AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 15, 1999
REGISTRATION STATEMENT NO. 333-_____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

TITAN MOTORCYCLE CO. OF AMERICA
(Exact name of registrant as specified in its Charter)

NEVADA	86-0776876
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2222 WEST PEORIA AVENUE
PHOENIX, ARIZONA 85029
(602) 861-6977
(Address, including zip code, and telephone number, including area code, of principal executive offices)

FRANCIS S. KEERY, CHIEF EXECUTIVE OFFICER
TITAN MOTORCYCLE CO. OF AMERICA
2222 WEST PEORIA AVENUE
PHOENIX, ARIZONA 85029
(602) 861-6977
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPY TO:
STEVEN D. PIDGEON, ESQ.
SNELL & WILMER L.L.P.
ONE ARIZONA CENTER
PHOENIX, ARIZONA 85004-0001
(602) 382-6000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:

From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, check the following box.[ ]

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, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please 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(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 delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount to be	Proposed Maximum Offering Price	Proposed Maximum Aggregate	Amount of

Securities to be Registered	Registered	Per Share	Offering Price	Registration Fee
Common Stock, $.001 par value	3,322,031 Shares(1)	$ 2.25(2)	$ 7,474,569.70	$ 2,077.93
Total	3,322,031 Shares(1)		$ 7,474,569.70	$ 2,077.93

(1) Shares of common stock that may be offered pursuant to this Registration Statement consist of 2,924,064 shares issuable upon conversion of 4,000 shares of Series A Convertible Preferred Stock and 397,967 shares issuable upon exercise of certain warrants. For purposes of estimating the number of shares of common stock to be included in this Registration Statement, we calculated (i) 175% of the number of shares of common stock issuable in connection with the conversion of the Series A Convertible Preferred Stock, determined as if the Series A Convertible Preferred Stock, together with twenty-four months of accrued and unpaid dividends thereon (Series A Convertible Preferred Stock holders are entitled to dividends, if declared by the Board, at a rate of $60.00 per year per share), were converted in full at the fixed conversion price of $2.6812 on the date this Registration Statement is first filed plus (ii) 100% of the number of shares of common stock issuable upon exercise of the warrants. Pursuant to Rule 416 under the Securities Act of 1933, as amended, this Registration Statement also covers such indeterminate additional shares of common stock as may become issuable as a result of stock splits, stock dividends or other similar transactions.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c), based upon the average of the high and low prices of the common stock on October 11, 1999, as reported by the Nasdaq National Market.

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 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED OCTOBER 15, 1999

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PROSPECTUS

Titan Motorcycle Co. of America
3,322,031 Common Shares

This prospectus relates to shares of our common stock that may be sold by the selling stockholders named under the section of this prospectus entitled "Selling Stockholders." The selling stockholders may sell some or all of the common stock through ordinary brokerage transactions, directly to market makers of our shares, or through any of the other means described in the section entitled "Plan of Distribution" beginning on page 10.

The selling stockholders will receive all of the proceeds from the sale of the common stock, less any brokerage or other expenses of sale incurred by them. We are paying for the costs of registering the shares covered by this prospectus.

Our common stock is traded on the Nasdaq SmallCap Market under the symbol "TMOT." The closing sales price of our common stock as reported by the Nasdaq SmallCap Market on October 14, 1999 was $2.25 per share.

BEFORE PURCHASING ANY OF THE SHARES COVERED BY THIS PROSPECTUS, CAREFULLY READ AND CONSIDER THE RISK FACTORS INCLUDED IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 1. YOU SHOULD BE PREPARED TO ACCEPT ANY AND ALL OF THE RISKS ASSOCIATED WITH PURCHASING THE SHARES, INCLUDING A LOSS OF ALL OF YOUR INVESTMENT.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED THE SALE OF THE COMMON STOCK OR DETERMINED THAT THE INFORMATION IN THIS PROSPECTUS IS ACCURATE OR COMPLETE. IT IS ILLEGAL FOR ANY PERSON TO TELL YOU OTHERWISE.

The date of this prospectus is _____, 1999.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS AND IN ANY ACCOMPANYING PROSPECTUS SUPPLEMENT. NO ONE HAS BEEN AUTHORIZED TO PROVIDE YOU WITH DIFFERENT INFORMATION.

THE COMMON STOCK IS NOT BEING OFFERED IN ANY JURISDICTION WHERE THE OFFER IS NOT PERMITTED.

YOU SHOULD NOT ASSUME THAT THE INFORMATION IN THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THE DOCUMENTS.

