unauthorized use of the user identification number, password and PIN. CDF retains the right to make any changes in the System, including, but not limited to, the scheduled hours of operation, access periods, and user identification procedures.

18. **Dealer's Account**. In order to obtain access to the System; Dealer must complete and submit to CDF an application form entitled 'Customer Account Link Sign-up Form ("Application") which may be found in CDF's Internet website (www.cdfconnect.com). The terms of the Application are incorporated into this Agreement. Dealer will have the option, as indicated in the Application, to allow CDF to initiate automatic or elective ACH debit entries to Dealers Account (as defined below) to pay any amounts which Dealer owes to CDF under this Agreement. Dealer must provide certain information as required in the Application regarding Dealer's bank and the particular account at Dealer's bank through which CDF will initiate the ACH debit entries which Dealer authorizes pursuant to this Agreement ("Accounts). Dealer will immediately complete another Application and will submit such document to CDF if any information regarding the Account is changed or is inaccurate. CDF will thereupon enter such

new information regarding the Account into the System. Dealer will execute such agreements which such bank requires to allow CDF to initiate ACH debit entries to the Account and to receive payments therefor.

19. **Authorization for Elective ACH Payment**. The System will allow Dealer to select the payments of principal, interest insurance, fees and other charges which Dealer elects to make to CDF. Upon selecting the particular items which Dealer elects to pay to CDF, Dealer will enter its PIN to confirm the payments which Dealer wishes to make to CDF. By entering Dealer's unique PIN number, Dealer thereupon irrevocably authorizes COP to initiate ACH debit entries to the Account in the amount selected by Dealer to pay the obligations which Dealer owes to CDF under this Agreement, and to take possession of such funds in the Account for application to such obligations. CDF will not initiate an ACH debit entry under this Agreement except in conformity with the authorization provided by Dealer.

20. **General Use Restrictions**. Dealer will not and will not cause others to: (a) reverse engineer, reverse compile, decompile, disassemble, alter, translate, convert or attempt to derive the source code of the System; (b) use the System in a manner that jeopardizes the integrity thereof or interferes with others' use of the System, or (c) use the System in any manner which violates this Agreement or any applicable laws (including, but not limited to, any laws relating to copyrights, trademarks, trade secrets or libel).

21. **Limitation of Liability for ACH Debits**. CDF will not be liable for the act or omission of any Automated Clearing House, financial institution, or any person who has obtained unauthorized access to the System. Dealer acknowledges that errors may occur in the ACH debiting process. Dealer will immediately notify CDF if the amount of any ACH debit entry which CDF initiates exceeds the amount authorized by Dealer. Dealer agrees, however, that CDF's liability for any such error will be limited to CDF's prompt credit to Dealers Account of the amount of the entry which exceeds the amount authorized by Dealer. In no event will CDF be liable to Dealer for any consequential, special or incidental damages.

22. **Warranty**. **CDF MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SYSTEM, INCLUDING BUT NOT LIMITED TO, ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES AS TO ACCURACY, COMPLETENESS OR ADEQUACY OF INFORMATION. IN NO EVENT WILL CDF BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCURRED BY DEALER AS A RESULT OF DEALER'S USE OF THE SYSTEM**. CDF does not warrant that the functions contained in the System will meet Dealers requirements, or that the System will operate on Dealer's computer system or with Dealers internet access provider, or that the operation of the System will be uninterrupted or error free. CDF is not responsible for any problems caused by changes in the operating characteristics of the Dealer's computer hardware or operating system which are made upon Dealer's access to the System. Dealer will have the sole responsibility for adequate protection and back-up of its data used in connection with the System. Dealer waives any right to claim against CDF for lost data, work delays or lost profits resulting from its use of the System.

23. **Confidentiality**. The System is proprietary to CDF. Dealer will use and maintain the System in confidence and will not sell, transfer, publish, disclose, or otherwise make accessible the System to any third party. Dealer will confine access to the System only to its employees who require such access in the ordinary course and scope of their employment by Dealer. Dealer will inform its employees of the confidential nature of the System before Dealer grants an employee any access to the System.

24. **Termination**. Either party may terminate this Agreement at any time by written notice received by the other party. If CDF terminates this Agreement, Dealer agrees that if Dealer is not in default hereunder, ninety (90) days prior note of termination is reasonable and sufficient (although this provision shall not be construed to mean that shorter periods may not, in particular circumstances, also be reasonable and sufficient). Dealer will be obligated to CDF for CDF's advances or commitments made before the effective termination date of this Agreement CDF will retain all of its rights, interests and remedies hereunder until Dealer has paid CDF in full. All waivers, and the agreement to arbitrate, set forth in this Agreement will survive any termination of this Agreement.

25. **Binding Effect**. Dealer cannot assign its interest in this Agreement without CDF's prior written consent. Although CDF may assign or participate CDF's interest in whole or in part, without Dealers consent this Agreement will protect and bind CDF's and Dealers respective heirs, representatives, successors and assigns.

26. **Notices**. Except as otherwise stated herein, all notices arbitration claims, responses, requests and documents will be sufficiently given or served if mailed or delivered: (a) to Dealer at Dealer's chief executive office specified above; and (b) to CDF at 655 Maryville Centre Drive, St. Louis, Missouri 63141-5832, Attention: General Counsel, or such other address as the parties may hereafter specify in writing.

27. NO ORAL AGREEMENTS. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBTS ARE NOT ENFORCEABLE. TO PROTECT DEALER AND CDF FROM MISUNDERSTANDING OR DISAPPOINTMENT, ALL AGREEMENTS COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES, EXCEPT AS SPECIFICALLY PROVIDED HEREIN OR AS THE PARTIES MAY LATER AGREE IN WRITING TO MODIFY IT. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

28. **Severability**. If any provision of this Agreement or its application is invalid or unenforceable, the remainder of this Agreement will not be impaired or affected and will remain binding and enforceable.

29. **Supplement**. If Dealer and CDF (or any predecessor in interest to CDF) have previously executed other agreements pertaining to all or any part of the Collateral, this Agreement will supplement such agreement, and this Agreement will neither be deemed a novation nor a

termination of such agreement, nor will execution of this Agreement be deemed a satisfaction of any obligation secured by such agreement.

30. **Receipt of Agreement**. Dealer acknowledges that it has received a true and complete copy of this Agreement. Dealer has read and understood this Agreement notwithstanding anything herein to the contrary, CDF may rely on any facsimile copy, electronic data transmission, or electronic data storage of: this Agreement, any SOT, billing statement financing statement, authorization to pre-file financing statements, invoice from a Vendor, financial statements or other reports, which will be deemed an original, and the best evidence thereof for all purposes.

31. **Miscellaneous**. Time is of the essence regarding Dealer's performance of its obligations to CDF. Dealer's liability to CDF is direct and unconditional and will not be affected by the release or nonperfection of any security interest granted hereunder. CDF may refrain from or postpone enforcement of this Agreement or any other agreements between CDF and Dealer without prejudice, and the failure to strictly enforce these agreements will not create a course of dealing which waives, amends or modifies such agreements. The express terms of this Agreement will not be modified by any course of dealing, usage of trade, or custom of trade which may deviate from the terms hereof. If Dealer fails to pay any taxes, fees or other obligations which may impair CDF's interest in the Collateral, or fails to keep the Collateral insured, CDF may, but shall not be required to, pay such amounts. Such paid /amounts will be: (a) an additional debt which Dealer owes to CDF, which shall be subject to finance charges as provided herein; and (b) due and payable immediately in full. Dealer will pay all of CDF's reasonable attorneys' fees and expenses which CDF incurs in enforcing CDF's rights hereunder. The Section titles used herein are for convenience only, and do not define or limit the contents of any Section.

32. **BINDING ARBITRATION**.

32.1 **Arbitrable Claims**. Except as otherwise specified below, all actions, disputes, claims and controversies under common law, statutory law or in equity of any type or nature whatsoever, whether arising before or after the date of this Agreement, and whether directly or indirectly relating to: (a) this Agreement and/or any amendments and addenda hereto, or the breach, invalidity or termination hereof; (b) any previous or subsequent agreement between CDF and Dealer; (c) any act committed by CDF or by any parent company, subsidiary or affiliated company of CDF (the "CDF Companies"), or by any employee, agent, officer or director of a CDF Company whether or not arising within the scope and course of employment or other contractual representation of the CDF Companies provided that such act arises under a relationship, transaction or dealing between CDF and Dealer; and/or (d) any other relationship, transaction or dealing between CDF and Dealer (collectively the 'Disputes"), will be subject to and resolved by binding arbitration. Notwithstanding the foregoing, the parties agree that either party may pursue claims against the other that do not exceed Fifteen Thousand Dollars ($15,000) in the aggregate an a

court of competent jurisdiction. Service of arbitration claims shall be acceptable if made by U.S. mail or overnight delivery to the address for the party described herein.

32.2 **Administrative Body**. All arbitration hereunder will a conducted in accordance with the Commercial Arbitration Rules of either: (a) The American Arbitration Association ("AAA"); or (b) United States Arbitration & Mediation ("USA&M"). The party first filing an arbitration claim shall designate which arbitration forum and rules are to be applied for all disputes between the parties. The " rules are found at www.adr.org for AAA, and at www.usam-midwest.com for USA&M. AAA claims may be filed in any AAA office. Claims filed with USA&M shall be filed in their Midwest office located at 720 Olive Street, Suite 2020, St. Louis, Missouri 63101. All arbitrator(s) selected will be attorneys with at least five (5) years secured transactions experience. A panel of three arbitrators shall hear all claims exceeding One Million Dollars ($1,000,000), exclusive of interest, costs and attorneys' fees. The arbitrator(s) will decide if any inconsistency exists between the rules of the applicable arbitrator forum and the arbitration provisions contained herein. If such inconsistency exists, the arbitration provisions contained herein will control and supersede such rules. The arbitrator shall follow the terms of this agreement and the applicable law, including without limitation, the attorney client privilege and the attorney workproduct doctrine.

32.3 **Hearings**. Each party hereby consents to a documentary hearing for all arbitration claims, by submitting the dispute to the arbitrator(s) by written briefs and affidavits, along with relevant documents. However, arbitration claims will be submitted by way of an oral hearing, if any party requests an oral hearing within forty (40) days after service of the claim, and that party remits the appropriate 'deposit for AAA's fees and arbitrator compensation within ten (10) days of making the request. The site of all oral arbitration hearings will be in the Division of the Federal Judicial District in which AAA or USA&M maintains a regional office that is closest to Dealer.

32.4 **Discovery**. Discovery permitted in any arbitration proceeding commenced hereunder is limited as follows. No later than forty (40) days after the filing and service of a claim for arbitration, the parties in contested cases will exchange detailed statements setting forth the facts supporting the claim(s) and all defenses to be raised during the arbitration, and a list of all exhibits and witnesses. No later than twenty-one (21) days prior to the oral arbitration hearing, the parties will exchange a final list of all exhibits and all witnesses, including any designation of any expert witness(es) together with a summary of their testimony; a copy of all documents and a detailed description of any property to be introduced at the hearing. Under no circumstances will the use of interrogatories, requests for admission, requests for the production of documents or the taking of depositions be permitted. However, in the event of the designation of any expert witness(es), the following will occur; (a) all information and documents relied upon by the expert witnesses will be delivered to the opposing party; (b) the opposing party will be permitted to depose the expert witness(es); (c) the opposing party will be permitted to designate rebuttal expert witness(es); and (d) the arbitration hearing will be continued to the earliest possible date that enables the foregoing limited discovery to be accomplished.

32.5 **Exemplary or Punitive Damages**. The Arbitrator(s) will not have the authority to award exemplary or punitive damages.

32.6 **Confidentiality of Awards**. All arbitration proceedings, including testimony or evidence at hearings, will be kept confidential, although any award or order rendered by the arbitrator(s) pursuant to the terms of this Agreement may be confirmed as a judgment or order in any state or federal court of competent jurisdiction within the federal judicial district which includes the residence of the party against whom such award or order was entered. This Agreement concerns transactions involving commerce among the several states. The Federal Arbitration Act, Title 9 U.S.C. Sections 1 et seq., as amended ("FAA") will govern ail arbitration(s) and confirmation proceedings hereunder.

32.7 **Prejudgment and Provisional Remedies**. Nothing herein will be construed to prevent CDF's or Dealer's use of bankruptcy, receivership, injunction, repossession, replevin, claim and delivery, sequestration, seizure, attachment, foreclosure, and/or any other prejudgment or provisional action or remedy relating to any Collateral for any current or future debt owed by either party to the other. Any such action or remedy will not waive CDF's or Dealer's right to compel arbitration of any Dispute.

32.8 **Attorneys' Fees**. If either Dealer or CDF brings any other action for judicial relief with respect to any Dispute (other than those set forth in Sections 32.1 or 32.7), the party bringing such action will be liable for and immediately pay all of the other party's costs and expenses (including attorneys' fees) incurred to stay or dismiss such action and remove or refer such Dispute to arbitration. If either Dealer or CDF brings or appeals an action to vacate or modify an arbitration award and such party does not prevail, such party will pay all costs and expenses, including attorneys' fees, incurred by the other party in defending such action. Additionally, if Dealer sues CDF or institutes any arbitration claim or counterclaim against CDF in which CDF is the prevailing party, Dealer will pay all costs and expenses (including attorneys' fees) incurred by CDF in the course of defending such action or proceeding.

32.9 **Limitations**. Any arbitration proceeding must be instituted: (a) with respect to any Dispute for the collection of any debt owed by either party to the other, within two (2) years after the date the last payment by or on behalf of the payor was received and applied in respect of such debt by the payee; and (b) with respect to any other Dispute, within two (2) years after the date the incident giving rise thereto occurred, whether or not any damage was sustained or capable of ascertainment or either party knew of such indent. Failure to institute an arbitration proceeding within such period will constitute an absolute bar and waiver to the institution of any proceeding, whether arbitration or a court proceeding, with respect to such Dispute.

32.10 **Survival After Termination**. The agreement to arbitrate will survive the termination of this Agreement

33. INVALIDITY/UNENFORCEABIUTY OF BINDING ARBITRATION. IF THIS AGREEMENT IS FOUND TO BE NOT SUBJECT TO ARBITRATION, ANY LEGAL PROCEEDING WITH RESPECT TO ANY DISPUTE WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. DEALER AND CDF WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

34. **Governing Law**. This Agreement and all other agreements between Dealer and CDF have been substantially negotiated, and will be substantially performed, in the state of MISSOURI. Accordingly, all Disputes will be governed by, and construed in accordance with, the laws of such state, except to the extent inconsistent with the provisions of the FAA which shall govern all arbitration proceedings hereunder.

THIS CONTRACT CONTAINS BINDING ARBITRATION. JURY WAIVER AND PUNITIVE DAMAGE WAIVER PROVISIONS.

This Agreement is dated this 29th day of June, 2004.

GE COMMERCIAL DISTRIBUTION FINANCE CORPORATION	**TITAN MACHINERY, INC.**
By:	By /s/David J. Meyer
Print Name:	Print Name: David J. Meyer

Title: _____

Title: CEO

By _____
Print Name: _____
Title: _____

ATTEST:
/s/ Kevin S. Harrison
(Assistant Secretary)
Print Name: Kevin S. Harrison

SECRETARY'S CERTIFICATE OF RESOLUTION

I certify that I am the Secretary of the corporation named below, and that the following completely and accurately sets forth certain resolutions of the Board of Directors of the corporation adopted at a special meeting thereof held on due notice (and with shareholder approval, if required by law), at which meeting there was present a quorum authorized to transact the business described below, and that the proceedings of the meeting were in accordance with the certificate of incorporation, charter and by-laws of the corporation, and that they have not been revoked, annulled or amended in any manner whatsoever.

Upon motion duly made and seconded, the following resolution was unanimously adopted after full discussion:

"RESOLVED, That the several officers, directors, and agents of this corporation, or any one or more of them, are hereby authorized and empowered on behalf of this corporation: to obtain financing from GE Commercial Distribution Finance Corporation ("CDF") in such amounts and on such terms as such officers, directors or agents deem proper; to enter into financing, security, pledge and other agreements with CDF relating to the terms upon which such financing may be obtained and security and/or other credit support is to be furnished by this corporation therefor; from time to time to supplement or amend any such agreements; and from time to time to pledge, assign, mortgage, grant security interests, and otherwise transfer, to CDF as collateral security for any obligations of this corporation to CDF, whenever and however arising, any assets of this corporation, whether now owned or hereafter acquired; the Board of Directors hereby ratifying, approving and confirming all that any of said officers, directors or agents have done or may do with respect to the foregoing."

IN WITNESS WHEREOF, I have executed and affixed the seal of the corporation on the date stated below.

Dated: June 30, 2004

/s/ Peter Christianson
Secretary

Titan Machinery, Inc.
Corporate Name

(SEAL)

EXHIBIT "A"
LIST OF DEALER LOCATIONS

TITAN MACHINERY INC.
Store Addresses **30-June 04**

WATERTOWN (Div A)
3301 9th Avenue SE
P.O. Box 1579
Watertown, SD 57201-1570
P: 800-658-5590
P: 605-886-5741
F: 605-886-7074

WAHPETON (Div B)
7955 179th Avenue SE
(Hwy. 13 & 81)
P.O. Box 310
Wahpeton, ND 58074-8310
P: 800-654-4313
P: 701-642-8424
F: 701-642-9514

CASSELTON (Div C)
1701 Governors Drive
P.O. Box 439
Casselton, ND 58012-0430
P: 877-347-4671
P: 701-347-4671
F: 701-347-5008

LISBON (Div D)
6930 Hwy 32 South
P.O. Box 393
Lisbon, ND 58054-0393
P: 800-648-4004
P: 701-683-4000
F: 701-683-5108
F: 701-683-3041

JAMESTOWN (Div E)
1620 8th Avenue SW
P.O. Box 1489
Jamestown, ND 58402-1489
P: 800-247-1102
P: 701-252-8200
F: 701-252-2203

FARGO (Div F)
3401 32nd Ave S
Fargo, ND 58103-7811
P: 800-301-3171
P: 701-235-3171
F: 701-237-4832

KRIDER EQUIPMENT-CE (Div G)
2583 5th Ave S
P.O. Box 3044
Fargo, ND 58103-3044
P: 800-342-4330
P: 701-237-3333
F: 701-237-3336

KRIDER EQUIPMENT (Div H)
1500 Industrial Drive
Bismarck, ND 58501
P: 800-247-1282
P: 701-250-7925
F: 701-256-7924

LIDGERWOOD (Div J)
15450 Hwy 11
Lidgerwood, ND 58053-9702
P: 800-452-2493
P: 701-538-4571
F: 701-538-7743

KULM (Div K)
212 North Main Avenue
P.O. Box 260
Kulm, ND 58456-0260
P: 888-965-2464
P: 701-647-2442
F: 701-647-2466

LAMOURE (Div L)
1100 Hwy 13 E
P.O. Box 96
Lamoure, ND 58458-0096
P: 800-648-4606
P: 701-883-5286
F: 701-883-4356

MAIN STREET (Div M)
622 Main St
P.O. Box 231
Lisbon, ND 58054-0231
P: 800-522-2095
P: 701-683-5856
F: 701-683-4423

FARGO TRACTOR (Div P)

GRACEVILLE (Div Q)

MARSHALL (Div R)

PIPESTONE (Div S)

2000 E Main
West Fargo, ND 58078-0366
P: 701-282-5290
F: 701-282-5391

315 Hwy 28
P.O. Box 187
Graceville, MN 56240-0187
P: 800-248-8475
P: 320-748-7277
F: 320-748-7272

2932 Hwy 23
Marshall, MN 56258
P: 800-658-2302
P: 507-532-5783
F: 507-532-2240

1402 Hwy 75 S
Pipestone, MN 56164
P: 800-638-1065
P: 507-825-5155
F: 507-825-4104

TITAN MACHINERY (Div T)
CORPORATE OFFICE
4645 8th Ave SW, Suite 1
Fargo, ND 58103-7256
P.O. Box 10818
Fargo, ND 58106-0818
Fax: 701-356-0139

MARSHA S: 701-356-0130
KEVIN H: 701-356-0132
JULIE D: 701-356-0133
NANCY W: 701-356-0136
TIM M: 701-356-0137
HARRY H: 701-356-0140
TED C: 701-356-0141
PETER C: 701-356-3333

WISHEK (Div W)

117 N Centennial St
P.O. Box 399
Wishek, ND 56495-0399
P: 888-566-2762
P: 701-452-2262
F: 701-452-2393

AMENDMENT TO
AGREEMENT FOR WHOLESALE FINANCING

This Amendment is made to that certain Agreement for Wholesale Financing entered into by and between **Titan Machinery Inc.** ("Dealer") and **GE Commercial Distribution Finance Corporation** ("CDF") on June 29, 2004, as amended ("Agreement").

