As filed with the Securities and Exchange Commission on November 27, 2007

Registration No. 333-145526

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 5 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 $0.00001 per share	$57,902,500	$1,778

(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.

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.

EXPLANATORY NOTE

This Amendment No. 5 to the Registration Statement on Form S-1 of Titan Machinery Inc. is filed solely for the purpose of filing Exhibits 3.1, 3.2, 4.2, 4.3, 4.4, 4.5, 5.1, 10.2, 10.3, 10.25, 10.26, 10.27, 10.28, 10.29, 10.30, 10.31, 10.32, 10.33, 10.34, and 10.35, thereto.

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	$ 1,778
FINRA fee	$ 6,290
Nasdaq Global Market listing fee	$ 100,000
Blue sky fees and expenses	$ 1,000
Legal fees and expenses	$ 400,000
Accounting fees and expenses	$ 60,000
Printing expenses	$ 200,000
Transfer agent and registrar fees and expenses	$ 20,000
Miscellaneous	$ 210,932
Total	$ 1,000,000

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 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 will receive no proceeds in connection with this exchange. Each of these debenture holders is an accredited investor.

8. On August 1, 2007, we issued 1,914 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. 5 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 27th day of November, 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)	November 27, 2007
* Peter Christianson	President, Chief Financial Officer and Director (principal financial and accounting officer)	November 27, 2007
* Gordon Paul Anderson	Director	November 27, 2007
* John Bode	Director	November 27, 2007
* Tony Christianson	Director	November 27, 2007
* James Irwin	Director	November 27, 2007
* James Williams	Director	November 27, 2007

* /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.
4.2	Common Stock Purchase Warrant, dated April 7, 2003, in favor of Cherry Tree Securities, LLC.
4.3	Common Stock Purchase Warrant, dated August 1, 2004, in favor of Cherry Tree Securities, LLC.
4.4	Common Stock Purchase Warrant, dated April 15, 2005, in favor of Titan Income Holdings, LLLP.
4.5	Common Stock Purchase Warrant, dated February 15, 2005, in favor of Titan Income Holdings, LLLP.
5.1	Opinion of Fredrikson & Byron, P.A.
10.1***	2005 Equity Incentive Plan.**
10.2	Employment Agreement, dated November 14, 2007, between David Meyer and the registrant.**
10.3	Employment Agreement, dated November 14, 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 registrant and the individuals listed on Schedule A.
10.21***	Amendment No. 1 to Shareholder Rights Agreement, dated January 31, 2006, by and between the registrant 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.
10.25	Amended and Restated Wholesale Floorplan Credit Facility and Security Agreement, dated November 13, 2007, between CNH Capital America LLC and the registrant.
10.26	Consent and Agreement, dated November 13, 2007, between CNH Capital America LLC and the registrant.
10.27	Amendment to Case IH Agricultural Equipment Sales and Service Agreement, dated November 14, 2007, between CNH America LLC and Red Power International, Inc.
10.28	Amendment to Case IH Agricultural Equipment Sales and Service Agreements, dated November 14, 2007, between CNH America LLC and the registrant.
10.29	Amendment to Case Construction Equipment Sales and Service Agreements, dated November 14, 2007, between CNH America LLC and the registrant.
10.30	Amendment to Kobelco Construction Machinery America LLC Dealer Agreement, dated November 14, 2007, between Kobelco Construction Machinery America LLC and the registrant.
10.31	Amendment to CNH America LLC Dealer Agreement for New Holland Construction Products, dated November 14, 2007, between CNH America LLC and the registrant.
10.32	Amendment to CNH America LLC Dealer Agreement for New Holland Agricultural Equipment, dated November 14, 2007, between CNH America LLC and the registrant.
10.33	Recapitalization Agreement, dated effective August 16, 2007, among the registrant, David J. Meyer, C.I. Farm Power, Inc., Peter Christianson, Adam Smith Growth Partners, L.P., Adam Smith Companies, LLC, Tony J. Christianson, Adam Smith Activist Fund, LLC, David Christianson and Earl Christianson.
10.34	Form of Director and Officer Indemnification Agreement.
10.35	Agreement, dated July 17, 2007, between Cherry Tree Securities, LLC and the registrant.
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.

CERTIFICATE OF INCORPORATION
OF
TITAN MACHINERY INC.

The undersigned, being of full age, for the purpose of forming a corporation under and pursuant to the General Corporation Law of the State of Delaware (the "DGCL"), as amended, hereby adopts the following Certificate of Incorporation:

ARTICLE 1 - - NAME

The name of the corporation is Titan Machinery Inc.

ARTICLE 2 - - REGISTERED OFFICE AND AGENT

The registered office of the corporation in the State of Delaware is 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent, Delaware 19904. The name of its registered agent at such address is National Registered Agents, Inc.

ARTICLE 3 - - PURPOSES

The nature of the business or purposes to be conducted or promoted by the corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE 4 - - CAPITAL STOCK

4.1) The aggregate number of shares the corporation has authority to issue shall be 30,000,000 shares, which shall have a par value of $0.00001 per share, and which shall consist of 25,000,000 shares of common stock and 5,000,000 undesignated shares. The Board of Directors has the authority, without first obtaining approval of the stockholders of the corporation or any class thereof, to establish from the undesignated shares, by resolution adopted and filed in the manner provided by law, one or more series of preferred stock and to fix the powers, preferences, rights and limitations of such class or series.

4.2) No holder of shares of the corporation of any class now or hereafter authorized has any preferential or preemptive right to subscribe for, purchase or receive any shares of the corporation of any class now or hereafter authorized, or any options or warrants for such shares, which may at any time be issued, sold or offered for sale by the corporation.

4.3) No holder of shares of the corporation of any class now or hereafter authorized shall be entitled to cumulative voting.

ARTICLE 5 - - MEETINGS AND BOOKS

5.1) Meetings of the stockholders may be held within or outside the State of Delaware, as the Bylaws may provide. Elections of directors need not be by written ballot unless and except to the extent that the Bylaws so provide.

5.2) Special Meetings of stockholders of the corporation may be called upon notice provided in accordance with this Certificate of Incorporation by the Chairman of the Board of Directors, the Chief Executive Officer, the President or the Board of Directors pursuant to a resolution approved by the Board of Directors.

5.3) The books of the corporation may be kept within or (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the corporation.

ARTICLE 6 – GOVERNING BODY

6.1) The governing body of this corporation shall be known as the Board of Directors, and the number of directors of the corporation may from time to time be increased or decreased in such manner as shall be provided by the Bylaws of the corporation. The exact number of directors shall be fixed from time to time pursuant to a resolution adopted by the directors or as provided in the Bylaws of the corporation.

6.2) The Board of Directors shall be and is divided into three (3) classes: Class I, Class II and Class III. In the event of any increase or decrease in the authorized number of directors, (i) each director then serving as such shall nevertheless continue as a director of the class of which he is a member until the expiration of his current term, subject to his earlier death, resignation or removal, and (ii) the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to maintain the number of directors in each class as nearly equal as is reasonably possible. To the extent possible, any newly created directorships shall be added to those classes whose terms of office are to expire at the latest dates following such allocation, and any newly eliminated directorships shall be subtracted from those classes whose terms of offices are to expire at the earliest dates following such allocation, unless otherwise provided from time to time by resolution adopted by the Board of Directors.

6.3) Elections of directors need not be by written ballot except as and to the extent provided in the Bylaws of the corporation.

6.4) Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was

elected; *provided*, that each initial director in Class I shall serve for a term expiring at the corporation's annual meeting held in 2008; each initial director in Class II shall serve for a term expiring at the corporation's annual meeting held in 2009; and each initial director in Class III shall serve for a term expiring at the corporation's annual meeting held in 2010; *provided, further*, that the term of each director shall continue until the election and qualification of his successor and shall be subject to his earlier death, resignation or removal.

6.5) Directors may only be removed for cause, except as otherwise required by law, by the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the shares entitled to vote generally in the election of directors. Except as required by law or the provisions of this Certificate of Incorporation, all vacancies on the Board of Directors and newly-created directorships shall be filled by the Board of Directors. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor.

6.6) Notwithstanding the foregoing provisions of this Article 6, whenever the holders of one or more classes established by the Board of Directors from the undesignated shares authorized by this Certificate of Incorporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships, including whether such directors so elected shall not be divided into classes pursuant to this Article 6, shall, to the extent inconsistent with this Article 6, be governed by the terms of the certificate of designation applicable thereto.

ARTICLE 7 - - INCORPORATOR

The name and mailing address of the incorporator are as follows:

David Meyer — Titan Machinery Inc.
4876 Rocking Horse Circle
Fargo, ND 58104-6049

ARTICLE 8 – LIMITATION OF DIRECTOR LIABILITY

To the fullest extent permitted by the DGCL, as the same exists or may hereafter be amended, a director of this corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Any repeal or modification of the foregoing provisions of this Article 8 by the stockholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ARTICLE 9 - - BYLAWS

In furtherance of and not in limitation of the power conferred by statute, the Board of Directors is expressly authorized to make, alter, amend or repeal the Bylaws of the corporation. The Bylaws of the corporation may be altered, amended or repealed, or new Bylaws may be adopted, by the Board of Directors in accordance with the preceding sentence or at any annual or special meeting of stockholders by the vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the shares of the corporation entitled to vote generally in the election of directors; *provided,* that if such alteration, amendment, repeal or adoption of new Bylaws is effected at a duly called special meeting of stockholders, notice of such alteration, amendment, repeal or adoption of new Bylaws is contained in the notice of such special meeting.

ARTICLE 10 - STOCKHOLDER ACTION

Any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of stockholders of the corporation and may not be effected by any consent in writing by such stockholders pursuant to Section 228 of the DGCL or any other provision of the DGCL.

ARTICLE 11 – AMENDMENTS

The Board of Directors may adopt a resolution proposing to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the shares of the corporation entitled to vote generally in the election of directors shall be required to amend, alter or repeal, or to adopt any provision inconsistent with, Articles 5, 6, 8, 9, 10 and 11 of this Certificate of Incorporation.

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the DGCL, does make this Certificate, hereby declaring and certifying that this is his act and deed and the facts herein stated are true, and accordingly has hereunto set his hand this day of , 2007.

David Meyer

BYLAWS
OF
TITAN MACHINERY INC.

ARTICLE 1.

OFFICES

The registered office of the corporation shall be located at 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent, Delaware 19904. The corporation may also have offices and places of business at such other places, within or without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE 2.

MEETINGS OF STOCKHOLDERS

2.1) Time and Place. The annual meeting and all special meetings of stockholders may be held at such time and place within or without the State of Delaware as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. The Board of Directors may, in its sole discretion, determine that stockholder meetings shall not be held at any place, but may instead be held solely by means of remote communication in accordance with Section 211(a)(2) of the Delaware General Corporation Law. If authorized by the Board o f Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxy holders not physically present at a meeting of stockholders may, by means of remote communication (a) participate in a meeting of stockholders; and (b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication; *provided,* that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder; (ii) the corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (iii) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

2.2) Annual Meetings. The annual meeting of stockholders shall be held on such day of such month of each year as shall be determined by the Board of Directors or, if the Board shall fail to act, by the Chief Executive Officer or President. At the annual meeting the stockholders, voting as provided in the Certificate of Incorporation or by law or in these Bylaws, shall elect directors and shall transact such other business as may properly be brought before the meeting.

2.3) Special Meetings. A special meeting of the stockholders may be called only as provided in the corporation's Certificate of Incorporation (including any certificates of designation filed pursuant thereto). Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting.

2.4) Notice. Written notice of the place, date and hour of any annual or special meeting of stockholders shall be given personally or by mail to each stockholder entitled to vote thereat, at such stockholder's address as it appears on the records of the corporation, not less than ten (10) nor more than sixty (60) days prior to the meeting. Notice of any special meeting shall state the purpose or purposes for which the meeting is called. Notice of the time, place and purpose of any meeting of stockholders may be wa ived in writing, either before or after such meeting, and to the extent permitted by law, will be waived by any stockholder by his attendance thereat, in person or by proxy. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

2.5) Stockholder List. The officer who has charge of the stock ledger of the corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for at least ten (10) days prior to the meeting, at a place within the city where the meeting is to be held. The list shall also be produced at the time and place of the meeting, and open for inspection by any stockholder during the meeting.

2.6) Quorum and Adjourned Meetings. The holders of a majority of all shares outstanding and entitled to vote, represented either in person or by proxy, shall constitute a quorum for the transaction of business at any annual or special meeting of the stockholders. In case a quorum is not present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat present in person or represented by proxy shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented; *provided*, *however*, that if the adjournment is for more than thirty (30) days or if after the adjournment a new record date is set for the adjourned session, notice of any such adjourned session shall be given in the manner heretofore described. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting.

2.7) Voting. At each meeting of the stockholders, every stockholder having the right to vote shall be entitled to vote in person or by proxy. Except as otherwise provided by law or the Certificate of Incorporation, each stockholder of record shall be entitled to one (1) vote for each share of stock having voting power standing in his name on the books of the corporation. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all matters shall be determined by vote of a majority of the shares present or represented at such meeting and entitled to vote voting on such questions.

2.8) Nominations and other Business.

(a) Annual Meetings of Stockholders.

(i) Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (A) by or at the direction of the Chairman of the Board or the Board of Directors generally, (B) pursuant to the corporation's notice of meeting (or any supplement thereto) or (C) by any stockholder of the corporation who is entitled to vote at the meeting and who complies with the notice procedures set forth in clauses (ii) and (iii) of this paragraph and who was a stockholder of record at the time such notice is delivered to the Secretary of the corporation.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder, pursuant to clause (C) of paragraph 2.8 (a)(i) of these Bylaws (or before a special meeting of stockholders pursuant to paragraph 2.8(b) of these Bylaws), the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and any such proposed business other than the nominations of persons for election to the Board of Directors must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not less than one hundred and twenty days prior to the date of the corporation's proxy statement released to stockholders in connection with the preceding year's annual meeting; *provided*, *however*, that if the corporation did not hold an annual meeting the preceding year or if the date of the annual meeting is changed by more than thirty days from the date of the preceding year's annual meeting, to be timely, notice by the stockholder must be delivered not later than the close of business on the tenth day following the day on which public notice of the date of such annual meeting is made by the corporation. In no event shall the adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in each case including any successor rule or regulation thereto, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and of any beneficial owner on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and any beneficial owner on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the corporation's books, and the name, address and phone number of such beneficial owner, (2) the number and class of shares of capital stock of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (3) a description of any and all arrangements or understandings between such stockholder and such beneficial owner, (4)

a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and (5) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (A) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (B) otherwise to solicit proxies from stockholders in support of such proposal or nomination. The foregoing notice requirements shall be deemed satisfied by a stockholder if the stockholder has notified the corporation of his or her intention to present a proposal at an annual meeting in compliance with Rule l4a-8 (or any successor thereof) promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the corporation to solicit proxies for such annual meeting. The corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the corporation.

(iii) Notwithstanding anything in the second sentence of paragraph 2.8(a)(ii) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement made by the corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred and twenty days prior to the date of the corporation's proxy statement released to stockholders in connection with the preceding year's annual meeting, a stockholder's notice under this paragraph shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the corporation.

(b) Special Meetings of Stockholders. Only such business as shall have been brought before the special meeting of the stockholders pursuant to the notice or waiver of notice of the meeting shall be conducted at such meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the notice or waiver of notice of the meeting (A) by or at the direction of the Board of Directors or (B) provided that the Board of Directors has determined that directors shall be elected pursuant to the corporation's notice of meeting, by any stockholder of the corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in these Bylaws and who is a stockholder of record at the time such notice is delivered to the Secretary of the corporation. Nominations by stockholders of persons for election to the Board of Directors may be made at such special meeting of stockholders if the stockholder's notice as required by paragraph 2.8(a)(ii) of these Bylaws shall be delivered to the Secretary at the principal executive offices of the corporation within a reasonable time before the corporation prints and mails its proxy materials in connection with such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be

elected at such meeting. In no event shall the adjournment of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(c) General.

(i) Other than as set forth in Section 3.8 of these Bylaws, only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in these Bylaws. Except as otherwise provided by law or by the corporation's Certificate of Incorporation, as amended, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded.

(ii) The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting.

(iii) In advance of any meeting of stockholders, the Board of Directors shall appoint one or more inspectors to act at the meeting and make a written report thereof and may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability and may perform such other duties not inconsistent herewith as may be requested by the corporation.

(iv) For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, PR Newswire, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Exchange Act.

(v) Notwithstanding the foregoing provisions of these Bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these Bylaws. Nothing in these Bylaws shall be deemed to affect any right of (A) a stockholder to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (B) the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation, as amended.

2.9) Order of Business. The suggested order of business at the annual meeting and, to the extent appropriate, at all other meetings of the stockholders shall, unless modified by the presiding chairman, be:

(a) Call of roll
(b) Proof of due notice of meeting or waiver of notice
(c) Determination of existence of quorum
(d) Reading and disposal of any unapproved minutes
(e) Annual reports of officers and committees
(f) Election of directors
(g) Unfinished business
(h) New business
(i) Adjournment.

ARTICLE 3.

DIRECTORS

3.1) Number, Election, Qualification and Term of Office. The Board of Directors shall consist of three or more members. The number of directors may be increased or decreased from time to time exclusively by action of the Board of Directors; *provided*, that the number of directors shall not be decreased below three. Except as provided in Section 3.2 of these Bylaws, directors shall be elected by a plurality of the votes of the stockholders present in person or represented by written proxy at the annual meeting. Each director so elected shall hold office until the next annual stockholders' meeting (or in the case of a classified or staggered Board of Directors, until the annual stockholders' meeting at which such director's class is up for re-election) and until said director's successor is duly elected and qualified, or until his or her earlier death, resignation, or removal.

3.2) Vacancies on Board of Directors. Vacancies on the Board of Directors, whether occurring by reason of death, resignation, disqualification or removal of a director or from an increase in the number of directors, shall be filled in the manner set forth in the corporation's Certificate of Incorporation.

3.3) Quorum and Voting. A majority of the total number of directors shall constitute a quorum for the transaction of business; *provided*, *however*, that if any vacancies exist by reason of death, resignation, disqualification, removal or otherwise, a majority of the remaining directors shall constitute a quorum for the purpose of filling of such vacancies. Except as otherwise required by law or the Certificate of Incorporation, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

3.4) Board Meeting; Place and Notice. Meetings of the Board of Directors may be held from time to time at any place within or without the State of Delaware that the Board of Directors may designate. In the absence of designation by the Board of Directors, Board meetings shall be held at the principal executive office of the corporation, except as may be

otherwise unanimously agreed orally, or in writing, or by attendance. Any director may call a Board meeting by giving notice to all directors of the date and time of the meeting, which notice shall be given in sufficient time for the convenient assembly of the directors thereat. The notice need not state the purpose of the meeting, and may be given by mail, telephone, telegram, email or other electronic transmission or in person. If a meeting schedule is adopted by the Board, or if the date and time of a Board meeting has been announced at a previous meeting, no notice is required.

3.5) Compensation. Directors and members of any committee of the Board shall receive only such compensation therefor as may be determined from time to time by resolution of the Board of Directors, or any authorized committee thereof. Nothing herein contained shall be construed to exclude any director from serving the corporation in any other capacity and receiving proper compensation therefor.

3.6) Committees of the Board. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each to consist of one or more of the directors, each of which, to the extent provided in such resolution, shall have and may exercise the authority of the Board in the management of the business of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

3.7) Order of Business. The suggested order of business at any meeting of the Board of Directors shall, to the extent appropriate and unless modified by the presiding chairman, be:

(a) Roll call
(b) Proof of due notice of meeting or waiver of notice, or unanimous presence and declaration by Chief Executive Officer or President
(c) Determination of existence of quorum
(d) Reading and disposal of any unapproved minutes
(e) Reports of officers and committees
(f) Election of officers
(g) Unfinished business
(h) New business
(i) Adjournment.

3.8) Resignations and Removals. Any director may resign at any time by delivering his or her written resignation to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective t the pleasure of the Board of Directors. When one (1) or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office

for the unexpired portion of the term of the director whose place shall be vacated and until his or her successor shall have been duly elected and qualified.

ARTICLE 4.

OFFICERS

4.1) Number and Designation. The Board of Directors shall elect a Chief Executive Officer, a President, a Secretary and a Treasurer, and may elect or appoint a Chairman of the Board, one or more Vice Presidents and such other officers and agents as it may from time to time determine. Any number of offices may be held by the same person.

4.2) Election, Term of Office and Qualifications. Unless otherwise provided at the time of election or appointment, each officer shall hold office until such officer's successor is elected or appointed and shall qualify or until such officer's earlier death or resignation; *provided*, *however*, that any officer may be removed with or without cause by the affirmative vote of a majority of the entire Board of Directors (without prejudice, however, to any contract rights of such officer).

4.3) Vacancies in Offices. If there be a vacancy in any office of the corporation, by reason of death, resignation, removal or otherwise, such vacancy may be filled for the unexpired term by the Board of Directors.

4.4) Chairman of the Board. The Board of Directors may, in its discretion, elect one of its number as Chairman of the Board. Unless the Board shall otherwise decide, the Chairman shall preside at all meetings of the stockholders and of the Board and shall exercise general supervision and direction over the more significant matters of policy affecting the affairs of the corporation, including particularly its financial and fiscal affairs. The Chairman of the Board may call a meeting of the Board whenever the Chairman deems it advisable.

4.5) Chief Executive Officer. The Chief Executive Officer shall have general active management of the business of the corporation. In the absence of the Chairman of the Board, the Chief Executive Officer shall preside at all meetings of the stockholders and Board of Directors. The Chief Executive Officer of the corporation and shall see that all orders and resolutions are carried into effect.

4.6) President. The corporation may also have a President who shall participate in the general active management of the business of the corporation. In the absence of the Chairman of the Board and the Chief Executive Officer, the President shall preside at all meetings of the stockholders and Board of Directors. The President shall assist the Chief Executive Officer of the corporation to see that all orders and resolutions are carried into effect.

4.7) Vice President. Each Vice President shall have such powers and shall perform such duties as may be specified in these Bylaws or

prescribed by the Board of Directors. In the event of absence or disability of the Chief Executive Officer and President, the Board of

Directors may designate a Vice President or Vice Presidents to succeed to the powers and duties of the President until a successor President has been appointed and qualified.

4.8) Secretary. The Secretary shall be secretary of and shall attend all meetings of the stockholders and Board of Directors. The Secretary shall act as clerk and shall record all the proceedings of such meetings in the minute book of the corporation. The Secretary shall give proper notice of meetings of stockholders and directors. The Secretary may, with the Chairman of the Board, Chief Executive Officer, President or Vice President, sign all certificates representing shares of the corporation and shall perform the duties usually incident to the Secretary's office and such other duties as may be prescribed by the Board of Directors from time to time.

4.9) Treasurer. The Treasurer shall keep accurate accounts of all moneys of the corporation received or disbursed, and shall deposit all moneys, drafts and checks in the name of and to the credit of the corporation in such banks and depositories as the Board of Directors shall designate from time to time. The Treasurer shall have power to endorse for deposit the funds of the corporation as authorized by the Board of Directors. The Treasurer shall render to the Chairman of the Board, Chief Executive Officer, President and the Board of Directors, whenever required, an account of all of the Treasurer's transactions as Treasurer and statements of the financial condition of the corporation, and shall perform the duties usually incident to such office and such other duties as may be prescribed by the Board of Directors from time to time.

4.10) Other Officers. The Board of Directors may appoint one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers, agents and employees as the Board may deem advisable. Each officer, agent or employee so appointed shall hold office at the pleasure of the Board and shall perform such duties as may be assigned by the Board, Chairman of the Board, Chief Executive Officer or President.

ARTICLE 5.

SHARES AND THEIR TRANSFER

5.1) Certificated or Uncertificated Stock. Shares of the corporation may be certificated, uncertificated, or a combination thereof. A certificate representing shares of the corporation shall be in such form as the Board may prescribe, certifying the number of shares of stock of the corporation owned by such stockholder. The certificates for such stock shall be numbered (separately for each class) in the order in which they are issued and shall, unless otherwise determined by the Board, be signed by the Chairman and the Secretary or an Assistant Secretary of the corporation, if there be one. Where a certificate is signed (1) by a transfer agent or an assistant transfer agent, or (2) by a transfer clerk acting on behalf of the corporation and a registrar, the signature of any such Chairman, Secretary or Assistant Secretary may be facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on any such certificate or certificates shall cease to be such officer or officers of the corporation before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be adopted by the corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation.

5.2) Stock Record. As used in these Bylaws, the term "stockholder" shall mean the person, firm or corporation in whose name outstanding shares of capital stock of the corporation are currently registered on the stock record books of the corporation. The corporation shall keep, at its principal executive office or at another place or places within the United States determined by the Board, a share register not more than one year old containing the names and addresses of the stockholders and the number and classes of shares held by each stockholder. The corporation shall also keep at its principal executive office or at another place or places within the United States determined by the Board, a record of the dates on which certificates representing shares were issued. Every certificate surrendered to the corporation for exchange or transfer shall be cancelled and no new certificate or certificates shall be issued in exchange for any existing certificate until such existing certificate shall have been so cancelled (except as provided for in Section 5.4 of this Article 5).

5.3) Transfer of Shares. Transfer of shares on the books of the corporation may be authorized only by the registered holder of such shares (or the stockholder's legal representative or duly authorized attorney in fact). In the case of shares represented by a certificate, transfer of such shares shall only occur upon surrender of the certificate duly endorsed, while transfer of uncertificated shares shall only occur upon a stockholder's compliance with such procedures the corporation or its transfer agent may require.

5.4) Lost Certificates. In the event any stockholder claims that a certificate of stock has been lost, stolen or destroyed, a duplicate certificate may be issued in place thereof, upon such terms, including receipt of a bond sufficient to indemnify the corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of such certificate, as the Board of Directors may prescribe.

5.5) Treasury Stock. Treasury stock shall be held by the corporation subject to disposal by the Board of Directors in accordance with the Delaware General Corporation Law, the Certificate of Incorporation and these Bylaws, and shall not have voting rights nor participate in dividends.

ARTICLE 6.

GENERAL PROVISIONS

6.1) Record Dates. In order to determine the stockholders entitled to notice of and to vote at a meeting, or entitled to receive payment of a dividend or other distribution, the Board of Directors may fix a record date which shall not be less than ten (10) days nor more than sixty (60) days preceding the date of such meeting or distribution. In the absence of action by the Board, the record date for determining stockholders entitled to notice of and to vote at

a meeting shall be at the close of business on the day preceding the day on which notice is given, and the record date for determining stockholders entitled to receive a distribution shall be at the close of business on the day on which the Board of Directors authorizes such distribution.

6.2) Dividends. Subject to the provisions of law and of the Certificate of Incorporation, the Board of Directors may declare dividends from the surplus or, if there is no

surplus, the net profits of the corporation whenever and in such amounts as, in its opinion, the condition of the affairs of the corporation shall render it advisable.

6.3) Surplus and Reserves. Subject to the provisions of law, the Board of Directors in its discretion may use and apply any of the capital or surplus of the corporation to purchase or acquire any of the shares of the capital stock of the corporation in accordance with law, or any of its bonds, debentures, notes, scrip or other securities or evidences of indebtedness, or from time to time may set aside from its surplus or net profits such sums as it, in its absolute discretion, may think proper as a reserve fund to meet contingencies, for the purpose of maintaining or increasing the property or business of the corporation, or for any other purpose it may think conducive to the best interests of the corporation.

6.4) Fiscal Year. The fiscal year of the corporation shall be established by the Board of Directors.

6.5) Seal. The corporation shall have such corporate seal or no corporate seal as the Board of Directors shall from time to time determine.

6.6) Securities of Other Corporations.

(a) Voting Securities Held by the Corporation. Unless otherwise ordered by the Board of Directors, the Chief Executive Officer shall have full power and authority on behalf of the corporation (i) to attend and to vote at any meeting of security holders of other companies in which the corporation may hold securities; (ii) to execute any proxy for such meeting; and (iii) to execute a written action in lieu of a meeting of such other company. At such meeting, by such proxy or by such writing in lieu of meeting, the Chief Executive Officer shall possess and may exercise any and all rights and powers incident to the ownership of such securities that the corporation might have possessed and exercised if it had been present. The Board of Directors may, from time to time, confer like powers upon any other person or persons.

(b) Purchase and Sale of Securities. Unless otherwise ordered by the Board of Directors, the Chief Executive Officer shall have full power and authority on behalf of the corporation to purchase, sell, transfer or encumber any and all securities of any other company owned by the corporation which represent not more than ten percent (10%) of the outstanding securities of such other company, and may execute and deliver such documents as may be necessary to effectuate such purchase, sale, transfer or encumbrance. The Board of Directors may, from time to time, confer like powers upon any other person or persons.

ARTICLE 7.

MEETINGS

7.1) Waiver of Notice. Whenever any notice whatsoever is required to be given by these Bylaws, the Certificate of Incorporation or any of the laws of the State of Delaware, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the actual required notice

Attendance by a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

7.2) Participation by Conference Telephone. Members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board of Directors or of such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and communicate with each other, and participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

7.3) Consents. Any action required or permitted to be taken by the Board of Directors, or any committee designated by the Board of Directors, may be taken by written consent signed all members of the Board of Directors, or all members of any committee designated by the Board of Directors. Any such written consent shall be filed with the minutes of the corporation.

ARTICLE 8.

AMENDMENTS

These Bylaws may be adopted, amended or repealed in accordance with the provisions of the corporation's Certificate of Incorporation; *provided*, *however*, that no Bylaw adopted by the stockholders may be amended or repealed by the Board of Directors without the approval of the stockholders.

ARTICLE 9.

INDEMNIFICATION

9.1) Nature of Indemnity and Advancement of Expenses.

(a) Subject to such person meeting the eligibility standards set forth in Section 9.2 below, the corporation shall indemnify to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter may be amended, any person who was or is a party or is threatened to be made a party to any actual or threatened inquiry, investigation, action, suit, arbitration, or any other such actual or threatened action or occurrence, whether civil, criminal, administrative or investigative (except a proceeding initiated by an such person to enforce his or her rights hereunder) (hereinafter, a "Proceeding"), or any appeal from such a Proceeding, by reason of (i) the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the corporation, or (ii) any action taken or omitted, or alleged to have been taken or omitted, in such person's capacity as a director or officer of the corporation. Such indemnification obligation of the corporation shall also extend to any person who is or was serving at the request of the corporation in the capacity of director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another corporation, limited liability company, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, and is a party or is threatened to be made a party by

reason of (i) such capacity or (ii) by reason of any action alleged to have been taken or omitted in such capacity. Persons who are entitled to indemnification under this Section 9.1 are referred to as an "Indemnitee" or "Indemnitees." The corporation shall indemnify Indemnitees against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred by such Indemnitee or on such Indemnitee's behalf in connection with such Proceeding and any appeal therefrom. Further, Indemnitee's rights to indemnification for the period of service to the corporation in a previously described capacity shall continue even after the Indemnitee no longer serves in such capacity, and shall inure to the benefit of his or her heirs, executors and administrators.

(b) Subject to Indemnitee meeting the eligibility standards set forth in Section 9.2 below, all expenses (including attorney's fees) incurred by Indemnitee in advance of the final disposition of any Proceeding shall be paid by the corporation at the request of Indemnitee, each such payment to be made within thirty (30) calendar days after the receipt by the corporation of a statement or statements from Indemnitee requesting such payment or payments from time to time; and *provided*, *however*, that except as provided in Section 9.3 with respect to proceedings seeking to enforce rights to indemnification or advancement of expenses, the corporation shall indemnify and advance expenses to any such person seeking indemnification or advancement in connection with a Proceeding initiated by such person only if such Proceeding initiated by such person was authorized by the Board of Directors of the corporation. Any requests for advancement of expenses provided by Indemnitee shall reasonably evidence the expenses and costs incurred by Indemnitee in connection therewith, and shall include or be accompanied by (i) a written affirmation by such person of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under §145 of the Delaware General Corporation Law, and (ii) a written undertaking by or on behalf of Indemnitee to reimburse such amount if it is finally determined, after all appeals by a court of competent jurisdiction, that Indemnitee is not entitled to be indemnified against such expenses by the corporation, which undertaking to reimburse any such amounts shall not be required by the corporation to be secured.

9.2) Determination of Eligibility for Indemnification and/or Advancement of Expenses.

(a) Standard of Conduct. Indemnitee shall be eligible for indemnification and/or advancement of expenses (subject to the provision of an undertaking in compliance with Section 9.1(b) above in the case of a request to advance expenses), only upon a determination, (based on the facts then known in the case of a request for advancement of expenses), that Indemnitee acted in good faith and in a manner Indemnitee 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 that Indemnitee's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the corporation, or, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful. In the event of a guilty plea by Indemnitee, Indemnitee shall remain eligible for indemnification;

provided, *however*, that following such plea Indemnitee requests indemnification with a good faith belief that Indemnitee is eligible for indemnification under this Section 9.2(a). Indemnitee's eligibility for indemnification shall be determined as set forth in Section 9.2(b)(i)-(iv) below. If, in reviewing Indemnitee's plea and the facts and circumstances relating to such plea, the decision-maker identified in Sections 9.2(b)(i)-(iv) below determines that Indemnitee has met the standard of conduct set forth in this Section 9.2(a) and thus is entitled to indemnification for any items set forth in Section 9.1(a) above, then the corporation shall indemnify Indemnitee in accordance with the decision-maker's determination.