TITAN MOTORCYCLE CO. OF AMERICA

We design and manufacture high-end customized heavyweight motorcycles. We build both highly customized, individually assembled motorcycles and high-end, assembly-line produced motorcycles. A heavyweight motorcycle is a motorcycle with an engine size or displacement of 651 cubic centimeters or greater. Our products are distributed through a network of 61 domestic dealers and 20 foreign dealers.

We currently maintain three product lines.

PREMIUM MOTORCYCLES: We manufacture seven premium models with a package of over 200 custom options. Customers design their motorcycles by choosing colors, paint design, finish, fenders and various performance and aesthetic enhancements. Premium models are typically constructed and delivered in six to ten weeks from the order date. Our premium models represented approximately 97.8% of our fiscal year 1998 revenues. The average retail selling price for our premium models is approximately $35,000.

"PHOENIX BY TITAN" MOTORCYCLES: Our "Phoenix by Titan" line of motorcycles was introduced in March 1999. We manufacture four "Phoenix by Titan" models with six standard customization packages available through our dealerships. The average retail selling price for the "Phoenix by Titan" models is approximately $20,000 to $25,000.

APPAREL AND ACCESSORIES: We have recently developed a line of Titan apparel and accessories. We are also developing a premium line of upgrade parts which are compatible with Titan and other "V Twin" motorcycles.

We are a Nevada corporation, formed on January 10, 1995. Our principal executive offices are located at 2222 West Peoria Avenue, Phoenix, Arizona and our telephone number is (602) 861-6977.

RISK FACTORS

BEFORE PURCHASING ANY OF THE SHARES COVERED BY THIS PROSPECTUS, YOU SHOULD CAREFULLY READ AND CONSIDER THE RISK FACTORS SET FORTH BELOW. YOU SHOULD BE PREPARED TO ACCEPT ANY AND ALL OF THE RISKS ASSOCIATED WITH PURCHASING THE SHARES, INCLUDING A LOSS OF ALL OF YOUR INVESTMENT.

WE HAVE A HISTORY OF LOSSES AND WE MAY LOSE MONEY IN THE FUTURE

Although we earned $237,479 in net income for the fiscal year 1998, we incurred losses of $257,463 in fiscal year 1995, $95,496 in fiscal year 1996 and $1.7 million in 1997. Through the twenty-six weeks ended July 3, 1999, we had incurred net losses of $951,562. We expect to incur further losses through the end of 1999 and may continue to incur losses after 1999. Given our history of losses, we cannot assure you that we will ever be profitable.

WE MAY BE UNABLE TO REGAIN PROFITABILITY IF WE DO NOT INCREASE CONSUMER DEMAND FOR OUR PRODUCTS

To regain profitability, we need to generate an increased level of market acceptance for our products. Our success depends on our ability to meet the following objectives, none of which we may achieve:

* increase consumer awareness of our products;
* establish a reputation for high quality;
* increase sales through our independent third party dealers; and
* expand our dealer network.

We cannot assure you that we will meet these objectives.

COMPLICATIONS IN THE ESTABLISHMENT AND INTEGRATION OF OUR NEW "PHOENIX BY TITAN" LINE OF MOTORCYCLES COULD MATERIALLY ADVERSELY AFFECT OUR EXPENSES, GROSS MARGINS AND OPERATING RESULTS

We recently introduced our "Phoenix by Titan" line of heavyweight motorcycles. Unlike our custom motorcycles, we manufacture these motorcycles in four models through an assembly line process. Six standard customization packages are available through the dealerships for each of the four models.

While initial orders have been substantial, there can be no assurance that we will be able to accomplish the following goals:

* effectively manage any start up difficulties that we may experience;
* successfully adapt to an assembly line manufacturing process; and
* gain or maintain consumer acceptance of this product line.

Also, we cannot assure you that this line, which is less expensive, will not take sales away from our higher end custom motorcycles or that we will not face other difficulties in introducing this line. Any of these issues could materially adversely affect our expenses, gross margins and operating results.

WE CANNOT ASSURE YOU THAT WE WILL BE ABLE TO SUCCESSFULLY IMPLEMENT OUR NEW MANAGEMENT INFORMATION SYSTEM WHICH COULD RESULT IN A DISRUPTION OF OUR BUSINESS AND COULD HAVE A NEGATIVE AFFECT ON OUR OPERATIONS

We recently installed a new management information system. This system will monitor our inventory, production, billing and other operational aspects of our business. We cannot assure you that we will be able to successfully operate and utilize this new system which could result in a disruption of our business and could have a negative affect on our operations.