FOR VALUE RECEIVED, CDF and Dealer agree as follows:

The provisions in this amendment supersede the prior amendments dated June 29, 2004 and November 7, 2005 which have no further course and effect.

1. Section 5 of the Agreement is hereby deleted in its entirety and restated to incorporate the covenants set forth as follows:

"5. **Covenants**.

(a) **Financial Covenants**. Beginning with the fiscal year ending January 31, 2007, Dealer shall:

(i) maintain a Tangible Net Worth and Subordinated Debt ("TNW") in the amount of not less than **Ten Million Dollars ($10,000,000.00)** at all times thereafter;

(ii) maintain a ratio of Debt minus Subordinated Debt to TNW not to exceed **5.0 to 1.0** at all fiscal quarter ends and year ends

(iii) achieve a ratio of EBITDA to interest expense of not less than **1.5 to 1.0** at each fiscal quarter end.

For purposes of this paragraph: 'Tangible Net Worth" means the book value of Dealer's assets less liabilities, excluding from such assets all Intangibles; "Intangibles" means and includes general intangibles software (purchased or developed in-house); accounts receivable and advances due from officers, directors, employees, stockholders, members, owners and affiliates; leasehold improvements net of depreciation; licenses good will; prepaid expenses; escrow deposits; covenants not to compete; the excess of cost over book value of acquired assets; franchise fees; organizational costs; finance reserves held for recourse obligations; capitalized research and development costs; the capitalized cost of patents, trademarks, service marks and copyrights net of amortization; and such other similar items as CDF may from time to time determine in CDF's sole discretion; "Debt" means all of Dealer's liabilities and indebtedness for borrowed money of any kind and nature whatsoever, whether direct or indirect, absolute or contingent, and including obligations under capitalized leases, guaranties, or with respect to which Dealer has pledged assets to secure performance, whether or not direct recourse liability has been assumed by Dealer, "Subordinated Debt" means all of Dealer's Debt which is subordinated to the payment of Dealer's liabilities to CDF by an agreement in form and substance satisfactory to CDF and; "EBITDA" means, for any period of calculation, Dealer's Operating Profit before provision for income taxes and interest expense plus

depreciation and amortization. All terms used herein to the extent not defined shall be used in accordance with generally accepted accounting principles consistently applied. All amounts, if applicable, shall be calculated on a consolidated basis.

(b) **Negative Covenants**. Dealer will not at any time without CDF's prior written consent: (i) other than in the ordinary course of its business, sell, lease, or otherwise dispose of or transfer any of its assets; (ii) rent, lease, demonstrate, consign, license, or use any Collateral financed by CDF; (iii) merge or consolidate with another entity; or (iv) move any Collateral financed by CDF out of the United States of America."

2. Dealer waives notice of CDF's acceptance of this Amendment.

3. All other terms and provisions of the Agreement, to the extent not inconsistent with the foregoing, are ratified and remain unchanged and in full force and effect

IN WITNESS WHEREOF, Dealer and CDF have executed this Amendment on this 24th day of January, 2007.

Titan Machinery, Inc.

By: /s/Ted O. Christianson
Print Name: Ted O. Christianson
Title: CFO

GE COMMERCIAL DISTRIBUTION FINANCE CORPORATION

By _____
Print Name: _____
Title: _____

AMENDMENT TO AGREEMENT FOR WHOLESALE FINANCING

This Amendment is made to that certain Agreement for Wholesale Financing dated June 29, 2004, as amended ("Agreement"), between **Titan Machinery, Inc.** ("Dealer") and **GE Commercial Distribution Finance Corporation** ("CDF").

FOR VALUE RECEIVED, Dealer and CDF agree as follows (capitalized terms shall have the same meaning as defined in the Agreement unless otherwise indicated):

1. This Amendment supercedes and replaces the financial covenants in that certain Amendment dated June 29, 2004 to Agreement for Wholesale Financing:

"7.1 **Financial Covenants**. Dealer will:

(a) maintain, as of October 31, 2005 and as of the last day of each fiscal quarter thereafter, a Tangible Net Worth and Subordinated Debt in the combined amount of not less than Eight Million Two Hundred Thousand Dollars ($8,200,000.00); and

(b) maintain, (i) as of October 31, 2005, a ratio of Debt minus Subordinated Debt to Tangible Net Worth of not more than six to one (6.0:1.0); and (ii) as of January 31, 2006, and as of the last day of each fiscal quarter thereafter, a ratio of Debt minus Subordinated Debt to Tangible Net Worth of not more than five to one (5.0:1.0); and

(c) achieve, as of the last day of each fiscal quarter, a ratio of EBITDA, for the twelve month period ending on the last each of each such fiscal quarter, to interest expense for the twelve month period ending on the last day of each such fiscal quarter, of not less than one and one-half to one (1.5:1.1.0).

For purposes of this paragraph: (i) 'Tangible Net Worth' means the book value of Dealer's assets less liabilities, excluding from such assets all Intangibles: (ii) 'Intangibles' means and includes general intangibles; software (purchased or developed in-house); accounts receivable and advances due from officers, directors, employees, stockholders, members, owners and affiliates; leasehold improvements net of depreciation: licenses; good will; prepaid expenses; escrow deposits; covenants not to compete: the excess of cost over book value of acquired assets franchise fees; organizational costs; finance reserves held for recourse obligations; capitalized research and development costs; the capitalized cost of patents, trademarks, service marks and copyrights net of amortization; and such other similar items as CDF may from time to time determine in CDF's sole discretion; (iii) 'Debt' means all of Dealer's liabilities and indebtedness for borrowed money of any kind and nature whatsoever, whether direct or indirect, absolute or contingent, and including obligations under capitalized leases, guaranties, or with respect to which Dealer has pledged assets to secure performance, whether or not direct recourse liability has been assumed by Dealer; (iv) 'Subordinated Debt' means all of Dealer's Debt which is subordinated to the payment of Dealers liabilities to CDF by on agreement in form and substance satisfactory to CDF; (v) 'EBITDA' means, for any period of calculation, the net income of Dealer before

provision for income taxes, interest expense (including without limitation, implicit interest expense on capitalized leases), depreciation and amortization, excluding therefrom (to the extent included): (A) non-operating gains including, without limitation, extraordinary or nonrecurring gains, gains from discontinuance of operations and gains arising from the sale of assets other than inventory) during the applicable period; (B) net earnings of any business entity in which Dealer has an ownership interest (other than a wholly owned subsidiary) unless such net earnings shall have actually been received by Dealer in the form of cash distributions; (C) any portion of the net earnings of any subsidiary which for any reason is unavailable for payment of dividends to Dealer; (D) the earnings of any entity to which any assets of Dealer shall have been sold, transferred or disposed of, or into which Dealer shall have merged, or been a party to any consolidation or other form of reorganization, prior to the date of such transaction; (E) any gain arising from the acquisition of any securities of Dealer; and (F) non-operating losses arising from the sole of capital assets during such period. All terms used herein to the extent not defined shall be used in accordance with generally accepted accounting principles consistently applied. All amounts, if applicable, shall be calculated on a consolidated basis."

Dealer waives notice of CDF's acceptance of this Amendment.

All other terms and provisions of the Agreement, to the extent not inconsistent with the foregoing, are ratified and remain unchanged and in full force and effect

IN WITNESS WHEREOF, Dealer and CDF have executed this Amendment on this 7th day of November, 2005.

ATTEST:

/s/ Kevin S. Harrison
(Assistant) Secretary

TITAN MACHINERY, INC.

By /s/Ted O. Christianson
Print Name: Ted O. Christianson
Title: CFO/Secretary

GE COMMERCIAL DISTRIBUTION FINANCE CORPORATION

By: _____
Title: _____

ADDENDUM TO AGREEMENT FOR WHOLESALE FINANCING

This Addendum is made to that certain Agreement for Wholesale Financing entered into by and between **Titan Machinery Inc.** ("Dealer") and **GE Commercial Distribution Finance Corporation** ("CDF") on June 20, 2004, as amended ("Agreement").

FOR VALUE RECEIVED, CDF and Dealer agree that the following paragraph is incorporated into the Agreement as if fully and originally set forth therein:

"As of the end of Dealer's fiscal quarter ending September 30, 2004 and as of each fiscal quarter end thereafter, Dealer will maintain:

(a) a Tangible Net Worth and Subordinated Debt in the combined amount of not less than Eight Million Two Hundred Thousand Dollars ($8,200,000.00);

(b) a ratio of Debt minus Subordinated Debt to Tangible Net Worth and Subordinated Debt of not more than five to one (5.0:1.0); and

(c) a ratio of EBITDA, for the twelve month period ending on the last day of each such fiscal quarter, to interest expense for the twelve month period ending on the last day of each such fiscal quarter of not less than one and one-half to one (1.5:1.0).

For purposes of this paragraph: (i) 'Tangible Net Worth' means the book value of Dealer's assets less liabilities, excluding from such assets all Intangibles; (ii) 'Intangibles' means and includes general intangibles; software (purchased or developed in-house); accounts receivable and advances due from officers, directors, employees, stockholders, members,

owners and affiliates; leasehold improvements net of depreciation; licenses; good will; prepaid expenses; escrow deposits; covenants not to compete; the excess of cost over book value of acquired assets; franchise fees; organizational costs; finance reserves held for recourse obligations; capitalized research and development costs; the capitalized cost of patents, trademarks, service marks and copyrights net of amortization; and such other similar items as CDF may from time to time determine in CDF's sole discretion; (iii) 'Debt' means all of Dealers liabilities and indebtedness for borrowed money of any kind and nature whatsoever, whether direct or indirect, absolute or contingent, and including obligations under capitalized leases, guaranties, or with respect to which Dealer has pledged assets to secure performance, whether or not direct recourse liability has been assumed by Dealer; (iv) 'Subordinated Debt' means all of Dealer's Debt which is subordinated to the payment of Dealer's liabilities to CDF by an agreement in form and substance satisfactory to CDF; and (v) 'EBITDA' means, for any period of calculation, the net income of Dealer before provision for income taxes, interest expense (including without limitation, implicit interest expense on capitalized leases), depreciation and amortization, excluding therefrom (to the extent included): (A) non-operating gains (including, without limitation, extraordinary or nonrecurring gains, gains from discontinuance of operations and gains arising from the sale of assets other than inventory) during the applicable period; (B) net earnings of any business entity in which Dealer has an ownership interest (other than a wholly owned subsidiary) unless such net earnings shall have actually been

received by Dealer in the form of cash distributions; (C) any portion of the net earnings of any subsidiary which for any reason is unavailable for payment of dividends to Dealer; (D) the earnings of any entity to which any assets of Dealer shall have been sold, transferred or disposed of or into which Dealer shall have merged, or been a party to any consolidation or other form of reorganization, prior to the date of such transaction; (E) any gain arising from the acquisition of any securities of Dealer; and (F) non-operating losses arising from the sale of capital assets during such period. All terms used herein to the extent not defined shall be used in accordance with generally accepted accounting principles consistently applied. All amounts, if applicable, shall be calculated on a consolidated basis."

Dealer waives notice of CDF's acceptance of this Addendum.

All other terms and provisions of the Agreement, to the extent not inconsistent with the foregoing, are ratified and remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Dealer and CDF have executed this Addendum on this 29th day of June, 2004.

ATTEST:

/s/ Kevin S. Harrison
(Assistant) Secretary

TITAN MACHINERY, INC.

By /s/ David J. Meyer
Title: CEO

GE COMMERCIAL DISTRIBUTION FINANCE CORPORATION

By: _____
Title: _____

LOAN AGREEMENT

THIS LOAN AGREEMENT is made as of August 7, 2007, between **TITAN MACHINERY INC.**, a North Dakota corporation with its principal offices located in Fargo, North Dakota, and **BREMER BANK, N.A.**, a national banking association with offices located in Lisbon, North Dakota.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the Bank and the Borrower agree as follows:

ARTICLE I - DEFINITIONS

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) The terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP.

"Advance" means an advance by the Bank to the Borrower pursuant to Section 2.1, 2.2 or 2.4.

"Borrower Loan Account" means the account on the books of the Bank on which will be recorded Advances made by the Bank to the Borrower pursuant to the Floor Plan Note, payments made on such Advances and other appropriate debits and credits contemplated by this Agreement.

"Agreement" means this Loan Agreement together with all amendments, modifications and restatements thereof.

"Bank" means Bremer Bank, N.A., it successors or assigns.

"Borrower" means Titan Machinery Inc., f/k/a Meyer Equipment Inc.

"Borrowing Base Certificate" means a writing, in the form of Exhibit "A" attached hereto, completed and signed by the Borrower as contemplated by this Agreement.

"Collateral Documents" means the security agreement, financing statement, pledges, intercreditor agreements, assignment of life insurance, landlord disclaimer and consent agreements and all other collateral documents referred to in Section 3.1 and Section 8.20.

"Cost of Goods Sold" shall have the meaning assigned to it in accordance with GAAP.

"Current Assets" shall mean the aggregate amount of the Borrower's assets properly shown as current assets on its balance sheet, determined in accordance with GAAP, minus the

following: receivables and other amounts due from any shareholder, director, officer or employee of the Borrower, and receivables and other amounts due from any other related or affiliated Person of the Borrower.

"Current Liabilities" shall mean the aggregate amount of the Borrower's liabilities properly shown as current liabilities on its balance sheet, determined in accordance with GAAP.

"Debt" shall mean the aggregate amount of the Borrower's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP, less any liabilities that constitute Subordinated Debt.

"Eligible Equipment" means the dollar value of all equipment (including vehicles) of the Borrower accounted for at the lower of net book value as determined in accordance with GAAP or the appraised value of such equipment as determined by Steffes Auction Company or such other auction company selected by the Bank pursuant to an appraisal on terms and conditions satisfactory to the Bank. Without limiting the discretion of the Bank to consider any item of equipment not to be Eligible Equipment, and by way of example only of types of equipment that the Bank will consider not to be Eligible Equipment, notwithstanding any earlier classification of eligibility, the following shall not be considered Eligible Equipment (i) any equipment which is not located on the Premises of the Borrower; (ii) any equipment which is obsolete or not useable in the normal course of the Borrower's operations; and (iii) any equipment in which the Bank does not have a perfected security interest constituting a first lien.

"Eligible Equipment Inventory" means the dollar value of New Equipment Inventory and Used Equipment Inventory of the Borrower in which the Bank holds a first perfected security interest accounted for at the lower of cost or fair market value computed on a first-in-first-out basis in accordance with GAAP, which New Equipment Inventory and Used Equipment Inventory has been paid for by the Borrower in full and provided, further, that Eligible Equipment Inventory, shall not, in any event, include:

(a) inventory which is (i) in-transit; or (ii) not located on the Borrower's Premises or in another location approved by the Bank in writing; or (iii) not subject to an effective financing statement filed by the Bank to perfect a first security interest in such inventory; or (iv) on consignment to or from any other Person or subject to any bailment; or (v) subject to any lien in favor of any Person other than the Bank;

(b) raw materials and work in process;

(c) supplies, packaging and parts inventory;

(d) inventory that is damaged, obsolete or not currently saleable in the normal course of the Borrower's operations;

(e) inventory that the Borrower has returned, has attempted to return, is in the process of returning or intends to return to the vendor thereof; and

(f) inventory otherwise deemed ineligible by the Bank in its sole discretion.

"Eligible Parts Inventory" means the dollar value of the parts inventory of the Borrower in which the Bank holds a perfected security interest accounted for at the lower of cost or fair market value computed on a first-in-first-out basis in accordance with GAAP. Without limiting the discretion of the Bank to consider any parts not to be Eligible Parts Inventory, and by way of example only, Eligible Parts Inventory shall not, in any event, include:

(a) parts inventory which are (i) in-transit; or (ii) not located on the Borrower's Premises or in another location approved by the Bank in writing; or (iii) not subject to an effective financing statement filed by the Bank to perfect a security interest in such inventory; or (iv) on consignment to or from any other Person or subject to any bailment.

(b) parts inventory that is damaged, obsolete or not currently saleable in the normal course of the Borrower's operations;

(c) parts inventory that the Borrower has returned, has attempted to return, is in the process of returning or intends to return to the vendor thereof; and

(d) parts inventory otherwise deemed ineligible by the Bank in its sole discretion.

"Eligible Receivables" means only such accounts receivable of the Borrower as the Bank, in its sole discretion, shall deem eligible. Without limiting the discretion of the Bank to consider any account receivable not to be an Eligible Receivable, and by way of example only of types of accounts receivable that the Bank will consider not to be Eligible Receivables, notwithstanding any earlier classification of eligibility, the following accounts receivable shall not be considered Eligible Receivables: (i) any account receivable which is not paid in full within 90 days after it is created; (ii) any account receivable as to which any warranty is breached; (iii) any account receivable as to which the account debtor or other obligor disputes liability or makes any claim; (iv) any account receivable owed by any officer, director or shareholder of the Borrower or any of their relatives or any Person wholly or partly owned or controlled directly or indirectly by any of them or any of their relatives; (v) any account receivable owed by any Person as to whom a petition in bankruptcy or other application for relief is filed under any bankruptcy, reorganization, receivership, moratorium, insolvency or similar law; (vi) any account receivable owed by any Person who makes an assignment for the benefit of creditors, becomes insolvent, fails, suspends business, or goes out of business; (vii) any account receivable owed by the United States government or any agency of the United States government or any account owned by a Native American Sovereign Nation; (viii) any account receivable owed by any Person if 10% or more in amount of accounts receivable owed by such Person to the Borrower are considered ineligible; (ix) consignment receivables; (x) bonded receivables; (xi) any account receivable constituting a retainage; (xii) any account receivable for goods which have not been shipped or work which has not been fully performed; (xiii) any account receivable owed by any Person outside the United States of America; (xiv) any account receivable owed by any Person with whose creditworthiness the Bank becomes dissatisfied; (xv) any intercompany account receivable; and (xvi) any account receivable in which the Bank does not have a perfected security interest constituting a first lien.

In the event the Borrower owes any amount to any Person that owes an account receivable to the Borrower, such amount owed by the Borrower shall be deducted from that portion of the account receivable which would otherwise qualify as an Eligible Receivable and only the difference thereof shall be considered an Eligible Receivable. No account receivable which does not qualify as an Eligible Receivable shall be considered an Eligible Receivable unless the Bank, upon the written request of the Borrower, states in writing that such account receivable is to be considered an Eligible Receivable.

"Environmental Laws" means all federal, state, local and foreign laws, statutes, codes, ordinances, regulations, requirements, rules and common law relating in any way to any hazardous or toxic materials or the protection of the environment.

"Equity Type Financing" means the sale and issuance by the Borrower of common stock, preferred stock, convertible subordinated debt, subordinated debt or other equity type financing determined by the Bank in its discretion.

"Event of Default" has the meaning specified in Section 7.1.

"Floor Plan Note" means the promissory note referred to in Section 2.2 together with any subsequent renewals, extensions, modifications and substitutions thereof.

"GAAP" means the generally accepted accounting principles in the United States in effect from time to time including, but not limited to, Financial Accounting Standards Board (FASB) Standards and Interpretations, Accounting Principals Board (APB) Opinions and Interpretations, and certain other accounting principles which have substantial authoritative support.

"Guaranty" means the guaranty of the Borrower's Obligations by the Guarantor. "Guarantor" means David J. Meyer.