(b) Manner of Determining Eligibility. Upon Indemnitee's written request for indemnification or advancement of expenses, the entitlement of Indemnitee to such requested indemnification or advancement of expenses shall be determined by:

(i) the Board of Directors of the corporation by a majority vote of the directors who are not a party to such action, suit or proceeding, whether or not such majority constitutes a quorum; or

(ii) a committee of such directors designated by majority vote of such directors, whether or not such majority constitutes a quorum; or

(iii) independent legal counsel in a written opinion to the Board of Directors, or designated committee of the Board, with a copy to Indemnitee, which independent counsel shall be selected by majority vote of the corporation's directors at a meeting at which a quorum is present, or a majority vote of the directors who are not a party to such action, suit or proceeding, or a committee of such directors; or

(iv) the corporation's stockholders, by a majority vote of those in attendance at a meeting at which a quorum is present.

(c) Payment of Costs of Determining Eligibility. The corporation shall pay all costs associated with its determination of Indemnitee's eligibility for indemnification or advancement of expenses.

(d) Presumptions and Effect of Certain Proceedings. The corporation's secretary shall, promptly upon receipt of Indemnitee's request for indemnification and/or advancement of expenses, advise in writing the Board of Directors or such other person or persons empowered to make the determination requested in Section 9.2(b), and the corporation shall thereafter promptly make such determination or initiate the appropriate process for making such determination.

9.3) Claim for Unpaid Indemnification. If a claim under Sections 9.1(a) or 9.1(b) of this Article 9 is not paid in full by the corporation within 60 days after a written request for payment has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant also shall be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any such action that the claimant has not met the standards of conduct

which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation.

9.4) Successful Defense. To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any Proceeding referred to in Section 9.1(a) of this Article 9 or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

9.5) Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director or officer of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise against any expense, liability or loss asserted against him or her or incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under this Article 9, *provided,* that such insurance is available on acceptable terms, which determination shall be made by vote of a majority of the Board of Directors.

9.6) Employees and Agents. Persons who are not covered as Indemnitees by the foregoing provisions of this Article 9 and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, may be indemnified to the extent authorized at any time or from time to time by the Board of Directors. The expenses incurred by such employees and agents may also be advanced or paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

9.7) Contract Rights; Individual Agreements Control. The provisions of this Article 9 shall be deemed to be a contract right, and any repeal or modification of this Article 9 or any such law shall not affect any rights or obligations then existing with respect to any state of facts or proceeding then existing. In the event an Indemnitee enters into an agreement with the corporation pertaining to Indemnitee's rights to indemnification and advancement of expenses under Sections 9.1(a) and 9.1(b) respecting Indemnitee's service in one or more of the capacities described in Section 9.1(a), such agreement shall supersede the provisions of this Article 9 as to the subject matter thereof unless otherwise specifically provided in such agreement.

9.8) Severability. If any provision or provisions of this Article 9 are invalidated by any court of competent jurisdiction, then the corporation shall indemnify each affected Indemnitee to the full extent permitted by any remaining valid and applicable provision of this Article 9 to the fullest extent permitted by law.

9.9) Appearance as a Witness. Notwithstanding any other provision of this Article 9, the corporation shall pay or reimburse expenses incurred by an Indemnitee in connection with such Indemnitee's appearance as a witness or other participation in a Proceeding at a time when such Indemnitee is not a named defendant or respondent in the Proceeding.

ARTICLE 10.

ELECTRONIC TRANSMISSION

When used in these Bylaws, the terms "written" and "in writing" shall include any "electronic transmission," as defined in Section 232(c) of the Delaware General Corporation Law, including without limitation any telegram, cablegram, facsimile transmission and communication by electronic mail.

The undersigned, , Secretary of Titan Machinery Inc. hereby certifies that the foregoing Bylaws were duly adopted as the Bylaws of the corporation by the first Board of Directors on , 2007.

_____

, Secretary

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, OR ANY APPLICABLE STATE SECURITIES LAWS. NO SALE OR DISPOSITION OF THIS WARRANT MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION.

Warrant No. 1

Void after April 7, 2013

Date of Issuance: April 7, 2003

Number of Warrant Shares: 8.938

TITAN MACHINERY INC.

COMMON STOCK PURCHASE WARRANT

THIS CERTIFIES THAT, for value received, including, without limitation, the sum of $37.50 as consideration paid for this Warrant, **Cherry Tree Securities, LLC** and its registered assigns (hereinafter called the "Holder") is entitled to purchase from Titan Machinery Inc., a North Dakota corporation (the "Company"), at any time after the date hereof and ending at 5:00 p.m. Central Time on the Expiration Date (as defined in Section 2 below), the number of shares of the Company's Common Stock(the "Warrant Shares") equal to the Number of Warrant Shares (see above). The exercise price per share of this warrant shall be the Warrant Exercise Price (see Section 1 below). This Warrant may be exercised in whole or in part, at the option of the Holder and in accordance with the provisions of Sections 2 and 3 hereof.

1. Defined Terms. "Warrant Exercise Price" means $3.00 per share of Titan Machinery Inc. Common Stock.

2. Termination. This Warrant (and the right to purchase securities upon exercise hereof) shall terminate and expire to the extent not previously exercised at 5:00 p.m. Central Time on April 7, 2013 (the "Expiration Date"). If this Warrant has not been previously exercised in full prior thereto, the Company agrees to provide written notice to the Holder of the Expiration Date between 180 days and 30 days prior to the Expiration Date, provided, however, that if the Company shall fail to provide such written notice for any reason, such failure shall not extend the Expiration Date and the Company shall not be liable for any damages resulting any failure to give such notice.

3. Exercise.

3.1 Exercise. This Warrant shall initially be exercisable, at the Warrant Exercise Price, for that number of shares of Common Stock equal to the Number of Warrant Shares. From and after the completion of the Next Financing, if requested by the Company, the Holder

agrees to surrender this Warrant to the Company in exchange for the issuance of a new Warrant of like tenor for the fixed aggregate number of shares of Common Stock issuable on exercise of this Warrant at the fixed Warrant Exercise Price.

3.2 Manner of Exercise. This Warrant may be exercised by the Holder, in whole or in part, by surrendering this Warrant, with the notice of exercise form attached hereto as Attachment A, duly executed by such Holder or by such Holder's duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate, accompanied by payment in full in the amount of the Warrant Exercise Price multiplied by the number of Warrant Shares purchased upon such exercise (the "Purchase Price"). The Purchase Price may be paid by cash, check or wire transfer.

3.3 Effective Time of Exercise. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in Section 3.2 above. At such time, the person or persons in whose name or names any certificates for Warrant Shares shall be issuable upon such exercise shall be deemed to have become the holder or holders of record of the Warrant Shares represented by such certificates.

3.4 Net Issue Exercise.

a. In lieu of exercising this Warrant in the manner provided above in Section 3.1, the Holder may elect to receive shares equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election in which event the Company shall issue to such Holder a number of Warrant Shares computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being canceled (at the date of such calculation).

A = the fair market value of one Warrant Share (at the date of such calculation).

B = the Warrant Exercise Price (as adjusted to the date of such calculation).

b. For purposes of this Section 3.4, the fair market value of one Warrant Share on the date of calculation shall mean with respect to each Warrant Share:

(i) if the exercise is in connection with an initial public offering of the Company's Common Stock, and if the Company's registration statement relating to such public offering has been declared effective by the Securities and Exchange Commission, then the fair market value per share shall be the product of (x) the initial "Price to Public" specified in the final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each Warrant Share is convertible at the date of calculation; or

(ii) if Section 3.4b(i) above is not applicable, the fair market value of a Warrant Share shall be as determined in good faith by the Company's Board of Directors, unless the Company is at such time subject to an acquisition, in which case the fair market value of a Warrant Share shall be deemed to be the value received by the holders of such stock pursuant to such acquisition.

3.5 Delivery to Holder. As soon as practicable, but in no event greater than ten (10) days, after the exercise of this Warrant in whole or in part, the Company at its expense will cause to be issued in the name of; and delivered to, the Holder, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

a. a certificate or certificates for the number of Warrant Shares to which such Holder shall be entitled, and

b. in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Warrant Shares equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Holder upon such exercise as provided above.

4. Stock Fully Paid; Reservation of Warrant Shares. All shares of stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof During the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved for the purpose of issue upon exercise of the purchase rights evidenced by this Warrant, a sufficient number of shares of its stock to provide for the exercise of the rights represented by this Warrant In the event that there is an insufficient number of Warrant Shares reserved for issuance pursuant to the exercise of this Warrant, the Company will take appropriate action to authorize an increase in the capital stock to allow for such issuance or similar issuance acceptable to the Holder.

5. Adjust of Warrant Exercise and Number of Warrant Shares. The number and kind of Warrant Shares purchasable upon the exercise of this Warrant and the Warrant Exercise Price shall be subject to equitable adjustment from time to time upon the occurrence of certain events, as follows:

5.1 Subdivision or Combination of Shares. If the Company at any time subdivides or combines the shares of the class of stock of which the Warrant Shares are a part, whether by way of a stock split, stock dividend, recapitalization or the like, then the Warrant Exercise Price shall,

in the case of a subdivision, be proportionately decreased, or, in the case of a combination, be proportionately increased.

5.2 Adjustment of Number of Warrant Shares. Upon each adjustment in the Warrant Exercise Price, the number of Warrant Shares purchasable upon exercise of this Warrant shall, in the case of an increase in the Warrant Exercise Price, be proportionately decreased, or, in the case of a decrease in the Warrant Exercise Price, be proportionately increased, in either case to the nearest whole share.

5.3 Reclassification of Shares. If the Company at any time shall, by reclassification, recapitalization, combination, exchange, subdivision or otherwise, change the class of stock of which the Warrant Shares are a part into the same or a different number of shares of any other class or classes, then this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the number of Warrant Shares that were purchasable under this Warrant immediately prior to such reclassification, recapitalization, combination, exchange, subdivision or other change.

5.4 Sale or Issuance Below Warrant Exercise Price. If the Company shall at any time or from time to time prior to the Expiration Date issue or sell any of its Common Stock, options to acquire (or rights to acquire such options), or any other securities convertible into or exercisable for Common Stock for a consideration (including any amounts payable upon the exercise or conversion of any such securities exercisable for or convertible into Common Stock) per share of Common Stock less than the Warrant Exercise Price in effect immediately prior to the time of such issue or sale, the Warrant Exercise Price then in effect and then applicable for any subsequent period or periods shall be adjusted to a price determined by dividing (i) an amount equal to the sum of (x) the number of shares of Common Stock outstanding immediately prior to such issue or sale multiplied by the Warrant Exercise Price then in effect and (y) the consideration, if any, received by the Company upon such issue or sale (including any amounts payable upon the exercise or conversion of any such securities exercisable for or convertible into Common Stock), by (ii) the total number of shares of Common Stock outstanding immediately after such issue or sale. For purposes of this Section 5.4, all shares of Common Stock issuable upon the exercise and/or conversion of all outstanding warrants (including this Warrant), options and convertible securities shall be deemed to be outstanding. The foregoing notwithstanding, no adjustment shall be made pursuant to this Section 5.4, on account of a given sale to the extent that the Warrant Exercise Price is adjusted pursuant to any other Section of this Warrant. If any options, rights or other securities taken into account in any adjustment of the Warrant Exercise Price subsequently expire without exercise, the Warrant Exercise Price shall be recomputed to eliminate the effect of such expired options, rights or other securities. No adjustment shall be made hereunder upon the issuance or sale of any

shares of Common Stock or preferred stock upon the exercise or conversion of any options, rights or other securities outstanding on the date hereof.

5.5 Notice of Adjustment. Whenever any adjustment in the Warrant Exercise Price is made, the Company shall promptly prepare a notice of such adjustment in the Warrant Exercise Price setting forth the adjusted Warrant Exercise Price, the number of Warrant Shares issuable upon exercise of this Warrant and the date on which such adjustment becomes effective and shall

provide such notice of such adjustment of the Warrant Exercise Price to the Holder at the address of such Holder as provided herein.

5.6 Notice of Certain Events. The Company covenants and agrees to provide the Holder hereof with at least 20 days prior written notice of (a) the consummation of a consolidation or merger or a sale of all or substantially all of the Company's assets or other transaction in which constitutes a Sale of the Company (as defined in the Loan Agreement), or (b) declare or pay any distribution upon the Company's Common Stock (except for a distribution payable solely in shares of common stock).

6. Fractional Warrant Shares. No fractional Warrant Shares will be issued in connection with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Warrant Exercise Price then in effect

7. Compliance with Securities Act; Transfers.

7.1 Compliance with Securities Act. The Investor and each subsequent permitted Investor, by acceptance thereof; agrees to comply in all respects with the provisions of this Section 7.1. Prior to any proposed sale, assignment, transfer or pledge of any of the Company's securities, unless there is in effect a registration statement under the Securities Act of 1933, as amended (the "Act") covering the proposed transfer, the Investor and each subsequent permitted Investor shall give written notice to the Company of such Investor's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail, and shall be accompanied at such Investor's expense by either (i) a written opinion of legal Counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transfer of the such securities may be effected without registration under the Act, or (ii) a "no action" letter from the Securities Exchange Commission (the "Commission") to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, or (iii) any other evidence reasonably satisfactory to counsel to the Company, whereupon the holder of such securities shall be entitled to transfer such securities in accordance with the terms of the notice delivered by the holder to the Company. Each certificate evidencing the securities transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144, the appropriate restrictive legend set forth in Section 7.2 below, except that such certificate shall not bear such restrictive legend in the opinion of counsel for such Investor and the Company, such legend is not required in order to establish compliance with any provision of the Act.

7.2 Legends. Each certificate representing the securities shall be endorsed with the following legend (in addition to any legend required under applicable state securities laws):

"NEITHER THIS SECURITY NOR THE SHARES OF STOCK ISSUABLE UPON CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (AS AMENDED, THE "ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE. NEITHER THIS SECURITY NOR THE SHARES OF STOCK ISSUED UPON

CONVERSION HEREOF MAY BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (B) AN EXEMPTION OR QUALIFICATION UNDER APPLICABLE SECURITIES LAWS, OR (C) DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THIS SECURITY OR SUCH SHARES IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

The Company need not record a transfer of securities, unless the conditions specified in this Section 7 are satisfied. The Company may also instruct its transfer agent not to record the transfer of any of the securities unless the conditions specified in this Section 7 are satisfied.

7.3 Warrant Register. The Company will maintain a register containing the names and addresses of the Registered Holders of this Warrant Until any transfer of this Warrant is made in the warrant register, the Company may treat the Registered Holder of this Warrant as the absolute owner hereof for all purposes; provided, however, that if this Warrant is properly assigned in blank, the Company may (but shall not be required to) treat the bearer hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary. Any Registered Holder may change such Registered Holder's address as shown on the warrant register by written notice to the Company requesting such change.

8. Rights of Stockholders. No Holder of this Warrant shall be entitled to vote or receive dividends or be deemed the holder of stock or any other securities of the Company which may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Holder of this Warrant, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant has been exercised and the Warrant Shares shall have become deliverable, as provided herein.

9. Representations and Warranties of the Holder. By accepting the Warrants, the Holder represents and warrants as follows:

a. The Holder is acquiring the Warrants and the Warrant Shares for its own account for investment purposes only and not with a view to, or for the resale in connection with, any "distribution" thereof for purposes of the 1933 Act;

b. The Holder understands that the Warrants and the Warrant Shares have not been registered under the 1933 Act in reliance upon a specific exemption therefor, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein;

c. The Holder is aware of the provisions of Rule 144, promulgated under the 1933 Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer thereof (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions; and

d. The Holder represents that it is an "accredited investor" as that term is defined in Rule 501 of Regulation D under the 1933 Act or any successor regulation thereunder.

10. Notice. Except as otherwise specified herein to the contrary, all notices, requests, demands and other communications required or desired to be given hereunder shall only be effective if given in writing by certified or registered U.S. mail with return receipt requested and postage prepaid; by private overnight delivery service (e.g., Federal Express); by facsimile transmission (if no original documents or instruments must accompany the notice); or by personal delivery. Any such notice shall be deemed to have been given (a) five Business Days following the marling thereof, if mailed by certified or registered U.S. mail as specified above; (b) on the Business Day immediately following deposit with a private overnight delivery service if sent by said service; (c) upon receipt of confirmation of transmission if sent by facsimile transmission; or (d) upon personal delivery of the notice. All such notices shall be sent to the following addresses (or to such other address or addresses as a party may have advised the other in the manner provided in this Section 10):

If to the Company:
Titan Machinery Inc.
3401 32nd Avenue S
Fargo, ND 58103
Attn: Chief Executive Officer
701-235-3171

If to the Holder, to the address furnished in writing by the Holder to the Company.

Notwithstanding the time of effectiveness of notices set forth in this Section, Notice of Exercise shall not be deemed effectively given until it has been duly completed and submitted to the Company together with the original Warrant to be exercised and payment of the Purchase Price in a manner set forth in this Warrant.

11. Governing Law. This Warrant and all rights and obligations hereunder shall be deemed to be made under and governed by the laws of the State of Minnesota without giving effect to its conflicts of laws provisions.

12. Successors and Assigns. This Warrant shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

13. Headings. The headings of various sections of this Warrant have been inserted for reference only and shall not affect the meaning or construction of any of the provisions hereof.

14. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant, and the balance hereof shall be interpreted as if such provision were so excluded.

15. Modification and Waiver. This Warrant and any provision hereof may be amended, waived, discharged or terminated only by an instrument in writing signed by the Company and the Holder or in the manner set forth in the Loan Agreement.

16. Attorney's Fees. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed, manually or by facsimile, by one of its officers thereunto duly authorized.

TITAN MACHINERY INC.

By: /s/ David J. Meyer
Its: CEO

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, OR ANY APPLICABLE STATE SECURITIES LAWS. NO SALE OR DISPOSITION OF THIS WARRANT MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION.

Warrant No. 3

Void after July 1, 2014

Date of Issuance: August 1, 2004

Number of Warrant Shares: 6,071 Shares of Common Stock

TITAN MACHINERY INC.

COMMON STOCK PURCHASE WARRANT

THIS CERTIFIES THAT, for value received, including, without limitation, the sum of $50.00 as consideration paid for this Warrant, **Cherry Tree Securities, LLC** and its registered assigns (hereinafter called the "Holder") is entitled to purchase from Titan Machinery Inc., a North Dakota corporation (the "Company"), at any time after the date hereof and ending at 5:00 p.m. Central Time on the Expiration Date (as defined in Section 2 below), the number of shares of the Company's Common Stock (the "Warrant Shares") equal to the Number of Warrant Shares (see above). The exercise price per share of this warrant shall be the Warrant Exercise Price (see Section 1 below). This Warrant may be exercised in whole or in part, at the option of the Holder and in accordance with the provisions of Sections 2 and 3 hereof.

1. Defined Terms. "Warrant Exercise Price" means **$3.50** per share of Titan Machinery Inc. Common Stock.

2. Termination. This Warrant (and the right to purchase securities upon exercise hereof) shall terminate and expire to the extent not previously exercised at 5:00 p.m. Central Time on April 7, 2013 (the "Expiration Date"). If this Warrant has not been previously exercised in full prior thereto; the Company agrees to provide written notice to the Holder of the Expiration Date between 180 days and 30 days prior to the Expiration Date, provided, however, that if the Company shall fail to provide such written notice for any reason, such failure shall not extend the Expiration Date and the Company shall not be liable for any damages resulting any failure to give such notice.

3. Exercise.

3.1 Exercise. This Warrant shall initially be exercisable, at the Warrant Exercise Price, for that number of shares of Common Stock equal to the Number of Warrant Shares.

3.2 Manner of Exercise. This Warrant may be exercised by the Holder, in whole or in part, by surrendering this Warrant, with the notice of exercise form attached hereto as Attachment A, duly executed by such Holder or by such Holder's duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate, accompanied by payment in full in the amount of the Warrant Exercise Price multiplied by the number of Warrant Shares purchased upon such exercise (the "Purchase Price"). The Purchase Price may be paid by cash, check or wire transfer.

33 Effective Time of Exercise. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in Section 3.2 above. At such time, the person or persons in whose name or names any certificates for Warrant Shares shall be issuable upon such exercise shall be deemed to have become the holder or holders of record of the Warrant Shares represented by such certificates.

3.4 Net Issue Exercise.

a. In lieu of exercising this Warrant in the manner provided above in Section 3.2, the Holder may elect to receive shares equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election in which event the Company shall issue to such Holder a number of Warrant Shares computed using the following formula:

$$X = \frac{Y\ (A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being canceled (at the date of such calculation).

A = the fair market value of one Warrant Share (at the date of such calculation).

B = the Warrant Exercise Price (as adjusted to the date of such calculation).

b. For purposes of this Section 3A, the fair market value of one Warrant Share on the date of calculation shall mean with respect to each

Warrant Share:

(i) if the exercise is in connection with an initial public offering of the Company's Common Stock, and if the Company's registration statement relating to such public offering has been declared effective by the Securities and Exchange Commission, then the fair market value per share shall be the product of (x) the initial "Price to Public" specified in the

final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each Warrant Share is convertible at the date of calculation; or

(ii) if Section 3.4b(i) above is not applicable, the fair market value of a Warrant Share shall be as determined in good faith by the Company's Board of Directors, unless the Company is at such time subject to an acquisition, in which case the fair market value of a Warrant Share shall be deemed to be the value received by the holders of such stock pursuant to such acquisition.

3.5 Delivery to Holder. As soon as practicable, but in no event greater than ten (10) days, after the exercise of this Warrant in whole or in part, the Company at its expense will cause to be issued in the name of, and delivered to, the Holder, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

a. a certificate or certificates for the number of Warrant Shares to which such Holder shall be entitled, and

b. in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Warrant Shares equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Holder upon such exercise as provided above.

4. Stock Fully Paid; Reservation of Warrant Shares. All shares of stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. During the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved for the purpose of issue upon exercise of the purchase rights evidenced by this Warrant, a sufficient number of shares of its stock to provide for the exercise of the rights represented by this Warrant. In the event that there is an insufficient number of Warrant Shares reserved for issuance pursuant to the exercise of this Warrant, the Company will take appropriate action to authorize an increase in the capital stock to allow for such issuance or similar issuance acceptable to the Holder.

5. Adjustment of Warrant Exercise Price and Number of Warrant Shares. The number and kind of Warrant Shares purchasable upon the exercise of this Warrant and the Warrant Exercise Price shall be subject to equitable adjustment from time to time upon the occurrence of certain events, as follows:

5.1 Subdivision or Combination of Shares. If the Company at any time subdivides or combines the shares of the class of stock of which the Warrant Shares are a part, whether by way of a stock split, stock dividend, recapitalization or the like, then the Warrant Exercise Price shall, in the case of a subdivision, be proportionately decreased, or, in the case of a combination, be proportionately increased.

5.2 Adjustment of Number of Warrant Shares. Upon each adjustment in the Warrant Exercise Price, the number of Warrant Shares purchasable upon exercise of this Warrant shall, in the case of an increase in the Warrant Exercise Price, be proportionately decreased, or, in the case of a decrease in the Warrant Exercise Price, be proportionately increased, in either case to the nearest whole share.

5.3 Reclassification of Shares. If the Company at any limo shall, by reclassification, recapitalization, combination, exchange, subdivision or otherwise, change the class of stock of which the Warrant Shares are a part into the same or a different number of shares of any other class or classes, then this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the number of Warrant Shares that were purchasable under this Warrant immediately prior to such reclassification, recapitalization, combination, exchange, subdivision or other change.

5.4 Sale or Issuance Below Warrant Exercise Price. If the Company shall at any time or from time to time prior to the Expiration Date issue or sell any of its Common Stock, options to acquire (or rights to acquire such options), or any other securities convertible into or exercisable for Common Stock for a consideration (including any amounts payable upon the exercise or conversion of any such securities exercisable for or convertible into Common Stock) per share of Common Stock less than the Warrant Exercise Price in effect immediately prior to the time of such issue or sale, the Warrant Exercise Price then in effect and then applicable for any subsequent period or periods shall be adjusted to a price determined by dividing (i) an amount equal to the sum of (x) the number of shares of Common Stock outstanding immediately prior to such issue or sale multiplied by the Warrant Exercise Price then in effect and (y) the consideration, if any, received by the Company upon such issue or sale (including any amounts payable upon the exercise or conversion of any such securities exercisable for or convertible into Common Stock), by (ii) the total number of shares of Common Stock outstanding immediately after such issue or sale. For purposes of this Section 5.4, all shares of Common Stock issuable upon the exercise and/or conversion of all outstanding warrants (including this Warrant), options and convertible securities shall be deemed to be outstanding. The foregoing notwithstanding, no adjustment shall be made pursuant to this Section 5.4, on account of a given sale to the extent that the Warrant Exercise Price is adjusted pursuant to any other Section of this Warrant. If any options, rights or other securities taken into account in any adjustment of the Warrant Exercise Price subsequently expire without exercise, the Warrant Exercise Price shall be recomputed to eliminate the effect of such expired options, rights or other securities. No adjustment shall be made hereunder upon the issuance or sale of any shares of Common Stock or preferred stock upon the exercise or conversion of any options, rights or other securities outstanding on the date hereof.

5.5 Notice of Adjustment. Whenever any adjustment in the Warrant Exercise Price is made, the Company shall promptly prepare a notice of such adjustment in the Warrant Exercise Price setting forth the adjusted Warrant Exercise Price, the number of Warrant Shares issuable upon exercise of this

Warrant and the date on which such adjustment becomes effective and shall provide such notice of such adjustment of the Warrant Exercise Price to the Holder at the address of such Holder as provided herein.

5.6 Notice of Certain Events. The Company covenants and agrees to provide the Holder hereof with at least 20 days prior written notice of (a) the consummation of a consolidation or merger or a sale of all or substantially all of the Company's assets, or other transaction in which constitutes a Sale of the Borrower (as defined in the Loan Agreement), or (b) declare or pay any distribution upon the Company's Common Stock (except for a distribution payable solely in shares of common stock).

6. Fractional Warrant Shares. No fractional Warrant Shares will be issued in connection with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Warrant Exercise Price then in effect.

7. Compliance with Securities Act; Transfers.

7.1 Compliance with Securities Act. The Holder and each subsequent permitted Holder, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 7.1. Prior to any proposed sale, assignment, transfer or pledge of any of the Company's securities, unless there is in effect a registration statement under the Securities Act of 1933, as amended (the "Act") covering the proposed transfer, the Holder and each subsequent permitted Holder shall give written notice to the Company of such Holder's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail, and shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transfer of the such securities may be effected without registration under the Act; or (ii) a "no action" letter from the Securities Exchange Commission (the "Commission") to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, or (iii) any other evidence reasonably satisfactory to counsel to the Company, whereupon the holder of such securities shall be entitled to transfer such securities in accordance with the terms of the notice delivered by the holder to the Company. Each certificate evidencing the securities transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144, the appropriate restrictive legend set forth in Section 7.2 below, except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provision of the Act.

7.2 Legends. Each certificate representing the securities shall be endorsed with the following legend (in addition to any legend required under applicable state securities laws):

"NEITHER THIS SECURITY NOR THE SHARES OF STOCK ISSUABLE UPON CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (AS AMENDED, THE "ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE. NEITHER THIS SECURITY NOR THE SHARES OF STOCK ISSUED UPON CONVERSION HEREOF MAY BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (B) AN EXEMPTION OR

QUALIFICATION UNDER APPLICABLE SECURITIES LAWS, OR (C) DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO. THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THIS SECURITY OR SUCH SHARES IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

The Company need not record a transfer of securities, unless the conditions specified in this Section 7 are satisfied. The Company may also instruct its transfer agent not to record the transfer of any of the securities unless the conditions specified in this Section 7 are satisfied.

7.3 Warrant Register. The Company will maintain a register containing the names and addresses of the Registered Holders of this Warrant. Until any transfer of this Warrant is made in the warrant register, the Company may treat the Registered Holder of this Warrant as the absolute owner hereof for all purposes; provided, however, that if this Warrant is properly assigned in blank, the Company may (but shall not be required to) treat the bearer hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary. Any Registered Holder may change such Registered Holder's address as shown on the warrant register by written notice to the Company requesting such change.

8. Rights of Stockholders. No Holder of this Warrant shall be entitled to vote or receive dividends or be deemed the holder of stock or any other securities of the Company which may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Holder of this Warrant, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant has been exercised and the Warrant Shares shall have become deliverable, as provided herein.

9. Representations and Warranties of the Holder. By accepting the Warrants, the Holder represents and warrants as follows:

a. The Holder is acquiring the Warrants and the Warrant Shares for its own account for investment purposes only and not with a view to, or for the resale in connection with, any "distribution" thereof for purposes of the 1933 Act;

b. The Holder understands that the Warrants and the Warrant Shares have not been registered under the 1933 Act in reliance upon a specific exemption therefor, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein;

c. The Holder is aware of the provisions of Rule 144, promulgated under the 1933 Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly

or indirectly, from the issuer thereof (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions; and

d. The Holder represents that it is an "accredited investor" as that term is defined under Rule 501 of Regulation D under the 1933 Act or any successor regulation thereunder.

10. Notice. Except as otherwise specified herein to the contrary, all notices, requests, demands and other communications required or desired to be given hereunder shall only be effective if given in writing by certified or registered U.S. mail with return receipt requested and postage prepaid; by private overnight delivery service (e.g., Federal Express); by facsimile transmission (if no original documents or instruments must accompany the notice); or by personal delivery. Any such notice shall be deemed to have been given (a) five Business Days following the mailing thereof, if mailed by certified or registered U.S. mail as specified above; (b) on the. Business Day immediately following deposit with a private overnight delivery service if sent by said service; (c) upon receipt of confirmation of transmission if sent by facsimile transmission; or (d) upon personal delivery of the notice. All such notices shall be sent to the following addresses (or to such other address or addresses as a party may have advised the other in the manner provided in this Section 10):

If to the Company:
Titan Machinery Inc.
4876 Rocking Horse Circle
PO Box 10818
Fargo, ND 58106-0818
Attn: Chief Executive Officer
701-235-3171

If to the Holder, to the address furnished in writing by the Holder to the Company.

Notwithstanding the time of effectiveness of notices set forth in this Section, Notice of Exercise shall not be deemed effectively given until it has been duly completed and submitted to the Company together with the original Warrant to be exercised and payment of the Purchase Price in a manner set forth in this Warrant.

11. Governing Law. This Warrant and all rights and obligations hereunder shall be deemed to be made under and governed by the laws of the State of North Dakota without giving effect to its conflicts of laws provisions.

12. Successors and Assigns. This Warrant shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

13. Headings. The headings of various sections of this Warrant have been inserted for reference only and shall not affect the meaning or construction of any of the provisions hereof.

14. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant, and the balance hereof shall be interpreted as if such provision were so excluded.

15. Modification and Waiver. This Warrant and any provision hereof may be amended, waived, discharged or terminated only by an instrument in writing signed by the Company and the Holder.

16. Attorney's Fees. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

IN WITNESS WHEREOF, the Company has caused this. Warrant to be duly executed, manually or by facsimile, by one of its officers thereunto duly authorized. '

TITAN MACHINERY INC.

By: /s/ David J. Meyer
Its: CEO

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, OR ANY APPLICABLE STATE SECURITIES LAWS. NO SALE OR DISPOSITION OF THIS WARRANT MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION.

Warrant No. 4

Void after April 7, 2013

Date of Issuance: April 15, 2005

Number of Warrant Shares: 44,975 Shares of Common Stock

TITAN MACHINERY INC.

COMMON STOCK PURCHASE WARRANT

THIS CERTIFIES THAT, for value received, including, without limitation, the sum of $50.00 as consideration paid for this Warrant, **Titan Income Holdings, LLLP** and its registered assigns (hereinafter called the "Holder") is entitled to purchase from Titan Machinery Inc., a North Dakota corporation (the "Company"), at any time after the date hereof and ending at 5:00 p.m. Central Time on the Expiration Date (as defined in Section 2 below), the number of shares of the Company's Common Stock (the "Warrant Shares") equal to the Number of Warrant Shares (see above). The exercise price per share of this warrant shall be the Warrant Exercise Price (see Section 1 below). This Warrant may be exercised in whole or in part, at the option of the Holder and in accordance with the provisions of Sections 2 and 3 hereof.

1. Defined Terms. "Warrant Exercise Price" means **$3.50** per share of Titan Machinery Inc. Common Stock.

2. Termination. This Warrant (and the right to purchase securities upon exercise hereof) shall terminate and expire to the extent not previously exercised at 5:00 p.m. Central Time on April 7, 2013 (the "Expiration Date"). If this Warrant has not been previously exercised in full prior thereto, the Company agrees to provide written notice to the Holder of the Expiration Date between 180 days and 30 days prior to the Expiration Date, provided, however, that if the Company shall fail to provide such written notice for any reason, such failure shall not extend the Expiration Date and the Company shall not be liable for any damages resulting any failure to give such notice.