WE SELL A DISCRETIONARY PRODUCT AND A DOWNTURN IN THE ECONOMY COULD NEGATIVELY AFFECT OUR GROWTH AND PROFITABILITY

Motorcycles in the high-end customized heavyweight market are discretionary purchase items. A recession or economic downturn may reduce consumer spending and negatively affect our growth and profitability. An economic downturn could result from a number of factors outside of our control, including:

* employment levels;
* business conditions;
* interest rates;
* inflation levels; and
* taxation rates.

COMPETITION IN OUR MARKET HAS INCREASED AND MAY RESULT IN PRICE REDUCTIONS, REDUCED GROSS MARGINS AND A LOSS OF OUR MARKET SHARE

We operate in the high-end segment of the heavyweight cruiser market. The overall heavyweight cruiser market has recently experienced an increase in production capacity and new entrants. Some of our competitors have technical, production, personnel and financial resources that exceed ours and we cannot assure you that the competition will not materially adversely affect our business, financial condition or results of operations. The increased competition could result in price reductions, reduced gross margins and a loss of our market share.

Major competitors in the heavyweight cruiser market are:

* Harley-Davidson(TM), the heavyweight cruiser market leader, which is reportedly increasing its capacity to over 160,000 units from approximately 148,000 units;
* BMW which entered the segment in 1997 with their "R1200C" model;
* Excelsior-Henderson, which recently entered the market with their "Super X" model; and
* Polaris, which recently entered the market with their "Victory V92C" model.

OUR PRODUCTS COULD CONTAIN DEFECTS CREATING PRODUCT RECALLS AND WARRANTY CLAIMS WHICH COULD MATERIALLY ADVERSELY AFFECT OUR FUTURE SALES AND PROFITABILITY

Our products could contain unforeseen defects. These defects could create product recalls or warranty claims that could increase our costs and affect profitability. Significant and continuous defects could negatively impact the goodwill and quality associated with our name. Defects could also give rise to litigation which could result in our liability for judgments which could have a significant impact on our business, operations and financial condition. Product recalls resulting from unforeseen defects could subject us to a significant financial commitment and have a significant impact on our business, operations and financial condition.

WE ARE SUBJECT TO CONTINGENT LIABILITIES UNDER A DEALER FLOOR PLAN FINANCING PROGRAM WHICH COULD EXPOSE US TO SIGNIFICANT FINANCIAL OBLIGATIONS

Approximately 48 of our dealers receive floor plan financing for our products through TransAmerica Commercial Finance Corporation. The dealers are the obligors under these floor plan agreements and are responsible for all principal and interest payments. However, we are subject to a standard repurchase agreement which requires us to buy back any of our motorcycles at the wholesale price if the dealer defaults and the motorcycles are repossessed by TransAmerica. While we have only had to repurchase less than $500,000 worth of our motorcycles since August of 1997, as of May 28, 1999, total outstanding obligations of all 48 dealers was approximately $9,500,000. Our profitability would be significantly negatively impacted if we were forced to repurchase a large number of these motorcycles.

WE MAY NOT BE ABLE TO RAISE THE ADDITIONAL CAPITAL REQUIRED TO EXECUTE OUR BUSINESS PLAN

We expect to continue to incur significant capital expenses in continuing to expand our production lines, introduce new product lines and increase unit capacity. Our current line of credit expires in April, 2000. Additional financing may not be available on terms favorable to us, or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to execute our business plan or take advantage of our business opportunities. In addition, if we elect to raise capital by issuing additional shares of stock, existing stockholders may incur dilution.

A LARGE PORTION OF OUR REVENUE COMES FROM A SMALL NUMBER OF CUSTOMERS, THE LOSS OF WHICH COULD MATERIALLY AND ADVERSELY AFFECT OUR OPERATING RESULTS

Francis S. Keery, our Chairman and Chief Executive Officer, and Patrick Keery, our President, each own 33% of BPF Holdings, LLC, which currently owns four motorcycle retail stores which are Titan dealers and carry our products. The four stores are: Titan of Phoenix, Titan of Los Angeles, Titan of Las Vegas and, most recently, Titan of Houston. In 1998, not including Titan of Houston (which was then under different ownership), approximately 22.4% of the Company's sales were to BPF-owned stores. The loss of the BPF dealerships would have a material adverse affect on our operating results.

WE DEPEND HEAVILY ON THIRD PARTY PARTS SUPPLIERS AND ANY SIGNIFICANT ADVERSE VARIATION IN QUANTITY, QUALITY OR COST WOULD NEGATIVELY AFFECT OUR OPERATIONS

We operate primarily as an assembler and rely heavily on a number of major component manufacturers to supply us with almost all of our parts. Any significant adverse variation in quantity, quality or cost would adversely affect our volume and cost of production until we could identify alternative sources of supply.