"Letter of Credit" means any one or more irrevocable letters of credit which may be issued by the Bank for the account of the Borrower. (Nothing in this Agreement shall be construed as a commitment by the Bank to issue any letters of credit for the account of the Borrower.)

"Letter of Credit Amount" means the sum of (i) the aggregate amount available for drawing under any issued and outstanding Letter of Credit, and (ii) amounts drawn under any Letter of Credit for which the Bank has not been reimbursed.

"L/C Application" means an application and agreement for letters of credit in the Bank's then current standard form.

"Net Worth" shall mean the aggregate amount of the Borrower's items properly shown as assets on its balance sheet minus the aggregate amount of the Borrower's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP, plus Subordinated Debt.

"New Equipment Inventory" means new whole goods inventory held for sale by the Borrower in the ordinary course of the Borrower's business which new equipment inventory (i)

is ready for sale to customers of the Borrower; (ii) meets all standards imposed by any governmental agency; (iii) is located on the Premises of the Borrower; (iv) is not obsolete; (v) is not on consignment to or from any other Person or been sold or otherwise delivered, transferred or conveyed to any other Person or is subject to any bailment or lease; (vi) is subject to a perfected security interest constituting a first lien in favor of the Bank; (vii) does not have more than fifty (50) hours of use; and (viii) is not Used Equipment Inventory.

"Notes" means individually and collectively the Revolving Note, Floor Plan Note and Term Note, together with any subsequent renewals, modifications, extensions and substitutions thereof.

"Obligations" means each and every debt, liability and obligation of every type and description which the Borrower may now or at anytime hereafter owe to the Bank including, without limitation, the indebtedness arising under this Agreement, the Notes and the L/C Applications.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, cooperative or other business entity, unincorporated organization, or government or any agency or political subdivision thereof.

"Premises" means the equipment dealerships operated by the Borrower in Lisbon, Lidgerwood, Kulm, Wishek, Jamestown, LaMoure, Wahpeton, Casselton, Bismarck, West Fargo, and Fargo, North Dakota, Watertown, Aberdeen, Sioux Falls, Rapid City and Redfield, South Dakota, Pipestone, Graceville, Marshall, Fergus Falls, Elbow Lake and Moorhead, Minnesota, Waverly, Kingsley, Le Mars, Cherokee, Anthon, Dike and Sioux City, Iowa.

"Revolving Note" means the promissory note referred to in Section 2.1 together with any subsequent renewals, extensions, modifications and substitutions thereof.

"Subordinated Debt" shall mean Debt that is expressly subordinated to the Bank in a writing acceptable to the Bank.

"Tangible Net Worth" shall mean Net Worth minus the aggregate amount of the Borrower's items properly shown as the following types of assets on its balance sheet determined in accordance with GAAP; (i) goodwill, patents, non-competes, copyrights, mailing lists, trade names, trademarks, servicing rights, organizational and franchise costs, bond underwriting costs, and other like assets properly classified as intangible; (ii) leasehold improvements; (iii) receivables, loans and other amount due from any shareholder, director, officer or employee of the Borrower, and receivables, loans and other amounts due from any other related or affiliated Person of the Borrower; and (iv) investments or other interests in non-public companies, cooperatives, entities or partnerships.

"Term Note" means the promissory note referred to in Section 2.4 together with any subsequent renewals, extensions, modifications and substitutions thereof.

"Total Loan Value" means (i) seventy-five percent (75%) of the Borrower's Eligible Receivables; plus (ii) fifty percent (50%) of the Borrower's Eligible Equipment less an amount equal to the unpaid balance of any obligations owing any Person supplying or financing the

purchase of or having a lien or security interest in any equipment, other than the Bank; plus (iii) fifty percent (50%) of the Borrower's Eligible Equipment Inventory less an amount equal to the unpaid balance of any obligations owing the person supplying or financing the purchase of any equipment inventory or having a lien or security interest in any equipment inventory, other than the Bank; plus (iv) the Borrower's Eligible Parts Inventory less an amount equal to the unpaid balance of any obligations owing any Person supplying or financing the purchase of any parts inventory or having a lien or security interest in any parts inventory, other than the Bank, all multiplied by fifty percent (50%); less (v) the Letter of Credit Amount; less (vi) the unpaid balance of the Term Note all as determined by the Borrower in accordance with GAAP, consistently applied and as reflected by and determined in accordance with the Borrowing Base Certificate.

"Used Equipment Inventory" means all used whole goods inventory held for sale or rent by the Borrower in the ordinary course of the Borrower's business which used equipment inventory (i) is ready for sale to customers of the Borrower; (ii) meets all standards imposed by any governmental agency; (iii) is located on the Premises of the Borrower; (iv) is not obsolete; (v) is not on consignment to or from any other Person or been sold or otherwise delivered, transferred or conveyed to any other Person or is subject to any bailment or lease; (vi) is subject to a perfected security interest constituting a first lien in favor of the Bank; and (vii) is not New Equipment Inventory.

ARTICLE II - AMOUNT AND TERMS OF LOANS

Section 2.1 Revolving Loan. Subject to the terms and conditions of this Agreement, the Bank may, in its discretion, make Advances to the Borrower under this Section from time to time from the date hereof in the aggregate amount not to exceed at any one time outstanding the sum of Twelve Million Dollars ($12,000,000). Within the limits set forth in this Section, the Borrower may borrow, prepay and re-borrow under this Section. The obligation to repay the Advances made pursuant to this Section shall be evidenced by a promissory note payable to the Bank and containing the terms relating to the repayment, interest rate and other matters as set forth in Schedule 2.1 attached to and made a part of this Agreement ("Revolving Note").

Section 2.1.1 Purpose of Advances. The purpose for the first Advance under Section 2.1 is to replace, but not satisfy, an existing obligation of the Borrower to the Bank dated July, 28, 2006, in the original principal amount of $7,000,000. Subsequent Advances under Section 2.1 shall be used solely for the short term working capital requirements of the Borrower.

Section 2.1.2 Making Advances. Each Advance under the Revolving Note shall be made on written, oral, electronic or telephonic request from any Person purporting to be authorized to request Advances on behalf of the Borrower or in such other manner as the Bank and the Borrower may from time to time agree; which notice or request shall specify the date of the requested Advance and the amount thereof. Upon the Borrower's fulfillment of the applicable conditions set forth in Article III, the Bank may disburse the amount of the requested Advance by crediting the same to the Borrower's demand deposit account maintained with the Bank or in such other manner as the Bank and the Borrower may from time to time agree. Any request for an Advance, whether

written, oral, electronic or telephonic, shall be deemed to be a representation that the statements set forth in Section 3.2 are correct. Any Advance request pursuant to Section 2.1 shall be made at least one bank business day prior to the date of the desired Advance and shall be made by Kevin Harrison or David J. Meyer or Ted Christianson or Peter Christianson on behalf of the Borrower. Notwithstanding the immediately foregoing sentence, in the absence of bad faith on the part of the Bank, the Borrower shall be obligated to repay all Advances notwithstanding the fact that the Person requesting the same was not in fact authorized to do so.

Section 2.1.3 Discretionary Advances. The Borrower understands and agrees that notwithstanding that conditions to Advances and various covenants and Events of Default are set forth herein as would be common to a loan agreement in which the lender made a commitment to lend, the Bank may, in its sole discretion and for any reason whatsoever, refuse to make Advances pursuant to Section 2.1 even though the Borrower may be in perfect compliance with this Agreement.

Section 2.1.4 Loan Advance Formula. The Borrower's ability to request Advances pursuant to Section 2.1 shall be limited in the aggregate principal amount at any one time outstanding, to the lesser of: (a) $12,000,000; or (b) the Total Loan Value. Notwithstanding anything to the contrary in this Agreement or under the terms of the Revolving Note, if at any time the aggregate principal amount outstanding under the Revolving Note exceeds the lesser of (a) $12,000,000 or (b) the Total Loan Value, the Borrower shall immediately repay to the Bank the amount of the excess which payment shall be applied to the Revolving Note.

Section 2.1.5 Clean Up. Notwithstanding anything to the contrary contained in this Agreement or the Revolving Note, the Borrower agrees that for a period of fifteen (15) consecutive days during the term of the Revolving Note, there shall be no outstanding balance owing the Bank under the Revolving Note.

Section 2.1.6 Non-Usage Fee. The Borrower shall pay the Bank a non-usage fee ("Non-Usage Fee") at an annual rate equal to .50% applied to the average monthly unused amount of the Revolving Note, as determined by the Bank in its reasonable discretion, payable monthly on the 1st day of each month, in arrears. Any Non-Usage Fee remaining unpaid at the time the Revolving Note is due and payable in full shall be due and payable on that date.

Section 2.2 Floor Plan Loan. Subject to the terms and conditions of this Agreement, the Bank may, in its discretion, make Advances to the Borrower under this Section from time to time from the date hereof in an aggregate amount not to exceed at any one time outstanding the sum of Two Million Dollars ($2,000,000). Within the limits set forth in this Section, the Borrower may borrow, repay and reborrow under this Section. The obligation to repay the Advances made pursuant to this Section shall be evidenced by a master floor plan note payable to the Bank, containing the terms relating to the repayment, interest rate and other matters as set forth in Schedule 2.2 attached to this Agreement (hereinafter referred to as the "Floor Plan Note").

Section 2.2.1 Purpose of Advances. The purpose for Advances under Section 2.2 is for the purchase and floor planning of New Equipment Inventory and Used Equipment Inventory by the Borrower. The first Advance under Section 2.2 is to replace, but not satisfy, an existing obligation of the Borrower to the Bank dated July 28, 2007 in the original principal amount of $2,000,000.

Section 2.2.2 Loan Advances. Each time the Borrower desires an Advance for the purpose of financing an item of New Equipment Inventory or Used Equipment Inventory pursuant to Section 2.2, the Borrower shall (i) deliver to the Bank a manufacturer's certificate of origin or certificate of title, as applicable, free and clear of all liens and encumbrances; (ii) deliver to the Bank, in a form satisfactory to the Bank, evidence of the Borrower's purchase or acquisition of the item of New Equipment Inventory or Used Equipment Inventory, and (iii) complete, sign and deliver to the Bank an advance request in the form attached to this Agreement as Schedule 2.2.2, containing a description and the Borrower's cost of the item of New Equipment Inventory or Used Equipment Inventory (not previously listed on any schedule submitted under this Section and not previously financed by the Bank or a third party) as to which the Borrower is requesting an Advance, together with such other information as the Bank may require, at which time the Bank may, in its discretion, Advance: (i) up to ninety percent (90%) of the Borrower's purchase price for the item of New Equipment Inventory, less applicable discounts, rebates, freight and preparation charges; or (ii) up to seventy-five percent (75%) of the "trade premium" value of the item of Used Equipment Inventory as listed in the most current NAEDA Official Guide published by Iron Solution. Each Advance under this Section shall be evidenced by an entry in the Borrower Loan Account which shall be conclusive evidence of

such borrowing and by the Floor Plan Note.

Section 2.2.3 Borrower Loan Account. Each Advance made by the Bank hereunder shall be entered by the Bank as a debit in the Borrower's Loan Account. The Bank shall also debit or credit, as the case may be, to the Borrower's Loan Account all other charges, expenses and other items of property chargeable to the Borrower in accordance with the Bank's customary practice; all payments made by the Borrower on account of the indebtedness evidenced by the Floor Plan Note; and other appropriate debits and credits. All credits are subject to receipt of final collection of cash by the Bank.

Section 2.2.4 Discretionary Advances. Notwithstanding that conditions to Advances and various covenants and Events of Default are set forth herein as would be common to a loan agreement in which the lender made a commitment to lend, the Bank may, in its sole discretion and for any reason whatsoever, refuse to make Advances pursuant to Section 2.2 even though the Borrower may be in perfect compliance with this Agreement.

Section 2.2.5 Making Advances. Each Advance under the Floor Plan Note shall be made on written, oral, electronic or telephonic request from any Person purporting to be authorized to request Advances on behalf of the Borrower, which notice or request shall specify the date of the requested Advance and the amount thereof. Upon the Borrower's fulfillment of the applicable conditions set forth in Article III, the Bank

may disburse the amount of the requested Advance by crediting the same to the Borrower's demand deposit account maintained with the Bank or in such other manner as the Bank and the Borrower may from time to time agree. Any request for an Advance, whether written, oral, electronic or telephonic, shall be deemed to be a representation that the statements set forth in Section 3.2 are correct. Any Advance request pursuant to Section 2.2 shall be made at least one bank business day prior to the date of the desired Advance and shall be in an amount not less than $5,000 and shall be made by Kevin Harrison or David J. Meyer or Ted Christianson or Peter Christianson on behalf of the Borrower. Notwithstanding the immediately foregoing sentence, in the absence of bad faith on the part of the Bank, the Borrower shall be obligated to repay all Advances notwithstanding the fact that the Person requesting the same was not in fact authorized to do so.

Section 2.2.6 Curtailments. In addition to the terms of payment that may be contained in the Floor Plan Note, and unless demanded earlier by the Bank, the Borrower agrees to make additional payments to the Bank in the following manner with respect to each Advance made pursuant to Section 2.2:

(a) Any Advances made by the Bank will be paid in full upon the sale or lease of any item of New Equipment Inventory or Used Equipment Inventory for which the Bank has made an Advance under Section 2.2; and

(b) Five percent (5%) of the outstanding principal balance of each Advance shall be due each month beginning on the five (5) month anniversary date of the Advance for the purchase by the Borrower of any item of New Equipment Inventory or Used Equipment Inventory.

Curtailments with respect to New Equipment Inventory and Used Equipment Inventory financed by the Bank prior to the execution of this Agreement, which indebtedness was replaced but not satisfied by virtue of the execution of the Floor Plan Note, shall be in accord with 2.2.6 (a) and 2.2.6 (b) based on the original date of the Advance for that particular item of New Equipment Inventory or Used Equipment Inventory. Nothing in this Section 2.2.6 shall be construed to waive, extend or otherwise modify the maturity date of the Floor Plan Note.

Section 2.3 Letters of Credit. The Bank may in its sole discretion, issue for the Borrower's account, from the date hereof to and including July 31, 2008 or until an Event of Default occurs, whichever occurs first, one or more irrevocable standby letters of credit (each a "Letter of Credit") to be used to secure payment to supplier(s) of the Borrower in connection with the Borrower's purchase of inventory from such suppliers. The Bank shall have no obligation to issue any Letter of Credit to the extent its face amount would exceed, when combined with the face amount of other issued Letters of Credit, the sum of $1,000,000 or, when combined with Advances made under Section 2.1 would exceed the Total Loan Value. Each Letter of Credit, if any, shall be issued pursuant to a separate L/C Application entered into by the Borrower and the Bank for the benefit of the issuer, completed in a manner satisfactory to the Bank. The terms and conditions set forth in each such L/C Application shall supplement the terms and conditions hereof, but if the terms of any such L/C Application and the terms of this

Agreement are inconsistent, the terms of this Agreement shall control. No Letter of Credit shall be issued with an expiry date later than July 31, 2008.

Section 2.3.1 Payment of Amounts drawn under Letters of Credit Obligation of Reimbursement. The Borrower civil reimburse the Bank for all draws under any Letter of Credit in accordance with the applicable L/C Application as follows:

(a) The Borrower hereby agrees to pay the Bank on the day a draft is honored under any Letter of Credit a sum equal to all amounts drawn under such Letter of Credit plus any and all reasonable charges and expenses that the Bank may pay or incur relative to such draw and the applicable L/C Application, plus interest on all such amounts, charges and expenses as set forth below (the Borrower's obligation to pay all such amounts is herein referred to as the "Obligation of Reimbursement").

(b) Whenever a draft is submitted under a Letter of Credit, the Bank shall make an Advance under Section 2.1 in the amount of the Obligation of Reimbursement and shall apply the proceeds of such Advance thereto. Such Advance shall be repayable in accordance with and be treated in all other respects as an Advance under Section 2.1.

(c) If a draft is submitted under a Letter of Credit when the Borrower is unable, because an Event of Default then exists or for any other reason, to obtain an Advance to pay the Obligation of Reimbursement, the Borrower shall pay to the Bank on demand and in immediately available funds, the amount of the Obligation of Reimbursement together with interest, accrued from the date of the draft until payment in full. Notwithstanding the Borrower's inability to obtain an Advance for any reason, the Bank is irrevocably authorized, in its sole discretion, to make an Advance in an amount sufficient to discharge the Obligation of Reimbursement and all accrued but unpaid interest thereon.

(d) The Borrower's obligation to repay any Advance made under this Section 2.3, shall be evidenced by the Revolving Note.

Section 2.3.2 Discretionary Advances. The Bank may at any time and for any reason refuse to make an Advance or to issue a Letter of Credit for the Borrower's account whether the Borrower is or is not in compliance with this agreement. The Bank need not show that an adverse change has occurred in the Borrower's condition, financial or otherwise, in order to refuse to issue any Letter of Credit.

Section 2.4 Term Loan. Subject to and upon the terms, covenants and conditions set forth in this Agreement, the Bank agrees to make a single Advance to the Borrower under this Section in the sum of Eight Million Dollars ($8,000,000). The obligation to repay the Advance made pursuant to this Section shall be evidenced by a promissory note payable to the Bank, containing the terms relating to the repayment, interest rate and other matters as set forth in Schedule 2.4 attached to and made apart of this Agreement ("Term Note"). The Advance made

pursuant to this Section shall not be on a revolving credit basis and, accordingly, the Borrower shall not be entitled to re-borrow upon any repayment.

Section 2.4.1 Purpose of Advances. The purpose for the Advance under this Section 2.4 is to replace, but not satisfy, an existing obligation of the Borrower to the Bank dated July 28, 2006 in the original principal amount of $6,300,000 and for the long term working capital requirements of the Borrower.

Section 2.5 Payment. All payments of principal and interest under this Agreement or the Notes shall be made to the Bank in immediately available funds. The Borrower agrees that the amount shown on the books and records of the Bank as being the aggregate amount of Advances outstanding under the Notes shall be prima facie evidence of the principal amount of the Notes then outstanding. The Borrower hereby authorizes the Bank, if and to the extent payment is not promptly made pursuant hereto, to charge against the Borrower's account with the Bank an amount equal to the accrued interest and principle from time to time due and payable to the Bank under the Notes.

Section 2.6 Payment on Non-Business Days. Whenever any payment to be made hereunder or under the Notes shall be stated to be due on a Saturday, Sunday or a holiday for banks under the laws of the State of North Dakota, or the United States, such payment may be made on the next succeeding bank business day, and such extension of time shall in such case be included in the computation of payment of interest on the Notes.

Section 2.7 Late Fees. The Borrower agrees to pay to the Bank a late payment service charge in an amount equal to five percent (5%) of any installment of principal or interest (excluding any final installment) not received by the Bank with respect to the Notes within ten (10) days of the date due but in no event shall such late payment service charge exceed the maximum amount allowed by law. Acceptance by the Bank of any late fee shall not constitute a waiver of any Event of Default.

Section 2.8 Prepayment Premium. The Borrower may prepay the Term Note, in whole or in part, at any time and from time to time subject to the prepayment premium set forth in this Section. Specifically, the amount of prepayment, if any, in excess of ten percent (10%) of any regularly scheduled principal payment under the Term Note shall be subject to a prepayment premium (which the Borrower shall pay on demand by the Bank) equal to the present value of the income lost by the Bank based upon the difference between the rate of interest with respect to the Term Note at the time of prepayment and the yield on a similar term note priced in the interest rate environment at the time of prepayment over the same remaining pricing maturity. Any payments on the principal of the Term Note using proceeds of any condemnation or insurance award, from refinancing, from the sale of any of the property subject to the Collateral Documents and any other payments on the principal of the Term Note from any other source in excess of any principal payment scheduled pursuant to the Term Note shall be deemed a prepayment for purposes of this Section. All prepayments may be applied by the Bank first toward reduction of the last maturing installment or installments of the Term Note and shall not modify the due date or amount of the remaining unpaid installments.