3. Exercise.

3.1 Exercise. This Warrant shall initially be exercisable, at the Warrant Exercise Price, for that number of shares of Common Stock equal to the Number of Warrant Shares.

3.2 Manner of Exercise. This Warrant may be exercised by the Holder, in whole or in part, by surrendering this Warrant, with the notice of exercise form attached hereto as Attachment A, duly executed by such Holder or by such Holder's duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate, accompanied by payment in full in the amount of the Warrant Exercise Price multiplied by the number of Warrant Shares purchased upon such exercise (the "Purchase Price"). The Purchase Price may be paid by cash, check or wire transfer.

3.3 Effective Time of Exercise. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in Section 3.2 above. At such time, the person or persons in whose name or names any

certificates for Warrant Shares shall be issuable upon such exercise shall be deemed to have become the holder or holders of record of the Warrant Shares represented by such certificates.

3.4 Net Issue Exercise.

a. In lieu of exercising this Warrant in the manner provided above in Section 3.2, the Holder may elect to receive shares equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election in which event the Company shall issue to such Holder a number of Warrant Shares computed using the following formula:

$$X = \frac{Y\ (A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being canceled (at the date of such calculation).

A = the fair market value of one Warrant Share (at the date of such calculation).

B = the Warrant Exercise Price (as adjusted to the date of such calculation).

b. For purposes of this Section 3.4, the fair market value of one Warrant Share on the date of calculation shall mean with respect to each Warrant Share:

(i) if the exercise is in connection with an initial public offering of the Company's Common Stock, and if the Company's registration statement relating to such public offering has been declared effective by the Securities and Exchange Commission, then the fair market value per share shall be the product of (x) the initial "Price to Public" specified in the final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each Warrant Share is convertible at the date of calculation; or

(ii) if Section 3.4b(i) above is not applicable, the fair market value of a Warrant Share shall be as determined in good faith by the Company's Board of Directors, unless the Company is at such time subject to an acquisition, in which case the fair market value of a Warrant Share shall be deemed to be the value received by the holders of such stock pursuant to such acquisition.

3.5 Delivery to Holder. As soon as practicable, but in no event greater than ten (10) days, after the exercise of this Warrant in whole or in part, the Company at its expense will cause to be issued in the name of, and delivered to, the Holder, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

a. a certificate or certificates for the number of Warrant Shares to which such Holder shall be entitled, and

b. in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Warrant Shares equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Holder upon such exercise as provided above.

4. Stock Fully Paid; Reservation of Warrant Shares. All shares of stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. During the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved for the purpose of

issue upon exercise of the purchase rights evidenced by this Warrant, a sufficient number of shares of its stock to provide for the exercise of the rights represented by this Warrant. In the event that there is an insufficient number of Warrant Shares reserved for issuance pursuant to the exercise of this Warrant, the Company will take appropriate action to authorize an increase in the capital stock to allow for such issuance or similar issuance acceptable to the Holder.

5. Adjustment of Warrant Exercise Price and Number of Warrant Shares. The number and kind of Warrant Shares purchasable upon the exercise of this Warrant and the Warrant Exercise Price shall be subject to equitable adjustment from time to time upon the occurrence of certain events, as follows:

5.1 Subdivision or Combination of Shares. If the Company at any time subdivides or combines the shares of the class of stock of which the Warrant Shares are a part, whether by way of a stock split, stock dividend, recapitalization or the like, then the Warrant Exercise Price shall, in the case of a subdivision, be proportionately decreased, or, in the case of a combination, be proportionately increased.

5.2 Adjustment of Number of Warrant Shares. Upon each adjustment in the Warrant Exercise Price, the number of Warrant Shares purchasable upon exercise of this Warrant shall, in the case of an increase in the Warrant Exercise Price, be proportionately decreased, or, in the case of a decrease in the Warrant Exercise Price, be proportionately increased, in either case to the nearest whole share.

5.3 Reclassification of Shares. If the Company at any time shall, by reclassification, recapitalization, combination, exchange, subdivision or otherwise, change the class of stock of which the Warrant Shares are a part into the same or a different number of shares of any other class or classes, then this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the number of Warrant Shares that were purchasable under this Warrant immediately prior to such reclassification, recapitalization, combination, exchange, subdivision or other change.

5.4 Sale or Issuance Below Warrant Exercise Price. If the Company shall at any time or from time to time prior to the Expiration Date issue or sell any of its Common Stock, options to acquire (or rights to acquire such options), or any other securities convertible into or exercisable for Common Stock for a consideration (including any amounts payable upon the exercise or conversion of any such securities exercisable for or convertible into Common Stock) per share of Common Stock less than the Warrant Exercise Price in effect immediately prior to the time of such issue or sale, the Warrant Exercise Price then in effect and then applicable for any subsequent period or periods shall be adjusted to a price determined by dividing (i) an amount equal to the sum of (x) the number of shares of Common Stock outstanding immediately prior to such issue or sale multiplied by the Warrant Exercise Price then in effect and (y) the consideration, if any, received by the Company upon such issue or sale (including any amounts payable upon the exercise or conversion of any such securities exercisable for or convertible into Common Stock), by (ii) the total number of shares of Common Stock outstanding immediately after such issue or sale. For purposes of this Section 5.4, all shares of Common Stock issuable upon the exercise and/or conversion of all outstanding warrants (including this Warrant), options and convertible securities shall be deemed to be outstanding. The foregoing notwithstanding, no adjustment shall be made pursuant to this Section 5.4, on account of a given sale to the extent that the Warrant Exercise Price is adjusted pursuant to any other Section of this Warrant. If any options, rights or other securities taken into account in any adjustment of the Warrant Exercise Price subsequently expire without exercise, the Warrant Exercise Price shall be recomputed to eliminate the effect of such expired options, rights or other securities. No adjustment shall be made hereunder upon the issuance or sale of any shares of Common Stock or preferred stock upon the exercise or conversion of any options, rights or other securities outstanding on the date hereof.

5.5 Notice of Adjustment. Whenever any adjustment in the Warrant Exercise Price is made, the Company shall promptly prepare a notice of such adjustment in the Warrant Exercise Price setting forth the adjusted Warrant Exercise Price, the number of Warrant Shares issuable upon exercise of this Warrant and the date on which such adjustment becomes effective and shall provide such notice of such adjustment of the Warrant Exercise Price to the Holder at the address of such Holder as provided herein.

5.6 Notice of Certain Events. The Company covenants and agrees to provide the Holder hereof with at least 20 days prior written notice of (a) the consummation of a consolidation or merger or a sale of all or

substantially all of the Company's assets or other transaction in which constitutes a Sale of the Borrower (as defined that certain Subordinated Note Purchase Agreement of even date herewith), or (b) declare or pay any distribution upon the Company's Common Stock (except for a distribution payable solely in shares of common stock).

6. Fractional Warrant Shares. No fractional Warrant Shares will be issued in connection with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Warrant Exercise Price then in effect.

7. Compliance with Securities Act; Transfers.

7.1 Compliance with Securities Act. The Holder and each subsequent permitted Holder, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 7.1. Prior to any proposed sale, assignment, transfer or pledge of any of the Company's securities, unless there is in effect a registration statement under the Securities Act of 1933, as amended (the "Act") covering the proposed transfer, the Holder and each subsequent permitted Holder shall give written notice to the Company of such Holder's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail, and shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transfer of the such securities may be effected without registration under the Act, or (ii) a "no action" letter from the Securities Exchange Commission (the "Commission") to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, or (iii) any other evidence reasonably satisfactory to counsel to the Company, whereupon the holder of such securities shall be entitled to transfer such securities in accordance with the terms of the notice delivered by the holder to the Company. Each certificate evidencing the securities transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144, the appropriate restrictive legend set forth in Section 7.2 below, except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provision of the Act

7.2 Legends. Each certificate representing the securities shall be endorsed with the following legend (in addition to any legend required under applicable state securities laws):

"NEITHER THIS SECURITY NOR THE SHARES OF STOCK ISSUABLE UPON CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (AS AMENDED, THE "ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE. NEITHER THIS SECURITY NOR THE SHARES OF STOCK ISSUED UPON CONVERSION HEREOF MAY BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (B) AN EXEMPTION OR QUALIFICATION UNDER APPLICABLE SECURITIES LAWS, OR (C) DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THIS SECURITY OR SUCH SHARES IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

The Company need not record a transfer of securities, unless the conditions specified in this Section 7 are satisfied. The Company may also instruct its transfer agent not to record the transfer of any of the securities unless the conditions specified in this Section 7 are satisfied.

7.3 Warrant Register. The Company will maintain a register containing the names and addresses of the Registered Holders of this Warrant. Until any transfer of this Warrant is made in the warrant register, the Company may treat the Registered Holder of this Warrant as the absolute owner hereof for all purposes; provided, however, that if this Warrant is properly assigned in blank, the Company may (but shall not be required to) treat the bearer hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary. Any Registered Holder may change such Registered Holder's address as shown on the warrant register by written notice to the Company requesting such change.

8. Rights of Stockholders. No Holder of this Warrant shall be entitled to vote or receive dividends or be deemed the holder of stock or any other securities of the Company which may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Holder of this Warrant, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant has been exercised and the Warrant Shares shall have become deliverable, as provided herein.

9. Representations and Warranties of the Holder. By accepting the Warrants, the Holder represents and warrants as follows:

a. The Holder is acquiring the Warrants and the Warrant Shares for its own account for investment purposes only and not with a view to, or for the resale in connection with, any "distribution" thereof for purposes of the 1933 Act;

b. The Holder understands that the Warrants and the Warrant Shares have not been registered under the 1933 Act in reliance upon a specific exemption therefor, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein; and

c. The Holder is aware of the provisions of Rule 144, promulgated under the 1933 Act, which, in substance, permit limited public resale of

"restricted securities" acquired, directly or indirectly, from the issuer thereof (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions.

10. Notice. Except as otherwise specified herein to the contrary, all notices, requests, demands and other communications required or desired to be given hereunder shall only be effective if given in writing by certified or registered U.S. mail with return receipt requested and postage prepaid; by private overnight delivery service (e.g., Federal Express); by facsimile transmission (if no original documents or instruments must accompany the notice); or by personal delivery. Any such notice shall be deemed to have been given (a) five Business Days following the mailing thereof, if mailed by certified or registered U.S. mail as specified above; (b) on the Business Day immediately following deposit with a private overnight delivery service if sent by said service; (c) upon receipt of confirmation of transmission if sent by facsimile transmission; or (d) upon personal delivery of the notice. All such notices shall be sent to the following addresses (or to such other address or addresses as a party may have advised the other in the manner provided in this Section 10):

If to the Company:

Titan Machinery Inc.
3401 32nd Avenue S
Fargo, ND 58103
Attn: Chief Executive Officer
701-235-3171

If to the Holder, to the address furnished in writing by the Holder to the Company.

Notwithstanding the time of effectiveness of notices set forth in this Section, Notice of Exercise shall not be deemed effectively given until it has been duly completed and submitted to the Company together with the original Warrant to be exercised and payment of the Purchase Price in a manner set forth in this Warrant.

11. Governing Law. This Warrant and all rights and obligations hereunder shall be deemed to be made under and governed by the laws of the State of North Dakota without giving effect to its conflicts of laws provisions.

12. Successors and Assigns. This Warrant shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

13. Headings. The headings of various sections of this Warrant have been inserted for reference only and shall not affect the meaning or construction of any of the provisions hereof.

14. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant, and the balance hereof shall be interpreted as if such provision were so excluded.

15. Modification and Waiver. This Warrant and any provision hereof may be amended, waived, discharged or terminated only by an instrument in writing signed by the Company and the Holder.

16. Attorney's Fees. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed, manually or by facsimile, by one of its officers thereunto duly authorized.

TITAN MACHINERY INC.

By: /s/ David J. Meyer
Its: CEO

ATTACHMENT A

NOTICE OF EXERCISE

TO: TITAN MACHINERY INC.

1. The undersigned hereby elects to purchase shares of stock of Titan Machinery Inc.. pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full, together with all applicable transfer taxes, if any.

2. The undersigned hereby elects to convert the attached Warrant into Warrant Shares in the manner specified in Section 3.4 of the Warrant. This conversion is exercised with respect to of the Shares covered by the Warrant.

[Strike paragraph above that does not apply.]

3. Please issue a certificate or certificates representing said shares of stock in the name of the undersigned or in such other name as is specified below:

Name: _____

Address: _____

_____

_____

Social Security or Tax Identification Number:

4. The undersigned represents that the aforesaid shares of stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares.

By: _____

Title: _____

Date: _____

ASSIGNMENT

Effective as of with respect to the Common Stock Purchase Warrant No. for shares of Common Stock, Titan Income Holdings, LLLP hereby assigns to its rights to purchase a total of shares thereunder, and retains the right to purchase a total of shares thereunder.

TITAN INCOME HOLDINGS, LLLP

By: _____
Its: _____

CONSENT

Effective as of , Titan Machinery Inc. hereby consents to such assignments, and agrees to issue Common Stock Purchase Warrants in accordance with the foregoing assignment.

TITAN MACHINERY INC.

By: _____
Its: _____

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, OR ANY APPLICABLE STATE SECURITIES LAWS. NO SALE OR DISPOSITION OF THIS WARRANT MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE HOLDER, SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE ACT OR RECEIPT OF A NO-ACTION LETTER FROM THE SECURITIES AND EXCHANGE COMMISSION.

Warrant No. 5

Void after April 7, 2013

Date of Issuance: February 15, 2005

Number of Warrant Shares: 70,675 Shares of Common Stock

TITAN MACHINERY INC.

COMMON STOCK PURCHASE WARRANT

THIS CERTIFIES THAT, for value received, including, without limitation, the sum of $50.00 as consideration paid for this Warrant, **Titan Income Holdings, LLLP** and its registered assigns (hereinafter called the "Holder") is entitled to purchase from Titan Machinery Inc., a North Dakota corporation (the "Company"), at any time after the date hereof and ending at 5:00 p.m. Central Time on the Expiration Date (as defined in Section 2 below), the number of shares of the Company's Common Stock (the "Warrant Shares") equal to the Number of Warrant Shares (see above). The exercise price per share of this warrant shall be the Warrant Exercise Price (see Section 1 below). This Warrant may be exercised in whole or in part, at the option of the Holder and in accordance with the provisions of Sections 2 and 3 hereof.

1. Defined Terms. "Warrant Exercise Price" means **$3.50** per share of Titan Machinery Inc. Common Stock.

2. Termination. This Warrant (and the right to purchase securities upon exercise hereof) shall terminate and expire to the extent not previously exercised at 5:00 p.m. Central Time on April 7, 2013 (the "Expiration Date"). If this Warrant has not been previously exercised in full prior thereto, the Company agrees to provide written notice to the Holder of the Expiration Date between 180 days and 30 days prior to the Expiration Date, provided, however, that if the Company shall fail to provide such written notice for any reason, such failure shall not extend the Expiration Date and the Company shall not be liable for any damages resulting any failure to give such notice.

3. Exercise.

3.1 Exercise. This Warrant shall initially be exercisable, at the Warrant Exercise Price, for that number of shares of Common Stock equal to the Number of Warrant Shares.

3.2 Manner of Exercise. This Warrant may be exercised by the Holder, in whole or in part, by surrendering this Warrant, with the notice of exercise form attached hereto as Attachment A, duly executed by such Holder or by such Holder's duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate, accompanied by payment in full in the amount of the Warrant Exercise Price multiplied by the number of Warrant Shares purchased upon such exercise (the "Purchase Price"). The Purchase Price may be paid by cash, check or wire transfer.

3.3 Effective Time of Exercise. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company as provided in Section 3.2 above. At such time, the person or persons in whose name or names any

certificates for Warrant Shares shall be issuable upon such exercise shall be deemed to have become the holder or holders of record of the Warrant Shares represented by such certificates.

3.4 Net Issue Exercise.

a. In lieu of exercising this Warrant in the manner provided above in Section 3.2, the Holder may elect to receive shares equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election in which event the Company shall issue to such Holder a number of Warrant Shares computed using the following formula:

$$X = \frac{Y\ (A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being canceled (at the date of such calculation).

A = the fair market value of one Warrant Share (at the date of such calculation).

B = the Warrant Exercise Price (as adjusted to the date of such calculation).

b. For purposes of this Section 3.4, the fair market value of one Warrant Share on the date of calculation shall mean with respect to each Warrant Share:

(i) if the exercise is in connection with an initial public offering of the Company's Common Stock, and if the Company's registration statement relating to such public offering has been declared effective by the Securities and Exchange Commission, then the fair market value per share shall be the product of (x) the initial "Price to Public" specified in the final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each Warrant Share is convertible at the date of calculation; or

(ii) if Section 3.4b(i) above is not applicable, the fair market value of a Warrant Share shall be as determined in good faith by the Company's Board of Directors, unless the Company is at such time subject to an acquisition, in which case the fair market value of a Warrant Share shall be deemed to be the value received by the holders of such stock pursuant to such acquisition.

3.5 Delivery to Holder. As soon as practicable, but in no event greater than ten (10) days, after the exercise of this Warrant in whole or in part, the Company at its expense will cause to be issued in the name of, and delivered to, the Holder, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct:

a. a certificate or certificates for the number of Warrant Shares to which such Holder shall be entitled, and

b. in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Warrant Shares equal (without giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Holder upon such exercise as provided above.

4. Stock Fully Paid; Reservation of Warrant Shares. All shares of stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. During the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved for the purpose of

issue upon exercise of the purchase rights evidenced by this Warrant, a sufficient number of shares of its stock to provide for the exercise of the rights represented by this Warrant. In the event that there is an insufficient number of Warrant Shares reserved for issuance pursuant to the exercise of this Warrant, the Company will take appropriate action to authorize an increase in the capital stock to allow for such issuance or similar issuance acceptable to the Holder.

5. Adjustment of Warrant Exercise Price and Number of Warrant Shares. The number and kind of Warrant Shares purchasable upon the exercise of this Warrant and the Warrant Exercise Price shall be subject to equitable adjustment from time to time upon the occurrence of certain events, as follows:

5.1 Subdivision or Combination of Shares. If the Company at any time subdivides or combines the shares of the class of stock of which the Warrant Shares are a part, whether by way of a stock split, stock dividend, recapitalization or the like, then the Warrant Exercise Price shall, in the case of a subdivision, be proportionately decreased, or, in the case of a combination, be proportionately increased.

5.2 Adjustment of Number of Warrant Shares. Upon each adjustment in the Warrant Exercise Price, the number of Warrant Shares purchasable upon exercise of this Warrant shall, in the case of an increase in the Warrant Exercise Price, be proportionately decreased, or, in the case of a decrease in the Warrant Exercise Price, be proportionately increased, in either case to the nearest whole share.

5.3 Reclassification of Shares. If the Company at any time shall, by reclassification, recapitalization, combination, exchange, subdivision or otherwise, change the class of stock of which the Warrant Shares are a part into the same or a different number of shares of any other class or classes, then this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the number of Warrant Shares that were purchasable under this Warrant immediately prior to such reclassification, recapitalization, combination, exchange, subdivision or other change.

5.4 Sale or Issuance Below Warrant Exercise Price. If the Company shall at any time or from time to time prior to the Expiration Date issue or sell any of its Common Stock, options to acquire (or rights to acquire such options), or any other securities convertible into or exercisable for Common Stock for a consideration (including any amounts payable upon the exercise or conversion of any such securities exercisable for or convertible into Common Stock) per share of Common Stock less than the Warrant Exercise Price in effect immediately prior to the time of such issue or sale, the Warrant Exercise Price then in effect and then applicable for any subsequent period or periods shall be adjusted to a price determined by dividing (i) an amount equal to the sum of (x) the number of shares of Common Stock outstanding immediately prior to such issue or sale multiplied by the Warrant Exercise Price then in effect and (y) the consideration, if any, received by the Company upon such issue or sale (including any amounts payable upon the exercise or conversion of any such securities exercisable for or convertible into Common Stock), by (ii) the total number of shares of Common Stock outstanding immediately after such issue or sale. For purposes of this Section 5.4, all shares of Common Stock issuable upon the exercise and/or conversion of all outstanding warrants (including this Warrant), options and convertible securities shall be deemed to be outstanding. The foregoing notwithstanding, no adjustment shall be made pursuant to this Section 5.4, on account of a given sale to the extent that the Warrant Exercise Price is adjusted pursuant to any other Section of this Warrant. If any options, rights or other securities taken into account in any adjustment of the Warrant Exercise Price subsequently expire without exercise, the Warrant Exercise Price shall be recomputed to eliminate the effect of such expired options, rights or other securities. No adjustment shall be made hereunder upon the issuance or sale of any shares of Common Stock or preferred stock upon the exercise or conversion of any options, rights or other securities outstanding on the date hereof.

5.5 Notice of Adjustment. Whenever any adjustment in the Warrant Exercise Price is made, the Company shall promptly prepare a notice of such adjustment in the Warrant Exercise Price setting forth the adjusted Warrant Exercise Price, the number of Warrant Shares issuable upon exercise of this Warrant and the date on which such adjustment becomes effective and shall provide such notice of such adjustment of the Warrant Exercise Price to the Holder at the address of such Holder as provided herein.

5.6 Notice of Certain Events. The Company covenants and agrees to provide the Holder hereof with at least 20 days prior written notice of (a) the consummation of a consolidation or merger or a sale of all or

substantially all of the Company's assets or other transaction in which constitutes a Sale of the Borrower (as defined that certain Subordinated Note Purchase Agreement of even date herewith), or (b) declare or pay any distribution upon the Company's Common Stock (except for a distribution payable solely in shares of common stock).

6. Fractional Warrant Shares. No fractional Warrant Shares will be issued in connection with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Warrant Exercise Price then in effect.

7. Compliance with Securities Act; Transfers.

7.1 Compliance with Securities Act. The Holder and each subsequent permitted Holder, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 7.1. Prior to any proposed sale, assignment, transfer or pledge of any of the Company's securities, unless there is in effect a registration statement under the Securities Act of 1933, as amended (the "Act") covering the proposed transfer, the Holder and each subsequent permitted Holder shall give written notice to the Company of such Holder's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail, and shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transfer of the such securities may be effected without registration under the Act, or (ii) a "no action" letter from the Securities Exchange Commission (the "Commission") to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, or (iii) any other evidence reasonably satisfactory to counsel to the Company, whereupon the holder of such securities shall be entitled to transfer such securities in accordance with the terms of the notice delivered by the holder to the Company. Each certificate evidencing the securities transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144, the appropriate restrictive legend set forth in Section 7.2 below, except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provision of the Act

7.2 Legends. Each certificate representing the securities shall be endorsed with the following legend (in addition to any legend required under applicable state securities laws):

"NEITHER THIS SECURITY NOR THE SHARES OF STOCK ISSUABLE UPON CONVERSION HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (AS AMENDED, THE "ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE. NEITHER THIS SECURITY NOR THE SHARES OF STOCK ISSUED UPON CONVERSION HEREOF MAY BE TRANSFERRED, SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (B) AN EXEMPTION OR QUALIFICATION UNDER APPLICABLE SECURITIES LAWS, OR (C) DELIVERY TO THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THIS SECURITY OR SUCH SHARES IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

The Company need not record a transfer of securities, unless the conditions specified in this Section 7 are satisfied. The Company may also instruct its transfer agent not to record the transfer of any of the securities unless the conditions specified in this Section 7 are satisfied.

7.3 Warrant Register. The Company will maintain a register containing the names and addresses of the Registered Holders of this Warrant. Until any transfer of this Warrant is made in the warrant register, the Company may treat the Registered Holder of this Warrant as the absolute owner hereof for all purposes; provided, however, that if this Warrant is properly assigned in blank, the Company may (but shall not be required to) treat the bearer hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary. Any Registered Holder may change such Registered Holder's address as shown on the warrant register by written notice to the Company requesting such change.

8. Rights of Stockholders. No Holder of this Warrant shall be entitled to vote or receive dividends or be deemed the holder of stock or any other securities of the Company which may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Holder of this Warrant, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value or change of stock to no par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant has been exercised and the Warrant Shares shall have become deliverable, as provided herein.

9. Representations and Warranties of the Holder. By accepting the Warrants, the Holder represents and warrants as follows:

a. The Holder is acquiring the Warrants and the Warrant Shares for its own account for investment purposes only and not with a view to, or for the resale in connection with, any "distribution" thereof for purposes of the 1933 Act;

b. The Holder understands that the Warrants and the Warrant Shares have not been registered under the 1933 Act in reliance upon a specific exemption therefor, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein; and

c. The Holder is aware of the provisions of Rule 144, promulgated under the 1933 Act, which, in substance, permit limited public resale of

"restricted securities" acquired, directly or indirectly, from the issuer thereof (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions.

10. Notice. Except as otherwise specified herein to the contrary, all notices, requests, demands and other communications required or desired to be given hereunder shall only be effective if given in writing by certified or registered U.S. mail with return receipt requested and postage prepaid; by private overnight delivery service (e.g., Federal Express); by facsimile transmission (if no original documents or instruments must accompany the notice); or by personal delivery. Any such notice shall be deemed to have been given (a) five Business Days following the mailing thereof, if mailed by certified or registered U.S. mail as specified above; (b) on the Business Day immediately following deposit with a private overnight delivery service if sent by said service; (c) upon receipt of confirmation of transmission if sent by facsimile transmission; or (d) upon personal delivery of the notice. All such notices shall be sent to the following addresses (or to such other address or addresses as a party may have advised the other in the manner provided in this Section 10):

If to the Company:

Titan Machinery Inc.
4876 Rocking Horse Circle
PO Box 10818
Fargo, ND 58106-0818
Attn: Chief Executive Officer
701-235-3171

If to the Holder, to the address furnished in writing by the Holder to the Company.

Notwithstanding the time of effectiveness of notices set forth in this Section, Notice of Exercise shall not be deemed effectively given until it has been duly completed and submitted to the Company together with the original Warrant to be exercised and payment of the Purchase Price in a manner set forth in this Warrant.

11. Governing Law. This Warrant and all rights and obligations hereunder shall be deemed to be made under and governed by the laws of the State of North Dakota without giving effect to its conflicts of laws provisions.

12. Successors and Assigns. This Warrant shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

13. Headings. The headings of various sections of this Warrant have been inserted for reference only and shall not affect the meaning or construction of any of the provisions hereof.

14. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant, and the balance hereof shall be interpreted as if such provision were so excluded.

15. Modification and Waiver. This Warrant and any provision hereof may be amended, waived, discharged or terminated only by an instrument in writing signed by the Company and the Holder.

16. Attorney's Fees. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed, manually or by facsimile, by one of its officers thereunto duly authorized.

TITAN MACHINERY INC.

By: /s/ David J. Meyer
Its: CEO

ATTACHMENT A

NOTICE OF EXERCISE

TO: TITAN MACHINERY INC.

1. The undersigned hereby elects to purchase shares of stock of Titan Machinery Inc.. pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full, together with all applicable transfer taxes, if any.

2. The undersigned hereby elects to convert the attached Warrant into Warrant Shares in the manner specified in Section 3.4 of the Warrant. This conversion is exercised with respect to of the Shares covered by the Warrant.

[Strike paragraph above that does not apply.]

3. Please issue a certificate or certificates representing said shares of stock in the name of the undersigned or in such other name as is specified below:

Name: _____

Address: _____

_____

_____

Social Security or Tax Identification Number:

4. The undersigned represents that the aforesaid shares of stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares.

By: _____

Title: _____

Date: _____

ASSIGNMENT

Effective as of with respect to the Common Stock Purchase Warrant No. for shares of Common Stock, Titan Income Holdings, LLLP hereby assigns to its rights to purchase a total of shares thereunder, and retains the right to purchase a total of shares thereunder.

TITAN INCOME HOLDINGS, LLLP

By: _____
Its: _____

CONSENT

Effective as of , Titan Machinery Inc. hereby consents to such assignments, and agrees to issue Common Stock Purchase Warrants in accordance with the foregoing assignment.

TITAN MACHINERY INC.

By: _____
Its: _____

Exhibit 5.1

Titan Machinery Inc.
4876 Rocking Horse Circle
Fargo, North Dakota 58104-6049

Re: Registration Statement on Form S-1 – Exhibit 5.1

Ladies and Gentlemen:

We have acted as counsel for Titan Machinery Inc., a North Dakota corporation (the "Company") in connection with the Company's filing of a Registration Statement on Form S-1 (the "Registration Statement") relating to the registration under the Securities Act of 1933, as amended (the "Act"), of an aggregate of 6,095,000 shares of common stock, par value $0.00001 per share (collectively, the "Shares"). Of the aggregate number of Shares, 4,637,395 Shares will be sold by the Company, including 795,000 Shares subject to an over-allotment option, and 1,457,605 Shares will be sold by certain selling stockholders named in the Registration Statement (the "Selling Stockholders").

In connection with rendering this opinion, we have reviewed the following:

1. The Company's Certificate of Conversion and Plan of Conversion, pursuant to which the Company will, immediately prior to the consummation of the offering of the Shares, change its legal domicile from North Dakota to Delaware (the "Reincorporation");

2. The Company's Certificate of Incorporation to be in effect immediately following the Reincorporation (the "Certificate of Incorporation");

3. The Company's Bylaws to be in effect immediately following the Reincorporation; and

4. Certain corporate resolutions, including resolutions of the Company's Board of Directors pertaining to the issuance by the Company of Shares covered by the Registration Statement.

Based upon the following and upon the representations and information provided by the Company, we hereby advise you that in our opinion:

---

1. The Certificate of Incorporation validly authorizes the issuance of the Shares registered pursuant to the Registration Statement to be issued and sold by the Company.

2. Upon the delivery and payment therefor in accordance with the terms of the Registration Statement and the Underwriting Agreement described in the Registration Statement, the Shares to be issued and sold by the Company will be validly issued, fully paid and nonassessable.

3. The Shares to be sold by the Selling Stockholders are validly issued, fully paid and nonassessable.

In delivering the opinions set forth above, we have assumed the successful completion by the Company of the Reincorporation. We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption "Legal Matters" included in the Registration Statement and the related Prospectus.

Very truly yours,

/s/ Fredrikson & Byron, P.A.
FREDRIKSON & BYRON, P.A.

Exhibit 10.2

November 16, 2007

David J. Meyer
c/o Titan Machinery Inc.
4876 Rocking Horse Circle
Fargo, ND 58104-6049

Dear David:

This letter agreement confirms our discussions regarding your continuing as Chief Executive Officer of Titan Machinery Inc. (the "*Company*"), and sets out the terms and conditions of your employment with the Company, as follows:

Title: You will serve as the Company's Chief Executive Officer.

Term: The initial term of your employment as Chief Executive Officer of the Company under this Agreement shall be for a period commencing on the Effective Date and ending on January 31, 2014, unless earlier terminated by either party as provided in this letter agreement (the "*Term*").

For purposes of this Agreement, "Effective Date" shall mean the date of the closing of the initial public offering of the Company's Common Stock. This Agreement shall not become effective until the Effective Date and all references hereunder to "your employment with the Company" and similar phrases shall refer to your employment with the Company commencing on the Effective Date; provided, that if the Effective Date has not occurred by March 31, 2008, then this Agreement shall never take effect and be of no force or effect.

Responsibilities: During your employment with the Company as Chief Executive Officer, you will report to the Board of Directors of the Company (the "Board") and will be responsible for the overall operations and direction of the Company. You agree to serve the Company faithfully and to the best of your ability, and to devote your full working time, attention and efforts to the business of the Company. You may, to a reasonable extent, participate in charitable activities, personal investment activities and outside businesses that are not competitive with the business of the Company and serve on boards of directors, so long as such activities and directorships do not interfere with the performance of your duties and responsibilities to the Company; provided, that you shall report on all such activities and directorships to the Board at least annually.

Representations: By signing below, you represent and confirm that you are under no contractual or legal commitments that would prevent you from fulfilling your duties and responsibilities to the Company as Chief Executive Officer.

Initial Base Salary: You will be paid a base salary at the rate of $250,000 per year for services performed, in accordance with the regular payroll practices of the Company with annual review by the Compensation Committee of the Board (the "*Committee*"). Your performance and base salary will be reviewed by the Committee annually and may be adjusted upward from time to time in the discretion of the Committee, but will not be reduced during the Term.

Incentive Bonus: For each full fiscal year of the Company that you are employed during the Term, you will be eligible for an incentive award opportunity payable from 0% to 200% of your base salary at the rate in effect at the end of such fiscal year, pursuant to the terms and conditions established by the Committee from time to time, based upon a target equal to 100% of your annual base salary at the rate in effect at such time. Objectives will be established during each fiscal year.Any annual incentive bonus earned for a fiscal year will be paid to you within two and one-half (2½) months after the end of such fiscal year.

Benefits: During your employment with the Company, you will be eligible to participate in the employee benefit plans and programs generally available to other executive officers of the Company, and in such other employee benefit plans and programs to the extent that you meet the eligibility requirements for each individual plan or program and subject to the provisions, rules and regulations applicable to each such plan or program as in effect from time to time. The plans and programs of the Company may be modified or terminated by the Company in its discretion.

Vacation: During your employment with the Company, you will receive vacation time off in accordance with the policies and practices of the Company, except that your annual accrual rate shall be not less than four weeks paid vacation off per year. Vacation time shall be taken at such times so as not to unduly disrupt the operations of the Company.