WE DEPEND ON FOREIGN VENDORS FOR CERTAIN COMPONENT PARTS WHICH EXPOSES US TO RISKS THAT COULD MATERIALLY AND ADVERSELY AFFECT OUR OPERATING RESULTS

We depend on foreign vendors for certain component parts which exposes us to additional risks. Our reliance on foreign vendors exposes us to risks such as:

* currency fluctuations which may adversely affect the value of goods purchased;
* trade restrictions;
* changes in tariffs; and
* difficulties in enforcing supply arrangements.

The occurrence of any of these risks could materially and adversely affect our operating results.

WE DEPEND HEAVILY ON INDEPENDENT THIRD PARTY DEALERS AND OUR RESULTS OF OPERATIONS COULD BE NEGATIVELY IMPACTED IF THE DEALERS FAIL TO ADEQUATELY PROMOTE OUR PRODUCTS, IMAGE AND NAME

Failures by independent third party dealers to adequately promote our products could negatively affect our results of operations. Our products are sold primarily through independent dealers. As a result, we are unable to fully

control the presentation, delivery and service of our products to the final customer. We depend heavily on our dealers' willingness and ability to promote our products, image and name.

OUR GROWTH DEPENDS ON OUR ABILITY TO EXPAND OUR DISTRIBUTION NETWORK AND SUPPORT DEALERS AND WE CANNOT ASSURE YOU THAT THIS STRATEGY WILL BE SUCCESSFUL

We plan to expand our dealer network to implement our growth strategy. We cannot assure you that we will be able to attract additional dealers or that these dealers will be successful in selling our products.

We plan to support our dealers in the following ways:

* facilitating floor plan financing and incentives;
* providing continuing education about our products;
* supplying parts and accessories; and
* providing training to sales and service personnel.

Any difficulties in the continued execution of this plan may cause us to lose dealers or experience difficulties in attracting new dealers and could cause the distribution of our products to be adversely affected.

WE ARE ATTEMPTING TO ESTABLISH SALES OPERATIONS IN FOREIGN MARKETS WHICH REQUIRES SIGNIFICANT MANAGEMENT ATTENTION AND FINANCIAL RESOURCES AND THIS STRATEGY MAY NOT BE SUCCESSFUL

We are attempting to establish sales operations in foreign markets, and we cannot assure you that we will be able to successfully manage the inherent risks and complications associated with operating in foreign markets. These risks and complications of operating in foreign markets include the following:

* selecting and monitoring dealers;
* establishing effective dealer training;
* transporting inventory;
* parts availability;
* changes in diplomatic and trade relationships;
* tariffs;
* currency exchange rates; and
* unexpected changes in regulatory requirements.

WE RELY ON COMPUTER HARDWARE AND SOFTWARE THAT COULD HAVE YEAR 2000 PROBLEMS AND ADVERSELY AFFECT THE RESULTS OF OUR OPERATIONS

We rely on computer hardware, software and related technology, together with data, in the operation of our business. This technology and data are used in manufacturing and delivering our products and services, and in our internal operations, such as billing and accounting. We completed an analysis of our internal systems and the potential for issues associated with the year 2000 problem. We cannot assure you that this analysis completely identified, or that we will successfully eliminate, all failures associated with the year 2000 which could negatively impact our operations. Also, we cannot assure you that third party customers, suppliers and dealers have successfully resolved their own year 2000 issues over which we have no control.

OUR BUSINESS WILL SUFFER IF WE ARE UNABLE TO KEEP OUR SENIOR EXECUTIVE OFFICERS AND KEY EMPLOYEES

We rely considerably on the abilities of Francis S. Keery, our Chairman and Chief Executive Officer and Patrick Keery, our President. We also depend to a significant extent upon the performance of our executive management team. The unavailability or loss of services of any of these individuals, or the failure to attract and retain qualified personnel to replace them, could have a material adverse affect on our business. We only have a non-competition agreement with our Chief Financial Officer and we cannot assure you that his agreement will be enforceable or effective in retaining him. Also, we cannot assure you that our other executive officers will not leave us.

OUR FINANCIAL CONDITION AND OUR ABILITY TO FULLY IMPLEMENT OUR EXPANSION PLANS COULD BE NEGATIVELY IMPACTED IF WE FAIL TO EFFECTIVELY MANAGE OUR GROWTH

Our rapid growth has placed, and is expected to continue to place, a significant strain on our managerial and operational resources. Our failure to

effectively manage our growth could negatively impact our operations. Our ability to support future growth will depend on our ability to find qualified employees and suitable expansion space for our manufacturing operations and improving our managerial and production capabilities. We cannot assure you that we will be able to continue to manage future growth successfully.