ARTICLE III - CONDITIONS OF LENDING

Section 3.1 Conditions Precedent to Initial Advance. The willingness of the Bank to consider making the Advances under Article II (including the initial Advance) is subject to the condition precedent that the Bank shall have received on or before the day of such Advance all of the following, each dated (unless otherwise indicated) such day, in form and substance satisfactory to the Bank:

(a) The Revolving Note, Floor Plan Note and Term Note duly executed.

(b) A certified copy of the resolutions of the Borrower authorizing the execution, delivery and performance of this Agreement, the Notes, Collateral Documents and other matters contemplated hereby.

(c) Copies of the articles of incorporation and bylaws of the Borrower certified by its secretary as being true and correct.

(d) Evidence that the Borrower is in good standing with the office of the North Dakota Secretary of State, Minnesota Secretary of State, South Dakota Secretary of State and Iowa Secretary of State.

(e) The absolute and unconditional guaranty of the Obligations by the Guarantor subject to limitations, if any, set forth in the Guaranty.

(f) Intercreditor agreements executed by Case LLC, Case Credit Corporation, New Holland Credit Company, LLC, New Holland North America, Inc., GE Commercial Distribution Finance Corporation and such other third party creditors of the Borrower as the Bank deems necessary, in form and content satisfactory to the Bank.

(g) As security to assure repayment of the Obligations, an original life insurance policy insuring the life of David J. Meyer for an amount not less than $1,500,000 issued by an insurer acceptable to the Bank, together with a collateral assignment of such policy by the Borrower or owner in the event the Borrower is not the owner or such policy.

(h) A security agreement duly executed and related financing statement, together with any such other documentation required by the Bank, whereby to secure the Obligations of the Borrower to the Bank, the Borrower grants the Bank a perfected security interest in all of the Borrower's inventory, equipment, fixtures, contract rights, accounts and other rights to payment, deposit accounts and general intangibles whether now owned or hereafter acquired and wherever located and the products and proceeds thereof all as more specifically set forth in the security agreement.

(i) Evidence that the assignment referred to in (g) above is a first assignment and evidence that the security interest granted by the security agreement referred to in (h) above is subject only to the prior liens, if any, contemplated by the

intercreditor agreements referred to in (f) above and the purchase money liens contemplated by Section 6.2 (f).

(j) A certificate of insurance evidencing a policy or policies of insurance covering the Borrower's operations and property as required by Section 5.7 of this Agreement, such policy to insure against all risks and names the Bank as mortgagee/lender loss payee on all property policies which insures the property of the Borrower subject to the Collateral Documents.

(k) A signed copy of an opinion of counsel for the Borrower and the Guarantor addressed to the Bank and its participants in form and substance acceptable to the Bank.

(l) A completed Borrowing Base Certificate.

(m) Copies of all leases of real property under which the Borrower is a tenant, together with a Landlord's Disclaimer and Consent in favor of the Bank, in form and content acceptable to the Bank, from the landlord of each such lease properly executed on behalf of such landlord.

(n) Any and all other agreements, documents, instruments and powers as the Bank may require or deem necessary, in its sole discretion, to carry into effect the purposes of the documents described in this Section 3.1 and this Agreement.

Section 3.2 Conditions Precedent to Advance. The willingness of the Bank to consider making each Advance (including the initial Advance) under Article II is subject to the further conditions precedent that on the date of such Advance.

(a) The representations and warranties contained in Article IV are correct on and as of the date of such Advance as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

(b) No event has occurred and is continuing, or would result from such Advance, which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

ARTICLE IV - REPRESENTATIONS AND WARRANTIES

In order to induce the Bank to consider making the Advances described in this Agreement, the Borrower hereby represents, warrants and certifies to the Bank as follows:

Section 4.1 Existence and Power. The Borrower is a North Dakota corporation duly organized, validly existing and in good standing under the laws of the State of North Dakota, and is duly licensed or qualified to transact business in all jurisdictions, where the character of the property owned or leased or the nature of the business transacted by it makes such licensing or qualification necessary. The Borrower's chief executive office is located in Fargo, North Dakota. The Borrower has all requisite power and authority to conduct its business, to own its

properties and to execute and deliver, and to perform all of its obligations under this Agreement, the Notes and the Collateral Documents.

Section 4.2 Authorization of Borrowing; No Conflict as to Law or Agreements. The execution, delivery and performance by the Borrower of this Agreement, the Notes and the Collateral Documents, has been duly authorized by all necessary corporate action and does and will not (i) require any consent or approval of the shareholders of the Borrower, or any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect having applicability to the Borrower or of the articles of incorporation or bylaws of the Borrower, (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement, lease or instrument to which the Borrower is a party or by which its properties may be bound or affected, or (iv) result in or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than under the Collateral Documents) upon or with respect to any of the properties now owned or hereafter acquired by the Borrower.

Section 4.3 Financial Condition. The Borrower has furnished the Bank with an audited financial statement as of January 31, 2007. The financial statement fairly represents the financial condition of the Borrower on the date thereof, and was prepared in accordance with GAAP. There has been no material adverse change in the business, properties or condition (financial or otherwise) of the Borrower since the date of the financial statement.

Section 4.4 Litigation. Except as set forth in Schedule 4.4, there are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened or affecting the Borrower or Guarantor, or the properties of the Borrower or Guarantor before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would have a material adverse affect on the financial condition, properties or operations of the Borrower or Guarantor.

Section 4.5 Taxes. The Borrower has filed all federal, state and local tax returns which to the knowledge of the Borrower are required to be filed and has paid or caused to be paid to the respective taxing authorities all taxes as shown on said returns or on any assessment received by them to the extent such taxes have become due.

Section 4.6 Titles and Liens. The Borrower has good title to each of the properties and assets reflected in the latest financial statement referred to in Section 4.3 free and clear of all mortgages, security interests, liens and encumbrances except for mortgages, security interests and liens disclosed on such financial statement.

Section 4.7 Legal Agreements. This Agreement constitutes, and the Notes, and the Collateral Documents, when executed and delivered hereunder, will constitute the legal, valid and binding obligations of the Borrower (or the maker thereof), enforceable against it in accordance with their respective terms, except as enforcement may be limited by the application of bankruptcy and other laws effecting creditors' rights generally.

Section 4.8 Default. The Borrower is not in default of a material provision under any material agreement, instrument, decree or order to which it is a party or by which its properties are bound or affected.

Section 4.9 Pension Plans. The Borrower has not established or maintained, or made any contributions to, any employee benefit plan which is subject to Part 3 of Subtitle B of Title 1 of ERISA or, if such a plan has been so established, maintained or contributed to, such plan did not have any "accumulated funding deficiency" (as that term is defined in Section 302 of ERISA) as of the date hereof, and, without limiting the generality of the foregoing, the Borrower has not incurred any material liability to the Pension Benefit Guaranty Corporation with respect to any such plan.

Section 4.10 Environmental Matters.

(a) The Borrower is not in violation of any Environmental Laws; and

(b) No disposal or release of any hazardous or toxic material has occurred on, from or under any property owned, operated or controlled by the Borrower, except as may have occurred in accordance with all applicable Environmental Laws; and

(c) There has been no treatment, manufacturing, refining, handling or storage of any hazardous or toxic material at any property owned, operated or controlled by the Borrower, except as may have occurred in accordance with all applicable Environmental Laws; and

(d) No litigation, investigation or administrative action has been commenced or is pending or threatened, nor has any settlement been reached with any public or private party or parties, or any order issued, relating in any way to any alleged or actual presence, disposal or release of any hazardous or toxic material or any violation of any Environmental Laws with respect to any property owned, operated or controlled by the Borrower; and

(e) The Borrower and all tenants of the Borrower have filed all notices and permit applications required to be filed under the Environmental Laws with respect to their businesses, property and operations; and

(f) Except as set forth in Schedule 4.10(f), at the Borrower has no known contingent liability with respect to its business, property or operations as now or previously owned, operated, controlled or conducted by the Borrower in connection with any hazardous or toxic material or any Environmental Laws.

Section 4.11 Financial Statements/Guarantor. Any and all financial statements delivered to the Bank by the Guarantor are true and correct in all respects and fairly represent the financial condition of the Guarantor as of their respective dates thereof. No material adverse changes have occurred in the financial conditions reflected therein since the respective dates thereof. None of the aforesaid financial statements or any certificate or statement furnished to the Bank by or on behalf of the Guarantor in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact necessary

in order to make the statements contained herein not misleading. There is no fact which materially adversely affects or in the future (so far as the Borrower can now foresee) may materially adversely affect the business or prospects or condition (financial or otherwise) of the Guarantor or its properties or assets. The Guarantor has good title to each of the properties and assets reflected in the financial statements referred to herein, free and clear of all mortgages, security interests, liens and encumbrances except for mortgages, security interests in liens disclosed on such financial statements.

Section 4.12 Use of Loans. The Borrower is not engaged, or as one or its important activities, in the business of extending credit for the purpose of purchasing or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Advance hereunder will be used to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing any such margin stock.

Section 4.13 Licenses, Franchises, Etc. The Borrower possesses adequate licenses, permits, franchises, patents, copyrights, trade marks and trade names, or rights thereto, to conduct its business substantially as now conducted and as presently proposed to be conducted.

Section 4.14 Consents. No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any governmental authority or any third party is required in connection with the execution and delivery of this Agreement, the Notes, Collateral Documents, Guaranties, or any other agreements or instruments mentioned in this Agreement to which the Borrower or the Guarantor are a party, or in connection with the carrying out or performance of any of the transactions required or contemplated hereby or thereby or, if required, such consent, approval, order or authorization has been obtained or such registration, declaration or filing has been accomplished or such notice has been given prior to the date hereof.

Each of the representations and warranties made in this Article IV shall be deemed to be repeated and reaffirmed on and as of the date any Advance is made by the Bank to the Borrower pursuant to Article II hereof and as of the date any Letter of Credit is issued pursuant to Article II hereof.

ARTICLE V - AFFIRMATIVE COVENANTS

So long as Obligations to the Bank shall remain unpaid, the Borrower will comply with the following requirements unless the Bank shall otherwise consent in writing, all in form and substance acceptable to the Bank:

Section 5.1 Financial Statements, Litigation, Etc.

(a) The Borrower will deliver to the Bank, as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the audit report of the Borrower with the unqualified opinion of independent certified public accountants selected by the Borrower and acceptable to the Bank, all in reasonable detail and all prepared in accordance with GAAP.

(b) As soon as available and in any event on or before April 30'h of each year, the Borrower shall deliver to the Bank a copy of the financial statement of the Guarantor for the immediately preceding year, all in reasonable detail.

(c) The Borrower will deliver to the Bank within 30 days after the end of each calendar month, a balance sheet of the Borrower as of the end of such month, a related statement of earnings and retained earnings for such period and for the year to date, and an accounts receivable aging report and accounts payable report, in reasonable detail and staling in comparative form the figures for the corresponding date and period of the previous year, all prepared in accordance with GAAP.

(d) As soon as available and in any event within 120 days after the end of each fiscal year of the Borrower and calendar year of the Guarantor, the Borrower shall deliver to the Bank copies of the federal and state tax returns (including all forms and supporting schedules) filed by the Guarantor and the Borrower for such year.

(e) Immediately after the commencement thereof, the Borrower shall provide the Bank with notice in writing of all litigation affecting the Borrower or the Guarantor of the type described in Section 4.4 or which seek a monetary recovery against the Borrower or the Guarantor in excess of $50,000.

(f) Immediately upon the occurrence thereof, the Borrower shall give the Bank notice of the occurrence of any Event of Default under this Agreement or any event of which the Borrower has knowledge and which, with the passage of time, or giving of notice or both, would constitute an Event of Default under this Agreement.

(g) Immediately upon the occurrence thereof, the Borrower shall give the Bank notice of any material adverse change in the operations, business, properties, assets or conditions, financial or otherwise, of the Borrower or the Guarantor, which could adversely and materially affect the Borrower's or the Guarantor's ability to perform its respective obligations under this Agreement, the Note, the Collateral Documents or the Guaranty.

(h) The Borrower will deliver to the Bank within 30 days after the end of each calendar month, and as often as the Bank may request, a completed Borrowing Base Certificate.

(i) The Borrower will deliver to the Bank at such times as the Bank may request, the most current Dealer Statement from Case and New Holland detailing which items of the Borrower's inventory are subject to floor plan financing from Case and New Holland as well as comparable documentation from GE Commercial Distribution Finance Corporation.

(j) The Borrower will deliver to the Bank at such times as the Bank may request, a monthly inventory report and new inventory orders report of the Borrower.

(k) Concurrently with the delivery of the audit report referred to in (a) above, a certificate by the CEO of the Borrower (i) certifying as to whether there exists an Event of Default on the date of such certificate or if an Event of Default then exists specifying the details thereof and the action which the Borrower has taken or proposes to take with respect thereto, (ii) setting forth in reasonable detail calculations demonstrating compliance with the financial covenants set forth in this Agreement, and (iii) stating whether any change in GAAP or the application thereof has occurred since the date of the Borrower's most recent previously delivered audited financial statements and, if any changes occurred, specifying the effect of such change on the financial statements accompanying such certificate.

(l) Concurrently with the delivery of the audit report referred to in (a) above, a certificate of the accounting firm reported on such financial statements stating whether it obtained any knowledge during the course of its examination of such financial statements of the occurrence of an Event of Default, (which certificate may be limited to the extent required by accounting rules and guidelines).

(m) The Borrower shall deliver such other information respecting the financial condition and results of operations of the Borrower and the Guarantor as the Bank may from time to time request.

Section 5.2 Books and Records; Inspection and Examination. The Borrower will keep accurate books of record and account in which true and complete entries will be made in accordance with GAAP consistently applied and, upon request of the Bank, will give any representative of the Bank access to, and permit such representative to examine, copy or make extracts from, any and all books, records and documents in its possession, to inspect any of its properties and to discuss its affairs, finances and accounts with any of its principal officers, all

at such times during normal business hours and as often as the Bank may reasonably request. In addition, the Borrower agrees to permit the Bank or its agents or representatives, at the Borrower's expense, to conduct periodic collateral audits of the Borrower's business and inventories, such audits to be conducted not less often than once each calendar quarter should the Bank so desire.

Section 5.3 Compliance with Laws. The Borrower will comply with the requirements of applicable laws and regulations, the noncompliance with which would materially and adversely affect its business or its financial condition.

Section 5.4 Payment of Taxes and Other Claims. The Borrower will pay or discharge all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto and all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of the Borrower provided, that the Borrower shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Section 5.5 Maintenance of Properties. The Borrower will keep and maintain all of its properties necessary or useful in its business in good condition, repair and working order;

provided, however, that nothing in this Section shall prevent the Borrower from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in its judgment, desirable in the conduct of its business and not disadvantageous in any material respect to the Bank as holder of the Notes.

Section 5.6 Preservation of Existence. The Borrower will preserve and maintain its corporate existence and all of its rights, privileges and franchises; provided, however, that the Borrower shall not be required to preserve any of its rights, privileges and franchises if the Borrower shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower and that the loss thereof is not disadvantageous in any material respect to the Bank as the holder of the Notes.

Section 5.7 Insurance. The Borrower shall (i) keep all of its properties adequately insured at all times with responsible insurance carriers against loss or damage by fire and other hazards, (ii) maintain adequate insurance at all times with responsible insurance carriers against liability on account of damage to persons or property, and (iii) maintain adequate insurance covering such other risks as the Bank may reasonably request. For purposes of this Section, insurance shall be deemed adequate if the same is not less extensive in coverage and amount as is customarily maintained by other entities engaged in the same or similar business. All insurance policies shall name the Bank as loss payee or beneficiary and shall otherwise be acceptable to the Bank. The Borrower shall provide the Bank with a detailed list of the insurance in effect, setting forth the names of the insurance companies, the amounts and rights of insurance, the dates of expiration, and the properties and risks covered thereby. Acceptance of the insurance policies referred to above shall not bar the Bank from requiring additional insurance which it deems reasonably necessary. The policies of insurance referred to herein shall contain an agreement of the insurer to give not less than thirty (30) days advance written notice to the Bank in the event of cancellation of such policy or change affecting the coverage thereunder. All such insurance companies shall be licensed to transact business in the State of North Dakota or in the state where the property is located. In the event the Borrower fails to pay any premium on any such insurance, the Bank may do so, and the Borrower shall reimburse the Bank for any such payment on demand.

Section 5.8 Environment. The Borrower shall remain in compliance with the provisions of all Environmental Laws and shall notify the Bank immediately of any notice of any hazardous discharge or other environmental complaint received from any governmental agency or any other Person and shall immediately contain or remove the same in compliance with all applicable laws and promptly pay any fine or penalty assessed in connection therewith. The Borrower hereby agrees to defend, indemnify, and hold the Bank harmless from and against any and all claims, damages, judgments, penalties, costs, and expenses (including attorney fees and court costs now or hereafter arising from the enforcement of this Section) arising directly or indirectly from the activities of the Borrower, its predecessors in interest, or third parties arising directly or indirectly from any violation of any Environmental Laws. This indemnity shall survive termination of this Agreement.

ARTICLE VI - NEGATIVE COVENANTS

So long as the Obligations of the Borrower to the Bank remain unpaid, the Borrower agrees that, without the prior written consent of the Bank:

Section 6.1 Indebtedness. The Borrower will not incur, create, assume or permit to exist any indebtedness or liability on account of deposits or advances or any indebtedness for borrowed money, or any other indebtedness or liability evidenced by notes, bonds, debentures, installment sale contracts or similar obligations except the following:

(a) Pledges or deposits held by the Borrower under federal and state laws relating to the payroll of the Borrower.

(b) The obligations to the Bank under the Notes.

(c) The indebtedness and obligations described in the financial statement referred to in Section 4.3 of this Agreement.

(d) Purchase money obligations incurred by the Borrower for new inventory purchased by the Borrower in the ordinary course of the operation of the business of the Borrower.

(e) Equity Type Financing contemplated by Section 6.17 including the Equity Type Financing described in Schedule 6.17 attached hereto.

Section 6.2 Liens. The Borrower will not create, incur, assume or suffer to exist any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature on any of its assets, now owned or hereafter acquired or assign or otherwise convey any right to receive income excluding, however, from the operation of the foregoing:

(a) Liens for taxes or assessments or other governmental charges to the extent not required to be paid by Section 5.4.

(b) Materialmen's, merchants', carriers', workmen's, repairmen's or other like liens arising in the ordinary course of business to the extent not required to be paid by Section 5.4.

(c) Pledges or deposits to secure obligations under workmen's compensation laws, unemployment insurance and social security laws, or to secure the performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases or to secure statutory obligations or surety or appeal bonds, or to secure indemnity, performance or other similar bonds in the ordinary course of business.

(d) Zoning restrictions, easements, licenses, restrictions on the use of real property or minor irregularities in title thereto, which do not materially impair the use of such property in the operation of the Borrower's business or the value of such property for the purpose of such business.

(e) Security interest and liens granted to the Bank under the Collateral Documents.

(f) Purchase money security interests for new inventory purchased by the Borrower from its suppliers in the ordinary course of the operation of the business of the Borrower.

(g) The security interests, mortgages and liens that are reflected on the financial statement of the Borrower referred to in Section 4.3 of this Agreement.

Section 6.3 Conduct of Business. The Borrower will not enter into or engage in any business which is not presently conducted by the Borrower.

Section 6.4 Sale of Assets. The Borrower will not sell, lease, assign, transfer or otherwise dispose of any of its assets (whether in one transaction or in a series of transactions) to any Person other than in the ordinary course of business.

Section 6.5 Sale and Leaseback. The Borrower will not enter into any arrangement, directly or indirectly, with any other Person whereby it shall sell or transfer any real or personal property, whether now owned or hereafter acquired, and then or thereafter rent or lease as lessee such property or any part thereof or any other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

Section 6.6 Consolidation/Merger. The Borrower will not consolidate with or merge into any Person or permit any other Person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger), any assets of any Person.