Office Location: Your employment will be based at the Company's headquarters in Fargo, North Dakota. Of course, in your position regular travel will be required in the course of performing your duties and responsibilities as Chief Executive Officer.

Noncompetition: In consideration of your and the Company entering into this letter agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to protect the reasonable business interests of the Company, you agree that while you are an employee of the Company, and for a period of 24 months after termination of your employment for any reason, you will not directly or indirectly, whether on your own behalf or that of a third party (other than the Company), you will not engage in the business (whether as an owner of, or

as employee, director or officer of or consultant to any business, other than the Company, that is engaged in the business), of owning or operating agricultural or construction equipment stores in any state in which the Company or its subsidiaries owns or operates any agricultural or construction equipment stores during the term of your employment. You agree that the Company will be entitled to equitable relief without the requirement of posting a bond to enforce the terms of such noncompetition restriction, in addition to any other rights or remedies that the Company may have. In the event that any provision of this noncompetition clause (or any other provision contained in this letter agreement) shall be determined by any court of competent jurisdiction to be unenforceable, such provision shall be interpreted to extend only over the maximum period of time for which it may be enforceable and/or over the maximum geographical area as to which it may be enforceable and/or to the maximum extent in all other respects as to which they may be enforceable, all as determined by such court in such action so as to be enforceable to the extent consistent with then applicable law. This noncompetition clause shall survive the termination of your employment, and shall apply whether the termination of your employment is voluntary or involuntary and regardless of the reason for such termination.

Termination: Either you or the Company may terminate the employment relationship during the Term or after the Term at any time and for any reason. Upon termination of your employment by either party for any reason, you will promptly resign any and all positions you then hold as officer or director of the Company or any of its affiliates.

Severance: In case of involuntary termination of your employment by the Company without Cause prior to the expiration of the Term or in the case of voluntary resignation of your employment for Good Reason prior to the expiration of the Term (each a "*Qualifying Termination*"), the Company will pay you as severance pay an amount equal to two (2) times the sum of (a) your annual base salary at the rate in effect on your last day of employment plus (b) the annual incentive bonus last paid to you preceding the Qualifying Termination. In addition, upon a Qualifying Termination the Company will, for a period of 24 following the effective date of termination of your employment, allow you to continue to participate in the Company's group medical and dental plans at the Company's expense (with premiums payable on a monthly basis), to the extent you were a participant as of your last day of employment; however, if your participation in any such plan is barred or not permitted under the terms thereof, the Company will arrange to provide you with substantially similar coverage at its expense up to the expense. Benefits provided by the Company may be reduced if you become eligible for comparable benefits from another employer or third party.

Payment by the Company of any severance pay or premium

reimbursements under this paragraph will be conditioned upon you (1) signing and not revoking a full release of all claims against the Company, its affiliates, officers, directors, employees, agents and assigns, substantially in the form attached to this letter agreement as Exhibit A, (2) complying with your obligations under the Noncompetition Agreement or any other agreement between you and the Company then in effect, (3) cooperating with the Company in the transition of your duties, and (4) agreeing not to disparage or defame the Company, its affiliates, officers, directors, employees, agents, assigns, products or services.

Any severance payable will be paid to you over 24 months in accordance with the Company's normal payroll practices commencing on the first day of the month following the Qualifying Termination, but not earlier than expiration of any rescission periods. All payments under this severance clause are subject to applicable withholding for income and FICA taxes and any other proper deductions. Notwithstanding the foregoing, if any of the payments described in this severance clause are subject to the requirements of Section 409A of the Internal Revenue Code, as amended (the "Code"), and the Company determines that you are a "specified employee" as defined in Section 409A of the Code, such payments shall not commence earlier than the first day of the seventh month following your "separation from service" as determined under Section 409A of the Code.

For purposes of this letter agreement, "Cause" and "Good Reason" have the following definitions:

"*Cause*" means a determination in good faith by the Board of the existence of one or more of the following: (i) commission by you of any act constituting a felony; (ii) any intentional and/or willful act of fraud or material dishonesty by you related to, connected with or otherwise affecting your employment with the Company, or otherwise likely to cause material harm to the Company or its reputation; (iii) the willful and/or continued failure, neglect, or refusal by you to perform in all material respects your duties with the Company as an employee, officer or director, or to fulfill your fiduciary responsibilities to the Company, which failure, neglect or refusal has not been cured within fifteen (15) days after written notice thereof to you from the Company; or (iv) a material breach by you of the Company's material policies or codes of conduct or of your material obligations under other agreement between you and the Company.

"*Good Reason*" means any one or more of the following occur without your consent: (i) the assignment to you of material duties inconsistent with your status or position as Chief Executive Officer, or other action that results in a substantial diminution in your status or position, which has not been cured by the Company within fifteen (15) days after written notice thereof to the Company from you; (ii) the relocation of your principal office for Company

business to a location more than forty (40) miles from the Company's current headquarters; or (iii) material breach by the Company of any terms or conditions of this letter agreement, which breach has not been caused by you and which has not been cured by the Company within fifteen (15) days after written notice thereof to the Company from you.

In the event of termination of your employment by the Company for Cause, resignation by you other than for Good Reason, or termination due to your death or any disability for which you are qualified for benefits under the Company's group long-term disability program, the Company's only obligation hereunder shall be to pay such compensation and provide such benefits as are earned by you through the date of termination of employment.

Indemnification: The Company will indemnify you in connection with your duties and responsibilities for the Company in accordance with the Company's bylaws and as set forth in any indemnification agreement between you and the Company from time to time.

Taxes: The Company may withhold from any compensation payable to you in connection with your employment such federal, state and local income and employment taxes as the Company shall determine are required to be withheld pursuant to any applicable law or regulation.

Applicable Law: This letter agreement shall be interpreted and construed in accordance with the laws of the State of Delaware.

Entire Agreement: This letter agreement and the documents referenced herein constitute the entire agreement between the parties, and supersedes all prior discussions, agreements and negotiations between us. No amendment or modification of this letter agreement will be effective unless made in writing and signed by you and an authorized director of the Company.

[*signature page follows*]

Sincerely,

TITAN MACHINERY INC.

By: /s/ Gordon Paul Anderson
Gordon Paul Anderson,
Chair of the Compensation Committee

I accept and agree to the terms and conditions of employment with Titan Machinery Inc. as set forth above.

/s/ David J. Meyer — November 16, 2007
David J. Meyer — Dated

Exhibit A

FORM OF RELEASE BY DAVID J. MEYER

Definitions. I intend all words used in this Release to have their plain meanings in ordinary English. Specific terms that I use in this Release have the following meanings:

A. I, me, and my include both me (David J. Meyer) and anyone who has or obtains any legal rights or claims through me.

B. Titan means Titan Machinery Inc., any company related to Titan Machinery Inc. in the present or past (including without limitation, its predecessors, parents, subsidiaries, affiliates, joint venture partners, and divisions), and any successors of Titan Machinery Inc.

C. Company means Titan; the present and past officers, directors, committees, shareholders, and employees of Titan; any company providing insurance to Titan in the present or past; the present and past fiduciaries of any employee benefit plan sponsored or maintained by Titan (other than multiemployer plans); the attorneys for Titan; and anyone who acted on behalf of Titan or on instructions from Titan.

D. Agreement means the letter agreement between me and Titan dated , 2007, including all of the documents attached to such agreement.

E. My Claims mean all of my rights that I now have to any relief of any kind from the Company, whether I now know about such rights or not, including without limitation:
   1. all claims arising out of or relating to my employment with Titan or the termination of that employment;

   2. all claims arising out of or relating to the statements, actions, or omissions of the Company;

3. all claims for any alleged unlawful discrimination, harassment, retaliation or reprisal, or other alleged unlawful practices arising under any federal, state, or local statute, ordinance, or regulation, including without limitation, claims under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, 42 U.S.C. § 1981, the Employee Retirement Income Security Act, the Equal Pay Act, the Worker Adjustment and Retraining Notification Act, the Sarbanes-Oxley Act, the Family and Medical Leave Act, the Fair Credit Reporting Act, the North Dakota Human Rights Act, N.D. Stat. § 14.02-4-01 et seq., the North Dakota Equal Pay Act, N.D. Stat. § 34-06.1-01 et seq., the North Dakota Age Discrimination Act, N.D. Stat. § 34-01-17, and workers' compensation non-interference or non-retaliation statutes;

4. all claims for alleged wrongful discharge; breach of contract; breach of implied contract; failure to keep any promise; breach of a covenant of good faith and fair dealing; breach of fiduciary duty; estoppel; my activities, if any, as a "whistleblower";

defamation; infliction of emotional distress; fraud; misrepresentation; negligence; harassment; retaliation or reprisal; constructive discharge; assault; battery; false imprisonment; invasion of privacy; interference with contractual or business relationships; any other wrongful employment practices; and violation of any other principle of common law;

5. all claims for compensation of any kind, including without limitation, bonuses, commissions, stock-based compensation or stock options, vacation pay and paid time off, perquisites, and expense reimbursements;

6. all claims for back pay, front pay, reinstatement, other equitable relief, compensatory damages, damages for alleged personal injury, liquidated damages, and punitive damages; and

7. all claims for attorneys' fees, costs, and interest.

However, My Claims do not include any claims that the law does not allow to be waived; any claims that may arise after the date on which I sign this Release; any rights I may have to indemnification from Titan as a current or former officer, director or employee of Titan; any claims for payment of severance benefits under the Agreement; any rights I have to severance pay or benefits under the Agreement; or any claims I may have for earned and accrued benefits under any employee benefit plan sponsored by the Company in which I am a participant as of the date of termination of my employment with Titan.

Consideration. I am entering into this Release in consideration of Titan's obligations to provide me certain severance benefits as specified in the Agreement. I will receive consideration from Titan as set forth in the Agreement if I sign and do not rescind this Release as provided below. I understand and acknowledge that I would not be entitled to the consideration under the Agreement if I did not sign this Release. The consideration is in addition to anything of value that I would be entitled to receive from Titan if I did not sign this Release or if I rescinded this Release. I acknowledge and represent that I have received all payments and benefits that I am entitled to receive (as of the date of this Release) by virtue of any employment by the Company.

Agreement to Release My Claims. In exchange for the consideration described in the Agreement, I give up and release all of My Claims. I will not make any demands or claims against the Company for compensation or damages relating to My Claims. The consideration that I am receiving is a fair compromise for the release of My Claims.

Cooperation. Upon the reasonable request of the Company, I agree that I will (i) timely execute and deliver such acknowledgements, instruments, certificates, and other ministerial documents (including without limitation, certification as to specific actions performed by me in my capacity as an officer of the Company) as may be necessary or appropriate to formalize and complete the applicable corporate records; (ii) reasonably consult with the Company regarding business matters that I was involved with while employed by the Company; and (iii) be reasonably available, with or without subpoena, to be interviewed, review documents or things, give depositions, testify, or engage in other reasonable activities in connection with any litigation or

investigation, with respect to matters that I may have knowledge of by virtue of my employment by or service to the Company. In performing my obligations under this paragraph to testify or otherwise provide information, I will honestly, truthfully, forthrightly, and completely provide the information requested, volunteer pertinent information and turn over to the Company all relevant documents which are or may come into my possession.

My Continuing Obligations. I understand and acknowledge that I must comply with all of my post-employment obligations under the Agreement. I will not defame or disparage the reputation, character, image, products, or services of Titan, or the reputation or character of Titan's directors, officers, employees and agents, and I will refrain from making public comment about the Company except upon the express written consent of an officer of Titan.

Additional Agreements and Understandings. Even though Titan will provide consideration for me to settle and release My Claims, the Company does not admit that it is responsible or legally obligated to me. In fact, the Company denies that it is responsible or legally obligated to me for My Claims, denies that it engaged in any unlawful or improper conduct toward me, and denies that it treated me unfairly.

Advice to Consult with an Attorney. I understand and acknowledge that I am hereby being advised by the Company to consult with an attorney prior to signing this Release and I have done so. My decision whether to sign this Release is my own voluntary decision made with full knowledge that the Company has advised me to consult with an attorney.

Period to Consider the Release. I understand that I have 21 days from the date I received this Release (or 21 days after the last day of my employment with Titan, if later) to consider whether I wish to sign this Release. If I sign this Release before the end of the 21-day period, it will be my voluntary decision to

do so because I have decided that I do not need any additional time to decide whether to sign this Release. I understand and agree that if I sign this Release prior to my last day of employment with Titan it will not be valid and Titan will not be obligated to provide the consideration described in the Release.

My Right to Rescind this Release. I understand that I may rescind this Release at any time within 7 days after I sign it, not counting the day upon which I sign it. This Release will not become effective or enforceable unless and until the 7-day rescission period has expired without my rescinding it. I understand that if I rescind this Release Titan will not be obligated to provide the consideration described in the Release.

Procedure for Accepting or Rescinding the Release. To accept the terms of this Release, I must deliver the Release, after I have signed and dated it, to Titan by hand or by mail within the 21-day period that I have to consider this Release. To rescind my acceptance, I must deliver a written, signed statement that I rescind my acceptance to Titan by hand or by mail within the 15-day rescission period. All deliveries must be made to Titan at the following address:

Chief Financial Officer

_____

_____

If I choose to deliver my acceptance or the rescission by mail, it must be postmarked within the period stated above and properly addressed to Titan at the address stated above.

Interpretation of the Release. This Release should be interpreted as broadly as possible to achieve my intention to resolve all of My Claims against the Company. If this Release is held by a court to be inadequate to release a particular claim encompassed within My Claims, this Release will remain in full force and effect with respect to all the rest of My Claims. I agree that the provisions of this Release may not be amended, waived, changed or modified except by an instrument in writing signed by an authorized representative of Titan and by me.

My Representations. I am legally able and entitled to receive the consideration being provided to me in settlement of My Claims. I have not been involved in any personal bankruptcy or other insolvency proceedings at any time since I began my employment with Titan. No child support orders, garnishment orders, or other orders requiring that money owed to me by Titan be paid to any other person are now in effect.

I have read this Release carefully. I understand all of its terms. In signing this Release, I have not relied on any statements or explanations made by the Company except as specifically set forth in the Agreement. I am voluntarily releasing My Claims against the Company. I intend this Release and the Agreement to be legally binding.

Dated: _____

_____
David J. Meyer

Exhibit 10.3

November 16, 2007

Peter Christianson
c/o Titan Machinery Inc.
4876 Rocking Horse Circle
Fargo, ND 58104-6049

Dear Peter:

This letter agreement confirms our discussions regarding your continuing as President and Chief Financial Officer of Titan Machinery Inc. (the "*Company*"), and sets out the terms and conditions of your employment with the Company, as follows:

Title: You will serve as the Company's President and Chief Financial Officer.

Term: The initial term of your employment as President and Chief Financial Officer of the Company shall be for a period commencing on the Effective Date and ending on January 31, 2014, unless earlier terminated by either party as provided in this letter agreement (the "*Term*").

For purposes of this Agreement, "Effective Date" shall mean the date of the closing of the initial public offering of the Company's Common Stock. This Agreement shall not become effective until the Effective Date and all references hereunder to "your employment with the Company" and similar phrases shall refer to your employment with the Company commencing on the Effective Date; provided, that if the Effective Date has not occurred by March 31, 2008, then this Agreement shall never take effect and be of no force or effect.

Responsibilities: During your employment with the Company as President and Chief Financial, you will report to the Board of Directors of the Company (the "*Board*") and will be responsible for the overall operations and direction and financial matters of the Company. You agree to serve the Company faithfully and to the best of your ability, and to devote your full working time, attention and efforts to the business of the Company. You may, to a reasonable extent, participate in charitable activities, personal investment activities and outside businesses that are not competitive with the business of the Company and serve on boards of directors, so long as such activities and directorships do not interfere with the performance of your duties and responsibilities to the Company; provided, that you shall report on all such activities and directorships to the Board at least annually.

Representations: By signing below, you represent and confirm that you are under no contractual or legal commitments that would prevent you from fulfilling your duties and responsibilities to the Company as President and Chief

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Financial Officer.

Initial Base Salary: You will be paid a base salary at the rate of $250,000 per year for services performed, in accordance with the regular payroll practices of the Company with annual review by the Compensation Committee of the Board (the "*Committee*"). Your performance and base salary will be reviewed by the Committee annually and may be adjusted upward from time to time in the discretion of the Committee, but will not be reduced during the Term.

Incentive Bonus: For each full fiscal year of the Company that you are employed during the Term, you will be eligible for an incentive award opportunity payable from 0% to 200% of your base salary at the rate in effect at the end of such fiscal year, pursuant to the terms and conditions established by the Committee from time to time, based upon a target equal to 100% of your annual base salary at the rate in effect at such time. Objectives will be established during each fiscal year.Any annual incentive bonus earned for a fiscal year will be paid to you within two and one-half (2½) months after the end of such fiscal year.

Benefits: During your employment with the Company, you will be eligible to participate in the employee benefit plans and programs generally available to other executive officers of the Company, and in such other employee benefit plans and programs to the extent that you meet the eligibility requirements for each individual plan or program and subject to the provisions, rules and regulations applicable to each such plan or program as in effect from time to time. The plans and programs of the Company may be modified or terminated by the Company in its discretion.

Vacation: During your employment with the Company, you will receive vacation time off in accordance with the policies and practices of the Company, except that your annual accrual rate shall be not less than four weeks paid vacation off per year. Vacation time shall be taken at such times so as not to unduly disrupt the operations of the Company.

Office Location: Your employment will be based at the Company's headquarters in Fargo, North Dakota. Of course, in your position regular travel will be required in the course of performing your duties and responsibilities as President and Chief Financial Officer.

Noncompetition: In consideration of your and the Company entering into this letter agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to protect the reasonable business interests of the Company, you agree that while you are an employee of the Company, and for a period of 24 months after termination of your employment for any reason, you will not directly or indirectly, whether on your own behalf or that of a third party (other than the

Company), you will not engage in the business (whether as an owner of, or as employee, director or officer of or consultant to any business, other than the Company, that is engaged in the business), of owning or operating agricultural or construction equipment stores in any state in which the Company or its subsidiaries owns or operates any agricultural or construction equipment stores during the term of your employment. You agree that the Company will be entitled to equitable relief without the requirement of posting a bond to enforce the terms of such noncompetition restriction, in addition to any other rights or remedies that the Company may have. In the event that any provision of this noncompetition clause (or any other provision contained in this letter agreement) shall be determined by any court of competent jurisdiction to be unenforceable, such provision shall be interpreted to extend only over the maximum period of time for which it may be enforceable and/or over the maximum geographical area as to which it may be enforceable and/or to the maximum extent in all other respects as to which they may be enforceable, all as determined by such court in such action so as to be enforceable to the extent consistent with then applicable law. This noncompetition clause shall survive the termination of your employment, and shall apply whether the termination of your employment is voluntary or involuntary and regardless of the reason for such termination.

Termination: Either you or the Company may terminate the employment relationship during the Term or after the Term at any time and for any reason. Upon termination of your employment by either party for any reason, you will promptly resign any and all positions you then hold as officer or director of the Company or any of its affiliates.

Severance: In case of involuntary termination of your employment by the Company without Cause prior to the expiration of the Term or in the case of voluntary resignation of your employment for Good Reason prior to the expiration of the Term (each a "*Qualifying Termination*"), the Company will pay you as severance pay an amount equal to two (2) times the sum of (a) your annual base salary at the rate in effect on your last day of employment plus (b) the annual incentive bonus last paid to you preceding the Qualifying Termination. In addition, upon a Qualifying Termination the Company will, for a period of 24 following the effective date of termination of your employment, allow you to continue to participate in the Company's group medical and dental plans at the Company's expense (with premiums payable on a monthly basis), to the extent you were a participant as of your last day of employment; however, if your participation in any such plan is barred or not permitted under the terms thereof, the Company will arrange to provide you with substantially similar coverage at its expense up to the expense. Benefits provided by the Company may be reduced if you become eligible for comparable benefits from another employer or third party.

Payment by the Company of any severance pay or premium reimbursements under this paragraph will be conditioned upon you (1) signing and not revoking a full release of all claims against the Company, its affiliates, officers, directors, employees, agents and assigns, substantially in the form attached to this letter agreement as Exhibit A, (2) complying with your obligations under the Noncompetition Agreement or any other agreement between you and the Company then in effect, (3) cooperating with the Company in the transition of your duties, and (4) agreeing not to disparage or defame the Company, its affiliates, officers, directors, employees, agents, assigns, products or services.

Any severance payable will be paid to you over 24 months in accordance with the Company's normal payroll practices commencing on the first day of the month following the Qualifying Termination, but not earlier than expiration of any rescission periods. All payments under this severance clause are subject to applicable withholding for income and FICA taxes and any other proper deductions. Notwithstanding the foregoing, if any of the payments described in this severance clause are subject to the requirements of Section 409A of the Internal Revenue Code, as amended (the "Code"), and the Company determines that you are a "specified employee" as defined in Section 409A of the Code, such payments shall not commence earlier than the first day of the seventh month following your "separation from service" as determined under Section 409A of the Code.

For purposes of this letter agreement, "Cause" and "Good Reason" have the following definitions:

"*Cause*" means a determination in good faith by the Board of the existence of one or more of the following: (i) commission by you of any act constituting a felony; (ii) any intentional and/or willful act of fraud or material dishonesty by you related to, connected with or otherwise affecting your employment with the Company, or otherwise likely to cause material harm to the Company or its reputation; (iii) the willful and/or continued failure, neglect, or refusal by you to perform in all material respects your duties with the Company as an employee, officer or director, or to fulfill your fiduciary responsibilities to the Company, which failure, neglect or refusal has not been cured within fifteen (15) days after written notice thereof to you from the Company; or (iv) a material breach by you of the Company's material policies or codes of conduct or of your material obligations under other agreement between you and the Company.

"*Good Reason*" means any one or more of the following occur without your consent: (i) the assignment to you of material duties inconsistent with your status or position as President and Chief Financial Officer, or other action that results in a substantial diminution in your status or position, which has not been cured by the Company within fifteen (15) days after written notice

thereof to the Company from you; (ii) the relocation of your principal office for Company business to a location more than forty (40) miles from the Company's current headquarters; or (iii) material breach by the Company of any terms or conditions of this letter agreement, which breach has not been caused by you and which has not been cured by the Company within fifteen (15) days after written notice thereof to the Company from you.

In the event of termination of your employment by the Company for Cause, resignation by you other than for Good Reason, or termination due to your death or any disability for which you are qualified for benefits under the Company's group long-term disability program, the Company's only obligation hereunder shall be to pay such compensation and provide such benefits as are earned by you through the date of termination of employment.

Indemnification: The Company will indemnify you in connection with your duties and responsibilities for the Company in accordance with the Company's bylaws and as set forth in any indemnification agreement between you and the Company from time to time.

Taxes: The Company may withhold from any compensation payable to you in connection with your employment such federal, state and local income and employment taxes as the Company shall determine are required to be withheld pursuant to any applicable law or regulation.

Applicable Law: This letter agreement shall be interpreted and construed in accordance with the laws of the State of Delaware.

Entire Agreement: This letter agreement and the documents referenced herein constitute the entire agreement between the parties, and supersedes all prior discussions, agreements and negotiations between us. No amendment or modification of this letter agreement will be effective unless made in writing and signed by you and an authorized director of the Company.

[*signature page follows*]

TITAN MACHINERY INC.

By: /s/ Gordon Paul Anderson
Gordon Paul Anderson,
Chair of the Compensation Committee

I accept and agree to the terms and conditions of employment with Titan Machinery Inc. as set forth above.

/s/ Peter Christianson — November 16, 2007
Peter Christianson — Dated

Exhibit A

FORM OF RELEASE BY PETER CHRISTIANSON

Definitions. I intend all words used in this Release to have their plain meanings in ordinary English. Specific terms that I use in this Release have the following meanings:

A. I, me, and my include both me (Peter Christianson) and anyone who has or obtains any legal rights or claims through me.

B. Titan means Titan Machinery Inc., any company related to Titan Machinery Inc. in the present or past (including without limitation, its predecessors, parents, subsidiaries, affiliates, joint venture partners, and divisions), and any successors of Titan Machinery Inc.

C. Company means Titan; the present and past officers, directors, committees, shareholders, and employees of Titan; any company providing insurance to Titan in the present or past; the present and past fiduciaries of any employee benefit plan sponsored or maintained by Titan (other than multiemployer plans); the attorneys for Titan; and anyone who acted on behalf of Titan or on instructions from Titan.

D. Agreement means the letter agreement between me and Titan dated , 2007, including all of the documents attached to such agreement.

E. My Claims mean all of my rights that I now have to any relief of any kind from the Company, whether I now know about such rights or not, including without limitation:

1. all claims arising out of or relating to my employment with Titan or the termination of that employment;

2. all claims arising out of or relating to the statements, actions, or omissions of the Company;

3. all claims for any alleged unlawful discrimination, harassment, retaliation or reprisal, or other alleged unlawful practices arising under any federal, state, or local statute, ordinance, or regulation, including without limitation, claims under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, 42 U.S.C. § 1981, the Employee Retirement Income Security Act, the Equal Pay Act, the Worker Adjustment and Retraining Notification Act, the Sarbanes-Oxley Act, the Family and Medical Leave Act, the Fair Credit Reporting Act, the North Dakota Human Rights Act, N.D. Stat. § 14.02-4-01 et seq., the North Dakota Equal Pay Act, N.D. Stat. § 34-06.1-01 et seq., the North Dakota Age Discrimination Act, N.D. Stat. § 34-01-17, and workers' compensation non-interference or non-retaliation statutes;

4. all claims for alleged wrongful discharge; breach of contract; breach of implied contract; failure to keep any promise; breach of a covenant of good faith and fair dealing; breach of fiduciary duty; estoppel; my activities, if any, as a "whistleblower";

defamation; infliction of emotional distress; fraud; misrepresentation; negligence; harassment; retaliation or reprisal; constructive discharge; assault; battery; false imprisonment; invasion of privacy; interference with contractual or business relationships; any other wrongful employment practices; and violation of any other principle of common law;

5. all claims for compensation of any kind, including without limitation, bonuses, commissions, stock-based compensation or stock options, vacation pay and paid time off, perquisites, and expense reimbursements;

6. all claims for back pay, front pay, reinstatement, other equitable relief, compensatory damages, damages for alleged personal injury, liquidated damages, and punitive damages; and

7. all claims for attorneys' fees, costs, and interest.

However, My Claims do not include any claims that the law does not allow to be waived; any claims that may arise after the date on which I sign this Release; any rights I may have to indemnification from Titan as a current or former officer, director or employee of Titan; any claims for payment of severance benefits under the Agreement; any rights I have to severance pay or benefits under the Agreement; or any claims I may have for earned and accrued benefits under any employee benefit plan sponsored by the Company in which I am a participant as of the date of termination of my employment with Titan.

Consideration. I am entering into this Release in consideration of Titan's obligations to provide me certain severance benefits as specified in the Agreement. I will receive consideration from Titan as set forth in the Agreement if I sign and do not rescind this Release as provided below. I understand and acknowledge that I would not be entitled to the consideration under the Agreement if I did not sign this Release. The consideration is in addition to anything of value that I would be entitled to receive from Titan if I did not sign this Release or if I rescinded this Release. I acknowledge and represent that I have received all payments and benefits that I am entitled to receive (as of the date of this Release) by virtue of any employment by the Company.

Agreement to Release My Claims. In exchange for the consideration described in the Agreement, I give up and release all of My Claims. I will not make any demands or claims against the Company for compensation or damages relating to My Claims. The consideration that I am receiving is a fair compromise for the release of My Claims.

Cooperation. Upon the reasonable request of the Company, I agree that I will (i) timely execute and deliver such acknowledgements, instruments, certificates, and other ministerial documents (including without limitation, certification as to specific actions performed by me in my capacity as an officer of the Company) as may be necessary or appropriate to formalize and complete the applicable corporate records; (ii) reasonably consult with the Company regarding business matters that I was involved with while employed by the Company; and (iii) be reasonably available, with or without subpoena, to be interviewed, review documents or things, give depositions, testify, or engage in other reasonable activities in connection with any litigation or

investigation, with respect to matters that I may have knowledge of by virtue of my employment by or service to the Company. In performing my obligations under this paragraph to testify or otherwise provide information, I will honestly, truthfully, forthrightly, and completely provide the information requested, volunteer pertinent information and turn over to the Company all relevant documents which are or may come into my possession.

My Continuing Obligations. I understand and acknowledge that I must comply with all of my post-employment obligations under the Agreement. I will not defame or disparage the reputation, character, image, products, or services of Titan, or the reputation or character of Titan's directors, officers, employees and agents, and I will refrain from making public comment about the Company except upon the express written consent of an officer of Titan.

Additional Agreements and Understandings. Even though Titan will provide consideration for me to settle and release My Claims, the Company does not admit that it is responsible or legally obligated to me. In fact, the Company denies that it is responsible or legally obligated to me for My Claims, denies that it engaged in any unlawful or improper conduct toward me, and denies that it treated me unfairly.

Advice to Consult with an Attorney. I understand and acknowledge that I am hereby being advised by the Company to consult with an attorney prior to signing this Release and I have done so. My decision whether to sign this Release is my own voluntary decision made with full knowledge that the Company has advised me to consult with an attorney.

Period to Consider the Release. I understand that I have 21 days from the date I received this Release (or 21 days after the last day of my employment

with Titan, if later) to consider whether I wish to sign this Release. If I sign this Release before the end of the 21-day period, it will be my voluntary decision to do so because I have decided that I do not need any additional time to decide whether to sign this Release. I understand and agree that if I sign this Release prior to my last day of employment with Titan it will not be valid and Titan will not be obligated to provide the consideration described in the Release.

My Right to Rescind this Release. I understand that I may rescind this Release at any time within 7 days after I sign it, not counting the day upon which I sign it. This Release will not become effective or enforceable unless and until the 7-day rescission period has expired without my rescinding it. I understand that if I rescind this Release Titan will not be obligated to provide the consideration described in the Release.

Procedure for Accepting or Rescinding the Release. To accept the terms of this Release, I must deliver the Release, after I have signed and dated it, to Titan by hand or by mail within the 21-day period that I have to consider this Release. To rescind my acceptance, I must deliver a written, signed statement that I rescind my acceptance to Titan by hand or by mail within the 15-day rescission period. All deliveries must be made to Titan at the following address:

Chief Financial Officer

_____

_____

If I choose to deliver my acceptance or the rescission by mail, it must be postmarked within the period stated above and properly addressed to Titan at the address stated above.

Interpretation of the Release. This Release should be interpreted as broadly as possible to achieve my intention to resolve all of My Claims against the Company. If this Release is held by a court to be inadequate to release a particular claim encompassed within My Claims, this Release will remain in full force and effect with respect to all the rest of My Claims. I agree that the provisions of this Release may not be amended, waived, changed or modified except by an instrument in writing signed by an authorized representative of Titan and by me.

My Representations. I am legally able and entitled to receive the consideration being provided to me in settlement of My Claims. I have not been involved in any personal bankruptcy or other insolvency proceedings at any time since I began my employment with Titan. No child support orders, garnishment orders, or other orders requiring that money owed to me by Titan be paid to any other person are now in effect.

I have read this Release carefully. I understand all of its terms. In signing this Release, I have not relied on any statements or explanations made by the Company except as specifically set forth in the Agreement. I am voluntarily releasing My Claims against the Company. I intend this Release and the Agreement to be legally binding.