Section 6.7 Guaranties. With the exception of its guaranty of certain obligations of the Meyer Family Limited Partnership owing the Bank, the Borrower will not assume, guarantee, endorse or otherwise become liable for the obligation of any Person except by endorsement of negotiable instruments for deposit or collection in the ordinary course of business, nor sell any notes or accounts receivable with recourse.

Section 6.8 Current Ratio. As measured at the end of each fiscal quarter of the Borrower, the Borrower shall not allow its ratio of Current Assets to Current Liabilities to be less than 1.20 to 1.00.

Section 6.9 Debt to Tangible Net Worth. As measured at the end of each fiscal year of the Borrower, the Debt of the Borrower shall not exceed the Tangible Net Worth of the Borrower by a ratio greater than 5.00 to 1.00.

Section 6.10 Debt Service Coverage Ratio. As measured at the end of each fiscal quarter of the Borrower, the Borrower shall not allow its debt service coverage ratio to be less than 1.20 to 1.00 on a rolling twelve month basis. Debt service coverage ratio shall be defined as the ratio computed when the sum of (i) net operating income; plus (ii) depreciation and amortization expense; plus (iii) interest expense is divided by the sum of (i) current maturities of long term debt; plus (ii) interest expense for interest actually paid; plus (iii) capital expenditures not financed by long term debt.

Section 6.11 Distributions. Upon the occurrence of an Event of Default, the Borrower shall not make any distributions to the shareholders of the Borrower whether in cash, assets or in

obligations of the Borrower; or pay or remit any salary, loan, rent, bonus, consultant fee or other form of compensation to the shareholders of the Borrower or allocate or otherwise set apart any sum for the payment of any dividend or distribution on, or for the purchase or redemption of any shareholder interests; or make any other distribution to the shareholders of the Borrower.

Section 6.12 Subsidiaries. The Borrower has no subsidiaries [Persons in which the Borrower owns or controls, directly or indirectly, 50% or more of the voting ownership interest of such Person ("Subsidiaries")) or affiliates and shall not create or penult to exist any Subsidiaries of the Borrower.

Section 6.13 Investments; Loans. The Borrower shall not make or permit to exist any loans or advances to or investments in any Person including, but not limited to, any loans to David J. Meyer and/or C.I. Farm Power, Inc., or their successors or assigns, as contemplated by that certain Loan Facility Agreement dated April 3, 2003 among the Borrower, David J. Meyer and C.I. Farm Power, Inc.

Section 6.14 Fiscal Year. The Borrower shall not change its fiscal year.

Section 6.15 Organizational Documents. The Borrower shall not amend, modify, replace or restate its articles of incorporation or bylaws.

Section 6.16 Acquisitions. The Borrower shall not acquire, in whole or in part, any stock or other ownership interest in any Person nor shall it acquire in any transaction or series of transactions all or a substantial part of any of the assets of any Person.

Section 6.17 Equity Type Financing. The Borrower shall not remit any payment of principal, dividends or the like, to the holders of any Equity Type Financing so long as any Obligations are owing the Bank. Notwithstanding the foregoing, provided no Event of Default has occurred or is occurring under this Agreement, the Borrower may remit scheduled payments of principal, dividends or the like to the holders of such Equity Type Financing but then only in the event that any such payments shall not create an Event of Default under this Agreement. The Borrower shall not amend, modify, replace or restate the Equity Type Financing without the prior written consent of the Bank. The Equity Type Financing described in Schedule 6.17 constitutes all Equity Type Financing, of any type or description, which the Borrower has issued to date. Except as may otherwise be specifically set forth in this Section, the payment of principal, dividends and the like with respect to the Equity Type Financing shall at all times be subordinate and subject to the prior payment in full of all Obligations of the Borrower owing the Bank.

Section 6.18 New Equipment Inventory Turnover. As measured at the end of each fiscal quarter of the Borrower, the Borrower shall not allow its ratio of (i) the Cost of Goods Sold of new equipment inventory to (ii) the dollar value of the Borrower's new equipment inventory, accounted for at the lower of cost or fair market value computed on a first-in first-out basis to be less than 2.00 to 1.00 on a rolling twelve month basis.

Section 6.19 Used Equipment Inventory Turnover. As measured at the end of each fiscal quarter of the Borrower, the Borrower shall not allow its ratio of (i) the Cost of Goods Sold of used equipment inventory to (ii) the dollar value of the Borrower's used equipment inventory,

accounted for at the lower of cost or fair market value computed on a first-in first-out basis to be less than 2.00 to 1.00 on a rolling twelve month basis.

Section 6.20 Parts Inventory Turnover. As measured at the end of each fiscal quarter of the Borrower, the Borrower shall not allow its ratio of (i) the Cost of Goods Sold of parts inventory to (ii) the dollar value of the Borrower's parts inventory, accounted for at the lower of cost or fair market value computed on a first-in first-out basis to be less than 1 50 to 1.00 on a rolling twelve month basis.

ARTICLE VII - EVENTS OF DEFAULT, RIGHTS AND REMEDIES

Section 7.1 Event of Default. "Event of Default," wherever used herein, means any one of the following events:

(a) Failure to make any payment, when due, of the principal or interest of the Notes.

(b) Any representation or warranty made by the Borrower in this Agreement or by the Borrower or the Guarantor in any certificate, instrument or statement contemplated by or made or delivered pursuant to or in connection with this Agreement, shall prove to have been incorrect in any material respect when made.

(c) Default in the performance, or breach, of any covenant or agreement of the Borrower in this Agreement or by the Borrower or the Guarantor or any maker of any covenant or agreement in the Collateral Documents, Guaranty, Notes or any other agreement with the Bank (other than a covenant or agreement a default in whose performance or whose breach is elsewhere in this Section specifically dealt with).

(d) The Borrower or the Guarantor shall voluntarily file, or have filed against them involuntarily, a petition for liquidation, reorganization, adjustment of debt or similar relief under the federal Bankruptcy Code or any present or future state or other federal bankruptcy or insolvency law, or a receiver, trustee, or similar officer shall be appointed for it or for all or a substantial part of their property.

(e) The rendering against the Borrower or the Guarantor of a final judgment, decree or order for the payment of money and the continuance of such judgment, decree or order unsatisfied and in effect for any period of 30 consecutive days without a stay of execution.

(f) A default under any bond, debenture, note or other evidence of indebtedness of the Borrower or the Guarantor (including to the Bank) or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed and the expiration of the applicable period of grace, if any, specified in such evidence of indebtedness, indenture or other instrument.

(g) The Collateral Documents shall, at any time after their execution and delivery and for any reason, cease (i) to create a valid and perfected first priority lien/security interest (unless otherwise provided for in this Agreement) in and to the property

purported to be subject to such Collateral Documents; or (ii) to be in full force and effect or shall be declared null and void, or the validity or enforceability thereof shall be contested by the maker of such Collateral Documents, or the maker shall deny it has any further liability or obligation under the Collateral Documents.

(h) If the Borrower shall dissolve or no longer cease to be a validly existing corporation under the laws of the State of North Dakota or be authorized to do business in the State(s) of South Dakota, Iowa, Minnesota or any other jurisdiction in which it is required to be authorized to do business.

(i) If David J. Meyer shall die and arrangements satisfactory to the Bank have not been made with the Bank within sixty (60) days of the date of his death with respect to the payment of the guaranty liability of David J. Meyer.

(j) If the Guaranty shall, at any time after its execution and delivery and for any reason, cease to be in full force and effect or shall be declared null and void, or the validity or enforceability thereof shall be contested by the Guarantor, or the Guarantor shall deny any further liability under its Guaranty or shall fail to perform its obligations under its Guaranty or revoke its Guaranty.

(k) In the event David J. Meyer shall own less than 51% of the voting stock of the Borrower.

(l) In the event the Borrower is no longer authorized, for any reason, to be a full service Case or New Holland dealer at any one of its dealerships located at the Premises.

Section 7.2 Rights and Remedies. Immediately upon the occurrence of an Event of Default or at any time thereafter until such Event of Default is cured to the written satisfaction of the Bank, the Bank may exercise any one or more of the following rights and remedies:

(a) The Bank may, without notice to the Borrower, declare all Obligations then outstanding, all interest accrued and unpaid thereon, and all other amounts payable under this Agreement to be forthwith due and payable, whereupon such Obligations, all such accrued but unpaid interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower.

(b) The Bank may, without notice to the Borrower, and without further action, set-off and apply any and all money owing by the Bank to the Borrower to the payment of the Obligations, then outstanding, including interest accrued thereon, and of all other sums then owing by the Borrower.

(c) The Bank may exercise and enforce the rights and remedies available to it under the Notes, Collateral Documents, Guaranty or any other agreement or by law.

ARTICLE VIII - MISCELLANEOUS

Section 8.1 No Obligation To Renew. The Borrower understands and expressly agrees that the Bank is under no obligation to renew or extend this Agreement, or the Notes, or provide any other or additional financing. The Bank's decision with respect to any renewals, extensions or additional financing will be a separate, independent decision and may involve factors other than, or in addition to, the Borrower's creditworthiness or prior relationship with the Bank.

Section 8.2 No Waiver; Cumulative Remedies. No failure or delay on the part of the Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 8.3 Amendments. No amendment, modification, termination or waiver of any provision of this Agreement, the Collateral Documents, the Notes, the Guaranty, or any other document contemplated by this Agreement, or consent by the Bank to any departure therefrom shall be effective unless the same shall be in writing and signed by the Bank and then such waiver or consent shall be effective only in the specific instance and for the specific purpose which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

Section 8.4 Addresses for Notices. Except as otherwise expressly provided herein, all notices, requests, demands and other communications provided for hereunder shall be in writing and mailed or delivered to the applicable party at its address indicated below:

If to the Borrower:

Titan Machinery Inc.
ATTN: David J. Meyer
PO Box 10818
Fargo, ND 58106-0818

If to the Bank:

Bremer Bank, NA.
ATTN: Wes Well

PO Box 273
Lisbon, ND 58054-0273

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this section. All such notices, requests, demands and other communications shall, when mailed, be effective when deposited in the mails, addressed as aforesaid, except that notices or requests to the Bank pursuant to any of the provisions of Article II shall not be effective until received by the Bank.

Section 8.5 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, when taken together, shall constitute but one and the same instrument.

Section 8.6 Binding Effect, Assignment. This Agreement shall be binding upon and inure to the benefit of the Borrower, and the Bank, and its respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Bank.

Section 8.7 Governing Law. The loan to the Borrower as evidenced by this Agreement was negotiated and made within the State of North Dakota and, accordingly, shall be governed by, and construed in accordance with, the laws of the State of North Dakota.

Section 8.8 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

Section 8.9 Further Assurances. The Borrower agrees to do such further acts and things and execute and deliver such agreements, powers and instruments as the Bank may reasonably require or deem necessary to carry into effect the purposes of this Agreement.

Section 8.10 Conflicting Provisions. This Agreement shall control with respect to any of its provisions that conflict or are inconsistent with the Notes, Collateral Documents, Guaranty and any other such documents executed in connection with this Agreement, but to the extent not conflicting or inconsistent, the Notes, Collateral Documents, Guaranty and any other such documents executed in connection with this Agreement, shall be in full force and effect.

Section 8.11 Relationship. The Bank is acting in its sole capacity as a lending institution with respect to the Borrower and there is no partnership or agency relationship created. The Bank assumes no fiduciary duty and no conditions or suggestions of action or inaction shall be deemed to constitute participation by the Bank in the business of the Borrower.

Section 8.12 Ramification of Provisions. The Borrower has reviewed this Agreement, the Notes, Collateral Documents, and any other such documents executed in connection with this Agreement, and has had the opportunity to consult with its attorneys regarding the ramifications and effect of this Agreement, the Notes, Collateral Documents, and other such documents executed in connection with this Agreement.

Section 8.13 Entire Agreement. This Agreement constitutes the entire agreement between the parties and shall not in any way be modified, varied or amended unless in writing signed by the parties.

Section 8.14 Headings. Such headings used in this Agreement are for the convenience of reference only and shall not affect the construction of this Agreement.

Section 8.15 Jurisdiction/Venue. The Borrower consents to jurisdiction as to all issues concerning or relating to this Agreement, the Notes and the Collateral Documents with the federal or state district courts designated for Ransom County, North Dakota.

Section 8.16 Expenses. The Borrower shall, on demand by the Bank, reimburse the Bank for any and all costs and expenses, including without limitation reasonable attorneys' fees, paid or incurred by either the Bank in connection with (i) the preparation of this Agreement, the Notes, the Collateral Documents, Guaranty and any other document or agreement related hereto or thereto, and the transactions contemplated hereby, which amount shall be paid prior to the making of any Advance hereunder; (ii) the negotiation of any amendments, modifications or extensions to or any of the foregoing documents, instruments or agreements and the preparation of any and all documents necessary or desirable to effect such amendments, modifications or extensions; and (iii) the enforcement by the Bank during the term hereof or thereafter of any of the rights or remedies of the Bank under any of the foregoing documents, instruments or agreements or under applicable law, whether or not suit is filed with respect thereto.

Section 8.17 Adequate Financing. The Borrower warrants and represents that the extensions of credit provided for under the terms and conditions of this Agreement constitute adequate and sufficient financing by the Bank.

Section 8.18 Participation/Assignments. The Bank shall have the right, but not the obligation, to assign all or a portion of the indebtedness evidenced by the Notes or grant participation in all or a portion of the indebtedness evidenced by the Notes to other Persons and shall have the right to disclose any and all information, financial or otherwise, regarding the Borrower and the Guarantor to such potential participants and assignees.

Section 8.19 Interest Limitation. All agreements between the Bank and the Borrower are expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity or prepayment of the obligations of the Borrower owing the Bank, shall the amount of interest paid or agreed to be paid to Bank for the use, forbearance, loaning or retention of the obligations of the Borrower owing the Bank exceed the maximum permissible interest rate under applicable law. If, from any circumstances whatsoever, fulfillment of any provisions of any of the Notes or Collateral Documents shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall automatically be reduced to the limit of such validity. If, from any circumstances, the Bank should ever receive as interest an amount which would exceed the highest lawful interest rate, such amount which would be in excess of such highest lawful interest rate shall be applied to reduction of the principal balance evidenced by the Notes and not to the payment of interest. This provision till control every other provision of the Notes and Collateral Documents between the Bank and the Borrower and shall be binding upon and available to any subsequent holder of the Notes.

Section 8.20 Prior Documentation. The Borrower shall be bound by and shall continue to comply with all documents previously executed and delivered to the Bank including, but not limited to, security agreements, financing statements, subordination agreements except to the extent that this Agreement is inconsistent or conflicting with any such previous agreements or documents. This Agreement shall replace that certain loan agreement among the Bank and the Borrower dated July 28, 2006.

Section 8.21 Waiver of Jury. In the interest of expediting any disputes that might arise between the parties to this Agreement, the parties hereby waive their respective rights to a trial by jury of any dispute or claim concerning this Agreement, the Notes, the Collateral Documents and any other documents or agreements contemplated by or executed in connection with this Agreement.

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

BREMER BANK, N.A.

By /s/ Wes Well
Wes Well
President

TITAN MACHINERY INC.

By /s/ David J. Meyer
David J. Meyer
Its CEO and Chairman

[Signatures continued]

SHAREHOLDER RIGHTS AGREEMENT

This Shareholder Rights Agreement (this "*Agreement*") is made as of April 7, 2003 by and among **Titan Machinery Inc.**, a North Dakota corporation (the "*Company*"), and the persons identified on Schedule A hereto (as such Schedule is updated from time-to-time by the Company) who have or who hereafter execute a signature page hereto and who hold shares of Common Stock or Preferred Stock in the Company (individually referred to herein as an "*Shareholder*" and collectively referred to herein as the "*Shareholders*").

The parties hereto agree as follows:

ARTICLE 1.
CERTAIN DEFINITIONS

1.1 **Certain Definitions**. The following terms shall have the following meanings:

(a) "*Initial Public Offering*" means a public offering of the Company's Common Stock, pursuant to a registration statement under the Securities Act (other than a registration statement relating either to the sale of securities to employees or consultants of the Company pursuant to a stock option, stock purchase or similar plan or a Commission Rule 145 transaction).

(b) "*Major Shareholder*" shall mean a Shareholder who holds at least 10,000 shares of Common Stock (or shares of Common Stock issuable upon conversion of Preferred Stock).

(c) "*Pro Rata"* portion or basis shall mean the fraction, the numerator of which is the aggregate number of shares of Common Stock then held by the Shareholder or issuable upon conversion of any shares of Preferred Stock then held by the Shareholder, and the denominator of which is the total number of Common Stock then outstanding plus the number issuable upon conversion or exercise of all convertible securities, options, rights or warrants then outstanding.

(d) "*Registrable Securities*" shall mean shares of Common Stock held by the Shareholders, and any securities with respect thereto upon any stock split, stock dividend, recapitalization or similar event. Registrable Securities shall cease to be Registrable Securities when (x) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (y) they shall be eligible to be distributed pursuant to Rule 144 promulgated under the Securities Act in a single three-month period by the holder thereof, or (z) they shall have ceased to be outstanding.

(e) The terms "*register*," "*registered*," and "*registration*" shall mean a registration effected by preparing and filing a registration statement in compliance with the Securities Act of 1933, as amended, and the declaration or ordering of the effectiveness of such registration statement.

(f) "*Registration Expenses*" shall mean all expenses incurred by the Company in registration, including, without limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company, blue sky fees and expenses, marketing expenses and the expense of any special audit incident to or required by any such registration, as well as the compensation of regular employees of the Company.

(g) "*Sale of the Company*" means (i) the sale, conveyance, or other disposition of all or substantially all of the Corporation's assets, or (ii) the merger or consolidation with any other corporation or other entity (other than a wholly-owned subsidiary of the Corporation) where the shareholders of the Corporation immediately prior to the completion of the merger or consolidation have less than 50% of the voting power of the surviving entity

(h) "*SEC*" shall mean the U.S. Securities and Exchange Commission.

(i) "*Securities Act*" shall mean the Securities Act of 1933, as amended.

(j) "*Selling Expenses*" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the securities registered.

(k) "*Shares*" means shares of the Company's capital stock, including Common Stock and Preferred Stock.

ARTICLE 2.
PIGGYBACK REGISTRATION RIGHTS

2.1 **Piggyback Registration Rights**.

(a) Notice of Registration. Whenever the Company shall determine to register any of its securities for its own account (other than a registration statement in connection with an initial public offering of the Company's securities, Form S-8, Form S-4 or other limited purpose form, and other than a registration relating solely to employee benefit plans, or a registration relating solely to an SEC Rule 145 transaction, or a transaction relating solely to the sale of debt or convertible debt instruments), the Company will:

(i) promptly give to the Shareholders written notice thereof; and

(ii) except as provided herein, register pursuant to such registration statement such number of Registrable Securities as shall be specified in a written request or requests by the Shareholders made within 30 days after such written notice from the Company.

(b) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Shareholders as a part of the written notice given pursuant to Section 2.1(a) above. In such event, the right of the Shareholders to registration pursuant to Section 2.1(a) shall be conditioned upon such Shareholders' participation in such underwriting and the inclusion of Registrable Securities in the underwriting to the extent provided herein on the same terms as the securities otherwise being sold through the underwriting. The Shareholders, if they are proposing to distribute their Registrable Securities through such underwriting, shall (together with the Company) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting by the Company. Notwithstanding any other provision of this Section 2.1, if the managing underwriter determines that marketing factors require a limitation of the number of Registrable Securities to be underwritten, the managing underwriter may limit or exclude the Registrable Securities requested to be included in such registration, such limitation to be on a pro rata basis based on the relation that such Registrable Securities bear to the total number of securities (including, without limitation, Registrable Securities) proposed to be registered pursuant to the registration statement covered by this Section 2.1 by the Shareholders and by other persons selling securities pursuant to registration rights granted them by the Company or otherwise; provided, however, that no such reduction may reduce the securities being offered by the Company for its own account and any such reductions shall be subject to any superior registration rights granted by the Company to any other party or parties. No Registrable Securities excluded from the underwriting by reason of the underwriters' marketing limitation shall be included in such registration. The Company shall advise the Shareholders of the number of Registrable Securities that may be included in the registration and underwriting. If the Shareholders do not approve of the terms of any such underwriting, they may elect to withdraw therefrom, without loss to the Shareholders of any rights under this Section 2.1, by written notice to the Company and the managing underwriter.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.1 prior to the effectiveness of such registration, whether or not the Shareholders have elected to include securities in such registration.

(d) Expenses of Registration. All Selling Expenses incurred in connection with any registration pursuant to this Section 2.1 shall be borne by the Shareholders and all Registration Expenses as well as the fees and expenses of one counsel for the holders

of a majority of the Registrable Securities covered by such registration incurred in connection with any registration shall be borne by the Company.

2.2 **Registration Procedures.** In the case of each registration effected by the Company pursuant to this Agreement, the Company will furnish to one counsel selected by the holders of a majority of the Registrable Securities covered by such registration statement, copies of all such documents proposed to be filed with the Securities and Exchange Commission, which documents will be subject to the review of such counsel.

2.3 **Indemnification**.

(a) Indemnification by Company. The Company will indemnify, to the extent permitted by law, each holder of Registrable Securities, its officers and directors and each person who controls such holder (within the meaning of the Securities Act) against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of circumstances in which they were made, not misleading, or any violation by the Company of any rule or regulation promulgated under the Securities Act applicable to the Company in connection with any such registration, qualification or compliance, and the Company will reimburse the Shareholders and each person who controls any of the Shareholders, for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission or alleged untrue statement or omission, made in reliance upon and in conformity with information furnished to the Company in writing by any of the Shareholders or any such controlling person expressly for use therein.

(b) Indemnification by Shareholders. Each holder of Registrable Securities, to the extent permitted by law, will indemnify the Company, each of its directors and officers, each underwriter, if any, of the Company's securities covered by such a registration statement and each person who controls the Company or such underwriter (within the meaning of the Securities Act), against all expenses, claims, losses, damages or liabilities, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of material fact contained in any such registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, or based on any omission (or alleged omission) of a material fact required to be stated therein or necessary to make the statements therein, in

light of the circumstances in which they were made, not misleading, and will reimburse the Company, each such underwriter and each person who controls the Company or any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with information furnished to the Company in writing by such of the Shareholders for use therein.

(c) Notice Requirements. Each party entitled to indemnification under this Section (the "*Indemnified Party*") shall give notice to the party required to provide indemnification (the "*Indemnifying Party*") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought. The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section, unless the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action. Upon notice thereof, the Indemnifying Party shall be permitted to assume the defense of any such claim or any litigation resulting therefrom; provided, however, that (i) counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and (ii) the Indemnified Party may participate in such defense at such party's expense. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as a unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

2.4 **Other Registration Rights**. Each Shareholder acknowledges and agrees that nothing in this Agreement shall in any way prohibit or otherwise limit the Company's ability to grant registration rights in the future, which rights may be superior to the rights granted to Shareholders under this Agreement.

2.5 **Stand-Off Agreement.** Each holder of Registrable Securities agrees, in connection with the Company's initial public offering, upon request of the Company or the underwriters managing such offering, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Common Unit of the Company (other than those, if any, that may be included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not exceeding 180 days) from the effective date of such registration as may be requested by the underwriters; *provided, however*, that all of the directors and officers of the Company who own Common Stock of the Company must also agree to not less onerous restrictions.

2.6 **Assignment of Registration Rights**. A Shareholder's rights under this Article may be assigned (but only with all related obligations) by a Shareholder to (i) an affiliate of such Shareholder, or (ii) an assignee of at least 10,000 Shares (appropriately adjusted to reflect subsequent stock splits, stock dividends, combinations or other recapitalizations), provided, such assignee or transferee shall agree in writing to be bound by this Agreement as if it were a Shareholder herein. Any assignment of rights under this Article shall only be effective provided that (i) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such assignee and the securities with respect to which such registration rights are being assigned; (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, and (iii) such assignment shall be effective only if immediately following such assignment the further disposition of such securities by the transferee or assignee is restricted under the Securities Act.

2.7 **Termination of Registration Rights**. This Article, and all of the Company's obligations (other than its obligations pursuant to Section 2.3, which Section shall survive such termination) hereunder, shall terminate upon the earliest to occur of (i) the date on which there are no Registrable Securities outstanding, (ii) the third anniversary of the effective date of the registration statement filed with respect to the Company's initial public offering, and (iii) a Sale of the Company.

ARTICLE 3.
PRO RATA RIGHT TO PURCHASE NEW SECURITIES

3.1 **Pro Rata Right to Purchase New Securities**. The Company hereby grants to each of the Shareholders a right to purchase, on a Pro Rata basis, all or any part of New Securities (as defined below) that the Company may, from time to time, propose to sell and issue, or has sold and issued, in a financing subject to the terms and conditions set forth below. Notwithstanding the foregoing, the Company's obligations to sell New Securities to any Shareholder are subject to the Company's securing exemption from the registration requirements of the federal and applicable state securities laws in reliance on such exemptions as the Company, in its discretion, may elect to rely on, and the Company may further require that any Shareholder purchasing such New Securities be an "accredited investor" within the meaning of Regulation D of the Securities Act..

3.2 **New Securities**. "*New Securities*" shall mean any Common Stock or Preferred Stock of the Company, regardless of whether now authorized, and convertible securities, rights, options or warrants to purchase Common Stock or Preferred Stock; provided, however, that the term "New Securities" does not include:

(a) securities offered to the public pursuant to a registration statement;

(b) securities issued for non-cash consideration;

(c) securities issued or issuable for the acquisition of another company or business by the Company by merger, purchase of substantially all the assets of such company or business, or other reorganization resulting in the ownership by the Company of not less than 51% of the voting power of such company or business;

(d) securities issued or issuable to any vendor or licensor of products or services to the Company, to any other strategic partner of the Company or to any Company customer or to any other purchaser of the Company's products or services;

(e) securities issued or issuable to the Company's or its subsidiaries' employees, directors, officers, agents, consultants, contractors or other service providers to the Company;

(f) securities issued as a result of any stock split, stock dividend or reclassification of stock, distributable on a pro rata basis to all holders of the Company's Common Stock,

(g) securities issued (A) in connection with any stock split, stock dividend or recapitalization by the Company, so long as immediately after such stock split, stock dividend or recapitalization the Shareholders own the same relative proportion of the Company's equity securities as immediately prior to such stock split, stock dividend or recapitalization, or (B) upon conversion or exercise of convertible or exercisable securities that are outstanding as of the date of this Agreement, including, without limitation, upon conversion of Subordinated Convertible Debentures outstanding on the date hereof,

(h) securities issued or issuable to any other party (including one or more Shareholders or their affiliates) if Shareholders holding a majority of all Common Stock (determined on an as if converted basis for shares of convertible Preferred Stock) then held by all Shareholders (including one or more Shareholders or their affiliates purchasing such securities) consent in writing thereto or waive the Shareholders' rights under this Article with respect thereto.

3.3 **Notice**. In the event the Company intends to issue New Securities, or within ninety (90) days after the issuance of any New Securities, it shall give the Shareholders written notice of such intention, describing the type of New Securities to be issued or issued, the price thereof and the general terms upon which the Company proposes to effect or has effected such issuance. Each of the Shareholders shall have 15 days from the date of any such notice to agree to purchase all or part of its Pro Rata share of such New Securities for the price and upon the

general terms and conditions specified in the Company's notice by giving written notice to the Company stating the quantity of New Securities to be so purchased.

3.4 **Termination of Rights**. The rights set forth in this Article shall terminate as to each Shareholder and be of no further force or effect on the earlier to occur of (i) immediately prior to the consummation of the Company's Initial Public Offering, or (ii) a Sale of the Company. Further, a Shareholder shall no longer have any further rights under this Article hereof upon transfer of all of the Shareholder's Shares.

ARTICLE 4.
FINANCIAL INFORMATION

4.1 **Annual Audited Financial Information**. The Company will furnish to each Shareholder as soon as practicable after the end of each fiscal year of the Company, and in any event within one hundred twenty (120) days thereafter, a consolidated and consolidating balance sheet of the Company and its subsidiaries, if any, as of the end of such fiscal year, and consolidated and consolidating statements of income and cash flow of the Company and its subsidiaries, if any, for such year, prepared in accordance with generally accepted accounting principles consistently applied, all in reasonable detail and audited.

4.2 **Quarterly Unaudited Financial Information**. The Company will furnish to each Major Shareholder as soon as practicable after the end of each quarterly accounting period in each fiscal year of the Company, and in any event within sixty (60) days thereafter, a consolidated and consolidating balance sheet of the Company and its subsidiaries, if any, as of the end of each such quarterly period, and consolidated and consolidating statements of income and cash flow of the Company and its subsidiaries, if any, for such period and for the current fiscal year to date, prepared in accordance with generally accepted accounting principles consistently applied, subject to changes resulting from normal year-end audit adjustments, all in reasonable detail, except that such statements need not contain the notes required by generally accepted accounting principles.

4.3 **Termination of Rights**. The rights set forth in this Article shall terminate as to each Shareholder and be of no further force or effect on the earlier to occur of (i) immediately prior to the consummation of the Company's Initial Public Offering, or (ii) a Sale of the Company. Further, a Shareholder shall no longer have any further rights under this Article hereof upon transfer of all of the Shareholder's Shares.

ARTICLE 5.
GENERAL

5.1 **Governing Law**. The parties have agreed that the validity, construction, operation and effect of any and all of the terms and provisions of this Agreement, and the respective rights, duties and obligations of the parties hereunder, shall be determined and enforced in accordance with the laws of the State of North Dakota without giving effect to principles of conflicts of law thereunder.

5.2 **Amendment; Etc.**

(a) Any modification, amendment, waiver or termination of this Agreement or any provision hereof shall be in writing and executed by the Company and Shareholders holding a majority of all shares of Common Stock (as determined based on an as if converted basis for outstanding shares of Preferred Stock) then held by all Shareholders. Each Shareholder acknowledges that, except as otherwise provided herein, by the operation of this Section, the holders of a majority or more of the outstanding Shares subject to this Agreement may have the right and power to diminish or eliminate any or all rights, to change or add obligations, of such Shareholder under this Agreement.

(b) Further, the Company may admit additional parties as Shareholders upon such parties executing and delivering a signature page hereto, or otherwise agreeing in writing to become a party hereto, and in connection therewith, the Company may update Schedule A from time to time to reflect the Shareholders who are a party hereto, and the

Common Units owned by them. Without limiting the generality of the foregoing, the Company, in its discretion, may admit the Company's officers, directors, Common Stock shareholders and others as Shareholders. The Company may also update Schedule A from time-to-time.

5.3 **Entire Agreement**. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes and terminates all prior agreements, arrangements and understandings among the parties with respect to the subject matter hereof.

5.4 **Assignability**. Except as set forth above, this Agreement may not be assigned by any of the Shareholders without the Company's written consent.

5.5 **Notices**. All notices and other communications hereunder shall be deemed given if given in writing and delivered personally, by mail or by overnight courier (postage prepaid) to the Company at its principal office and to a Shareholder at such Shareholder's address as shown in the records of the Company. Notices may also be sent by the Company to a Shareholder by facsimile or email at such Shareholders' facsimile number or email address as shown in the

records of the Company. Notice shall be deemed given upon deposit in a U.S. mail receptacle and otherwise upon delivery.

5.6 **Severability**. The invalidity of any portion of this Agreement shall not affect the enforceability of the remaining portions of this Agreement or any part thereof, all of which are inserted herein conditionally on them being valid in law. In the event that any portion contained herein shall be invalid, this Agreement shall be construed so as to make such portion valid or, if such construction is not legally possible, as if such invalid portion had not been inserted.

5.7 **Counterparts**. This Agreement may be executed in two or more counterparts, any one of which need not contain the signature of more than one party, but all such counterparts together will constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

TITAN MACHINERY INC.

By _____

Its _____

SHAREHOLDER SIGNATURE PAGE
TO
TITAN MACHINERY INC.

SHAREHOLDER RIGHTS AGREEMENT

The undersigned is a holder of shares of capital stock of Titan Machinery Inc., and by execution hereof, agrees to become a party to the Shareholder Rights Agreement (as such agreement may be amended from time to time) as a "Shareholder."

_____
David Meyer

SHAREHOLDER SIGNATURE PAGE
TO
TITAN MACHINERY INC.

SHAREHOLDER RIGHTS AGREEMENT

The undersigned is a holder of shares of capital stock of Titan Machinery Inc., and by execution hereof, agrees to become a party to the Shareholder Rights Agreement (as such agreement may be amended from time to time) as a "Shareholder."

ADAM SMITH SPECULATIVE GROWTH PARTNERS,
A LIMITED PARTNERSHIP

By: ADAM SMITH COMPANIES, LLC
Its General Partner

By: _____
Tony J. Christianson, Chairman

SHAREHOLDER SIGNATURE PAGE
TO
TITAN MACHINERY INC.

SHAREHOLDER RIGHTS AGREEMENT

The undersigned is a holder of shares of capital stock of Titan Machinery Inc., and by execution hereof, agrees to become a party to the Shareholder Rights Agreement (as such agreement may be amended from time to time) as a "Shareholder."

Individuals:

_____
Name

_____
Signature

Entities:

_____

By _____

Its _____

ACKNOWLEDGED:

TITAN MACHINERY INC.

By _____
Its _____

Schedule A
to
Shareholder Rights Agreement

Shareholder	Shares

AMENDMENT NO. 1
TO
SHAREHOLDER RIGHTS AGREEMENT

This Amendment No. 1 to Shareholder Rights Agreement (the "*Amendment*") is made as of January 31, 2006 by any among Titan Machinery Inc., a North Dakota Corporation (the "*Company*") and the persons identified on Schedule A hereto (as such Schedule is updated from time-to-time by the Company) who have or who hereafter will execute a signature page hereto and who hold shares of Common Stock, Preferred Stock Convertible Notes or Warrants to purchase Common Stock in the Company (individually referred to herein as a "*Shareholder*" and collectively referred to as the "*Shareholders*").

WHEREAS, the Company and the Shareholders are parties to that certain Shareholder Rights Agreement dated April 7, 2003 (the "*Original Agreement*");

WHEREAS, the Company and the Shareholders desire to amend the Original Agreement as set forth herein;

WHEREAS, pursuant to the terms of the Original Agreement, the Original Agreement may be amended by the Company and Shareholders holding a majority of all shares of Common Stock (as determined based on as if converted basis for outstanding shares of Common Stock) then held by all Shareholders.

NOW THEREFORE, the parties hereto, for good and valuable consideration, the receipt of which is hereby acknowledged, agree as follows:

AGREEMENT

The parties agree as follows:

1. Amendments to Original Agreement.

(a) Section 1.1 of the Original Agreement is hereby amended by adding the following definition of "H*older of Registrable Securities*" and by amending and restating the following definition of "*Registrable Securities"*

"*Holder of Registrable Securities*" means any Shareholder who holds Registrable Securities.

"*Registrable Securities*" shall mean shares of Common Stock held by the Shareholders, and any Common Stock with respect thereto upon any stock split, stock dividend, recapitalization or similar event. Registrable Securities shall not include any Preferred Stock, Warrants, Options or other securities convertible into or exercisable for Common Stock, unless such Preferred Stock, Warrants, Options or other convertible or exercisable securities have been converted into or exercised for Common Stock. Subject to the foregoing, a holder of Preferred Stock, Warrants, Options or other convertible or exercisable securities may be a party to this Agreement with the Company's written consent, and such holder shall have registration rights with respect to the shares of Common Stock issued or issuable upon conversion thereof as a Holder of Registrable Securities. Registrable Securities shall cease to be Registrable Securities when (x) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (y) they shall be eligible to be distributed pursuant to Rule 144 promulgated under the Securities Act in a single three-month period by the holder thereof, or (z) they shall have ceased to be outstanding.

(b) Article 2 of the Original Agreement is hereby amended by changing references from "Shareholders" in such Article to "Holders of Registrable Securities."

(c) Section 2.4 of the Original Agreement is hereby amended by amending an restating such Section 2.4 as follows:

2.4 **Other Registration Rights**. Each Shareholder acknowledges and agrees that nothing in this Agreement shall in any way prohibit or otherwise limit the Company's ability to grant registration rights in the future. However, such registration rights may be superior to the rights granted to Shareholders under this Agreement only if the rights are granted to parties other than officers or directors of the Company or their affiliates.

2. General.

(a) Except as amended hereby, the Original Agreement shall continue in full force and effect.

(b) This Amendment shall become effective upon execution hereof by the Company, and in accordance with Section 5.2 of the Original Agreement, Shareholders holding a majority of all shares of Common Stock (as determined based on an as if converted basis for outstanding shares of Preferred Stock) held by all Shareholders.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Shareholder Rights Agreement on the date and year first above written.

TITAN MACHINERY INC.

By _____

Its _____

MAJORITY SHAREHOLDER

_____
David Meyer

SHAREHOLDER SIGNATURE PAGE
TO
TITAN MACHINERY INC.

SHAREHOLDER RIGHTS AGREEMENT

The undersigned is a holder of shares of capital stock of Titan Machinery Inc., and by execution hereof, agrees to become a party to the Shareholder Rights Agreement (as such agreement may be amended from time to time) as a "Shareholder."

CNH CAPITAL AMERICA LLC

By _____

Its _____

ACKNOWLEDGED:

TITAN MACHINERY INC.

By _____

Its _____

INCENTIVE STOCK OPTION AGREEMENT

TITAN MACHINERY INC.
2005 EQUITY INCENTIVE PLAN

THIS AGREEMENT, made effective as of this day of , ,(the "*Issue Date*") by and between Titan Machinery Inc. , a North Dakota corporation (the "*Company*"), and ("*Participant*").

W I T N E S S E T H:

WHEREAS, Participant on the date hereof is an employee or officer of the Company or one of its Affiliates; and

WHEREAS, the Company wishes to grant an incentive stock option to Participant to purchase shares of the Company's Common Stock pursuant to the Company's 2005 Equity Incentive Plan (the "*Plan*"); and

WHEREAS, the Administrator of the Plan has authorized the grant of an incentive stock option to Participant and has determined that, as of the effective date of this Agreement, the fair market value of the Company's Common Stock is $ per share;

WHEREAS, as a condition to delivery of this Agreement, the Company has required that the Participant enter into a Confidentiality and Business Interference Agreement with the Company, and the Company and Participant agree that this Agreement is full, fair and adequate consideration for Participant's entering into the Confidentiality and Business Interference Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

1. **Grant of Option**. The Company hereby grants to Participant on the date set forth above (the "*Date of Grant*"), the right and option (the "*Option*") to purchase all or portions of an aggregate of ( ) shares of Common Stock at a per share price of $, on the terms and conditions set forth herein, and subject to adjustment pursuant to Section 12 of the Plan. This Option is intended to be an incentive stock option within the meaning of Section 422, or any successor provision, of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the regulations thereunder, to the extent permitted under Code Section 422(d).