Dated: _____ _____

Peter Christianson

Exhibit 10.25

AMENDED AND RESTATED

WHOLESALE FLOOR PLAN CREDIT FACILITY
AND
SECURITY AGREEMENT

between

CNH CAPITAL AMERICA LLC,
as Lender

and

TITAN MACHINERY, INC.,

as Borrower

US $200,000,000

Dated as of November 13, 2007

RECITALS		1
ARTICLE I DEFINITIONS		2
1.01	Certain Definitions	2
1.02	Other Definitional Provisions	7
1.03	Accounting Terms and Determinations	7
ARTICLE II THE WHOLESALE FLOOR PLAN CREDIT FACILITY		7
2.01	Amendment and Restatement	7
2.02	Credit Facility	8
2.03	Term of Agreement	8
2.04	Security Agreement	9
ARTICLE III PAYMENT PROVISIONS		10
3.01	Interest and Principal	10
3.02	Set-off	10
3.03	Statement of Account	10
3.04	Sale or Lease of Inventory Collateral	10
3.05	Proceeds of Collateral	11
3.06	Taxes	11
ARTICLE IV CONDITIONS PRECEDENT		12
4.01	Conditions to Effectiveness	12
4.02	Conditions Precedent to Each Advance	13
4.03	Use of Funds; Rental Contracts	13
ARTICLE V AFFIRMATIVE COVENANTS		14
5.01	Financial Covenants	14
5.02	Financial Statements and Other Information	14
5.03	Insurance	15
5.04	Locations	16
5.05	Notice of Default and Litigation	16
5.06	Corporate Existence; Maintenance of Governmental Approvals	16
5.07	Payment of Taxes	16
5.08	Compliance with Laws	17
5.09	Conduct of Business and Maintenance of Existence	17
5.10	Protection of Collateral	17
5.11	Inspection of Collateral; Books and Records; Discussions	17
5.12	Perfection of Security Interest	17
5.14	Further Assurances	18
ARTICLE VI NEGATIVE COVENANTS		18
6.01	Collateral	18
6.02	Negative Pledge	18
6.03	Mergers; Acquisitions	19
ARTICLE VII REPRESENTATIONS AND WARRANTIES		20
7.01	Corporate Existence and Power	20
7.02	Corporate Authority, Enforceable Obligations	20
7.03	Compliance with Law and Other Instruments	20
7.04	Litigation	20
7.05	Governmental Approvals	20
7.06	Financial Information	21
7.07	Absence of Default	21

7.08	Taxes, Assessments and Fees	21
7.09	Borrower Status	21
7.10	First Priority Security Interest	21
7.11	No Liens	21
7.12	ERISA Compliance	21
7.13	Environmental	21
7.14	Insurance	22
ARTICLE VIII EVENTS OF DEFAULT		22
8.01	Events of Default	22
8.02	Remedies	23
8.03	Delay and Waiver	24
8.04	Expenses of Collection and Enforcement	25
8.05	Right of Set-Off	25
8.06	Authority to Perform	25
8.07	Power of Attorney	25
8.08	Subsequent Documentation	26
ARTICLE IX MISCELLANEOUS		26
9.01	Patriot Act	26
9.02	Time of Essence	26
9.03	Notices	26
9.04	Amendments and Waivers	27
9.05	Entire Agreement	27
9.06	Counsel; Payment of Expenses	27
9.07	Indemnification; Damages	28
9.08	Successors and Assigns	28
9.09	Governing Law	28
9.10	Counterparts	28
9.11	Severability	29
9.12	Survival of Representations and Agreements	29
9.13	No Agency	29
9.15.	Conflict; Construction of Documents	29
CNH CAPITAL AMERICA LLC,		30
Address for Notices		30
CNH Capital America LLC		30

SCHEDULES

Schedule 1	Existing Credit Agreements
Schedule 4.02(g)	Landlords
Schedule 5.04	Locations for Collateral
Schedule 6.02(h)	Existing Liens
Schedule 7.04	Litigation

EXHIBITS

Exhibit A	Form of Guaranty
Exhibit B	Form of Landlord Agreement
Exhibit C	Form of Compliance Certificate

AMENDED AND RESTATED
WHOLESALE FLOOR PLAN CREDIT FACILITY
AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED WHOLESALE FLOOR PLAN CREDIT FACILITY AND SECURITY AGREEMENT ("*Agreement*"), is entered into as of November 13, 2007, 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 $125 Million, plus certain overadvanced amounts, 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 $200 Million, including such amounts currently outstanding under the Existing Wholesale Credit Agreements (under existing limits, and overadvances), 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, Borrower is contemplating an initial public offering of common stock (the "*IPO*"). Lender has issued a written waiver to the change of control which would result from the IPO, upon certain terms and conditions set forth therein. Although Borrower's and Lender's entry into this Agreement is not conditioned upon the consummation of an IPO, certain terms and provisions of this Agreement will, by their express terms, go into effect upon such consummation; and

WHEREAS, Lender is willing to continue to provide the wholesale floor plan credit financing upon the terms and conditions set forth in this Agreement.

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 amend and restate the Existing Wholesale Credit Agreements, which shall read in their entirety as follows:

ARTICLE I
DEFINITIONS

1.01 *Certain Definitions*. As used in this Agreement, the following terms have the following meanings:

"*Adjusted Debt to Tangible Net Worth Ratio*" means the ratio of Debt minus Subordinated Debt to Adjusted Net Worth.

"*Adjusted Net Worth*" means the sum of Tangible Net Worth plus Subordinated Debt.

"*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*" shall, prior to the consummation of a Qualifying IPO, mean 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). Subsequent to the consummation of a Qualifying IPO, "Change of Control" shall mean any of the following transactions (it being further acknowledged and agreed that a Qualifying IPO shall not be deemed to constitute a Change of Control):

(a) a merger, consolidation or reorganization, unless securities representing more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly, by the persons who beneficially owned Borrower's outstanding voting securities immediately prior to such transaction;

(b) any sale of all or substantially all of Borrower's assets;

(c) any transaction or series of related transactions (other than from the sale of shares issued or sold in any registered offering of Borrower's securities) pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Borrower or a person that, prior to such

transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Borrower) becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent) or more of the total combined voting power of Borrower's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions; or

(d) a change in the composition of the Board of Borrower over a period of eighteen (18) consecutive months or less such that a majority of

the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (x) were Board members at the beginning of such period or (y) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (x) who were still in office at the time the Board approved such election or nomination.

"*Collateral*" has the meaning specified in Section 2.04.

"*Consent Letter*" means that certain letter agreement between Borrower and Lender dated as of November 13, 2007.

"*Credit Agreements*" means this Agreement, the Existing Wholesale Credit Agreements as amended and superseded herein, and any other agreement pursuant to which Lender extends credit to or provides financial accommodations to Borrower, all as amended and supplemented.

"*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.

"*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 Obligations*" means obligations for the payment of money to Lender under Lender's Subordinated Debt Facilities, and recourse obligations of Borrower to Lender arising from the breach by Borrower of representations, warranties or covenants under agreements or instruments related to the purchase by Lender from Borrower of chattel paper or other retail financing contracts.

"*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.

"*Family*" means a spouse or descendant or ancestor of an individual, a spouse of such descendant or ancestor, a custodian for, or a trustee of a trust primarily for the benefit of, one or more of the foregoing and/or such individual.

"*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.

"*Governmental Authority*" means any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any self-regulatory organization.

"*Government Lists*" has the meaning specified in Section 9.01(b).

"*Guaranty*" means, collectively, the guaranty and reaffirmation in the form of *Exhibit A* attached to, 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 (i) the Prime Rate plus 0.3%, for Lender's Credit Lines (a) Direct New (004), (b) Direct Used (005), (c) Matured Used 006), (d) Matured New (007), (e) REPO (008), (f) Lease Return (009), and (g) Credit Line (011) (with respect to units for such line as to which Borrower selects the floating rate option), and (ii) the Prime Rate plus 1.6%, for Lender's Credit Lines (a) New (001) and (b) Trade-In (002).

"*IPO*" means an initial public offering of equity securities of Borrower.

"*Lender*" has the meaning specified in the Preamble.

"*Lender Information*" means any information of the following description: (i) information relating to pricing, programs, policies and practices of Lender, (ii) information relating to Lender's financial performance or condition, business plans or strategies, and (iii) other information relating to Lender which Lender has

reasonably advised Borrower in writing should be kept confidential. Notwithstanding the foregoing, this Agreement and the terms hereof, including, without limitation, the Interest Rate, may be disclosed by Borrower as it may reasonably determine.

"*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) the 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, consistently applied.

"*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 the fluctuating rate of interest per annum as of Monday of each week, as last announced during the preceding week by Bank of America, N.A. If the Bank of America, N.A. (or its successor) ceases to announce its 'prime rate', the Prime Rate shall mean the prime or base loan rate of any federally chartered bank selected by Lender in its reasonable discretion.

"*Property*" of any Person means any asset, revenue or other property, whether tangible or intangible, real or personal of such Person.

"*Qualifying IPO*" shall have the meaning given such term in the Consent Letter.

"*Related Interests*" means, with respect to any specified Person, such Person's Affiliates, members of such Person's Family, 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 2.04.

"*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 dated January 31, 2006.

"*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;

(a) intangible assets (determined in accordance with GAAP); and

(b) receivables, loans and other amounts due from any director, officer or employee of Borrower, a Related Interest of any such director, officer or employee, or other Affiliate of Borrower;

plus an amount equal to 70% of the amount reflected on Borrower's balance sheet as a LIFO reserve.

"*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 Guaranty (until such time as it is terminated), 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 2.04.

"*Wholesale Facility Minimum Debt Service Coverage Ratio*" means the ratio computed when the sum of (i) pretax income, plus (ii) depreciation and amortization expense, plus (iii) interest expense, plus (iv) rent and lease expense, is divided by the sum of (x) current maturities of long-term debt (including Subordinated Debt), plus (y) interest expense, plus (z) rent and lease expense.

"*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 publications 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 Indebtedness to the Lender under this Agreement and under the other Credit Agreements (but exclusive of the Excluded Obligations) including, without limitation, indebtedness under Existing Wholesale Credit Agreements, leases, promissory notes and recourse obligations (except those included within the definition of Excluded Obligations). For the avoidance of doubt, the Aggregate Credit Limit is not in addition to the credit limit under the Existing Wholesale Credit Agreements or any of

such other instruments.

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 $200 Million inclusive of amounts outstanding on the date hereof but exclusive of Excluded Obligations (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. In addition, if Lender, in its sole discretion, allows Borrower to incur Obligations to Lender in excess of the Aggregate Credit Limit, such circumstance shall not limit Lender's rights and remedies, nor constitute a waiver, under this Agreement or otherwise.

(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 shall 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.

2.03 *Term of Agreement*. This Agreement, and Lender's agreement to make Advances on the terms and conditions of this Agreement, shall terminate and expire on August 31, 2008, and shall continue thereafter for successive terms of twelve months, unless either Borrower or Lender terminates this Agreement, effective as of August 31, 2008 or the end of any such twelve month period, as applicable, by giving written notice to the other party not less than ninety (90) days prior to August 31, 2008 or the end of the then current twelve month period. Unless terminated in accordance with the prior sentence, this Agreement, and Lender's agreement to make advances on the terms and conditions of this Agreement,

shall terminate on August 31, 2012, unless such term is extended by Lender and Borrower in writing or unless earlier terminated pursuant to ARTICLE VIII hereof. Upon any termination or expiration of this Agreement, all Obligations shall become immediately due and payable by Borrower. Termination of this Agreement shall not limit Borrower's or Lender's obligations under this Agreement arising prior to the effective date of such termination, or which are otherwise contemplated to remain in effect subsequent thereto.

2.04 *Security Agreement*.

(a) To secure payment and performance of the Wholesale Obligations and all other Obligations (with the exception of Obligations under Lender's Subordinated Debt Facilities, and any Obligations arising in the future, if any, which Lender expressly agrees, in writing, shall not be subject to the Security Interest), 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 all 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

(b) The Security Interest is, and at all times shall continue to be, 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 (including, without limitation, the State of Delaware, in anticipation of the conversion transaction contemplated by Section 5.06)), 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 execute and deliver all such other documents and instruments, and take any and all other actions, as are reasonably necessary to allow Lender to perfect, and continuously maintain the perfection and first priority of, 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*").

2.05 *Intercreditor Agreements*. The parties acknowledge that this Agreement shall not operate to terminate or otherwise modify the undertakings and agreements of Lender, Bremer Bank or GE

Commercial Distribution Finance Corporation under the intercreditor agreements of Lender with such Persons (or the provisions of Section 6.02(j)).

2.06 *Guaranty*. The Lender hereby agrees for the benefit of the Borrower and the Guarantor that the Guaranty shall automatically terminate upon satisfaction of the conditions set forth in the Consent Letter.

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 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 shall 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 a Guaranty for all present and future Obligations of Borrower to Lender substantially in the form attached hereto as *Exhibit A*, subject to the Guaranty terminating upon satisfaction of the conditions set forth in the Consent Letter.

(b) *Financing Statements*. Lender shall have received copies of UCC financing statements as filed with the appropriate governing jurisdiction, and any other documentation reasonably requested by Lender, evidencing the first priority and perfection of Lender's security interest in the Collateral.

(c) *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.

(d) *Financial Statements*. Borrower shall have delivered to Lender: (i) Borrower's audited Financial Statements for the fiscal year ended January 31, 2007 prepared in accordance with GAAP, consistently applied, and (ii) unaudited monthly Financial Statements for the interim period from January 31, 2007 through the month immediately preceding the date of execution of this Agreement.

(e) *Insurance*. Borrower will provide Lender with written evidence of such insurance coverage and lender's loss-payee endorsement required by Section 5.03.

(f) *Fees and Expenses*. All fees and other amounts payable by Lender hereunder on or prior to execution of this Agreement shall have been paid.

(g) *Landlord's Agreements*. Borrower shall have delivered to Lender executed landlord's agreements from landlords listed on *Schedule 4.02(g)* hereto under the heading "Affiliated Landlords", in substantially the form of *Exhibit B* attached hereto ("*Landlord Agreement*"). Following the initial Advance hereunder, and not a condition precedent thereto, Borrower shall use best efforts to promptly obtain and deliver to Lender the Landlord Agreement signed by each landlord listed on *Schedule 4.02(g)* hereto under the heading "Other Landlords"

(h) *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;

(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;

(c) Borrower shall execute and/or deliver to Lender such certifications and other instruments as Lender may from time to time require.

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) month basis, measured at the end of each fiscal quarter.

(b) Borrower's Adjusted Debt to Tangible Net Worth Ratio shall not be greater than 3.00 to 1.00, as measured at the end of each fiscal quarter.

(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 the form attached to this Agreement as *Exhibit C*, reflecting calculation of the foregoing ratios under Sections 5.01(a) and 5.01(b) on a trailing 12-month/4 quarters basis.

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, which shall be delivered to Lender not later than 60 days after the end of each fiscal year end of Borrower, with respect to the succeeding fiscal year;

(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 taking or proposes to take with respect thereto;

(f) written notice of (i) any change in Borrower's name, form of business organization, principal executive office, business locations or Collateral locations, or (ii) any Change of Control, in each instance at least thirty (30) days prior to any such change (it being agreed and understood that the giving of such notice shall not limit Lender's rights and remedies relating to the subject matter of such notice);

(g) promptly, copies of all proposed amendments or supplements to Borrower's certificate of incorporation and by-laws, or any other governing document including a copy of documents proposed to be filed with the appropriate Governmental Authority, which in each case would change Borrower's name, place of formation, principal executive office, directors, officers or agent for service of process (it being acknowledged that that election of directors and appointment of officers by the stockholders or Board is not subject to this paragraph, but is subject, in certain respects, to Section 5.13 below);

(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 Borrower or Guarantor (prior to the termination of the Guaranty) 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 *Corporate Existence; Maintenance of Governmental Approvals.* Borrower shall at all times preserve and keep in full force and effect its organizational existence, and shall not change the form of entity or state of formation, except as permitted by the last sentence of this Section 5.06. 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. Without limiting the generality of the following, following the consummation of an IPO, Borrower shall not permit to exist a delisting of its common stock from The NASDAQ Stock Market as consequence of (i) the stockholders' equity of Borrower being below $2,500,000 or (ii) the net income of Borrower from continuing operations being below $500,000 in the most recently completed fiscal year and in two of the last three most recently completed fiscal years. Borrower may convert to a Delaware corporation under Section 265 of the General Corporation Law of the State of Delaware so long as the following conditions are satisfied: (A) Borrower shall provide Lender copies of the documents and instruments relating to such conversion, and not less than five (5) business days prior to the effectiveness of such conversion to review same, and (B) such conversion shall not, regardless of the foregoing review right of Lender, impair Lender's rights and remedies under this Agreement, including, without limitation, the Security Interest and the priority 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 full, 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 *Succession Plan.* Within one year after the consummation of an IPO, Borrower agrees to provide Lender with a proposed management succession plan to address the process and considerations for replacement of the Chief Executive Officer and President/Chief Operating Officer of Borrower if David Meyer or Peter Christianson were to not to serve in such roles, which proposed succession plan shall be subject to the written consent of Lender in its reasonable discretion. In addition, any change in the individuals that serve as Chief Executive Officer, President/Chief Operating Officer of Borrower shall require the consent of Lender, which consent shall not be unreasonably withheld, provided that Lender hereby consents to Peter Christianson serving as Chief Executive Officer.

5.14 *Notice of Change of Control; Certain Stock Transfers.*

(a) Borrower shall give Lender written notice of a Change of Control not less than sixty (60) days prior to such proposed change, or with respect to a Change of Control that has not been proposed by Borrower, within three (3) days' after the date Borrower first became aware of such Change in Control in the exercise of due diligence. Such notice obligation shall not limit or modify Section 8.01(l) or otherwise limit or modify Lender's rights and remedies upon a Change of Control.

(b) Lender's consent shall also be required for sales to third parties (excluding in any event transfers for estate planning or to family members) by David Meyer or Peter Christianson, so long as he serves as Chief Executive Officer or President/Chief Operating Officer, respectively, of more than 30% of the number of shares of Borrower stock that he holds immediately following the IPO or transactions entered into in connection therewith, provided, however, that upon submission by Borrower and approval by Lender in its reasonable discretion of an ownership succession plan, additional shares of Borrower stock may be sold to third parties pursuant to such plan.

5.15 *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 Governmental 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 all or substantially all of the business or assets of, or any equity investment in, or loan (other than extensions of credit in the ordinary course of business) to, a dealer authorized by one or more of Lender's Affiliates to sell the branded products of such Affiliate(s), (iii) any consolidation or merger with or into any other business entity in which Borrower is not the surviving entity, (iv) any business activity that would result in Borrower violating Section 5.09, or (v) 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. In addition and without limiting the generality of the foregoing, Borrower shall not acquire all or substantially all of the business or assets or equity of, or make an equity investment in (excluding for cash equivalents, short-term investments, or publicly traded securities where Borrower would own less than 2% of the issuer, or in subsidiaries) or make a loan to (other than (a) extensions of credit to customers, or (b) other loans not exceeding $500,000 in the aggregate) any Person which is not a dealer authorized by one or more of Lender's Affiliates to sell the branded products of such Affiliate(s), unless the following conditions precedent are satisfied: (A) Borrower shall provide Lender with reasonable prior written notice of any such acquisition together with (i) copies of the material instruments and agreements relating thereto, and (ii) Borrower's certification as to the pro forma absence of default under either of the financial covenants set forth in Section 5.01 (as more fully set forth in the following clause (B)), and (B) immediately after giving effect to any such acquisition, Borrower shall not be in default of either of the financial covenants set forth in Section 5.01 (measured, for purposes hereof, on the day after the effective date of such acquisition or such other date as Borrower and Lender may agree upon).

6.04 *Subsidiaries.* Borrower shall not establish, create or acquire any subsidiary, if such subsidiary would (i) own or control any Collateral of Borrower, unless Borrower and such subsidiary execute and deliver to Lender, on a timely basis, such documents and instruments as Lender may reasonably require in order for Lender to maintain the Security Interest and the priority thereof, or (ii) become a borrower under this Agreement, unless such subsidiary executes and delivers to Lender such documents and instruments as Lender may reasonably require.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that as of the date of this Agreement and, as of the date of each Advance, shall be deemed to represent and warrant:

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, and the conduct of its business, 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, as applicable, the results of operations, cash flows, and financial condition of Borrower for the respective periods covered by such Financial Statements and as of the end of such periods, and, since January 31, 2007, 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.

7.15 *Disclosure*. All documents, instruments and agreements furnished by Borrower to Lender in connection with the Transaction Documents, Advances, and the transactions contemplated by this Agreement are true, correct and complete in all material respects.

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, if applicable, 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) *Termination of all Dealer Agreements Due to Breach*. If all of Borrower's dealer agreements with Lender's Affiliates are terminated by such Affiliates due to Borrower's breach thereof.

(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. Notwithstanding anything to the contrary set forth in this Agreement, all terms and conditions of this Agreement expressly applicable to the Guaranty or the Guarantor, including, without limitation, this Section 8.01(e) (but excluding Section 2.06), shall cease to be in effect upon termination of the Guaranty due to the satisfaction of the conditions thereto set forth in the Consent Letter.

(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 or remedies under applicable law or in equity; 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 Contracts 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 arising out of or relating to the Event of Default, 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 unmatured. 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 O*FAC*, (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 Governmental 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, that if a Qualifying IPO is consummated, Lender's counsel fees payable by Borrower shall be limited, with respect to the preparation, execution and delivery of this Agreement, and in relation to the Qualifying IPO, to an amount not to exceed $40,000.

(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 *Successors 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 or under any other Transaction Document, 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. *SEC Filings; Other Disclosures.* After the date hereof, prior to the filing of any statement with the Securities and Exchange Commission, or the issuance of any news release, publicity, advertising or other communication intended to reach the general public or Borrower's or Lender's respective industries, that includes disclosure of any Lender Information, Borrower agrees to provide advance notice thereof to Lender and to not disclose the same if and to the extent so requested by the Lender, provided, however, that the foregoing shall not limit Borrower's rights and obligations to comply with applicable law.

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. In the event of any conflict between the provisions of this Agreement

and any of the sales and service agreements between Borrower and Lender's Affiliates, the provisions of this Agreement 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.

[signatures appear on following pages]

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: /s/ J.A. MARINARO
Name: J.A. Marinaro
Title: *Sr. Dir. Commercial Finance*

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 November 13, 2007 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: *Vice President, Finance and Treasurer*

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 November , 2007 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: /s/ JIM WALKER
Name: Jim Walker

Schedule 1
Existing Wholesale Credit Agreements

Schedule 4.02(g)
Landlords

Schedule 5.04
Locations for Collateral

Schedule 6.02(h)
Existing Liens

Schedule 7.04
Litigation

Exhibit 10.26

November 13, 2007

Titan Machinery, Inc.
Rocking Horse Circle
4645 8th Avenue Southwest, Suite 1
Fargo, North Dakota 58103-7256
Attn: David Meyer, CEO and Chairman

Re: *Change of Control*

Ladies and Gentlemen:

We refer to (i) that certain Wholesale Floor Plan Credit Facility and Security Agreement dated as of February 21, 2006 (as amended and in effect on the date hereof, before giving effect to the execution and delivery of the Amended Credit Agreement (as defined below), the "*Original Credit Agreement*"), between CNH Capital America LLC (the "*Lender*") and Titan Machinery, Inc. (hereinafter, "*you*", or the "*Borrower*"); and (ii) that certain Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement dated as of November , 2007 (as amended and in effect on the date hereof, the "*Amended Credit Agreement*"), between Lender and Borrower. Unless otherwise defined herein, capitalized terms used herein but not otherwise defined herein shall have the meanings given such terms in the Amended Credit Agreement.

You have informed us that Borrower plans to consummate an initial public offering (the "*IPO*"), resulting in a Change of Control. Such Change of Control would constitute an Event of Default under Section 8.01(l) of the Original Credit Agreement unless waived by Lender. You have requested that Lender waive such Event of Default.

Lender hereby waives the Event of Default under Section 8.01(l) of the Original Credit Agreement, due to the Change of Control which would occur upon consummation of the IPO, and acknowledges that the IPO shall not constitute an Event of Default under Section 8.01 (l) of the Amended Credit Agreement (hereinafter, the "*Change of Control Waiver*"), provided that Borrower executes and delivers to Lender the Amended Credit Agreement and the other documents and instruments to be executed and delivered in connection therewith, on or before Friday, November 16, 2007, and provided further that the IPO is consummated prior to June 30, 2008 (a "*Qualifying IPO*"), subject to the additional terms and conditions set forth in the remainder of this letter agreement.

David Meyer (the "*Guarantor*") and you have also requested that Lender release Guarantor from that certain Guaranty made by him in favor of Lender dated as of February 21, 2006. Lender hereby agrees that Guarantor will be released from the Guaranty, the Guaranty shall terminate, and the Guarantor shall have no further obligations thereunder, notwithstanding anything to the contrary in the Guaranty (hereinafter, the "*Guaranty Release*"); such agreements of Lender to be effective if, but only if, a Qualifying IPO is consummated, and subject to the further terms and conditions set forth in the remainder of this paragraph. The Guaranty Release shall not be effective unless immediately after giving effect to the consummation of the IPO, there shall not then exist any Default or Event of Default on account of any failure of you to make any payment to Lender, under Sections 8.01(a) or 8.01(d) of the Amended Credit Agreement; provided that solely for purposes of the Guaranty Release, and without otherwise limiting Lender's rights and remedies, no Default or Event of Default shall be deemed to have occurred under such sections of the Amended Credit Agreement unless Lender shall have given written notice of same to you on or before consummation of the IPO, and the same shall not have been cured prior to or simultaneous with consummation of the IPO.

Lender and Borrower agree that Lender may, and shall, participate in the Qualifying IPO as follows (provided that the following shall not limit the effectiveness of the Change of Control Waiver or the Guaranty Release, whether or not Lender participates in the Qualifying IPO):

1. The parties acknowledge and agree that Lender holds (i) Subordinated Convertible Note made by you in favor of Lender dated November 10, 2005 in the original principal amount of $3,000,000 that is convertible at $4.50 per share into 666,667 shares of common stock of Borrower (the "*Convertible Note*"), and (ii) Common Stock Purchase Warrants issued by you in favor of Lender dated January 31, 2006 and March 24, 2006 exercisable at $4.50 per share for a total of 240,938 shares of common stock of Borrower (the "*Warrants*"), which 666,667 and 240,938 shares are all of Lender's shares or rights to acquire shares of Borrower.

2. Lender and the Borrower agree that in connection with the consummation of the Qualifying IPO (subject to paragraphs 3 and 4 below), Lender will (i) convert the entire Convertible Note into 666,667 shares of common stock in full satisfaction thereof, and (ii) exercise the Warrants for 240,938 shares of common stock for cash in complete exercise thereof, and (iii) will sell such 907,605 shares as a selling shareholder in the Qualifying IPO.

3. If the underwriters determine that the size of the offering and/or the amount of shares sold by the selling shareholders in the IPO should be reduced, Lender will be allowed to sell the greater of (i) the total amount of shares sold by all of the other selling shareholders in the IPO and (ii) the 666,667 shares to be issued upon conversion of the Convertible Note. In such a situation, Lender would not be required to exercise the Warrant, and such Warrant would continue to be exercisable (to the extent not exercised as part of the IPO if more than 666,667 shares are sold), but Lender would agree to enter into a lock-up agreement with provisions that are no less favorable to Lender than the most favorable lock-up provisions, if any, to which any other shareholder is now, or hereafter becomes, subject in connection with the IPO.

4. Lender's obligation to participate in the Qualifying IPO and, with respect to clause (ii) of this paragraph 4, its right to participate in the Qualifying IPO, will be subject to: (i) a minimum per share price in the Qualifying IPO of $7.50 (or such lower minimum price, if any, as may be agreed upon by Lender), (ii) Lender entering into an underwriting agreement along with the Borrower and the other selling shareholders that is reasonably acceptable to such parties and in form customary for IPOs with selling shareholders not affiliated with the issuer, and (iii) David Meyer and CI Farm Power, Inc. participating as selling shareholders in the Qualifying IPO (unless either has been eliminated as a selling shareholder at the request of the underwriters or pursuant to the terms of Section 3 above, or unless waived by Lender).

To induce Lender to execute and deliver this letter agreement, Borrower hereby represents and warrants to Lender that the execution, delivery and performance of this letter agreement (i) are within Borrower's power and authority; (ii) have been duly authorized by all necessary corporate and shareholder action; (iii) are not in contravention of any provision of Borrower's certificate or articles of incorporation or bylaws or other organizational documents; (iv) do not violate any law or regulation, or any order or decree of any governmental authority; (v) do not conflict with or result in the breach or termination of, constitute a default under or accelerate any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which Borrower is a party or by which Borrower or any of its property is bound; (vi) do not result in the creation or imposition of any lien upon any of the property of Borrower; and (vii) do not require the consent or approval of any Governmental Authority or any other Person.

The Change of Control Waiver and the Guaranty Release are limited to the matters expressly set forth herein and shall not be deemed to waive or modify any term of the Amended Credit Agreement or any other document and instrument related thereto, or serve as a consent to, or waiver with respect to,

any

other matters prohibited or otherwise limited by the terms and conditions thereof. This letter agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the laws (without giving effect to the conflict of law principles thereof) of the State of Wisconsin.

All terms of the Amended Credit Agreement and each other document and instrument related thereto, as modified hereby, remain in full force and effect and constitute the legal, valid, binding and enforceable obligations of Borrower. This letter agreement may be executed in any number of separate counterparts, each of which shall, collectively and separately, constitute one agreement. Any signature delivered by a party by facsimile or electronic mail transmission shall be deemed to be an original signature hereto.

Please indicate your agreement to and acceptance of the foregoing by signing and returning to Lender at least two (2) original counterparts of this letter agreement, duly executed and delivered by Borrower.

Very truly yours,

CNH CAPITAL AMERICA LLC

By: /s/ J.A. MARINARO
Name: J.A. Marinaro
Title: *Sr. Dir. Commercial Finance*

Accepted and agreed to as of November 13, 2007:

TITAN MACHINERY, INC.

By: /s/ TED O. CHRISTIANSON
Name: Ted O. Christianson
Title: *VP Finance, Treasurer*

/s/ DAVID MEYER
David Meyer, as guarantor

AMENDMENT TO CASE IH AGRICULTURAL EQUIPMENT
SALES AND SERVICE AGREEMENT

THIS IS AN AMENDMENT to the CASE IH Agricultural Equipment Sales and Service Agreement between CNH America LLC (the "Company") and Red Power International, Inc., a wholly owned subsidiary of Titan Machinery Inc. ("Dealer") in effect as of the date this amendment is signed below ("Agreement"). In consideration of the mutual promises of the parties hereinafter set forth, Dealer and the Company agree to amend the Agreement to include the following recitals, terms and obligations:

RECITALS

Dealer desires to conduct a public offering of its common stock, which requires the prior approval of the Company under the Agreement now in effect between Dealer and Company, and Company is willing to, and does hereby, approve a public offering of Dealer's stock (the "IPO"), upon agreement of the parties to the terms hereof; and

The size and geographic diversity of Dealer's CNH-branded dealership operations as presently constituted make it unlike the Company's other North American dealers; and

A public offering of Dealer's stock would make Dealer's CNH-branded dealership operations even more unlike any of the Company's other North American dealers; and

The uniqueness of Dealer's circumstances warrant modifications to the Agreement now in effect between Dealer and the Company; and

Dealer's stated goal is to be recognized as the premier dealer group for Company-branded products, and both Dealer and Company reasonably expect Dealer to perform consistently at mutually agreed levels, Dealer therefore commits (i) to strive toward achieving and maintaining market share at mutually agreed levels and (ii) to meeting the Adjusted Debt to Tangible Net Worth covenant set forth below; and

The Company and Dealer mutually recognize that in order for Dealer to fully meet its obligations under the Agreement and this Amendment, to meet its business plan goals and objectives, and to perform consistently at the mutually agreed level, Dealer must continue to focus its business operations on its primary markets.

Dealer has entered into seven (7)-year term employment agreements between it and David Meyer and Peter Christianson; and

Dealer is willing to agree to and be bound by the terms hereof in order to obtain Company's approval for the IPO;

Now Therefore, in consideration of the promises and mutual covenants and agreements contained herein, the parties hereto agree as follows:

---

1. The above recitals are hereby incorporated by reference. Effective as of consummation of the IPO, which is hereby approved, the Agreement shall be and hereby is amended as set forth in Paragraphs 2 through 11 below.

2. Paragraph 1 of the Agreement is amended to replace that paragraph with the following paragraph:

"1. Company hereby appoints Dealer as an authorized dealer for the marketing and service of the Company's Products within the Sales and Service Area specified in this Agreement. Dealer agrees to give Company notice of any of Dealer's occasional sales of wholegood Products outside of North America prior to shipment, and acknowledges that Company, in its sole discretion, may prohibit Dealer's sales of new wholegood Products to a particular area outside of North America upon written notice to Dealer. Dealer accepts this appointment and agrees that the relationship between Dealer and Company shall be governed by the terms and conditions of this Agreement."

3. Paragraph 6 of the Agreement is amended to replace the first paragraph in that section with the following paragraph:

"6. Company and Dealer agree that it is essential that the Dealer use its best efforts to effectively sell and service the Products. Dealer may engage in any business activities the principal purpose of which is directly or indirectly related to, or in support of, sales of products or services to customers in agricultural, construction, industrial or similar markets; Dealer may not engage in other business activities which are overall material to Dealer without the prior written consent of Company, which consent shall not be unreasonably withheld. In order to carry out these responsibilities, Dealer agrees at a minimum to:"

4. Paragraph 6(a) of the Agreement is amended to replace that paragraph with the following paragraph:

"(a) Promote and sell Products sufficient to achieve sales objectives and a share of market mutually agreed upon from time to time by the Company and Dealer within the Dealer's Sales and Service Area. Dealer agrees to meet with Company periodically at the Company's request to discuss and determine such mutually agreed shares of markets as determined on an area-by-area or other basis, as mutually agreed, and to develop plans for Dealer's proposed expansion. The parties agree to negotiate in good faith to establish reasonable market shares goals. If despite the foregoing, the parties are unable to mutually agree to market shares, the market share goal shall in no case be less than Company's North American average by product line for the complex, provided, however, that should Dealer establish a new Case IH dealership or

acquire a Case IH dealership, such North American average shall not apply until after the end of the first twenty four (24) months of Dealer's operations. The Company may declare in writing that Dealer is not in compliance with its obligations under this Section 6(a), if such market shares are not achieved after notice and a one (1)-year cure period."