2. **Duration and Exercisability**.

a. **General**. The term during which this Option may be exercised shall terminate on a date which is ten (10) years from the Issue Date (the "*Expiration Date*"), except as otherwise provided in Paragraphs 2(b) through 2(e) below. This Option shall become exercisable according to the following schedule:

Vesting Date	Percentage of Shares

Once the Option becomes exercisable to the extent of any of the aggregate number of shares specified in Paragraph 1, Participant may continue to exercise this Option with respect to such shares under the terms and conditions of this Agreement until the termination of the Option as provided herein. If Participant does not purchase upon an exercise of this Option the full number of shares which Participant is then entitled to purchase, Participant may purchase upon any subsequent exercise prior to this Option's termination such previously unpurchased shares in addition to those Participant is otherwise entitled to purchase.

b. **Termination of Employment (other than Termination for Cause, Disability or Death)**. If Participant's employment with the Company or any Affiliate is terminated for any reason other than termination by the Company for "cause," disability, or death, this Option shall completely terminate on the earlier of (i) the close of business on the three-month anniversary date of such termination of employment, and (ii) the expiration date of this Option stated in Paragraph 2(a) above. In such period following the termination of Participant's employment, this Option shall be exercisable only to the extent the Option was exercisable on the vesting date immediately preceding such termination of employment, but had not previously been exercised. To the extent this Option was not exercisable upon such termination of employment, or if Participant does not exercise the Option within the time specified in this Paragraph 2(b), all rights of Participant under this Option shall be forfeited.

c. **Termination of Employment for Cause**. If Participant's employment with the Company or any Affiliate is terminated for "cause," the unexercised portion of this Option shall immediately expire, and all rights of Participant under this Option shall be forfeited. Solely for purposes of this Paragraph 2(c), "*cause*" shall mean (i) Participant being charged with a felony or convicted of any criminal misdemeanor or more serious act; (ii) any intentional and/or willful act of fraud or dishonesty by Participant related to or connected with Participant's employment by the Company or any of its Affiliates; (iii) the willful and/or continued failure, neglect or refusal by Participant to perform his or her employment duties with the Company or any of its Affiliates, (iv) a material violation of the Company's or an Affiliate's policies or codes of conduct; or (v) the willful and/or material breach by Participant of any agreement between Participant and the Company or any of its Affiliates, including but not limited to an employment agreement or a noncompetition agreement.

d. **Disability**. If Participant's employment terminates because of disability (as defined in Code Section 22(e), or any successor provision), this Option shall terminate on the earlier of (i) the close of business on the twelve-month anniversary date of such termination of employment, and (ii) the expiration date of this Option stated in Paragraph 2(a) above. In such period following the termination of Participant's employment, this Option shall be exercisable only to the extent the Option was exercisable on the vesting date immediately preceding such termination of employment, but had not previously been exercised. To the extent this Option was not exercisable upon such termination of employment, or if Participant does not exercise the Option within the time specified in this Paragraph 2(d), all rights of Participant under this Option shall be forfeited.

e. **Death**. In the event of Participant's death, this Option shall terminate on the earlier of (i) the close of business on the twelve-month anniversary date of such termination of employment, and (ii) the expiration date of this Option stated in Paragraph 2(a) above. In such period following Participant's death, this Option shall be exercisable by the person or persons to whom Participant's rights under this Option shall have passed by Participant's will or by the laws of descent and distribution only to the extent the Option was exercisable on the vesting date immediately preceding such termination of employment, but had not previously been exercised. To the extent this Option was not exercisable upon the date of Participant's death, or if such person or persons do not exercise this Option within the time specified in this Paragraph 2(e), all rights under this Option shall be forfeited.

3. **Manner of Exercise**.

a. **General**. The Option may be exercised only by Participant (or other proper party in the event of death or incapacity), subject to the conditions of the Plan and subject to such other administrative rules as the Administrator may deem advisable, by delivering within the Option Period written notice of exercise to the Company at its principal office. The notice shall state the number of shares as to which the Option is being exercised and shall be accompanied by payment in full of the Option price for all shares designated in the notice. The exercise of the Option shall be deemed effective upon receipt of such notice by the Company and upon payment that complies with the terms of the Plan and this Agreement. The Option may be exercised with respect to any number or all of the shares as to which it can then be exercised and, if partially exercised, may be so exercised as to the unexercised shares any number of times during the Option period as provided herein.

b. **Form of Payment**. Subject to approval by the Administrator, payment of the option price by Participant shall be in the form of cash, personal check, certified check or previously-acquired shares of Common Stock of the Company, or any combination thereof. Any stock tendered as part of such payment shall be valued at its Fair Market Value as provided in the Plan. For purposes of this Agreement, "*previously-acquired shares of Common Stock*" shall have the meaning set forth in Section 8 of the Plan. The Administrator may, in its discretion, permit Participant to tender such mature, previously-acquired shares through the actual delivery of such shares or through attestation of ownership on such forms as the Administrator may prescribe.

c. **Stock Transfer Records**. As soon as practicable after the effective exercise of all or any part of the Option, Participant shall be recorded on the stock transfer books of the Company as the owner of the shares purchased, and the Company shall deliver to Participant one or more duly issued stock certificates evidencing such ownership. All requisite original issue or transfer documentary stamp taxes shall be paid by the Company.

4. **Miscellaneous**.

a. **Employment-at-Will; Rights as Shareholder**. This Agreement shall not confer on Participant any right with respect to continuance of employment by the Company or any of its Affiliates, nor will it interfere in any way with the right of the Company to terminate such

employment. Participant's employment relationship with the Company and its Affiliates shall be employment-at-will, and nothing in this Agreement shall be construed as creating an employment contract for any specified term between Participant and the Company or any Affiliate. Participant shall have no rights as a shareholder with respect to shares subject to this Option until such shares have been issued to Participant upon exercise of this Option. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 12 of the Plan.

b. **Securities Law Compliance**. The exercise of all or any parts of this Option shall only be effective at such time as counsel to the Company shall have determined that the issuance and delivery of Common Stock pursuant to such exercise will not violate any state or federal securities or other laws. Participant may be required by the Company, as a condition of the effectiveness of any exercise of this Option, to agree in writing that all Common Stock to be acquired pursuant to such exercise shall be held, until such time that such Common Stock is registered and freely tradable under applicable state and federal securities laws, for Participant's own account without a view to any further distribution thereof, that the certificates for such shares shall bear an appropriate legend to that effect and that such shares will be not transferred or disposed of except in compliance with applicable state and federal securities laws.

c. **Mergers, Recapitalizations, Stock Splits, Etc.** Pursuant and subject to Section 12 of the Plan, certain changes in the number or character of the Common Stock of the Company (through sale, merger, consolidation, exchange, reorganization, divestiture (including a spin-off), liquidation, recapitalization, stock split, stock dividend or otherwise) shall result in an adjustment, reduction or enlargement, as appropriate, in Participant's rights with respect to any unexercised portion of the Option (i.e., Participant shall have such "anti-dilution" rights under the Option with respect to such events, but shall not have "preemptive" rights).

d. **Shares Reserved**. The Company shall at all times during the option period reserve and keep available such number of shares as will be sufficient to satisfy the requirements of this Agreement.

e. **Withholding Taxes on Disqualifying Disposition**. In the event of a disqualifying disposition of the shares acquired through the exercise of this Option, Participant hereby agrees to inform the Company of such disposition. Upon notice of a disqualifying disposition, the Company may take such action as it deems appropriate to insure that, if necessary to comply with all applicable federal or state income tax laws or regulations, all applicable federal and state payroll, income or other taxes are withheld from any amounts payable by the Company to Participant. If the Company is unable to withhold such federal and state taxes, for whatever reason, Participant hereby agrees to pay to the Company an amount equal to the amount the Company would otherwise be required to withhold under federal or state law. Participant may, subject to the approval and discretion of the Administrator or such administrative rules it may deem advisable, elect to have all or a portion of such tax withholding obligations satisfied by delivering shares of the Company's Common Stock having a fair market value equal to such obligations.

f. **Nontransferability**. During the lifetime of Participant, the accrued Option shall be exercisable only by Participant or by the Participant's guardian or other legal representative, and shall not be assignable or transferable by Participant, in whole or in part, other than by will or by the laws of descent and distribution.

g. **2005 Equity Incentive Plan**. The Option evidenced by this Agreement is granted pursuant to the Plan, a copy of which Plan has been made available to Participant and is hereby incorporated into this Agreement. This Agreement is subject to and in all respects limited and conditioned as provided in the Plan. The Plan governs this Option and, in the event of any questions as to the construction of this Agreement or in the event of a conflict between the Plan and this Agreement, the Plan shall govern, except as the Plan otherwise provides.

h. **Lockup Period Limitation**. Participant agrees that in the event the Company advises Participant that it plans an underwritten public offering of its Common Stock in compliance with the Securities Act of 1933, as amended, and that the underwriter(s) seek to impose restrictions under which certain shareholders may not sell or contract to sell or grant any option to buy or otherwise dispose of part or all of their stock purchase rights of the underlying Common Stock, Participant hereby agrees that for a period not to exceed 180 days from the prospectus, Participant will not sell or contract to sell or grant an option to buy or otherwise dispose of this option or any of the underlying shares of Common Stock without the prior written consent of the underwriter(s) or its representative(s).

i. **Blue Sky Limitation.** Notwithstanding anything in this Agreement to the contrary, in the event the Company makes any public offering of its securities and determines in its sole discretion that it is necessary to reduce the number of issued but unexercised stock purchase rights so as to comply with any state securities or Blue Sky law limitations with respect thereto, the Board of Directors of the Company shall have the right to (i) accelerate the exercisability of this Option and the date on which this Option must be exercised, provided that the Company gives Participant 15 days' prior written notice of such acceleration, and (ii) cancel any portion of this Option or any other option granted to Participant pursuant to the Plan which is not exercised prior to or contemporaneously with such public offering. Notice shall be deemed given when delivered personally or when deposited in the United States mail, first class postage prepaid and addressed to Participant at the address of Participant on file with the Company.

j. **Accounting Compliance**. Participant agrees that, in the event of a merger, reorganization, liquidation or other "transaction" as defined in Section 12 of the Plan, and Participant is an "affiliate" of the Company or any Affiliate (as defined in applicable legal and accounting principles) at the time of such transaction, Participant will comply with all requirements of Rule 145 of the Securities Act of 1933, as amended, and the requirements of such other legal or accounting principles, and will execute any documents necessary to ensure such compliance.

k. **Stock Legend**. The Administrator may require that the certificates for any shares of Common Stock purchased by Participant (or, in the case of death, Participant's successors) shall bear an appropriate legend to reflect the restrictions of Paragraph 4(b) and Paragraphs 4(h) through 4(j) of this Agreement; provided, however, that failure to so endorse any of such certificates shall not render invalid or inapplicable Paragraph 4(j).

k. **Scope of Agreement**. This Agreement shall bind and inure to the benefit of the Company, its Affiliates and its successors and assigns and Participant and any successor or successors of Participant permitted by Paragraph 2 or Paragraph 4(f) above.

l. **Additional Transfer Restrictions and Rights**. Exhibit A attached hereto sets forth additional transfer restrictions and rights applicable to the shares of Stock issued or issuable to Participant under this Agreement. Notwithstanding anything to the contrary in this Agreement, the Company expressly reserves the right to amend this Agreement without Participant's consent to the extent necessary or desirable to comply with Code Section 409A, and the regulations, notices and other guidance of general applicability issued thereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

TITAN MACHINERY INC.

By: _____

Its: _____

_____

Participant

EXHIBIT A

I. Right of First Refusal.

A. Notice to Company. Participant shall not sell, assign, give, bequest or otherwise transfer or dispose of any shares of Common Stock acquired through the exercise of this Option without first giving written notice to the Company of Participant's intent to sell, transfer or otherwise dispose of such Stock. Such notice shall specify the number of shares of Common Stock that Participant intends to sell or transfer. The Company shall have the right to repurchase all, but not part, of such Stock at any time within thirty (30) days after the date it receives such notice of sale at a price determined pursuant to Section I(C) below.

B. Exercise of First Refusal Right.

1. The Company shall notify Participant, in writing, of the Company's exercise of its right to repurchase the Stock specified in Participant's notice of sale or other transfer. Such notice shall be signed by the President of the Company.

2. As promptly as practicable after the Company's exercise of its right to repurchase the Stock specified in the Participant's notice, the Company shall deliver to Participant a lump-sum cash payment equal to the purchase price determined under Section I(C) below, and Participant shall deliver the stock certificates representing such Stock, properly endorsed for transfer in blank, to the Company for cancellation.

3. If the Company notifies Participant, in writing, that the Company will not exercise its right to repurchase the Stock specified in Participant's notice, or if the Board fails to exercise the Company's right to repurchase such Stock during the thirty-day period described above, the Company's right to repurchase such Stock will lapse and Participant shall have the right to sell or transfer the Stock specified in Participant's notice for a period of sixty (60) days thereafter, subject to any restrictions imposed by applicable securities laws. If Participant does not sell or transfer such Stock within this sixty-day period, all of the provisions of this Section I shall again apply.

4. If the Company notifies Participant, in writing, that the Company will not exercise its right to repurchase the Stock specified in Participant's notice, or if the Company fails to exercise the Company's right to repurchase such Stock during the thirty-day period described above, and such Stock is subsequently sold or otherwise transferred, the restrictions contained in this Section I shall not apply to the Stock so transferred; provided, however, the purchaser or transferee shall be subject to all restrictions that generally apply to shareholders of the Company, including but not limited to restrictions on the pledge, encumbrance, sale, assignment, transfer, gift, or disposition of any Stock.

C. Purchase Price for Stock. If the Company exercises its right to repurchase the Stock specified in Participant's notice, the Company shall pay Participant an amount equal to the price offered in the proposed transaction giving rise to such right of repurchase, provided,

however, that if such proposed transaction is not a bona fide sale on arms-length terms, then the Company shall pay Participant an amount equal to the Fair Market Value of the Company's Common Stock, as defined in the Plan.

II. Right to Repurchase Upon Termination of Employment.

A. Termination of Employment. Upon termination of Participant's employment for any reason, including disability or death, the Company shall have the right and option purchase all, but not part, of the shares of Stock owned by Participant as of the date of such termination (the "*Termination Call*"). If the Company wishes to exercise the Termination Call, the Company shall notify Participant (or, in the event of Participant's death, the legal representatives of Participant's estate), in writing, of the Termination Call within 120 days after termination of Participant's employment for any reason.

B. Exercise of Termination Call. Within ninety (90) days after exercise of the Termination Call, the Company shall deliver to Participant a lump-sum cash payment equal to the purchase price determined under Section II(C) below, and Participant shall deliver the stock certificates representing such Stock, properly endorsed for transfer in blank, to the Company for cancellation.

C. Purchase Price. The Company shall pay Participant an amount equal to the Fair Market Value of the Company's Common Stock, as defined in the Plan, as of the date of Participant's termination of employment.

D. Exercise of Participant's Option. If Participant proposes to exercise the Participant's Option after termination of Participant's employment for any reason, and subject to Participant's payment of option price, notwithstanding anything to the contrary set forth in this Agreement, the Company may defer issuance of the stock certificate representing the shares subject to Participant's option so purchased by Participant until after expiration of the period for exercise of the Termination Call, and if the Company exercises the Termination Call, the Company shall not be obligated to issue the stock certificate.

III. General.

A. Stock Legend. The Administrator may require that the certificates for any shares of Common Stock purchased by Participant (or, in the case of death, Participant's successors) shall bear an appropriate legend to reflect the restrictions of this Exhibit; provided, however, that failure to so endorse any of such certificates shall not render invalid or inapplicable this Exhibit.

B. Termination of Exhibit. This Exhibit shall terminate upon the earliest to occur of (i) written notice of termination by the Company to the Participant, and (ii) a registered public offering of the Company's Common Stock.

NONQUALIFIED STOCK OPTION AGREEMENT

TITAN MACHINERY INC.
2005 EQUITY INCENTIVE PLAN

THIS AGREEMENT, made effective as of this day of , (the "*Issue Date*") by and between Titan Machinery Inc. , a North Dakota corporation (the "*Company*"), and ("*Participant*").

W I T N E S S E T H:

WHEREAS, Participant on the date hereof is a key employee or officer of the Company or one of its Affiliates; and

WHEREAS, the Company wishes to grant a nonqualified stock option to Participant to purchase shares of the Company's Common Stock pursuant to the Company's 2005 Equity Incentive Plan (the "*Plan*"); and

WHEREAS, the Administrator of the Plan has authorized the grant of a nonqualified stock option to Participant and has determined that, as of the effective date of this Agreement, the fair market value of the Company's Common Stock is $ per share;

WHEREAS, as a condition to delivery of this Agreement, the Company has required that the Participant enter into a Confidentiality and Business Interference Agreement with the Company, and the Company and Participant agree that that this Agreement is full, fair and adequate consideration for Participant's entering into the Confidentiality and Business Interference Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

1. **Grant of Option**. The Company hereby grants to Participant on the date set forth above (the "*Date of Grant*"), the right and option (the "*Option*") to purchase all or portions of an aggregate of ( ) shares of Common Stock at a per share price of $, on the terms and conditions set forth herein, and subject to adjustment pursuant to Section 12 of the Plan. This Option is a nonqualified stock option and will not be treated as an incentive stock option within the meaning of Section 422, or any successor provision, of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the regulations thereunder.

2. **Duration and Exercisability**.

a. **General**. The term during which this Option may be exercised shall terminate on a date which is ten (10) years from the Issue Date (the "*Expiration Date*"), except as otherwise provided in Paragraphs 2(b) through 2(f) or Paragraph 5 below. This Option shall become exercisable according to the following schedule:

Vesting Date	Percentage of Shares

(ii) Once the Option becomes exercisable to the extent of any of the aggregate number of shares specified in Paragraph 1, Participant may continue to exercise this Option with respect to such shares under the terms and conditions of this Agreement until the termination of the Option as provided herein. If Participant does not purchase upon an exercise of this Option the full number of shares which Participant is then entitled to purchase, Participant may purchase upon any subsequent exercise prior to this Option's termination such previously unpurchased shares in addition to those Participant is otherwise entitled to purchase.

b. **Termination of Employment (other than Termination for Cause, Retirement, Disability or Death)**. If Participant's employment with the Company or any Affiliate is terminated for any reason other than termination by the Company for "cause," retirement, disability, or death, this Option shall completely terminate on the earlier of (i) the close of business on the three-month anniversary date of such termination of employment, and (ii) the expiration date of this Option stated in Paragraph 2(a) above. In such period following the termination of Participant's employment, this Option shall be exercisable only to the extent the Option was exercisable on the vesting date immediately preceding such termination of employment, but had not previously been exercised. To the extent this Option was not exercisable upon such termination of employment, or if Participant does not exercise the Option within the time specified in this Paragraph 2(b), all rights of Participant under this Option shall be forfeited.

c. **Termination of Employment for Cause**. If Participant's employment with the Company or any Affiliate is terminated for "cause," the unexercised portion of this Option shall immediately expire, and all rights of Participant under this Option shall be forfeited. Solely for purposes of this Paragraph 2(c), "*cause*" shall mean (i) Participant being charged with a felony or convicted of any criminal misdemeanor or more serious act; (ii) any intentional and/or willful act of fraud or dishonesty by Participant related to or connected with Participant's employment by the Company or any of its Affiliates; (iii) the willful and/or continued failure, neglect or refusal by Participant to perform his or her employment duties with the Company or any of its Affiliates, (iv) a material violation of the Company's or an Affiliate's policies or codes of conduct; or (v) the willful and/or material breach by Participant of any agreement between Participant and the Company or any of its Affiliates, including but not limited to an employment agreement or a noncompetition agreement.

d. **Retirement**. If Participant's employment with the Company or any Affiliate terminates because of retirement, this Option shall terminate on the earlier of (i) , and (ii) the expiration date of this Option stated in Paragraph 2(a) above. In such period following the termination of Participant's employment, this Option shall be fully exercisable to the extent of 100% of the aggregate number of shares specified in Paragraph 1, minus any shares previously purchased. If Participant does not exercise the Option within the time specified in this Paragraph 2(d), all rights of Participant under this Option shall be forfeited. Solely for purposes of this Paragraph 2(d), "retirement" means termination on or after attaining age 65 and completing at least ten (10) years of service with the Company or any Affiliate.

e. **Disability**. If Participant's employment terminates because of disability (as defined in Code Section 22(e), or any successor provision), this Option shall terminate on the earlier of (i) , and (ii) the expiration date of this Option stated in Paragraph 2(a) above. In such period following the termination of Participant's employment, this Option shall be fully exercisable to the extent of 100% of the aggregate number of shares specified in Paragraph 1, minus any shares previously purchased. If Participant does not exercise the Option within the time specified in this Paragraph 2(e), all rights of Participant under this Option shall be forfeited.

f. **Death**. In the event of Participant's death, this Option shall terminate on the earlier of (i) , and (ii) the expiration date of this Option stated in Paragraph 2(a) above. In such period following Participant's death, this Option shall be exercisable by the person or persons to whom Participant's rights under this Option shall have passed by Participant's will or by the laws of descent and distribution to the extent of 100% of the aggregate number of shares specified in Paragraph 1, minus any shares previously purchased. If such person or persons do not exercise this Option within the time specified in this Paragraph 2(f), all rights under this Option shall be forfeited.

3. **Manner of Exercise**.

a. **General**. The Option may be exercised only by Participant (or other proper party in the event of death or incapacity), subject to the conditions of the Plan and subject to such other administrative rules as the Administrator may deem advisable, by delivering within the option period written notice of exercise to the Company at its principal office. The

notice shall state the number of shares as to which the Option is being exercised and shall be accompanied by payment in full of the option price for all shares designated in the notice. The exercise of the Option shall be deemed effective upon receipt of such notice by the Company and upon payment that complies with the terms of the Plan and this Agreement. The Option may be exercised with respect to any number or all of the shares as to which it can then be exercised and, if partially exercised, may be so exercised as to the unexercised shares any number of times during the option period as provided herein.

b. **Form of Payment**. Subject to approval by the Administrator, payment of the option price by Participant shall be in the form of cash, personal check, certified check or previously-acquired shares of Common Stock of the Company, or any combination thereof. Any stock tendered as part of such payment shall be valued at its Fair Market Value as provided in the Plan. For purposes of this Agreement, "previously-acquired shares of Common Stock" shall have the meaning set forth in Section 8 of the Plan. The Administrator may, in its discretion, permit Participant to tender such previously-acquired shares through the actual delivery of such shares or through attestation of ownership on such forms as the Administrator may prescribe.

c. **Stock Transfer Records**. As soon as practicable after the effective exercise of all or any part of the Option, Participant shall be recorded on the stock transfer books of the Company as the owner of the shares purchased, and the Company shall deliver to Participant one or more duly issued stock certificates evidencing such ownership. All requisite original issue or transfer documentary stamp taxes shall be paid by the Company.

4. **Miscellaneous**.

a. **Employment-at-Will; Rights as Shareholder**. This Agreement shall not confer on Participant any right with respect to the continuance of employment by the Company or any of its Affiliates, nor will it interfere in any way with the right of the Company to terminate such employment. Participant's employment relationship with the Company and its Affiliates shall be employment-at-will, and nothing in this Agreement shall be construed as creating an employment contract for any specified term between Participant and the Company or any Affiliate. Participant shall have no rights as a shareholder with respect to shares subject to this Option until such shares have been issued to Participant upon exercise of this Option. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property), distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 12 of the Plan.

b. **Securities Law Compliance**. The exercise of all or any parts of this Option shall only be effective at such time as counsel to the Company shall have determined that the issuance and delivery of Common Stock pursuant to such exercise will not violate any state or federal securities or other laws. Participant may be required by the Company, as a condition of the effectiveness of any exercise of this Option, to agree in writing that all Common Stock to be acquired pursuant to such exercise shall be held, until such time that such Common Stock is registered and freely tradable under applicable state and federal securities laws, for Participant's own account without a view to any further distribution thereof, that the certificates for such shares shall bear an appropriate legend to that effect and that such shares will be not transferred or disposed of except in compliance with applicable state and federal securities laws.

c. **Mergers, Recapitalizations, Stock Splits, Etc.** Pursuant and subject to Section 12 of the Plan, certain changes in the number or character of the Common Stock of the Company (through sale, merger, consolidation, exchange, reorganization, divestiture (including a spin-off), liquidation, recapitalization, stock split, stock dividend or otherwise) shall result in an adjustment, reduction or enlargement, as appropriate, in Participant's rights with respect to any unexercised portion of the Option (i.e., Participant shall have such "anti-dilution" rights under the Option with respect to such events, but shall not have "preemptive" rights).

d. **Shares Reserved**. The Company shall at all times during the option period reserve and keep available such number of shares as will be sufficient to satisfy the requirements of this Agreement.

e. **Withholding Taxes**. In order to permit the Company to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to insure that, if necessary, all applicable federal or state payroll, income or other taxes are withheld from any amounts payable by the Company to the Participant. If the Company is unable to withhold such federal and state taxes, for whatever reason, the Participant hereby agrees to pay to the Company an amount equal to the amount the Company would otherwise be required to withhold under federal or state law.

Subject to such rules as the Administrator may adopt, the Administrator may, in its sole discretion, permit Participant to satisfy such withholding tax obligations, in whole or in part (i) by delivering shares of Common Stock of having an equivalent fair market value, or (ii) by electing to have the Company withhold shares of Common Stock otherwise issuable to Participant having a fair market value equal to the minimum amount required to be withheld for tax purposes. Participant's election to have shares withheld for purposes of such withholding tax obligations shall be made on or before the date that triggers such obligations or, if later, the date that the amount of tax to be withheld is determined under applicable tax law. Participant's election shall be approved by the Administrator and otherwise comply with such rules as the Administrator may adopt to assure compliance with Rule 16b-3 or any successor provision, as then in effect, of the General Rules and Regulations under the Securities and Exchange Act of 1934, if applicable.

f. **Nontransferability**. During the lifetime of Participant, the accrued Option shall be exercisable only by Participant or by the Participant's guardian or other legal representative, and shall not be assignable or transferable by Participant, in whole or in part, other than by will or by the laws of descent and distribution.

g. **2005 Equity Incentive Plan**. The Option evidenced by this Agreement is granted pursuant to the Plan, a copy of which Plan has been made available to Participant and is hereby incorporated into this Agreement. This Agreement is subject to and in all respects limited and conditioned as provided in the Plan. The Plan governs this Option. In the event of any questions as to the construction of this Agreement or in the event of a conflict between the Plan and this Agreement, the Plan shall govern, except as the Plan otherwise provides.

h. **Lockup Period Limitation**. Participant agrees that in the event the Company advises Participant that it plans an underwritten public offering of its Common Stock in compliance with the Securities Act of 1933, as amended, and that the underwriter(s) seek to impose restrictions under which certain shareholders may not sell or contract to sell or grant any option to buy or otherwise dispose of part or all of their stock purchase rights of the underlying Common Stock, Participant hereby agrees that for a period not to exceed 180 days from the prospectus, Participant will not sell or contract to sell or grant an option to buy or otherwise dispose of this option or any of the underlying shares of Common Stock without the prior written consent of the underwriter(s) or its representative(s).

i. **Blue Sky Limitation**. Notwithstanding anything in this Agreement to the contrary, in the event the Company makes any public offering of its securities and determines in its sole discretion that it is necessary to reduce the number of issued but unexercised stock purchase rights so as to comply with any state securities or Blue Sky law limitations with respect thereto, the Board of Directors of the Company shall have the right to (i) accelerate the exercisability of this Option and the date on which this Option must be exercised, provided that the Company gives Participant 15 days' prior written notice of such acceleration, and (ii) cancel any portion of this Option or any other option granted to Participant pursuant to the Plan which is not exercised prior to or contemporaneously with such public offering. Notice shall be deemed given when delivered personally or when deposited in the United States mail, first class postage prepaid and addressed to Participant at the address of Participant on file with the Company.

j. **Accounting Compliance**. Participant agrees that, in the event of a merger, reorganization, liquidation or other "transaction" as defined in Section 12 of the Plan, and

Participant is an "affiliate" of the Company or any Affiliate (as defined in applicable legal and accounting principles) at the time of such transaction, Participant will comply with all requirements of Rule 145 of the Securities Act of 1933, as amended, and the requirements of such other legal or accounting principles, and will execute any documents necessary to ensure such compliance.

k. **Stock Legend**. The Administrator may require that the certificates for any shares of Common Stock purchased by Participant (or, in the case of death, Participant's successors) shall bear an appropriate legend to reflect the restrictions of Paragraph 4(b) and Paragraphs 4(h) through 4(j) of this Agreement; provided, however, that failure to so endorse any of such certificates shall not render invalid or inapplicable Paragraph 4(j).

l. **Scope of Agreement**. This Agreement shall bind and inure to the benefit of the Company, its Affiliates and its successors and assigns and Participant and any successor or successors of Participant permitted by Paragraph 2 or Paragraph 4(f) above.

m. **Additional Transfer Restrictions and Rights**. Exhibit A attached hereto sets forth additional transfer restrictions and rights applicable to the shares of Stock issued or issuable to Participant under this Agreement. Notwithstanding anything to the contrary in this Agreement, the Company expressly reserves the right to amend this Agreement without Participant's consent to the extent necessary or desirable to comply with Code Section 409A, and the regulations, notices and other guidance of general applicability issued thereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

TITAN MACHINERY INC.

By: _____

Its: _____

_____

Participant

EXHIBIT A

I. Right of First Refusal.

A. Notice to Company. Participant shall not sell, assign, give, bequest or otherwise transfer or dispose of any shares of Common Stock acquired through the exercise of this Option without first giving written notice to the Company of Participant's intent to sell, transfer or otherwise dispose of such Stock. Such notice shall specify the number of shares of Common Stock that Participant intends to sell or transfer. The Company shall have the right to repurchase all, but not part, of such Stock at any time within thirty (30) days after the date it receives such notice of sale at a price determined pursuant to Section I(C) below.

B. Exercise of First Refusal Right.

1. The Company shall notify Participant, in writing, of the Company's exercise of its right to repurchase the Stock specified in Participant's notice of sale or other transfer. Such notice shall be signed by the President of the Company.

2. As promptly as practicable after the Company's exercise of its right to repurchase the Stock specified in the Participant's notice, the Company shall deliver to Participant a lump-sum cash payment equal to the purchase price determined under Section I(C) below, and Participant shall deliver the stock certificates representing such Stock, properly endorsed for transfer in blank, to the Company for cancellation.

3. If the Company notifies Participant, in writing, that the Company will not exercise its right to repurchase the Stock specified in Participant's notice, or if the Board fails to exercise the Company's right to repurchase such Stock during the thirty-day period described above, the Company's right to repurchase such Stock will lapse and Participant shall have the right to sell or transfer the Stock specified in Participant's notice for a period of sixty (60) days thereafter, subject to any restrictions imposed by applicable securities laws. If Participant does not sell or transfer such Stock within this sixty-day period, all of the provisions of this Section I shall again apply.

4. If the Company notifies Participant, in writing, that the Company will not exercise its right to repurchase the Stock specified in Participant's notice, or if the Company fails to exercise the Company's right to repurchase such Stock during the thirty-day period described above, and such Stock is subsequently sold or otherwise transferred, the restrictions contained in this Section I shall not apply to the Stock so transferred; provided, however, the purchaser or transferee shall be subject to all restrictions that generally apply to shareholders of the Company, including but not limited to restrictions on the pledge, encumbrance, sale, assignment, transfer, gift, or disposition of any Stock.

C. Purchase Price for Stock. If the Company exercises its right to repurchase the Stock specified in Participant's notice, the Company shall pay Participant an amount equal to the price offered in the proposed transaction giving rise to such right of repurchase, provided,

however, that if such proposed transaction is not a bona fide sale on arms-length terms, then the Company shall pay Participant an amount equal to the Fair Market Value of the Company's Common Stock, as defined in the Plan.

II. Right to Repurchase Upon Termination of Employment.

A. Termination of Employment. Upon termination of Participant's employment for any reason, including disability or death, the Company shall have the right and option purchase all, but not part, of the shares of Stock owned by Participant as of the date of such termination (the "*Termination Call*"). If the Company wishes to exercise the Termination Call, the Company shall notify Participant (or, in the event of Participant's death, the legal representatives of Participant's estate), in writing, of the Termination Call within 120 days after termination of Participant's employment for any reason.

B. Exercise of Termination Call. Within ninety (90) days after exercise of the Termination Call, the Company shall deliver to Participant a lump-sum cash payment equal to the purchase price determined under Section II(C) below, and Participant shall deliver the stock certificates representing such Stock, properly endorsed for transfer in blank, to the Company for cancellation.

C. Purchase Price. The Company shall pay Participant an amount equal to the Fair Market Value of the Company's Common Stock, as defined in the Plan, as of the date

of Participant's termination of employment.

D. **Exercise of Participant's Option**. If Participant proposes to exercise the Participant's Option after termination of Participant's employment for any reason, and subject to Participant's payment of option price, notwithstanding anything to the contrary set forth in this Agreement, the Company may defer issuance of the stock certificate representing the shares subject to Participant's option so purchased by Participant until after expiration of the period for exercise of the Termination Call, and if the Company exercises the Termination Call, the Company shall not be obligated to issue the stock certificate.

III. **General**.

A. **Stock Legend**. The Administrator may require that the certificates for any shares of Common Stock purchased by Participant (or, in the case of death, Participant's successors) shall bear an appropriate legend to reflect the restrictions of this Exhibit; provided, however, that failure to so endorse any of such certificates shall not render invalid or inapplicable this Exhibit.

B. **Termination of Exhibit**. This Exhibit shall terminate upon the earliest to occur of (i) written notice of termination by the Company to the Participant, and (ii) a registered public offering of the Company's Common Stock.

RESTRICTED STOCK AGREEMENT

TITAN MACHINERY INC.
2005 EQUITY INCENTIVE PLAN

THIS AGREEMENT, made effective as of this day of , 2005, by and between Titan Machinery Inc., a North Dakota corporation (the "*Company*"), and ("*Participant*").

W I T N E S S E T H:

WHEREAS, the Participant on the date hereof is a key employee or officer of the Company or one of its Affiliates; and

WHEREAS, the Company wishes to grant a restricted stock award to Participant for shares of the Company's Common Stock pursuant to the Company's 2005 Equity Incentive Plan (the "*Plan*"); and

WHEREAS, the Administrator of the Plan has authorized the grant of a restricted stock award to the Participant;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

1. **Grant of Restricted Stock Award**.

a. The Company hereby grants to Participant on the date set forth above (the "*Date of Award*") a restricted stock award (the "*Award*") for ( ) shares of Common Stock (the "*Stock*") on the terms and conditions set forth herein, and subject to adjustment pursuant to Section 12 of the Plan.

b. The Company shall cause to be issued a stock certificate representing such shares of Stock in the Participant's name, and shall deliver such certificate to the Participant; provided, however, that the Company shall place a legend on such certificate describing the risks of forfeiture and other transfer restrictions set forth in this Agreement and providing for the cancellation and return of such certificate if such shares of Common Stock are forfeited as provided in Section 2 below. Until such risks of forfeiture have lapsed or the shares subject to this Award have been forfeited pursuant to Section 2 below, the Participant shall be entitled to vote the shares represented by such stock certificates and shall receive all dividends attributable to such shares, but the Participant shall not have any other rights as a shareholder with respect to such shares.

2. **Vesting of Restricted Stock**.

a. The shares of Stock subject to this Award shall remain forfeitable until the vesting dates set forth below:

Vesting Date	Percentage of Shares

If the Participant's employment with the Company is terminated for any reason, including the Participant's voluntary resignation or retirement but excluding termination by the Company without "cause," at any time prior to the vesting date for the Award, the Participant shall immediately forfeit all shares of Stock subject to this Award. If the Participant's employment is terminated by the Company without "cause" prior to the vesting date for this Award, all risks of forfeiture on the shares of Stock subject to this Award shall immediately lapse.

b. Solely for purposes of this Paragraph 2(b), "*cause*" shall mean (i) Participant charged with a felony or convicted of any criminal misdemeanor or more serious act; (ii) any intentional and/or willful act of fraud or dishonesty by Participant related to or connected with Participant's employment by the Company or any of its Affiliates; (iii) the willful and/or continued failure, neglect or refusal by Participant to perform his or her employment duties with the Company or any of its Affiliates, (iv) a material violation of the Participant's or an Affiliate's policies or codes of conduct; or (v) the willful and/or material breach by Participant of any agreement between Participant and the Company or any of its Affiliates, including but not limited to an employment agreement or a noncompetition agreement.

3. **Miscellaneous**.

a. **Employment-at-Will**. This Agreement shall not confer on Participant any right with respect to continuance of employment by the Company or any of its Affiliates, nor will it interfere in any way with the right of the Company to terminate such employment. Participant's employment relationship with the Company and its Affiliates shall be employment-at-will, and nothing in this Agreement shall be construed as creating an employment contract for any specified term between Participant and the Company or any Affiliate.

b. **Securities Law Compliance**. Participant shall not transfer or otherwise dispose of the shares of Stock received pursuant to this Agreement until such time as counsel to the Company shall have determined that such transfer or other disposition will not violate any state or federal securities laws. The Participant may be required by the Company, as a condition of the effectiveness of this restricted stock award, to agree in writing that all Stock subject to this Agreement shall be held, until such time that such Stock is registered and freely tradable under applicable state and federal securities laws, for Participant's own account without a view to any further distribution thereof, that the certificates for such shares shall bear an appropriate legend to that effect and that such shares will be not transferred or disposed of except in compliance with applicable state and federal securities laws.

c. **Mergers, Recapitalizations, Stock Splits, Etc.** Pursuant and subject to Section 12 of the Plan, certain changes in the number or character of the Common Stock of the Company (through sale, merger, consolidation, exchange, reorganization, divestiture (including a spin-off), liquidation, recapitalization, stock split, stock dividend or otherwise) shall result in an adjustment, reduction or enlargement, as appropriate, in Participant's rights with respect to the shares of Stock subject to this Agreement.

d. **Shares Reserved**. The Company shall at all times during the term of this Agreement reserve and keep available such number of shares as will be sufficient to satisfy the requirements of this Agreement.

e. **Withholding Taxes**. In order to permit the Company to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to insure that, if necessary, all applicable federal or state payroll, income or other taxes are withheld from any amounts payable by the Company to the Participant. If the Company is unable to withhold such federal and state taxes, for whatever reason, the Participant hereby agrees to pay to the Company an amount equal to the amount the Company would otherwise be required to withhold under federal or state law.

f. **2005 Equity Incentive Plan**. The Award evidenced by this Agreement is granted pursuant to the Plan, a copy of which Plan has been made available to Participant and is hereby incorporated into this Agreement. This Agreement is subject to and in all respects limited and conditioned as provided in the Plan. The Plan governs this Agreement, and, in the event of any questions as to the construction of this Agreement or in the event of a conflict between the Plan and this Agreement, the Plan shall govern.

g. **Blue Sky Limitation**. Notwithstanding anything in this Agreement to the contrary, in the event the Company makes any public offering of its securities and

determines, in its sole discretion, that it is necessary to reduce the number of issued but unexercised stock purchase rights so as to comply with any state securities or Blue Sky law limitations with respect thereto, the Board of Directors of the Company shall accelerate the vesting of this restricted stock award, provided that the Company gives Participant 15 days' prior written notice of such acceleration. Notice shall be deemed given when delivered personally or when deposited in the United States mail, first class postage prepaid and addressed to Participant at the address of Participant on file with the Company.

h. **Accounting Compliance**. Participant agrees that, if a merger, reorganization, liquidation or other "transaction" as defined in Section 12 of the Plan occurs, and Participant is an "affiliate" of the Company or any Affiliate (as defined in applicable legal and accounting principles) at the time of such transaction, Participant will comply with all requirements of Rule 145 of the Securities Act of 1933, as amended, and the requirements of such other legal or accounting principles, and will execute any documents necessary to ensure such compliance.

i. **Stock Legend**. The Administrator may require that the certificates for any shares of Common Stock issued to Participant (or, in the case of death, Participant's successors)

shall bear an appropriate legend to reflect the restrictions of this Agreement; provided, however, that failure to so endorse any of such certificates shall not render invalid or inapplicable provisions of this Agreement.

j. **Scope of Agreement**. This Agreement shall bind and inure to the benefit of the Company, its Affiliates and its successors and assigns and Participant and any successor or successors of Participant permitted by this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

TITAN MACHINERY INC.

By: _____

Its: _____

_____

Participant

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the use in this Amendment No.2 to the Registration Statement on Form S-1 of Titan Machinery Inc. of our report dated October 9, 2007, relating to our audits of the financial statements of Titan Machinery Inc. as of January 31, 2006 and 2007, and for each of the years in the three year period ended January 31, 2007.

We also consent to the reference to our firm under the caption "Experts" in this Registration Statement.

/s/ Eide Bailly LLP

Minneapolis, Minnesota
October 10, 2007