5. Paragraph 6 of the Agreement is amended to add a new subsection (j) after subsection (i) of that paragraph:

"(j) Dealer hereby covenants and agrees that as of the end of each of Dealer's fiscal quarters, Dealer will maintain an Adjusted Debt to Tangible Net Worth Ratio of not more than 3.0:1. Without limiting any other rights that Company may have, Company may withhold consent to any proposed acquisitions if Dealer's Adjusted Debt to Tangible Net Worth Ratio is below 3.0:1 as of the prior fiscal year end. For purposes of monitoring Dealer's compliance with the Adjusted Debt to Tangible Net Worth Ratio, the following definitions will apply:

(i) "**Net Worth**" shall mean the aggregate amount of the Dealer's items properly shown as assets on its balance sheet minus the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with Generally Accepted Accounting Principles, consistently applied ("GAAP");

(ii) **"Tangible Net Worth"** shall mean Net Worth (x) minus the aggregate amount of the Dealer's items properly shown as the following types of assets on its balance sheet determined in accordance with GAAP: (A) intangible assets (determined in accordance with GAAP); and (B) receivables, loans and other amount due from any director, officer or employee of Dealer, a Related Interest of any such director, officer or employee, or other Affiliate of the Dealer, (y) plus an amount equal to 70% of the amount reflected on Dealer's balance sheet as a LIFO reserve;

(iii) "**Debt**" shall mean the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP, less any non-interest bearing floor plan liabilities;

(iv) "**Subordinated Debt**" shall mean all of Dealer's liabilities that are subordinated to the payment of Dealer's Debt owed to any senior lender of Dealer;

(v) **"Adjusted Debt to Tangible Net Worth Ratio**" means the ratio of Debt minus Subordinated Debt to Adjusted Net Worth;

(vi) "**Adjusted Net Worth**" means the sum of Tangible Net Worth plus Subordinated Debt;

(vii) "**Related Interests**" means, with respect to any specified Persons, such Person's Affiliates, members of such Person's Family, successors, and assigns, and Representatives of such Person or its Affiliates;

(viii) "**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;

(ix) "**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;

(x) "**Family**" means a spouse or descendant or ancestor of an individual, a spouse of such descendant or ancestor, a custodian for, or a trustee of a trust primarily for the benefit of, one or more of the foregoing and/or such individual;

(xi) "**Representatives**" means, with respect to any specified Person, such Person's shareholders, equity owners, employees, officers, directors, agents, or other agents or representatives."

Any term related to this covenant not defined herein shall be defined as stated in the Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement between Dealer and CNH Capital America LLC.

6. Paragraph 6 of the Agreement is amended to add a new subsection (k) after subsection (j) of that paragraph:

"(k) Refrain from selling new serial-numbered wholegoods Products on an Internet auction site (such as eBay)."

7. Paragraph 12 of the Agreement is amended to replace subsection (a) in that section with the following subsection (a), to replace subsection (b) in that section

with the following subsection (b), as well as to add the following new subsections (c), (d), (e) and (f) immediately after subsection (b):

"(a) Dealer shall give the Company written notice of a Change of Control as defined below not less than sixty (60) days prior to such proposed change, or with respect to a Change of Control that has not been proposed by the Dealer, within three (3) days after the date Dealer first became aware of such Change in Control in the exercise of due diligence. Dealer acknowledges that Company's consent is

required for a Change of Control, and Dealer acknowledges that consent will be in Company's sole discretion. If Company provides its consent to a Change in Control, it shall be contingent upon the following at the time the change occurs: the approval by the Company, in its sole discretion, of the dealership's sales performance, facilities and financial strength, and, if the Company so elects, the designation by the Company that the Sales and Service Area of Dealer is a replacement market.

(b) "Change in Control" means a change in the ownership or control of the Dealer effected through any of the following transactions:

(i) a merger, consolidation or reorganization, unless securities representing more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly, by the persons who beneficially owned Dealer's outstanding voting securities immediately prior to such transaction;

(ii) any sale of all or substantially all of the Dealer's assets;

(iii) any transaction or series of related transactions (other than from the sale of shares issued or sold in any registered offering of Dealer's securities) pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent) or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions; or

(iv) a change in the composition of the Board of Dealer over a period of eighteen (18) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (x) were Board members at the beginning of such period or (y) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (x) who were still in office at the time the Board approved such election or nomination.

(c) Within one year after the IPO, Dealer agrees to provide Company with a proposed management succession plan to address the process and considerations for replacement of the Chief Executive Officer and President/Chief Operating Officer of Dealer, if David Meyer or Peter Christianson were not to serve in such roles, which proposed succession plan shall be acceptable to Company in its reasonable discretion.

(d) Any change in the individuals that serve as Chief Executive Officer or President/Chief Operating Officer of Dealer shall require the consent of Company, which consent shall not be unreasonably withheld, provided that the Company hereby consents to Peter Christianson serving as Chief Executive Officer.

(e) The Company shall have the right to withhold approval of proposed acquisitions of dealers of Company products, in its sole discretion.

(f) The Company's consent shall also be required for sales to third parties (excluding in any event transfers for estate planning or to family members) by David Meyer or Peter Christianson, so long as he serves as Chief Executive Officer or President/Chief Operating Officer, respectively, of more than 30% of the number of shares of Dealer stock that he holds immediately following the IPO or transactions entered into in connection therewith, provided, however, that upon submission by Dealer and approval by Company in its reasonable discretion of an ownership succession plan, additional shares of Dealer stock may be sold to third parties pursuant to such plan."

8. Paragraph 13 of the Agreement is amended to replace subsection (b) (vi) and (vii) in that section with the following subsections (b) (vi) and (vii):

"(vi) Change in Control, unless Company grants in writing its consent to such change;

(vii) any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934,

as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) who is a direct competitor to Company engaged in the manufacture or distribution of wholegood products that compete with new wholegood Products of Company subject to this Agreement becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions."

9. Paragraph 13 of the Agreement is amended to add a new subsection (c) after subsection (b) of that section:

"(c) If Dealer fails to meet the financial covenant set forth in Paragraph 6(j), Company will have the right to terminate the Agreement or remove authorized locations from the Agreement. Such termination or removal of an authorized location(s) will require one (1)-year advance

written notice, and at the Company's sole discretion may be executed on an overall basis or by individual dealership location. Should the Company give notice of termination under this section 13(c), Dealer will have the right to cure the same during the one (1)-year notice period."

10. Paragraph 13 of the Agreement is amended to add a new subsection (d) after the subsection (c) of that section:

"(d) In addition to termination, the Company may elect as an alternate remedy for Dealer's breach of any of the above provisions to remove one or more of Dealer's authorized dealership locations from this Agreement and reduce Dealer's Sales and Service Area accordingly."

11. New paragraph 24 below shall be added to the Agreement following paragraph 23:

"24. Prior to the filing of any statement with the Securities and Exchange Commission that includes disclosure of any information regarding Company that Company has advised Dealer in writing is material nonpublic information regarding Company, Dealer agrees to provide advance notice thereof to Company and to not disclose the same if so requested by the Company, provided, however, that the foregoing shall not limit Dealer's rights and obligations to comply with applicable law."

12. Other than as expressly provided for herein, nothing contained in this Amendment shall be construed as a waiver or modification of any terms, conditions, or rights contained in any existing dealer agreement between Company and Dealer except to the extent such terms, conditions, or rights are in conflict with this Amendment, in which event this Amendment shall supersede the existing agreements, but only to the extent of the conflict.

13. Each party to this Amendment represents and warrants that it has taken all action required to authorize it to enter into this Amendment, and each party further represents that it has neither relied upon nor been induced by any representation, statement, or disclosure of the other party, but has relied upon its own knowledge and judgment in entering into the Amendment.

14. This Amendment cannot be modified, nor any party's rights hereunder waived, except in writing, and no waiver of any provision hereof shall preclude enforcement of any other provision hereof, or subsequent enforcement of the provision waived. This Amendment cannot be assigned without the prior written consent of the parties, which consent may be withheld with or without cause.

15. Dealer and Company agree that the conversion of Dealer from a North Dakota corporation to a Delaware corporation shall not affect the rights and obligations of the parties under this Amendment.

Red Power International, Inc.

/s/ David J. Meyer
David J. Meyer

Dated November 14, 2007

CNH AMERICA LLC

By: /s/ Jeff Schmaling
Director, Distribution Development

Dated November 14, 2007

AMENDMENT TO CASE IH AGRICULTURAL EQUIPMENT SALES AND SERVICE AGREEMENTS

THIS IS AN AMENDMENT to the CASE IH Agricultural Equipment Sales and Service Agreements between CNH America LLC (the "Company") and Titan Machinery Inc. ("Dealer") in effect as of the date this amendment is signed below ("Agreements"). In consideration of the mutual promises of the parties hereinafter set forth, Dealer and the Company agree to amend the Agreements to include the following recitals, terms and obligations:

RECITALS

Dealer desires to conduct a public offering of its common stock, which requires the prior approval of the Company under the Agreements now in effect between Dealer and Company, and Company is willing to, and does hereby, approve a public offering of Dealer's stock (the "IPO"), upon agreement of the parties to the terms hereof; and

The size and geographic diversity of Dealer's CNH-branded dealership operations as presently constituted make it unlike the Company's other North American dealers; and

A public offering of Dealer's stock would make Dealer's CNH-branded dealership operations even more unlike any of the Company's other North American dealers; and

The uniqueness of Dealer's circumstances warrant modifications to the Agreements now in effect between Dealer and the Company; and

Dealer's stated goal is to be recognized as the premier dealer group for Company-branded products, and both Dealer and Company reasonably expect Dealer to perform consistently at mutually agreed levels, Dealer therefore commits (i) to strive toward achieving and maintaining market share at mutually agreed levels and (ii) to meeting the Adjusted Debt to Tangible Net Worth covenant set forth below; and

The Company and Dealer mutually recognize that in order for Dealer to fully meet its obligations under the Agreements and this Amendment, to meet its business plan goals and objectives, and to perform consistently at the mutually agreed level, Dealer must continue to focus its business operations on its primary markets.

Dealer has entered into seven (7)-year term employment agreements between it and David Meyer and Peter Christianson; and

Dealer is willing to agree to and be bound by the terms hereof in order to obtain Company's approval for the IPO;

Now therefore, in consideration of the promises and mutual covenants and agreements contained herein, the parties hereto agree as follows:

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1. The above recitals are hereby incorporated by reference. Effective as of consummation of the IPO, which is hereby approved, the Agreements shall be and hereby are amended as set forth in Paragraphs 2 through 11 below.

2. Paragraph 1 of the Agreements are amended to replace that paragraph with the following paragraph:

"1. Company hereby appoints Dealer as an authorized dealer for the marketing and service of the Company's Products within the Sales and Service Area specified in this Agreement. Dealer agrees to give Company notice of any of Dealer's occasional sales of wholegood Products outside of North America prior to shipment, and acknowledges that Company, in its sole discretion, may prohibit Dealer's sales of new wholegood Products to a particular area outside of North America upon written notice to Dealer. Dealer accepts this appointment and agrees that the relationship between Dealer and Company shall be governed by the terms and conditions of this Agreement."

3. Paragraph 6 of the Agreements are amended to replace the first paragraph in that section with the following paragraph:

"6. Company and Dealer agree that it is essential that the Dealer use its best efforts to effectively sell and service the Products. Dealer may engage in any business activities the principal purpose of which is directly or indirectly related to, or in support of, sales of products or services to customers in agricultural, construction, industrial or similar markets; Dealer may not engage in other business activities which are overall material to Dealer without the prior written consent of Company, which consent shall not be unreasonably withheld. In order to carry out these responsibilities, Dealer agrees at a minimum to:"

4. Paragraph 6(a) of the Agreements are amended to replace that paragraph with the following paragraph:

"(a) Promote and sell Products sufficient to achieve sales objectives and a share of market mutually agreed upon from time to time by the Company and Dealer within the Dealer's Sales and Service Area. Dealer agrees to meet with Company periodically at the Company's request to discuss and determine such mutually agreed shares of markets as determined on an area-by-area or other basis, as mutually agreed, and to develop plans for Dealer's proposed expansion. The parties agree to negotiate in good faith to establish reasonable market shares goals. If despite the foregoing, the parties are unable to mutually agree to market shares, the market share goal shall in no case be less than Company's North American average by product line for the complex, provided, however, that should Dealer establish a new Case IH dealership or

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acquire a Case IH dealership, such North American average shall not apply until after the end of the first twenty four (24) months of

Dealer's operations. The Company may declare in writing that Dealer is not in compliance with its obligations under this Section 6(a), if such market shares are not achieved after notice and a one (1)-year cure period."

5. Paragraph 6 of the Agreements are amended to add a new subsection (j) after subsection (i) of that paragraph:

"(j) Dealer hereby covenants and agrees that as of the end of each of Dealer's fiscal quarters, Dealer will maintain an Adjusted Debt to Tangible Net Worth Ratio of not more than 3.0:1. Without limiting any other rights that Company may have, Company may withhold consent to any proposed acquisitions if Dealer's Adjusted Debt to Tangible Net Worth Ratio is below 3.0:1 as of the prior fiscal year end. For purposes of monitoring Dealer's compliance with the Adjusted Debt to Tangible Net Worth Ratio, the following definitions will apply:

(i) "**Net Worth**" shall mean the aggregate amount of the Dealer's items properly shown as assets on its balance sheet minus the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with Generally Accepted Accounting Principles, consistently applied ("GAAP");

(ii) **"Tangible Net Worth"** shall mean Net Worth (x) minus the aggregate amount of the Dealer's items properly shown as the following types of assets on its balance sheet determined in accordance with GAAP: (A) intangible assets (determined in accordance with GAAP); and (B) receivables, loans and other amount due from any director, officer or employee of Dealer, a Related Interest of any such director, officer or employee, or other Affiliate of the Dealer, (y) plus an amount equal to 70% of the amount reflected on Dealer's balance sheet as a LIFO reserve;

(iii) "**Debt**" shall mean the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP, less any non-interest bearing floor plan liabilities;

(iv) "**Subordinated Debt**" shall mean all of Dealer's liabilities that are subordinated to the payment of Dealer's Debt owed to any senior lender of Dealer;

(v) **"Adjusted Debt to Tangible Net Worth Ratio**" means the ratio of Debt minus Subordinated Debt to Adjusted Net Worth;

(vi) "**Adjusted Net Worth**" means the sum of Tangible Net Worth plus Subordinated Debt;

(vii) "**Related Interests**" means, with respect to any specified Persons, such Person's Affiliates, members of such Person's Family, successors, and assigns, and Representatives of such Person or its Affiliates;

(viii) "**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;

(ix) "**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;

(x) "**Family**" means a spouse or descendant or ancestor of an individual, a spouse of such descendant or ancestor, a custodian for, or a trustee of a trust primarily for the benefit of, one or more of the foregoing and/or such individual;

(xi) "**Representatives**" means, with respect to any specified Person, such Person's shareholders, equity owners, employees, officers, directors, agents, or other agents or representatives."

Any term related to this covenant not defined herein shall be defined as stated in the Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement between Dealer and CNH Capital America LLC.

6. Paragraph 6 of the Agreements are amended to add a new subsection (k) after subsection (j) of that paragraph:

"(k) Refrain from selling new serial-numbered wholegoods Products on an Internet auction site (such as eBay)."

7. Paragraph 12 of the Agreements are amended to replace subsection (a) in that section with the following subsection (a), to replace subsection (b) in that section

with the following subsection (b), as well as to add the following new subsections (c), (d), (e) and (f) immediately after subsection (b):

"(a) Dealer shall give the Company written notice of a Change of Control as defined below not less than sixty (60) days prior to such proposed change, or with respect to a Change of Control that has not been proposed by the Dealer, within three (3) days after the date Dealer first became aware of such Change in Control in the exercise of due diligence. Dealer acknowledges that Company's consent is required for a Change of Control, and Dealer acknowledges that consent will be in Company's sole discretion. If Company provides its

consent to a Change in Control, it shall be contingent upon the following at the time the change occurs: the approval by the Company, in its sole discretion, of the dealership's sales performance, facilities and financial strength, and, if the Company so elects, the designation by the Company that the Sales and Service Area of Dealer is a replacement market.

(b) "Change in Control" means a change in the ownership or control of the Dealer affected through any of the following transactions:

(i) a merger, consolidation or reorganization, unless securities representing more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly, by the persons who beneficially owned Dealer's outstanding voting securities immediately prior to such transaction;

(ii) any sale of all or substantially all of the Dealer's assets;

(iii) any transaction or series of related transactions (other than from the sale of shares issued or sold in any registered offering of Dealer's securities) pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent) or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions; or

(iv) a change in the composition of the Board of Dealer over a period of eighteen (18) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (x) were Board members at the beginning of such period or (y) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (x) who were still in office at the time the Board approved such election or nomination.

(c) Within one year after the IPO, Dealer agrees to provide Company with a proposed management succession plan to address the process and considerations for replacement of the Chief Executive Officer and President/Chief Operating Officer of Dealer, if David Meyer or Peter Christianson were not to serve in such roles, which proposed succession plan shall be acceptable to Company in its reasonable discretion.

(d) Any change in the individuals that serve as Chief Executive Officer or President/Chief Operating Officer of Dealer shall require the consent of Company, which consent shall not be unreasonably withheld, provided that the Company hereby consents to Peter Christianson serving as Chief Executive Officer.

(e) The Company shall have the right to withhold approval of proposed acquisitions of dealers of Company products, in its sole discretion.

(f) The Company's consent shall also be required for sales to third parties (excluding in any event transfers for estate planning or to family members) by David Meyer or Peter Christianson, so long as he serves as Chief Executive Officer or President/Chief Operating Officer, respectively, of more than 30% of the number of shares of Dealer stock that he holds immediately following the IPO or transactions entered into in connection therewith, provided, however, that upon submission by Dealer and approval by Company in its reasonable discretion of an ownership succession plan, additional shares of Dealer stock may be sold to third parties pursuant to such plan."

8. Paragraph 13 of the Agreements are amended to replace subsection (b) (vi) and (vii) in that section with the following subsections (b) (vi) and (vii):

"(vi) Change in Control, unless Company grants in writing its consent to such change;

(vii) any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934,

as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) who is a direct competitor to Company engaged in the manufacture or distribution of wholegood products that compete with new wholegood Products of Company subject to this Agreement becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions."

9. Paragraph 13 of the Agreements are amended to add a new subsection (c) after subsection (b) of that section:

"(c) If Dealer fails to meet the financial covenant set forth in Paragraph 6(j), Company will have the right to terminate the Agreement or remove authorized locations from the Agreement. Such termination or removal of an authorized location(s) will require one (1)-year advance written notice, and at the Company's sole discretion may be executed on an overall basis or by individual dealership location. Should the

Company give notice of termination under this section 13(c), Dealer will have the right to cure the same during the one (1)-year notice period."

10. Paragraph 13 of the Agreements are amended to add a new subsection (d) after the subsection (c) of that section:

"(d) In addition to termination, the Company may elect as an alternate remedy for Dealer's breach of any of the above provisions to remove one or more of Dealer's authorized dealership locations from this Agreement and reduce Dealer's Sales and Service Area accordingly."

11. New paragraph 24 below shall be added to the Agreements following paragraph 23:

"24. Prior to the filing of any statement with the Securities and Exchange Commission that includes disclosure of any information regarding Company that Company has advised Dealer in writing is material nonpublic information regarding Company, Dealer agrees to provide advance notice thereof to Company and to not disclose the same if so requested by the Company, provided, however, that the foregoing shall not limit Dealer's rights and obligations to comply with applicable law."

12. Other than as expressly provided for herein, nothing contained in this Amendment shall be construed as a waiver or modification of any terms, conditions, or rights contained in any existing dealer agreement between Company and Dealer except to the extent such terms, conditions, or rights are in conflict with this Amendment, in which event this Amendment shall supersede the existing agreements, but only to the extent of the conflict.

13. Each party to this Amendment represents and warrants that it has taken all action required to authorize it to enter into this Amendment, and each party further represents that it has neither relied upon nor been induced by any representation, statement, or disclosure of the other party, but has relied upon its own knowledge and judgment in entering into the Amendment.

14. This Amendment cannot be modified, nor any party's rights hereunder waived, except in writing, and no waiver of any provision hereof shall preclude enforcement of any other provision hereof, or subsequent enforcement of the provision waived. This Amendment cannot be assigned without the prior written consent of the parties, which consent may be withheld with or without cause.

15. Dealer and Company agree that the conversion of Dealer from a North Dakota corporation to a Delaware corporation shall not affect the rights and obligations of the parties under this Amendment.

TITAN MACHINERY INC.

/s/ David J. Meyer
David J. Meyer, Chief Executive Officer

Dated November 14, 2007

CNH AMERICA LLC

By: /s/ Jeff Schmaling
Director, Distribution Development

Dated November 14, 2007

AMENDMENT TO CASE CONSTRUCTION EQUIPMENT
SALES AND SERVICE AGREEMENTS

THIS IS AN AMENDMENT to all CASE Construction Equipment Sales and Service Agreements between CNH America LLC (the "Company") and Titan Machinery Inc. ("Dealer") in effect as of the date this amendment is signed below ("Agreements"). In consideration of the mutual promises of the parties hereinafter set forth, Dealer and the Company agree to amend the Agreements to include the following recitals, terms and obligations:

RECITALS

Dealer desires to conduct a public offering of its common stock, which requires the prior approval of the Company under the Agreements now in effect between Dealer and Company, and Company is willing to, and does hereby, approve a public offering of Dealer's stock (the "IPO"), upon agreement of the parties to the terms hereof; and

The size and geographic diversity of Dealer's CNH-branded dealership operations as presently constituted make it unlike the Company's other North American dealers; and

A public offering of Dealer's stock would make Dealer's CNH-branded dealership operations even more unlike any of the Company's other North American dealers; and

The uniqueness of Dealer's circumstances warrant modifications to the Agreements now in effect between Dealer and the Company; and

Dealer's stated goal is to be recognized as the premier dealer group for Company-branded products, and both Dealer and Company reasonably expect Dealer to perform consistently at mutually agreed levels, Dealer therefore commits (i) to strive toward achieving and maintaining market share at mutually agreed levels and (ii) to meeting the Adjusted Debt to Tangible Net Worth covenant set forth below; and

The Company and Dealer mutually recognize that in order for Dealer to fully meet its obligations under the Agreements and this Amendment, to meet its business plan goals and objectives, and to perform consistently at the mutually agreed level, Dealer must continue to focus its business operations on its primary markets.

Dealer has entered into seven (7)-year term employment agreements between it and David Meyer and Peter Christianson; and

Dealer is willing to agree to and be bound by the terms hereof in order to obtain Company's approval for the IPO;

Now therefore, in consideration of the promises and mutual covenants and agreements contained herein, the parties hereto agree as follows:

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1. The above recitals are hereby incorporated by reference. Effective as of consummation of the IPO, which is hereby approved, the Agreements shall be and hereby are amended as set forth in Paragraphs 2 through 12 below.

2. Paragraph 1 of the Agreements are amended to replace that paragraph with the following paragraph:

"1. Company hereby appoints Dealer as an authorized dealer for the marketing and service of the Company's Products within the Sales and Service Area specified in this Agreement. Dealer agrees to give Company notice of any of Dealer's occasional sales of wholegood Products outside of North America prior to shipment, and acknowledges that Company, in its sole discretion, may prohibit Dealer's sales of new wholegood Products to a particular area outside of North America upon written notice to Dealer. Dealer accepts this appointment and agrees that the relationship between Dealer and Company shall be governed by the terms and conditions of this Agreement."

3. Paragraph 6 of the Agreements are amended to replace the first paragraph in that section with the following paragraph:

"6. Company and Dealer agree that it is essential that the Dealer use its best efforts to effectively sell and service the Products. Dealer may engage in any business activities the principal purpose of which is directly or indirectly related to, or in support of, sales of products or services to customers in agricultural, construction, industrial or similar markets; Dealer may not engage in other business activities which are overall material to Dealer without the prior written consent of Company, which consent shall not be unreasonably withheld. In order to carry out these responsibilities, Dealer agrees at a minimum to:"

4. Paragraph 6(a) of the Agreements is amended to replace that paragraph with the following paragraph:

"(a) Promote and sell Products sufficient to achieve sales objectives and a share of market mutually agreed upon from time to time by the Company and Dealer within the Dealer's Sales and Service Area. Dealer agrees to meet with Company periodically at the Company's request to discuss and determine such mutually agreed shares of markets as determined on an area-by-area or other basis, as mutually agreed, and to develop plans for Dealer's proposed expansion. The parties agree to negotiate in good faith to establish reasonable market shares goals. If despite the foregoing, the parties are unable to mutually agree to market shares, the market share goal shall in no case be less than Company's North American average by product line for the complex, provided, however, that should Dealer establish a new Case dealership or acquire a

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Case dealership, such North American average shall not apply until after the end of the first twenty four (24) months of Dealer's operations. The Company may declare in writing that Dealer is not in compliance with its obligations under this Section 6(a), if such market shares are not achieved after notice and a one (1)-year cure period."

5. Paragraph 6 of the Agreement are amended to add a new subsection (j) after subsection (i) of that paragraph:

"(j) Dealer hereby covenants and agrees that as of the end of each of Dealer's fiscal quarters, Dealer will maintain an Adjusted Debt to Tangible Net Worth Ratio of not more than 3.0:1. Without limiting any other rights that Company may have, Company may withhold consent to any proposed acquisitions if Dealer's Adjusted Debt to Tangible Net Worth Ratio is below 3.0:1 as of the prior fiscal year end. For purposes of monitoring Dealer's compliance with the Adjusted Debt to Tangible Net Worth Ratio, the following definitions will apply:

(i) "**Net Worth"** shall mean the aggregate amount of the Dealer's items properly shown as assets on its balance sheet minus the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with Generally Accepted Accounting Principles, consistently applied ("GAAP");

(ii) "**Tangible Net Worth"** shall mean Net Worth (x) minus the aggregate amount of the Dealer's items properly shown as the following types of assets on its balance sheet determined in accordance with GAAP: (A) intangible assets (determined in accordance with GAAP); and (B) receivables, loans and other amount due from any director, officer or employee of Dealer, a Related Interest of any such director, officer or employee, or other Affiliate of the Dealer, (y) plus an amount equal to 70% of the amount reflected on Dealer's balance sheet as a LIFO reserve;

(iii) **"Debt"** shall mean the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP, less any non-interest bearing floor plan liabilities;

(iv) "**Subordinated Debt"** shall mean all of Dealer's liabilities that are subordinated to payment of Dealer's Debt owed to any senior lender of Dealer;

(v) **Adjusted Debt to Tangible Net Worth Ratio** means the ratio of Debt minus Subordinated Debt to Adjusted Net Worth;

(vi) "**Adjusted Net Worth**" means the sum of Tangible Net Worth plus Subordinated Debt;

(vii) "**Related Interests**" means, with respect to any specified Persons, such Person's Affiliates, members of such Person's Family, successors, and assigns, and Representatives of such Person or its Affiliates;

(viii) "**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;

(ix) "**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;

(x) "**Family**" means a spouse or descendant or ancestor of an individual, a spouse of such descendant or ancestor, a custodian for, or a trustee of a trust primarily for the benefit of, one or more of the foregoing and/or such individual;

(xi) "**Representatives**" means, with respect to any specified Person, such Person's shareholders, equity owners, employees, officers, directors, agents, or other agents or representatives;

Any term related to this covenant not defined herein shall be defined as stated in the Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement between Dealer and CNH Capital America LLC.

6. Paragraph 6 of the Agreements are amended to add a new subsection (k) after subsection (j) of that paragraph:

"(k) Unless Company consents thereto, refrain from marketing, selling (at retail or wholesale) or entering into any agreement to do same, competitive construction or utility wholegood products as those manufactured by Company, including without limitation construction or utility products which may not compete with a Company product as of the date of this Agreement but which become competitive in the future due to the offering of new products by Company (whether as a result of new

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product development, acquisition or otherwise). Dealer shall have a period of time within which to phase out its representation of competitive products after Company's development or acquisition of new product offerings that would compete with those existing competitive lines, which period of time shall be as suggested by Dealer and agreed to by Company in its sole discretion, but in no event sooner than twenty-four (24) months after the introduction of new competitive product offerings by Company."

7. Paragraph 6 of the Agreements are amended to add a new subsection (l) after new subsection (k) of that paragraph:

"(l) Refrain from selling new serial-numbered wholegoods Products on an Internet auction site (such as eBay)."

8. Paragraph 12 of the Agreements are amended to replace subsection (a) in that section with the following subsection (a), to replace subsection (b) in that section with the following subsection (b), as well as to add the following new subsections (c), (d), (e) and (f) immediately after subsection (b):

"(a) Dealer shall give the Company written notice of a Change of Control as defined below not less than sixty (60) days prior to such

proposed change, or with respect to a Change of Control that has not been proposed by the Dealer, within three (3) days after the date Dealer first became aware of such Change of Control in the exercise of due diligence. Dealer acknowledges that Company's consent is required for a Change of Control, and Dealer acknowledges that consent will be in Company's sole discretion. If Company provides its consent to a Change of Control, it shall be contingent upon the following at the time the change occurs: the approval by the Company, in its sole discretion, of the dealership's sales performance, facilities and financial strength, and, if the Company so elects, the designation by the Company that the Sales and Service Area of Dealer is a replacement market.

(b) "Change in Control" means a change in the ownership or control of the Dealer affected through any of the following transactions:

(i) a merger, consolidation or reorganization, unless securities representing more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly, by the persons who beneficially owned Dealer's outstanding voting securities immediately prior to such transaction;

(ii) any sale of all or substantially all of the Dealer's assets;

(iii) any transaction or series of related transactions (other than from the sale of shares issued or sold in any registered offering of Dealer's securities) pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty percent (20%) or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions; or

(iv) a change in the composition of the Board of Dealer over a period of eighteen (18) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (x) were Board members at the beginning of such period or (y) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (x) who were still in office at the time the Board approved such election or nomination.

(c) Within one year after the IPO, Dealer agrees to provide Company with a proposed management succession plan to address the process and considerations for replacement of the Chief Executive Officer and President/Chief Operating Officer of Dealer if David Meyer or Peter Christianson were not to serve in such roles, which proposed succession plan shall be acceptable to Company in its reasonable discretion.

(d) Any change in the individuals that serve as Chief Executive Officer or President/Chief Operating Officer of Dealer shall require the consent of Company, which consent shall not be unreasonably withheld, provided that the Company hereby consents to Peter Christianson serving as Chief Executive Officer.

(e) The Company shall have the right to withhold approval of proposed acquisitions of dealers of Company products, in its sole discretion.

(f) The Company's consent shall also be required for sales to third parties (excluding in any event transfers for estate planning or to family members) by David Meyer or Peter Christianson, so long as he serves as

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Chief Executive Officer or President/Chief Operating Officer, respectively, of more than 30% of the number of shares of Dealer stock that he holds immediately following the IPO or transactions entered into in connection therewith, provided, however that upon submission by Dealer and approval by Company in its reasonable discretion of an ownership succession plan, additional shares of Dealer stock may be sold to third parties pursuant to such plan."

9. Paragraph 13 of the Agreements are amended to replace subsection (b) (vi) and (vii) in that section with the following subsections (b) (vi) and (vii):

"(vi) Change in Control, unless Company grants in writing its consent to such change;

(vii) any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) who is a direct competitor to Company engaged in the manufacture or distribution of wholegood products that compete with new wholegood Products of Company subject to this Agreement becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions."

10. Paragraph 13 of the Agreements are amended to add a new subsection (c) after subsection (b) of that section:

"(c) If Dealer fails to meet the financial covenant set forth in Paragraph 6(j), Company will have the right to terminate the Agreement or remove authorized locations from the Agreement. Such termination or removal of an authorized location(s) will require one (1)-year advance written notice, and at the Company's sole discretion may be executed on an overall basis or by individual dealership location. Should the Company give notice of termination under this section 13(c), Dealer will have the right to cure the same during the one (1)-year notice

period."

11. Paragraph 13 of the Agreements are amended to add a new subsection (d) after the subsection (c) of that section:

"(d) In addition to termination, the Company may elect as an alternate remedy for Dealer's breach of any of the above provisions to remove one or more of Dealer's authorized dealership locations from this Agreement and reduce Dealer's Sales and Service Area accordingly."

12. New paragraph 24 below shall be added to the Agreements following paragraph 23:

"24. Prior to the filing of any statement with the Securities and Exchange Commission that includes disclosure of any information regarding Company that Company has advised Dealer in writing is material nonpublic information regarding Company, Dealer agrees to provide advance notice thereof to Company and to not disclose the same if so requested by the Company, provided, however, that the foregoing shall not limit Dealer's rights and obligations to comply with applicable law."

13. Other than as expressly provided for herein, nothing contained in this Amendment shall be construed as a waiver or modification of any terms, conditions, or rights contained in any existing dealer agreement between Company and Dealer except to the extent such terms, conditions, or rights are in conflict with this Amendment, in which event this Amendment shall supersede the existing agreements, but only to the extent of the conflict.

14. Each party to this Amendment represents and warrants that it has taken all action required to authorize it to enter into this Amendment, and each party further represents that it has neither relied upon nor been induced by any representation, statement, or disclosure of the other party, but has relied upon its own knowledge and judgment in entering into the Amendment.

15. This Amendment cannot be modified, nor any party's rights hereunder waived, except in writing, and no waiver of any provision hereof shall preclude enforcement of any other provision hereof, or subsequent enforcement of the provision waived. This Amendment cannot be assigned without the prior written consent of the parties, which consent may be withheld with or without cause.

16. Dealer and Company agree that the conversion of Dealer from a North Dakota corporation to a Delaware corporation shall not affect the rights and obligations of the parties under this Amendment.

TITAN MACHINERY INC.

/s/ David J. Meyer
David J. Meyer, Chief Executive Officer

Dated November 14, 2007

CNH AMERICA LLC

By: /s/ Dan Taggatz
Manager, Network Development

Dated November 14, 2007

AMENDMENT TO KOBELCO CONSTRUCTION MACHINERY AMERICA LLC DEALER AGREEMENT

THIS IS AN AMENDMENT to the Kobelco Construction Machinery America LLC Dealer Agreement between Kobelco Construction Machinery America LLC ("KCMA") and Titan Machinery Inc. ("Dealer") dated November 14, 2007 ("Agreement"). In consideration of the mutual promises of the parties hereinafter set forth, Dealer and KCMA agree to amend the Agreement to include the following recitals, terms and obligations:

RECITALS

Dealer desires to conduct a public offering of its common stock, which requires the prior approval of KCMA under the Agreement now in effect between Dealer and KCMA, and KCMA is willing to, and does hereby, approve a public offering of Dealer's stock (the "IPO"), upon agreement of the parties to the terms hereof; and

The size and geographic diversity of Dealer's CNH-branded dealership operations as presently constituted make it unlike KCMA's other North American dealers; and

A public offering of Dealer's stock would make Dealer's CNH-branded dealership operations even more unlike any of KCMA's other North American dealers; and

The uniqueness of Dealer's circumstances warrant modifications to the Agreement now in effect between Dealer and KCMA; and

Dealer's stated goal is to be recognized as the premier dealer group for KCMA branded products, and both Dealer and KCMA reasonably expect Dealer to perform consistently at mutually agreed levels, Dealer therefore commits (i) to strive toward achieving and maintaining market share at mutually agreed levels and (ii) to meeting the Adjusted Debt to Tangible Net Worth covenant set forth below; and

KCMA and Dealer mutually recognize that in order for Dealer to fully meet its obligations under the Agreement and this Amendment, to meet its business plan goals and objectives, and to perform consistently at the mutually agreed level, Dealer must continue to focus its business operations on its primary markets.

Dealer has entered into seven (7)-year term employment agreements between it and David Meyer and Peter Christianson; and

Dealer is willing to agree to and be bound by the terms hereof in order to obtain KCMA's approval for the IPO;

Now therefore, in consideration of the promises and mutual covenants and agreements contained herein, the parties hereto agree as follows:

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1. The above recitals are hereby incorporated by reference. Effective as of consummation of the IPO, which is hereby approved, the Agreement shall be and hereby is amended as set forth in Paragraphs 2 through 11 below.

2. Paragraph 3 of the Agreement is amended to replace subsection (a) in that section with the following subsection (a):

"a. Promote and sell Products sufficient to achieve sales objectives and a share of market mutually agreed upon from time to time by KCMA and Dealer within the Dealer's PMR. Dealer agrees to meet with KCMA periodically at KCMA's request to discuss and determine such mutually agreed shares of markets as determined on an area-by-area or other basis, as mutually agreed, and to develop plans for Dealer's proposed expansion. The parties agree to negotiate in good faith to establish reasonable market shares goals. If despite the foregoing, the parties are unable to mutually agree to market shares, the market share goal shall in no case be less than KCMA's North American average by product line for the complex, provided, however, that should Dealer establish a new New Holland dealership or acquire a New Holland dealership, such North American average shall not apply until after the end of the first twenty four (24) months of Dealer's operations. KCMA may declare in writing that Dealer is not in compliance with its obligations under this Section 3(a), if such market shares are not achieved after notice and a one (1)-year cure period."

3. Paragraph 3 of the Agreement is amended to add a new subsection (m) after subsection (l) of that paragraph:

"m. KCMA and Dealer agree that it is essential that the Dealer use its best efforts to effectively sell and service the Products. Dealer may engage in any business activities the principal purpose of which is directly or indirectly related to, or in support of, sales of products or services to customers in agricultural, construction, industrial or similar markets; Dealer may not engage in other business activities which are overall material to Dealer without the prior written consent of KCMA, which consent shall not be unreasonably withheld."

4. Paragraph 3 of the Agreement is amended to add a new subsection (n) after subsection (m) of that paragraph:

"n. Refrain from selling new serial-numbered wholegoods Products on an Internet auction site (such as eBay)."

5. Paragraph 3 of the Agreement is amended to add a new subsection (o) after subsection (n):

"o. Employ, at all times, 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 KCMA for Dealer to comply with its obligations hereunder."

6. Paragraph 3 of the Agreement is amended to add a new subsection (p) after subsection (o):

"p. Dealer hereby covenants and agrees that as of the end of each of Dealer's fiscal quarters, Dealer will maintain an Adjusted Debt to Tangible Net Worth Ratio of not more than 3.0:1. Without limiting any other rights that KCMA may have, KCMA may withhold consent to any proposed acquisitions if Dealer's Adjusted Debt to Tangible Net Worth Ratio is below 3.0:1 as of the prior fiscal year end. For purposes of monitoring Dealer's compliance with the Adjusted Debt to Tangible Net Worth Ratio, the following definitions will apply:

(i) "**Net Worth**" shall mean the aggregate amount of the Dealer's items properly shown as assets on its balance sheet minus the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with Generally Accepted Accounting Principles, consistently applied ("GAAP");

(ii) **"Tangible Net Worth"** shall mean Net Worth (x) minus the aggregate amount of the Dealer's items properly shown as the following types of assets on its balance sheet determined in accordance with GAAP: (A) intangible assets (determined in accordance with GAAP); and (B) receivables, loans and other amount due from any director, officer or employee of Dealer, a Related Interest of any such director, officer or employee, or other Affiliate of the Dealer, (y) plus an amount equal to 70% of the amount reflected on Dealer's balance sheet as a LIFO reserve;

(iii) "**Debt**" shall mean the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP, less any non-interest bearing floor plan liabilities;

(iv) "**Subordinated Debt**" shall mean all of Dealer's liabilities that are subordinated to the payment of Dealer's Debt owed to any senior lender of Dealer;

(v) **"Adjusted Debt to Tangible Net Worth Ratio**" means the ratio of Debt minus Subordinated Debt to Adjusted Net Worth;

(vi) "**Adjusted Net Worth**" means the sum of Tangible Net Worth plus Subordinated Debt;

(vii) "**Related Interests**" means, with respect to any specified Persons, such Person's Affiliates, members of such Person's Family, successors, and assigns, and Representatives of such Person or its Affiliates;

(viii) "**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;

(ix) "**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;

(x) "**Family**" means a spouse or descendant or ancestor of an individual, a spouse of such descendant or ancestor, a custodian for, or a trustee of a trust primarily for the benefit of, one or more of the foregoing and/or such individual;

(xi) "**Representatives**" means, with respect to any specified Person, such Person's shareholders, equity owners, employees, officers, directors, agents, or other agents or representatives."

Any term related to this covenant not defined herein shall be defined as stated in the Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement between Dealer and CNH Capital America LLC.

7. Paragraph 12 of the Agreement is amended to delete subsection (c)(2) in that section and add a new subsection (h) after subsection (g) of that section:

"(h) KCMA may terminate this Agreement with immediate effect by giving notice to dealer in the following events:

(i) a Change in Control of Dealer, unless KCMA grants in writing its consent to such change; or

(ii) any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) who is a direct competitor to KCMA engaged in the manufacture or distribution of wholegood products that compete with new wholegood Products of KCMA subject to this Agreement becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions."

8. Paragraph 12 of the Agreement is amended to add a new subsection (i) after subsection (h) of that section:

"i. If Dealer fails to meet the financial covenant set forth in Paragraph 3(p), KCMA will have the right to terminate the Agreement or remove authorized locations from the Agreement. Such termination or removal of an authorized location(s) will require one (1)-year advance written notice, and at KCMA's sole discretion may be executed on an overall basis or by individual dealership location. Should KCMA give notice of termination under this section 12(i), Dealer will have the right to cure the same during the one (1)-year notice period."

9. Paragraph 12 of the Agreement is amended to add a new subsection (j) after the subsection (i) of that section:

"j. In addition to termination, KCMA may elect as an alternate remedy for Dealer's breach of any of the above provisions to remove one or more of Dealer's authorized dealership locations from this Agreement and reduce Dealer's Area accordingly."

10. New Paragraph 21 below shall be added to the Agreement following paragraph 20:

"21. Change of Control.

"a. Dealer shall give KCMA written notice of a Change of Control as defined below not less than sixty (60) days prior to such proposed change, or with respect to a Change of Control that has not been proposed by the

Dealer, within three (3) days' after the date Dealer first became aware of such Change in Control in the exercise of due diligence. Dealer acknowledges that KCMA's consent is required for a Change of Control, and Dealer acknowledges that consent will be in KCMA's sole discretion. If KCMA provides its consent to a Change in Control, it shall be contingent upon the following at the time the change occurs: the approval by KCMA, in its sole discretion, of the dealership's sales performance, facilities and financial strength, and, if KCMA so elects, the designation by KCMA that the PMR of Dealer is a replacement market.

b. "Change in Control" means a change in the ownership or control of the Dealer effected through any of the following transactions:

(i) a merger, consolidation or reorganization, unless securities representing more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly, by the persons who beneficially owned Dealer's outstanding voting securities immediately prior to such transaction;

(ii) any sale of all or substantially all of the Dealer's assets;

(iii) any transaction or series of related transactions (other than from the sale of shares issued or sold in any registered offering of Dealer's securities) pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent) or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions; or

(iv) a change in the composition of the Board of Dealer over a period of eighteen (18) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (x) were Board members at the beginning of such period or (y) have been elected or nominated for election as Board members during such period by at least a majority of the

Board members described in clause (x) who were still in office at the time the Board approved such election or nomination.

c. Within one year after the IPO, Dealer agrees to provide KCMA with a proposed management succession plan to address the process and considerations for replacement of the Chief Executive Officer and President/Chief Operating Officer of Dealer, if David Meyer or Peter Christianson were to not to serve in such roles, which proposed succession plan shall be acceptable to KCMA in its reasonable discretion.

d. Any change in the individuals that serve as Chief Executive Officer or President/Chief Operating Officer of Dealer shall require the consent of KCMA, which consent shall not be unreasonably withheld, provided that KCMA hereby consents to Peter Christianson serving as Chief Executive Officer.

e. KCMA shall have the right to withhold approval of proposed acquisitions of dealers of KCMA products, in its sole discretion.

f. KCMA's consent shall also be required for sales to third parties (excluding in any event transfers for estate planning or to family members) by David Meyer or Peter Christianson, so long as he serves as Chief Executive Officer or President/Chief Operating Officer, respectively, of more than 30% of the number of shares of Dealer stock that he holds immediately following the IPO, provided, however, that upon submission by Dealer and approval by KCMA in its reasonable discretion of an ownership succession plan, additional shares of Dealer stock may be sold to third parties pursuant to such plan."

11. New paragraph 22 below shall be added to the Agreement following paragraph 21:

"22. Prior to the filing of any statement with the Securities and Exchange Commission that includes disclosure of any information regarding KCMA that KCMA has advised Dealer in writing is material nonpublic information regarding KCMA, Dealer agrees to provide advance notice thereof to KCMA and to not disclose the same if so requested by KCMA, provided, however, that the foregoing shall not limit Dealer's rights and obligations to comply with applicable law."

12. Other than as expressly provided for herein, nothing contained in this Amendment shall be construed as a waiver or modification of any terms, conditions, or rights contained in any existing dealer agreement between KCMA and Dealer except to the extent such terms, conditions, or rights are in conflict with this Amendment, in which event this Amendment shall supersede the existing agreements, but only to the extent of the conflict.

13. Each party to this Amendment represents and warrants that it has taken all action required to authorize it to enter into this Amendment, and each party further represents that it has neither relied upon nor been induced by any representation, statement, or disclosure of the other party, but has relied upon its own knowledge and judgment in entering into the Amendment.

14. This Amendment cannot be modified, nor any party's rights hereunder waived, except in writing, and no waiver of any provision hereof shall preclude enforcement of any other provision hereof, or subsequent enforcement of the provision waived. This Amendment cannot be assigned without the prior written consent of the parties, which consent may be withheld with or without cause.

15. Dealer and KCMA agree that the conversion of Dealer from a North Dakota corporation to a Delaware corporation shall not affect the rights and obligations of the parties under this Amendment.

TITAN MACHINERY INC.

/s/ David J. Meyer
David J. Meyer, Chief Executive Officer

Dated November 14, 2007

KOBELCO CONSTRUCTION MACHINERY AMERICA LLC

By: /s/ Terry Sheehan
President and CEO

Dated November 14, 2007

AMENDMENT TO CNH AMERICA LLC DEALER AGREEMENT
FOR NEW HOLLAND CONSTRUCTION PRODUCTS

THIS IS AN AMENDMENT to the CNH America LLC Dealer Agreement for New Holland Construction Products between CNH America LLC (successor entity to New Holland North America, Inc.; "New Holland Construction") and Titan Machinery Inc. ("Dealer") dated November 14, 2007 ("Agreement"). In consideration of the mutual promises of the parties hereinafter set forth, Dealer and New Holland Construction agree to amend the Agreement to include the following recitals, terms and obligations:

RECITALS

Dealer desires to conduct a public offering of its common stock, which requires the prior approval of New Holland Construction under the Agreement now in effect between Dealer and New Holland Construction, and New Holland Construction is willing to, and does hereby, approve a public offering of Dealer's stock (the "IPO"), upon agreement of the parties to the terms hereof; and

The size and geographic diversity of Dealer's CNH-branded dealership operations as presently constituted make it unlike New Holland Construction's other North American dealers; and

A public offering of Dealer's stock would make Dealer's CNH-branded dealership operations even more unlike any of New Holland Construction's other North American dealers; and

The uniqueness of Dealer's circumstances warrant modifications to the Agreement now in effect between Dealer and New Holland Construction; and

Dealer's stated goal is to be recognized as the premier dealer group for New Holland Construction branded products, and both Dealer and New Holland Construction reasonably expect Dealer to perform consistently at mutually agreed levels, Dealer therefore commits (i) to strive toward achieving and maintaining market share at mutually agreed levels and (ii) to meeting the Adjusted Debt to Tangible Net Worth covenant set forth below; and

New Holland Construction and Dealer mutually recognize that in order for Dealer to fully meet its obligations under the Agreement and this Amendment, to meet its business plan goals and objectives, and to perform consistently at the mutually agreed level, Dealer must continue to focus its business operations on its primary markets.

Dealer has entered into seven (7)-year term employment agreements between it and David Meyer and Peter Christianson; and

Dealer is willing to agree to and be bound by the terms hereof in order to obtain New Holland Construction's approval for the IPO;

Now therefore, in consideration of the promises and mutual covenants and agreements contained herein, the parties hereto agree as follows:

1. The above recitals are hereby incorporated by reference. Effective as of consummation of the IPO, which is hereby approved, the Agreement shall be and hereby is amended as set forth in Paragraphs 2 through 10 below.

2. Paragraph 3 of the Agreement is amended to replace subsection (b) in that section with the following subsection (b), to replace subsection (c) in that section with the following subsection (c), to replace subsection (d) in that section with the following subsection (d), as well as to add the following new subsections (e), (f) and (g) immediately after subsection (d):

"b. Dealer shall give New Holland Construction written notice of a Change of Control as defined below not less than sixty (60) days prior to such proposed change, or with respect to a Change of Control that has not been proposed by the Dealer, within three (3) days' after the date Dealer first became aware of such Change in Control in the exercise of due diligence. Dealer acknowledges that New Holland Construction's consent is required for a Change of Control, and Dealer acknowledges that consent will be in New Holland Construction's sole discretion. If New Holland Construction provides its consent to a Change in Control, it shall be contingent upon the following at the time the change occurs: the approval by New Holland Construction, in its sole discretion, of the dealership's sales performance, facilities and financial strength, and, if New Holland Construction so elects, the designation by New Holland Construction that the PMR of Dealer is a replacement market.

c. "Change in Control" means a change in the ownership or control of the Dealer effected through any of the following transactions:

(i) a merger, consolidation or reorganization, unless securities representing more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly, by the persons who beneficially owned Dealer's outstanding voting securities immediately prior to such transaction;

(ii) any sale of all or substantially all of the Dealer's assets;

(iii) any transaction or series of related transactions (other than from the sale of shares issued or sold in any registered offering of Dealer's securities) pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended

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(other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is

controlled by or is under common control with, Dealer) becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent) or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions; or

(iv) a change in the composition of the Board of Dealer over a period of eighteen (18) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (x) were Board members at the beginning of such period or (y) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (x) who were still in office at the time the Board approved such election or nomination.

d. Within one year after the IPO, Dealer agrees to provide New Holland Construction with a proposed management succession plan to address the process and considerations for replacement of the Chief Executive Officer and President/Chief Operating Officer of Dealer, if David Meyer or Peter Christianson were to not to serve in such roles, which proposed succession plan shall be acceptable to New Holland Construction in its reasonable discretion.

e. Any change in the individuals that serve as Chief Executive Officer or President/Chief Operating Officer of Dealer shall require the consent of New Holland Construction, which consent shall not be unreasonably withheld, provided that New Holland Construction hereby consents to Peter Christianson serving as Chief Executive Officer.

f. New Holland Construction shall have the right to withhold approval of proposed acquisitions of dealers of New Holland Construction products, in its sole discretion.

g. New Holland Construction's consent shall also be required for sales to third parties (excluding in any event transfers for estate planning or to family members) by David Meyer or Peter Christianson, so long as he serves as Chief Executive Officer or President/Chief Operating Officer, respectively, of more than 30% of the number of shares of Dealer stock that he holds immediately following the IPO, provided, however, that upon

submission by Dealer and approval by New Holland Construction in its reasonable discretion of an ownership succession plan, additional shares of Dealer stock may be sold to third parties pursuant to such plan."

3. Paragraph 4 of the Agreement is amended to replace subsection (a) in that section with the following subsection (a):

"a. Promote and sell Products sufficient to achieve sales objectives and a share of market mutually agreed upon from time to time by New Holland Construction and Dealer within the Dealer's PMR. Dealer agrees to meet with New Holland Construction periodically at New Holland Construction's request to discuss and determine such mutually agreed shares of markets as determined on an area-by-area or other basis, as mutually agreed, and to develop plans for Dealer's proposed expansion. The parties agree to negotiate in good faith to establish reasonable market shares goals. If despite the foregoing, the parties are unable to mutually agree to market shares, the market share goal shall in no case be less than New Holland Construction's North American average by product line for the complex, provided, however, that should Dealer establish a new New Holland dealership or acquire a New Holland dealership, such North American average shall not apply until after the end of the first twenty four (24) months of Dealer's operations. New Holland Construction may declare in writing that Dealer is not in compliance with its obligations under this Section 4(a), if such market shares are not achieved after notice and a one (1)-year cure period."

4. Paragraph 4 of the Agreement is amended to add a new subsection (g) after subsection (f) of that paragraph:

"g. New Holland Construction and Dealer agree that it is essential that the Dealer use its best efforts to effectively sell and service the Products. Dealer may engage in any business activities the principal purpose of which is directly or indirectly related to, or in support of, sales of products or services to customers in agricultural, construction, industrial or similar markets; Dealer may not engage in other business activities which are overall material to Dealer without the prior written consent of New Holland Construction, which consent shall not be unreasonably withheld.

5. Paragraph 10 of the Agreement is amended to add a new subsection (d) after subsection (c) of that paragraph:

"d. Refrain from selling new serial-numbered wholegoods Products on an Internet auction site (such as eBay)."

6. Paragraph 15 of the Agreement is amended to replace that paragraph with the following paragraphs:

"a. 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 Dealer to comply with its obligations hereunder.

b. Dealer hereby covenants and agrees that as of the end of each of Dealer's fiscal quarters, Dealer will maintain an Adjusted Debt to Tangible Net Worth Ratio of not more than 3.0:1. Without limiting any other rights that New Holland Construction may have, New Holland Construction may

withhold consent to any proposed acquisitions if Dealer's Adjusted Debt to Tangible Net Worth Ratio is below 3.0:1 as of the prior fiscal year end. For purposes of monitoring Dealer's compliance with the Adjusted Debt to Tangible Net Worth Ratio, the following definitions will apply:

(i) "**Net Worth**" shall mean the aggregate amount of the Dealer's items properly shown as assets on its balance sheet minus the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with Generally Accepted Accounting Principles, consistently applied ("GAAP");

(ii) **"Tangible Net Worth"** shall mean Net Worth (x) minus the aggregate amount of the Dealer's items properly shown as the following types of assets on its balance sheet determined in accordance with GAAP: (A) intangible assets (determined in accordance with GAAP); and (B) receivables, loans and other amount due from any director, officer or employee of Dealer, a Related Interest of any such director, officer or employee, or other Affiliate of the Dealer, (y) plus an amount equal to 70% of the amount reflected on Dealer's balance sheet as a LIFO reserve;

(iii) "**Debt**" shall mean the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP, less any non-interest bearing floor plan liabilities;

(iv) "**Subordinated Debt**" shall mean all of Dealer's liabilities that are subordinated to the payment of Dealer's Debt owed to any senior lender of Dealer;

(v) **"Adjusted Debt to Tangible Net Worth Ratio**" means the ratio of Debt minus Subordinated Debt to Adjusted Net Worth;

(vi) "**Adjusted Net Worth**" means the sum of Tangible Net Worth plus Subordinated Debt;

(vii) "**Related Interests**" means, with respect to any specified Persons, such Person's Affiliates, members of such Person's Family, successors, and assigns, and Representatives of such Person or its Affiliates;

(viii) "**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;

(ix) "**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;

(x) "**Family**" means a spouse or descendant or ancestor of an individual, a spouse of such descendant or ancestor, a custodian for, or a trustee of a trust primarily for the benefit of, one or more of the foregoing and/or such individual;

(xi) "**Representatives**" means, with respect to any specified Person, such Person's shareholders, equity owners, employees, officers, directors, agents, or other agents or representatives."

Any term related to this covenant not defined herein shall be defined as stated in the Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement between Dealer and CNH Capital America LLC.

7. Paragraph 22 of the Agreement is amended to replace subsections (d) (i) and (d) (vii) in that section with the following subsections (d)(i) and (d)(vii):

"(i) Change in Control, unless New Holland Construction grants in writing its consent to such change;

(vii) any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) who is a direct competitor to New Holland Construction engaged in the manufacture or distribution of

wholegood products that compete with new wholegood Products of New Holland Construction subject to this Agreement becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions."

8. Paragraph 22 of the Agreement is amended to add a new subsection (e) after subsection (d) of that section:

"e. If Dealer fails to meet the financial covenant set forth in Paragraph 15 (b), New Holland Construction will have the right to terminate the Agreement or remove authorized locations from the Agreement. Such termination or removal of an authorized location(s) will require one

(1)-year advance written notice, and at New Holland Construction's sole discretion may be executed on an overall basis or by individual dealership location. Should New Holland Construction give notice of termination under this section 23(e), Dealer will have the right to cure the same during the one (1)-year notice period."

9. Paragraph 22 of the Agreement is amended to add a new subsection (f) after the subsection (e) of that section:

"f. In addition to termination, New Holland Construction may elect as an alternate remedy for Dealer's breach of any of the above provisions to remove one or more of Dealer's authorized dealership locations from this Agreement and reduce Dealer's Primary Market of Responsibility accordingly."

10. New paragraph 36 below shall be added to the Agreement following paragraph 35:

"36. Prior to the filing of any statement with the Securities and Exchange Commission that includes disclosure of any information regarding New Holland Construction that New Holland Construction has advised Dealer in writing is material nonpublic information regarding New Holland Construction, Dealer agrees to provide advance notice thereof to New Holland Construction and to not disclose the same if so requested by New Holland Construction, provided, however, that the foregoing shall not limit Dealer's rights and obligations to comply with applicable law."

11. Other than as expressly provided for herein, nothing contained in this Amendment shall be construed as a waiver or modification of any terms, conditions, or

rights contained in any existing dealer agreement between New Holland Construction and Dealer except to the extent such terms, conditions, or rights are in conflict with this Amendment, in which event this Amendment shall supersede the existing agreements, but only to the extent of the conflict.

12. Each party to this Amendment represents and warrants that it has taken all action required to authorize it to enter into this Amendment, and each party further represents that it has neither relied upon nor been induced by any representation, statement, or disclosure of the other party, but has relied upon its own knowledge and judgment in entering into the Amendment.

13. This Amendment cannot be modified, nor any party's rights hereunder waived, except in writing, and no waiver of any provision hereof shall preclude enforcement of any other provision hereof, or subsequent enforcement of the provision waived. This Amendment cannot be assigned without the prior written consent of the parties, which consent may be withheld with or without cause.

14. Dealer and New Holland Construction agree that the conversion of Dealer from a North Dakota corporation to a Delaware corporation shall not affect the rights and obligations of the parties under this Amendment.

TITAN MACHINERY INC.

/s/ David J. Meyer
David J. Meyer, Chief Executive Officer

Dated November 14, 2007

CNH AMERICA LLC

By: /s/ Terry Sheehan
President and CEO

Dated November 14, 2007

AMENDMENT TO CNH AMERICA LLC DEALER AGREEMENT
FOR NEW HOLLAND AGRICULTURAL EQUIPMENT

THIS IS AN AMENDMENT to all CNH America LLC Dealer Agreements for New Holland Agricultural Products between CNH America LLC (the "Company") and Titan Machinery Inc. ("Dealer") in effect as of the date this Amendment is signed below ("Agreements"). In consideration of the mutual promises of the parties hereinafter set forth, Dealer and the Company agree to amend the Agreement to include the following recitals, terms and obligations:

RECITALS

Dealer desires to conduct a public offering of its common stock, which requires the prior approval of the Company under the Agreements now in effect between Dealer and Company, and Company is willing to, and does hereby, approve a public offering of Dealer's stock (the "IPO"), upon agreement of the parties to the terms hereof; and

The size and geographic diversity of Dealer's CNH-branded dealership operations as presently constituted make it unlike the Company's other North American dealers; and

A public offering of Dealer's stock would make Dealer's CNH-branded dealership operations even more unlike any of the Company's other North American dealers; and

The uniqueness of Dealer's circumstances warrant modifications to the Agreements now in effect between Dealer and the Company; and

Dealer's stated goal is to be recognized as the premier dealer group for Company-branded products, and both Dealer and Company reasonably expect Dealer to perform consistently at mutually agreed levels, Dealer therefore commits (i) to strive toward achieving and maintaining market share at mutually agreed levels and (ii) to meeting the Adjusted Debt to Tangible Net Worth covenant set forth below; and

The Company and Dealer mutually recognize that in order for Dealer to fully meet its obligations under the Agreements and this Amendment, to meet its business plan goals and objectives, and to perform consistently at the mutually agreed level, Dealer must continue to focus its business operations on its primary markets.

Dealer has entered into seven (7)-year term employment agreements between it and David Meyer and Peter Christianson; and

Dealer is willing to agree to and be bound by the terms hereof in order to obtain Company's approval for the IPO;

Now Therefore, in consideration of the promises and mutual covenants and agreements contained herein, the parties hereto agree as follows:

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1. The above recitals are hereby incorporated by reference. Effective as of consummation of the IPO, which is hereby approved, the Agreements shall be and hereby are amended as set forth in Paragraphs 2 through 10 below.

2. Paragraph 3 of the Agreements are amended to replace subsection (b) in that section with the following subsection (b), to replace subsection (c) in that section with the following subsection (c), to replace subsection (d) in that section with the following subsection (d), as well as to add the following new subsections (e), (f) and (g) immediately after subsection (d):

"b. Dealer shall give the Company written notice of a Change of Control as defined below not less than sixty (60) days prior to such proposed change, or with respect to a Change of Control that has not been proposed by the Dealer, within three (3) days' after the date Dealer first became aware of such Change in Control in the exercise of due diligence. Dealer acknowledges that Company's consent is required for a Change of Control, and Dealer acknowledges that consent will be in Company's sole discretion. If Company provides its consent to a Change in Control, it shall be contingent upon the following at the time the change occurs: the approval by the Company, in its sole discretion, of the dealership's sales performance, facilities and financial strength, and, if the Company so elects, the designation by the Company that the PMR of Dealer is a replacement market.

c. "Change in Control" means a change in the ownership or control of the Dealer effected through any of the following transactions:

(i) a merger, consolidation or reorganization, unless securities representing more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly, by the persons who beneficially owned Dealer's outstanding voting securities immediately prior to such transaction;

(ii) any sale of all or substantially all of the Dealer's assets;

(iii) any transaction or series of related transactions (other than from the sale of shares issued or sold in any registered offering of Dealer's securities) pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended)

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of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent) or more of the total combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding

immediately after the consummation of such transaction or series of related transactions; or

(iv) a change in the composition of the Board of Dealer over a period of eighteen (18) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (x) were Board members at the beginning of such period or (y) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (x) who were still in office at the time the Board approved such election or nomination.

d. Within one year after the IPO, Dealer agrees to provide Company with a proposed management succession plan to address the process and considerations for replacement of the Chief Executive Officer and President/Chief Operating Officer of Dealer, if David Meyer or Peter Christianson were to not to serve in such roles, which proposed succession plan shall be acceptable to Company in its reasonable discretion.

e. Any change in the individuals that serve as Chief Executive Officer or President/Chief Operating Officer of Dealer shall require the consent of Company, which consent shall not be unreasonably withheld, provided that the Company hereby consents to Peter Christianson serving as Chief Executive Officer.

f. The Company shall have the right to withhold approval of proposed acquisitions of dealers of Company products, in its sole discretion.

g. The Company's consent shall also be required for sales to third parties (excluding in any event transfers for estate planning or to family members) by David Meyer or Peter Christianson, so long as he serves as Chief Executive Officer or President/Chief Operating Officer, respectively, of more than 30% of the number of shares of Dealer stock that he holds immediately following the IPO, provided, however, that upon submission by Dealer and approval by Company in its reasonable discretion of an ownership succession plan, additional shares of Dealer stock may be sold to third parties pursuant to such plan."

3. Paragraph 4 of the Agreements are amended to replace subsection (a) in that section with the following subsection (a):

"a. Promote and sell Products sufficient to achieve sales objectives and a share of market mutually agreed upon from time to time by the Company and Dealer within the Dealer's PMR. Dealer agrees to meet with Company periodically at the Company's request to discuss and determine such mutually agreed shares of markets as determined on an area-by-area or other basis, as mutually agreed, and to develop plans for Dealer's proposed expansion. The parties agree to negotiate in good faith to establish reasonable market shares goals. If despite the foregoing, the parties are unable to mutually agree to market shares, the market share goal shall in no case be less than Company's North American average by product line for the complex, provided, however, that should Dealer establish a new New Holland dealership or acquire a New Holland dealership, such North American average shall not apply until after the end of the first twenty four (24) months of Dealer's operations. The Company may declare in writing that Dealer is not in compliance with its obligations under this Section 4(a), if such market shares are not achieved after notice and a one (1)-year cure period."

4. Paragraph 4 of the Agreements are amended to add a new subsection (g) after subsection (f) of that paragraph:

"g. Company and Dealer agree that it is essential that the Dealer use its best efforts to effectively sell and service the Products. Dealer may engage in any business activities the principal purpose of which is directly or indirectly related to, or in support of, sales of products or services to customers in agricultural, construction, industrial or similar markets; Dealer may not engage in other business activities which are overall material to Dealer without the prior written consent of Company, which consent shall not be unreasonably withheld.

5. Paragraph 10 of the Agreements are amended to add a new subsection (d) after subsection (c) of that paragraph:

"d. Refrain from selling new serial-numbered wholegoods Products on an Internet auction site (such as eBay)."

6. Paragraph 15 of the Agreements are amended to replace that paragraph with the following paragraphs:

"a. 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.

b. Dealer hereby covenants and agrees that as of the end of each of Dealer's fiscal quarters, Dealer will maintain an Adjusted Debt to Tangible Net Worth Ratio of not more than 3.0:1. Without limiting any other rights that Company may have, Company may withhold consent to any proposed acquisitions if Dealer's Adjusted Debt to Tangible Net Worth Ratio is below 3.0:1 as of the prior fiscal year end. For purposes of monitoring Dealer's compliance with the Adjusted Debt to Tangible Net Worth Ratio, the following definitions will apply:

(i) "**Net Worth**" shall mean the aggregate amount of the Dealer's items properly shown as assets on its balance sheet minus the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with Generally Accepted Accounting Principles, consistently applied ("GAAP");

(ii) **"Tangible Net Worth"** shall mean Net Worth (x) minus the aggregate amount of the Dealer's items properly shown as the following types of assets on its balance sheet determined in accordance with GAAP: (A) intangible assets (determined in accordance with GAAP); and (B)

receivables, loans and other amount due from any director, officer or employee of Dealer, a Related Interest of any such director, officer or employee, or other Affiliate of the Dealer, (y) plus an amount equal to 70% of the amount reflected on Dealer's balance sheet as a LIFO reserve;

(iii) "**Debt**" shall mean the aggregate amount of the Dealer's items properly shown as liabilities on its balance sheet, determined in accordance with GAAP, less any non-interest bearing floor plan liabilities;

(iv) "**Subordinated Debt**" shall mean all of Dealer's liabilities that are subordinated to the payment of Dealer's Debt owed to any senior lender of Dealer;

(v) **"Adjusted Debt to Tangible Net Worth Ratio**" means the ratio of Debt minus Subordinated Debt to Adjusted Net Worth;

(vi) "**Adjusted Net Worth**" means the sum of Tangible Net Worth plus Subordinated Debt;

(vii) "**Related Interests**" means, with respect to any specified Persons, such Person's Affiliates, members of such Person's Family, successors, and assigns, and Representatives of such Person or its Affiliates;

(viii) "**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;

(ix) "**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;

(x) "**Family**" means a spouse or descendant or ancestor of an individual, a spouse of such descendant or ancestor, a custodian for, or a trustee of a trust primarily for the benefit of, one or more of the foregoing and/or such individual;

(xi) "**Representatives**" means, with respect to any specified Person, such Person's shareholders, equity owners, employees, officers, directors, agents, or other agents or representatives."

Any term related to this covenant not defined herein shall be defined as stated in the Amended and Restated Wholesale Floor Plan Credit Facility and Security Agreement between Dealer and CNH Capital America LLC.

7. Paragraph 23 of the Agreements are amended to replace subsections (d) (i) and (d) (vii) in that section with the following subsections (d)(i) and (d)(vii):

"(i) Change in Control, unless Company grants in writing its consent to such change;

(vii) any transaction or series of related transactions pursuant to which any person or any group of persons comprising a "group" within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934, as amended (other than Dealer or a person that, prior to such transaction or series of related transactions, directly or indirectly controls, is controlled by or is under common control with, Dealer) who is a direct competitor to Company engaged in the manufacture or distribution of wholegood products that compete with new wholegood Products of Company subject to this Agreement becomes directly or indirectly the beneficial owner (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing (or convertible into or exercisable for securities possessing) twenty (20%) percent or more of the total

combined voting power of Dealer's securities (determined by the power to vote with respect to the elections of Board members) outstanding immediately after the consummation of such transaction or series of related transactions."

8. Paragraph 23 of the Agreements are amended to add a new subsection (e) after subsection (d) of that section:

"e. If Dealer fails to meet the financial covenant set forth in Paragraph 15 (b), Company will have the right to terminate the Agreement or remove authorized locations from the Agreement. Such termination or removal of an authorized location(s) will require one (1)-year advance written notice, and at the Company's sole discretion may be executed on an overall basis or by individual dealership location. Should the Company give notice of termination under this section 23(e), Dealer will have the right to cure the same during the one (1)-year notice period."

9. Paragraph 23 of the Agreements are amended to add a new subsection (f) after the subsection (e) of that section:

"f. In addition to termination, the Company may elect as an alternate remedy for Dealer's breach of any of the above provisions to remove one or more of Dealer's authorized dealership locations from this Agreement and reduce Dealer's Primary Market of Responsibility accordingly."

10. New paragraph 37 below shall be added to the Agreements following paragraph 36:

"37. Prior to the filing of any statement with the Securities and Exchange Commission that includes disclosure of any information regarding

Company that Company has advised Dealer in writing is material nonpublic information regarding Company, Dealer agrees to provide advance notice thereof to Company and to not disclose the same if so requested by the Company, provided, however, that the foregoing shall not limit Dealer's rights and obligations to comply with applicable law."

11. Other than as expressly provided for herein, nothing contained in this Amendment shall be construed as a waiver or modification of any terms, conditions, or rights contained in any existing dealer agreement between Company and Dealer except to the extent such terms, conditions, or rights are in conflict with this Amendment, in which event this Amendment shall supersede the existing agreements, but only to the extent of the conflict.

12. Each party to this Amendment represents and warrants that it has taken all action required to authorize it to enter into this Amendment, and each party further represents that it has neither relied upon nor been induced by any representation,

statement, or disclosure of the other party, but has relied upon its own knowledge and judgment in entering into the Amendment.

13. This Amendment cannot be modified, nor any party's rights hereunder waived, except in writing, and no waiver of any provision hereof shall preclude enforcement of any other provision hereof, or subsequent enforcement of the provision waived. This Amendment cannot be assigned without the prior written consent of the parties, which consent may be withheld with or without cause.

14. Dealer and Company agree that the conversion of Dealer from a North Dakota corporation to a Delaware corporation shall not affect the rights and obligations of the parties under this Amendment.

TITAN MACHINERY INC.

/s/ David J. Meyer
David J. Meyer, Chief Executive Officer

Dated November 14, 2007

CNH AMERICA LLC

By: /s/ Terry Sheehan
President and CEO

Dated November 14, 2007

RECAPITALIZATION AGREEMENT

THIS RECAPITALIZATION AGREEMENT, dated effective as of August 16, 2007, is entered into by and among Titan Machinery Inc. (the "*Company*"), David J. Meyer ("*Meyer*"), C.I. Farm Power, Inc. ("*CI*"), Peter Christianson ("*PC*"), Adam Smith Growth Partners, L.P. ("*ASGP*"), Adam Smith Companies, LLC ("*ASC*"), Tony J. Christianson ("*TC*"), Adam Smith Activist Fund, LLC ("ASAF"), David Christianson ("DC") and Earl Christianson ("*EC*").

RECITALS:

A. The Company is pursuing the initial public offering of shares of its common stock (the "*IPO*").

B. Meyer, CI, ASGP, ASAF, DC and EC are holders of Subordinated Convertible Debentures in the total original principal amount of $3,350,000, which Debentures include rights to warrants upon prepayment thereof and which by their terms do not automatically convert prior to the consummation of an IPO (the "*Convertible Debentures*").

C. Certain of the parties are also parties to the Terminating Agreements (as defined below) regarding their shares or certain other matters related to the Company.

D. In order to facilitate the IPO, the Company wishes to effect prior to consummation of the IPO a recapitalization by (i) having the holders of the Convertible Debentures convert the Convertible Debentures into shares of Common Stock notwithstanding that they are not obligated to do so and would be giving up future interest and rights to warrants, and (ii) terminating the Terminating Agreements, effective automatically immediately prior to consummation of the IPO, and the parties are willing to do so, all on the terms and conditions set forth in this Agreement.

AGREEMENT:

ARTICLE 1
RECAPITALIZATION

1.1 **Conversion**.

(a) Effective automatically immediately prior to the consummation of the IPO, or at such earlier time prior to the consummation of the IPO with respect to any holder as the Company and such holder mutually agree, the Company and the holders of the Convertible Debentures agree that the Convertible Debentures shall automatically be converted at $2.50 per share, and in recognition of the future interest, conversion rights and springing warrant rights that would be foregone by a voluntary early conversion, the Company agrees to issue additional shares of Common Stock, all as set forth on Exhibit A attached hereto (the shares issuable upon conversion thereof, "*Conversion Shares*").

Immediately prior to such consummation of the IPO, no party shall have any further rights or obligations under the Convertible Debentures, other than the right to receive the Conversion Shares and to receive payment for any accrued but unpaid interest thereon.

(b) The parties acknowledge and agree that the Conversion Shares shall be subject to the Shareholder Rights Agreement dated as of April 7, 2003, as amended, and shall be deemed Registrable Securities for purposes thereof.

1.2 **Terminating Agreements**.

(a) The parties agree that effective automatically immediately prior to consummation of the IPO, the following agreements each dated as of April 7, 2003, as amended (the "*Terminating Agreements*") shall terminate and no party shall have any further rights or obligations thereunder (provided, however, that if one or more of the following agreements have previously been terminated or are otherwise no longer in force or effect, than nothing herein shall limit the effect thereof):

(i) Shareholder Agreement among the Company, Meyer, ASC, EC and CI.

(ii) Agreement Regarding Certain Transfers among the Company, Meyer, ASC, EC and CI.

(iii) Loan Facility Agreement Among the Company, Meyer and CI.

(iv) Put Agreement among Meyer, ASC and CI.

(v) Agreement Regarding Guaranties among the Company, Meyer, ASC and TC.

(vi) Employment Agreement between the Company and Meyer.

(vii) Employment Agreement between the Company and PC.

(b) No other agreements other than the Terminating Agreements are terminated pursuant to this Agreement. Without limiting the generality of the foregoing, the parties acknowledge and agree that the Shareholder Rights Agreement dated as of April 7, 2003, as amended, shall continue in accordance with its terms.

1.3 **Meyer Guaranties**. The Company agrees to use commercially reasonable efforts to obtain releases of David J. Meyer on any guaranties

given by him for the benefit of the Company effective as of the consummation of the IPO or as soon as practicable thereafter. However, Meyer acknowledges that a full release as of the IPO on all guaranties may not be achievable, and that obtaining a release is not condition to the effectiveness of this Agreement or the transactions contemplated hereby.

1.4 **Sale of Shares in the IPO**. The Company agrees to use commercially reasonable efforts to cause shares of Common Stock of Meyer, and shares of Common Stock of CI, to be included in the IPO, up to an aggregate offering price for such shares of $5,000,000, with the number of shares to be determined by mutual agreement of the Company, Meyer, CI and the managing underwriter of the IPO, and Meyer and CI agree to enter into an underwriting agreement in customary form with respect to such shares; provided, however, that if the managing underwriter advises the Company that the inclusion of any shares of Common Stock of Meyer and CI in the registration for the IPO would interfere with the successful marketing (including pricing) of the primary shares proposed to be registered by the Company in the IPO, then the parties shall negotiate in good faith to address the concerns of the managing underwriter.

ARTICLE 2
GENERAL

2.1 **Termination**. If the IPO is not consummated by June 30, 2008, this Agreement shall terminate.

2.2 **Amendment**. This Agreement may be amended at any time by upon the written agreement of the parties hereto, provided, however, that the consent of DC and EC shall not be required for any amendment approved in writing by the other parties hereto.

2.3 **Governing Law**. This Agreement shall be interpreted and enforced in accordance with North Dakota law.

2.4 **Notices**. All notices required or permitted to be given or served under the terms of this Agreement shall be in writing and shall be deemed to have been duly given if delivered in person or three days after being deposited in the United States first class or certified mail, postage prepaid, and addressed to a party at its primary place of business, or at such other address as a shareholder to this Agreement shall designate to the other parties in writing.

2.5 **Counterparts**. This Agreement may be executed in several counterparts and shall be effective when there are attached together execution pages containing the signatures of each of the parties hereto, each of which counterpart shall be deemed to be an original, but all of which shall constitute one and the same instrument.

2.6 **Enforcement**. If any provision of this Agreement shall be finally judicially determined to be unlawful or unenforceable in whole or in part, such provision shall be given force to the fullest extent provided by law and the remainder of this Agreement shall be construed as if such illegal, invalid, unlawful, void, or unenforceable portion was not contained herein and this Agreement shall otherwise remain and continue in full force and effect. Further, if any provision in this Agreement is held to be overbroad as written, such provision shall be deemed amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and enforced as amended.

2.7 **Arbitration**. Each dispute, claim and controversy (whether arising during or after the term of this Agreement) arising out of or relating to this Agreement or its breach, (including but not limited to the validity of the agreement to arbitrate and the arbitrability of any matter), shall be settled, upon demand and written notice by any party hereto, their legal representatives, successors and assigns, by arbitration in accordance with the rules of the American Arbitration Association. Unless otherwise agreed upon, the place of arbitration proceedings shall be in Fargo, North Dakota. The decision of the arbitrator(s) shall be final and binding on all parties.

[Signature lines on next page]

IN WITNESS WHEREOF, the parties have executed this Agreement, in a manner appropriate to each, on the day and year first above written.

TITAN MACHINERY, INC.

By: /s/ Ted Christianson
Ted Christianson, Vice President, Finance

/s/ David J. Meyer
David J. Meyer

ADAM SMITH GROWTH PARTNERS, L.P.

By: /s/ Tony J. Christianson

Tony J. Christianson, Chairman
Adam Smith Companies, LLC
General Partner

ADAM SMITH COMPANIES, LLC

By: /s/ Tony J. Christianson
Tony J. Christianson, Chairman

/s/ Tony J. Christianson
Tony J. Christianson

ADAM SMITH ACTIVIST FUND LLC
Adam Smith Managements LLC
Managing Member

By: /s/ Tony J. Christianson
Its: President

/s/ Earl Christianson
Earl Christianson

/s/ David Christianson
David Christianson

C.I. FARM POWER, INC.

By: /s/ Peter Christianson
Peter Christianson, President

/s/ Peter Christianson
Peter Christianson

EXHIBIT A

	Convertible Debentures	Conversion Price	Conversion Shares	Additional Shares	Total
David Meyer	$ 500,000	$ 2.50	200,000	42,680	242,680
CI Farm Power, Inc.	$ 1,690,000	$ 2.50	676,000	160,285	836,285
Adam Smith Growth Partners, LP	$ 755,000	$ 2.50	302,000	64,446	366,446
Adam Smith Activist Fund, LLC	$ 145,000	$ 2.50	58,000	12,377	70,377
David Christianson	$ 100,000	$ 2.50	40,000	8,536	48,536
Earl Christianson	$ 160,000	$ 2.50	64,000	13,657	77,657
	$ 3,350,000		1,340,000	301,981	1,641,981

INDEMNIFICATION AGREEMENT

THIS AGREEMENT ("Agreement"), which provides for indemnification, expense advancement and other rights under the terms and conditions set forth, is made and entered into this day of , 2007 between **TITAN MACHINERY, INC.**, (the "Company"), and ("Indemnitee").

RECITALS

WHEREAS, Indemnitee is serving as a of the Company, and as such is performing a valuable service for the Company; and

WHEREAS, competent and experienced persons are becoming increasingly reluctant to serve publicly-held corporations as directors and/or officers or in other fiduciary capacities at the request of their companies unless they are provided with adequate protection through liability insurance and adequate company indemnification against risks of claims and actions against them arising out of their service to the corporation; and

WHEREAS, the Board of Directors has determined that the ability to attract and retain qualified persons to serve as directors and/or officers is in the best interests of the Company and its stockholders, and that the Company should act to assure such persons that there will be adequate certainty of protection through insurance and indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the Company; and

WHEREAS, Section 145 of the General Corporation Law of Delaware permits the Company to indemnify and advance expenses to its officers and directors and to indemnify and advance expenses to persons who serve at the request of the Company as directors, officers, employees, or agents of other corporations or enterprises; and

WHEREAS, the Company has adopted provisions in its Bylaws requiring indemnification and advancement of expenses to its officers and directors, and providing that the Company may enter into indemnification agreements which specify the rights and obligations of the Company and such persons with respect to indemnification, advancement of expenses and related matters, and further providing that any such agreements shall supersede the indemnification and expense advancement provisions of such Bylaws; and

WHEREAS, the Company desires to have Indemnitee continue to serve in an Official Capacity, and Indemnitee desires to continue so to serve the Company, provided, and on the express condition, that Indemnitee is furnished with the indemnity and other rights set forth in this Agreement;

AGREEMENT

Now, therefore, in consideration of Indemnitee's continued service to the Company in Indemnitee's Official Capacity, the parties hereto agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Change of Control" means a change in control of the Company occurring after the Effective Date of a nature that would be required to be reported in response to Item I of Current Report on Form 8-K (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934 (the "Act"), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change of Control shall be deemed to have occurred if after the Effective Date (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Act) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such person attaining such percentage; (ii) the Company is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (including for this purpose any new director whose election or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors.

(b) "Official Capacity" means Indemnitee's corporate status as an officer and/or director and any other fiduciary capacity in which he serves the Company, its subsidiaries and affiliates, and any other entity which he serves in such capacity at the request of the Company's CEO, its Board of Directors or any committee of its Board of Directors. "Official Capacity" also refers to all actions which Indemnitee takes or does not take while serving in such capacity.

(c) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification or advancement of expenses is sought by Indemnitee.

(d) "Effective Date" means the date first above written.

(e) "Expenses" shall include all direct and indirect costs including, but not limited to, reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, advisory fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with investigating, prosecuting, defending, preparing to investigate, prosecute or defend a Proceeding, or being or preparing to be a witness in a Proceeding.

(f) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past two years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(g) "Proceeding" includes any actual or threatened inquiry, investigation, action, suit, arbitration, or any other such actual or threatened action or occurrence, whether civil, criminal, administrative or investigative, whether or not initiated prior to the Effective Date, except a proceeding initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his or her rights under this Agreement.

2. Service by Indemnitee. Indemnitee will serve and/or continue to serve in Indemnitee's Official Capacity faithfully and to the best of Indemnitee's ability so long as Indemnitee has or holds such Official Capacity. Indemnitee may at any time and for any reason resign from Indemnitee's Official Capacity (subject to any other contractual obligation or any obligation imposed by operation of law).

3. Indemnification and Advancement of Expenses.

(a) General. Except as otherwise provided in this Agreement, the Company shall indemnify and advance Expenses to Indemnitee to the fullest extent permitted by the Delaware General Corporation Law as such law may from time to time be amended. Indemnitee shall be entitled to the Indemnification and/or advancement provided in this Section if, by reason of his or her Official Capacity, Indemnitee is a party or is threatened to be made a party to any Proceeding or by reason of anything done or not done by Indemnitee in his or her Official Capacity. The Company shall advance Expenses to Indemnitee and indemnify Indemnitee against all costs, judgments, penalties, fines, liabilities, amounts paid in settlement by or on behalf of Indemnitee in any Proceeding, and Expenses actually and reasonably incurred by Indemnitee in connection with such Proceeding, if Indemnitee is determined to have met the standard of conduct set forth in Section 6(a).

(b) Exceptions. Indemnitee shall receive no indemnification or advancement of Expenses:

(i) to the extent such indemnification or advancement of Expenses is expressly prohibited by Delaware law or the public policies of Delaware, the United States of America or agencies of any governmental authority in any jurisdiction governing the matter in question;

(ii) to the extent payment is actually made to Indemnitee for the amount to which Indemnitee would otherwise have been entitled under this Agreement pursuant to an insurance policy, or another indemnity agreement or arrangement from the Company or other person or entity,

(iii) in connection with any Proceeding, or part thereof (including claims and counterclaims) initiated by Indemnitee, except a judicial proceeding or arbitration pursuant to Section 7(a) to enforce rights under this Agreement, unless the Proceeding (or part thereof) was authorized by the Board of Directors of the Company;

(iv) with respect to any Proceeding brought by or on behalf of the Company against Indemnitee that is authorized by the Board of Directors of the Company, except as provided in Section 4 below.

(v) with respect to any claim, issue, or matter as to which Delaware law expressly prohibits such indemnification by reason of any adjudication of liability of Indemnitee to the Company, unless and only to the extent that the Delaware Court of Chancery, or the court in which such action or suit was brought, shall determine upon application that, despite an adjudication of liability but in view of all the circumstances of the case, Indemnitee is entitled to indemnification for such Expenses as such court shall deem proper.

4. Indemnification for Expenses of Successful Party. Notwithstanding the limitations of any other provisions of this Agreement, to the extent that Indemnitee is successful on the merits or otherwise in defense of any Proceeding, or in defense of any claim, issue or matter therein, including, without limitation, the dismissal of any action without prejudice, or if it is ultimately determined that Indemnitee is otherwise entitled to be indemnified against Expenses, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred in connection therewith. If Indemnitee is partially successful on the merits or otherwise in defense of any Proceeding, such indemnification shall be apportioned appropriately to reflect the degree of success.

5. Indemnification for Expenses Incurred in Serving as a Witness. Notwithstanding any other provisions of this Agreement, Indemnitee shall be entitled to indemnification and advancement against all Expenses reasonably incurred for serving as a witness by reason of Indemnitee's Official Capacity in any proceeding with respect to which Indemnitee is not a party.

6. Determination of Entitlement to Indemnification.

(a) Standard of Conduct. Indemnitee shall be entitled to indemnification and/or advancement of Expenses (subject to the provision of an undertaking in compliance with Section 10 in the case of a request to advance Expenses), pursuant to this Agreement, only upon a determination, (based on the facts then known in the case of a request for advancement of Expenses), that Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal action or proceeding, had no reasonable cause to believe that Indemnitee's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or, with respect

to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful.

In the event of a guilty plea by Indemnitee, Indemnitee shall remain entitled to indemnification; provided, however, that following such plea Indemnitee in good faith requests indemnification. Indemnitee's eligibility for indemnification shall be determined as set forth in Section 6(b)(i)-(iv) below. If, in reviewing Indemnitee's plea and the facts and circumstances relating to such plea, the decision-maker identified in Sections 6(b)(i)-(iv) below determines that Indemnitee has met the standard of conduct set forth in this Section 6(a) and thus is entitled to indemnification for any items set forth in Section 3(a) above, then the Company shall indemnify Indemnitee in accordance with the decision-maker's determination.

(b) Manner of Determining Eligibility. Upon Indemnitee's written request for indemnification or advancement of Expenses, the entitlement of Indemnitee to such requested indemnification or advancement of Expenses shall be determined by:

(i) the Board of Directors of the Company by a majority vote of Disinterested Directors (defined above), whether or not such majority constitutes a quorum; or

(ii) a committee of Disinterested Directors designated by majority vote of such Disinterested Directors, whether or not such majority constitutes a quorum; or

(iii) Independent Counsel (defined above) in a written opinion to the board of directors, or designated committee of the Board, with a copy to Indemnitee, which Independent Counsel shall be selected by majority vote of the Company's directors at a meeting at which a quorum is present, or a majority vote of the Disinterested Directors, or Committee of Disinterested Directors; or

(iv) the Company's stockholders, by a majority vote of those in attendance at a meeting at which a quorum is present.

(c) Payment of Costs of Determining Eligibility. The Company shall pay all costs associated with its determination of Indemnitee's eligibility for indemnification or advancement of Expenses.

(d) Presumptions and Effect of Certain Proceedings. The Secretary of the Company shall, promptly upon receipt of Indemnitee's request for indemnification and/or advancement of Expenses, advise in writing the Board of Directors or such other person or persons empowered to make the determination requested in Section 6(b), and the Company shall thereafter promptly make such determination or initiate the appropriate process for making such determination.

7. Remedies of Indemnitee.

(a) In the event that a determination is made that Indemnitee is not entitled to indemnification or advancement of Expenses hereunder or if payment or a payment arrangement has not been timely made within fifteen (15) business days following a determination of entitlement to indemnification and/or advancement of Expenses, Indemnitee shall be entitled to a final adjudication in a court of competent jurisdiction of entitlement to such indemnification

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and/or advancement. Alternatively, Indemnitee may seek an award in an arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association, such award to be made within sixty (60) days following the filing of the demand for arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration. The determination in any such judicial proceeding or arbitration shall be made *de novo* and Indemnitee shall not be prejudiced by reason of a determination (if so made) pursuant to Section 6 that Indemnitee is not entitled to indemnification or advancement.

(b) If a determination is made or deemed to have been made under the terms of Section 6, or any other Section hereunder, that Indemnitee is entitled to indemnification, the Company shall be bound by such determination and is precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding and enforceable.

(c) If the court or arbitrator shall determine that Indemnitee is entitled to any indemnification or payment of Expenses hereunder, the Company shall pay all Expenses actually and reasonably incurred by Indemnitee in connection with such adjudication or arbitration (including, but not limited to, any appellate Proceedings).

8. Continuation of Obligation of Company. All agreements and obligations of the Company contained in this Agreement shall continue during the period of Indemnitee's Official Capacity and shall continue thereafter with respect to any Proceedings based on or arising out of Indemnitee's Official Capacity. This Agreement shall be binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets and any successor by merger or operation of law) and shall inure to the benefit of Indemnitee's heirs, personal representatives and estate.

9. Notification and Defense of Claim. Promptly after receipt by Indemnitee of notice of any Proceeding, Indemnitee will notify the Company in writing of the commencement thereof; but the omission so to notify the Company will not relieve it from any liability that it may have to Indemnitee. Notwithstanding any other provision of this Agreement, with respect to any such Proceeding of which Indemnitee notifies the Company:

(a) Except as otherwise provided in this Section 9(b), to the extent that it may wish, the Company may, separately or jointly with any other indemnifying party, assume the defense of the Proceeding. After notice from the Company to Indemnitee of its election to assume the defense of the Proceeding, the Company shall not be liable to Indemnitee under this Agreement for any Expenses subsequently incurred by Indemnitee except as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the Company, (ii) Indemnitee shall have reasonably determined that there is a conflict of interest between the Company and Indemnitee in the conduct of the defense of the Proceeding, and such determination is supported by an opinion of qualified legal counsel addressed to the Company, or (iii) the Company shall not within sixty (60) calendar days of receipt of notice from Indemnitee in fact have employed counsel to assume the defense of the Proceeding.

(b) The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company, or as to which Indemnitee shall have made the determination provided for in subparagraph (a)(ii) above.

(c) Regardless of whether the Company has assumed the defense of a Proceeding, the Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Company's written consent, and the Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on, or require any payment from, Indemnitee without Indemnitee's written consent. Neither the Company nor Indemnitee will unreasonably withhold its consent to any proposed settlement.

(d) Until the Company receives notice of a Proceeding from Indemnitee, the Company shall have no obligation to indemnify or advance Expenses to Indemnitee as to Expenses incurred prior to Indemnitee's notification of Company.

10. Indemnitee's Undertaking In Connection With A Request For Advancement. As a condition precedent to the Company's advancement of Expenses to and/or indemnification of Indemnitee, Indemnitee shall provide the Company with (a) a written affirmation by such person of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under §145 of the Delaware General Corporation Laws, and (b) an undertaking, in substantially the form attached as Exhibit 1, by or on behalf of Indemnitee to reimburse such amount if it is finally determined, after all appeals by a court of competent jurisdiction that Indemnitee is not entitled to be indemnified against such Expenses by the Company as provided by this Agreement or otherwise. Indemnitee's undertaking to reimburse any such amounts is not required to be secured.

11. Separability; Prior Indemnification Agreements.

(a) If any provision of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not by themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent of the parties that the Company provide protection to Indemnitee to the fullest enforceable extent provided for in this Agreement.

(b) This Agreement shall supersede and replace any prior indemnification agreements entered into by and between the Company and Indemnitee and any such prior agreements shall be terminated upon execution of this Agreement.

(c) This Agreement shall supersede the provisions of the Company's Bylaws regarding indemnification and advancement of expenses, and is intended as the sole agreement governing the rights of Indemnitee to indemnification and advancement of expenses to Indemnitee with respect to all matters which are the subject of this Agreement.

12. Non-attribution of Actions of Any Indemnitee to Any Other Indemnitee. For purposes of determining whether Indemnitee is entitled to indemnification or advancement of Expenses by the Company under this Agreement or otherwise, the actions or inactions of any other indemnitee or group of indemnitees shall not be attributed to Indemnitee.

13. Headings; References; Pronouns. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof. References herein to section numbers are to sections of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as appropriate.

14. Other Provisions.

(a) This Agreement shall be interpreted and enforced in accordance with the laws of Delaware.

(b) This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced as evidence of the existence of this Agreement.

(c) This Agreement shall not be deemed an employment contract between the Company and Indemnitee, and the Company shall not be obligated to continue Indemnitee in Indemnitee's Official Capacity by reason of this Agreement.

(d) Upon a payment to Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of Indemnitee to recover against any person for such liability, and Indemnitee shall execute all documents and instruments required and shall take such other actions as may be necessary to secure such rights, including the execution of such documents as may be necessary for the Company to bring suit to enforce such rights.

(e) No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

(f) The Company agrees to stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement and is precluded from making any assertions to the contrary.

(g) Indemnitee's rights under this Agreement shall extend to Indemnitee's spouse, members of Indemnitee's immediate family, and

Indemnitee's representative(s), guardian(s),

conservator(s), estate, executor(s), administrator(s), and trustee(s), (all of whom are referred to as "Related Parties"), as the case may be, to the extent a Related Party or a Related Party's property is subject to a Proceeding by reason of Indemnitee's Official Capacity.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

The Company

By _____

Its _____

_____

Indemnitee

EXHIBIT 1

UNDERTAKING TO REPAY INDEMNIFICATION EXPENSES

I , agree to reimburse the Company for all expenses paid to me by the Company for my defense in any civil or criminal action, suit, or Proceeding, in the event, and to the extent that it shall ultimately be determined that I am not entitled to be indemnified by the Company for such expenses.

Signature _____

Typed Name _____

Office _____

) ss:

Before me , on this day personally appeared , known to me to be the person whose name is subscribed to the foregoing instrument, and who, after being duly sworn, stated that the contents of said instrument is to the best of his/her knowledge and belief true and correct and who acknowledged that he/she executed the same for the purpose and consideration therein expressed.

GIVEN under my hand and official seal at , this day of , 200 .

_____

Notary Public

My commission expires:

Cherry Tree SECURITIES, LLC

301 Carlson Parkway, Suite 103
Minnetonka, Minnesota 55305
Voice: 952.893.9012 | Fax: 952.893.9036
www.cherrytree.com

July 17, 2007

Mr. David Meyer
Titan Machinery, Inc.
4876 Rocking Horse Circle
Fargo, ND 58103

Dear David:

This letter amends in its entirety the agreement ("Agreement") between Titan Machinery (the "Company") and Cherry Tree Securities, LLC ("CTS") dated April 1, 2006. This amendment ("Amendment") will address the terms under which CTS will act as the Company's financial advisor relative to a planned public offering of stock of the Company or an operating unit of the Company.

CTS and the Company agree as follows:

1. CTS will provide general financial advisory services to the Company in connection with a planned public offering of stock of the Company or an operating unit of the Company, during the engagement period ("Engagement Period").

2. As advisor to the Company, CTS will provide advisory services related to the matters below:

   a. Independent Auditor Management Letter.

   b. Audit issues in connection with the February 28, 2007 Audit.

   c. Acquisition accounting and the application of Rule 3.05 relating to significant subsidiaries. This includes coordinating GAAP reporting for the Aberdeen acquisition and dealing with potential audit issues.

   d. Definition of control environment improvements and related implementation.

   e. Offering Memorandum and SEC Form S-1.

   f. Reporting and Close process consistent with SEC Reporting requirements.

   g. Sarbanes Oxley.

   h. Disclosure committee formation and charter development.

   i. Compliance committee formation and charter development.

3. In consideration for CTS' services, the Company will pay CTS the following fees and expenses:

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   a. $5,000 monthly retainer during the period July 1, 2007 through June 30, 2008.

   b. At the closing of a public offering of stock during the Engagement Period or the twelve month period following the Engagement Period, a cash Success Fee paid by wire transfer at the closing. It is the intention of the parties that the Success Fees payable to CTS pursuant to this Agreement will be $125,000.

   c. During the engagement the Company will reimburse CTS for its reasonable, documented, out-of-pocket expenses, including all travel expenses, printing and graphics costs, postage, and other costs associated with this Agreement.

4. CTS shall keep confidential all material non-public information provided to it by the Company, and shall not disclose such information to any third party, other than such of its employees and advisors as CTS determines to have a need to know, except as required by applicable law or pursuant to an order entered or subpoena issued by a court of competent jurisdiction. Information will not be considered confidential to the extent that CTS can demonstrate that such information is (i) already known to be free of any restriction at the time it is obtained; (ii) subsequently learned from an independent third party free of any restriction; or (iii) available publicly through no fault of CTS or its employees. This section supersedes any other written or oral confidentiality agreement between CTS and the Company.

5. The Company agrees to indemnify and hold CTS (which term includes its directors, controlling persons as such term is defined under the Securities Act of 1933, officers, managers, members, employees, contractors, subcontractors and agents) harmless against and from all losses, claims, damages or liabilities, and all actions, claims, proceedings and investigations in respect thereof, arising out of or in connection with this engagement or CTS' services rendered in connection with this engagement, and to reimburse CTS for all reasonable legal and other out-of-pocket expenses as incurred by

CTS in connection with investigating, preparing or defending any such action, claim, proceeding or investigation, provided, however, the Company will not be so liable to the extent that any such loss, claim, damage or liability is finally judicially determined to have resulted from CTS' gross negligence or willful misconduct.

6. The confidentiality, payment of fees, reimbursement, and indemnity obligations of the Company and CTS under this Agreement will be in addition to any liability which the Company or CTS may otherwise have, will survive any termination of this Agreement, and will be binding upon and extend to the benefit of any successors, assigns, heirs and personal representatives of the Company and CTS.

7. The Company agrees that CTS has the right to place advertisements in mailings and newspapers and journals at CTS's own expense describing their services to the Company hereunder and using the Company logo.

8. The Agreement represented by this letter will be governed by the laws of State of Minnesota. Any dispute or controversy arising out of this Agreement will be determined by arbitration conducted in accordance with the rules of the National Association of Securities Dealers, Inc. then in effect.

Any arbitration award will be final and binding upon the Company and CTS, and judgment upon the award may be entered in any court having jurisdiction.

If this letter correctly sets forth the understanding between us, please so indicate by signing on the designated space below and returning a signed copy to us, where upon this letter will constitute the Agreement between us. We look forward to working with you.

Sincerely,

CHERRY TREE SECURITIES, LLC
David G. Latzke

By /s/ David G. Latzke Date: July 17, 2007
Its: Managing Director

TITAN MACHINERY INC.
David J. Meyer

By /s/ David J. Meyer Date July 17, 2007
Its: CEO