WE ARE SUBJECT TO VARIOUS ENVIRONMENTAL REGULATIONS AND OUR FAILURE TO COMPLY COULD NEGATIVELY IMPACT OUR OPERATIONS

We are subject to various federal, state and local environmental regulations. Our failure to comply with these regulations could result in any one or more of the following:

* restrictions on our ability to expand or modify our current operations or facilities;
* significant expenditures in achieving compliance with the regulations;
* significant liabilities exceeding our available resources; and
* cessation of our operations.

Our business and assets could be materially adversely affected if environmental regulations require that we modify our facilities or otherwise limit our ability to conduct our operations. Any significant expenses incurred as a result of environmental liabilities could have a material adverse affect on our business, operating results and financial condition.

OUR FAILURE TO COMPLY WITH VARIOUS REGULATORY APPROVALS AND GOVERNMENTAL REGULATIONS COULD NEGATIVELY IMPACT OUR OPERATIONS

Our motorcycles must comply with certain governmental approvals and certifications regarding noise, emissions and safety characteristics. Our failure to comply with these requirements could prevent us or delay us from selling our products which would have a significant negative impact on our operations.

OUR QUARTERLY RESULTS MAY FLUCTUATE SIGNIFICANTLY WHICH MAY RESULT IN THE VOLATILITY OF OUR STOCK PRICE

Our quarterly operating results may fluctuate significantly as a result of a variety of factors, many of which are outside of our control. These factors include:

* manufacturing delays;
* the amount and timing of orders from dealers;
* disruptions in the supply of key components and parts;
* seasonal variations in the sale of our products; and
* general economic conditions.

WE COULD BE REQUIRED TO REDEEM OUR SERIES A CONVERTIBLE PREFERRED STOCK AT A PREMIUM WHICH WOULD REQUIRE A LARGE EXPENDITURE OF CAPITAL AND COULD HAVE A MATERIAL ADVERSE AFFECT ON OUR FINANCIAL CONDITION

The holders of our Series A Convertible Preferred Stock have the right to force us to redeem their Series A Convertible Preferred Stock at a premium upon the occurrence of certain events. The redemption of our Series A Convertible Preferred Stock would require a large expenditure of capital and we may not have sufficient funds to satisfy the redemption. In addition, you could face further dilution of your ownership percentage as a result of a decline in the market price of our common stock or in the event of certain defaults which would result in an increase in the number of shares of common stock issuable upon conversion of the Series A Convertible Preferred Stock. Any such event could adversely affect the price of our stock and ability to raise additional capital.

WE MAY ISSUE ADDITIONAL STOCK AND DILUTE YOUR OWNERSHIP PERCENTAGE

Certain events over which you have no control could result in the issuance of additional shares of our common stock, which would dilute your ownership percentage. We may issue additional shares of common stock or preferred stock:

* to raise additional capital or finance acquisitions;
* upon the exercise or conversion of outstanding options, warrants and shares of convertible preferred stock; or
* in lieu of cash payment of dividends.

There are currently outstanding convertible preferred stock, warrants, and options to acquire up to 4,970,367 additional shares of common stock. If converted or exercised, these securities will dilute your percentage ownership of common stock. These securities, unlike common stock, provide for antidilution protection upon the occurrence of stock dividends, combinations, capital reorganizations and other events. If one or more of these events occurs, the number of shares of common stock that may be acquired upon conversion or exercise would increase.

OUR GOVERNING DOCUMENTS AND NEVADA LAW CONTAIN PROVISIONS THAT COULD PREVENT TRANSACTIONS IN WHICH YOU WOULD RECEIVE A PREMIUM FOR YOUR STOCK

Our Articles of Incorporation and the Nevada Revised Statutes contain provisions that could have the affect of delaying, deferring, or preventing a change in control and the opportunity to sell your shares at a premium over current market prices. Although these provisions are intended to protect us and our stockholders from unwanted takeovers, their effect could hinder or prevent transactions in which you might otherwise receive a premium for your common stock over then-current market prices, and may limit your ability to approve transactions which may be in your best interests. As a result, the mere existence of these provisions could adversely affect the price of our common stock.

FORWARD LOOKING STATEMENTS

This prospectus contains or incorporates forward-looking statements including statements regarding, among other items, our business strategy, growth strategy, and anticipated trends in our business. We may make additional written or oral forward-looking statements from time to time in filings with the Securities and Exchange Commission or otherwise. When we use the words "believe," "expect," "anticipate," "project" and similar expressions, this should alert you that this is a forward-looking statement. Forward-looking statements speak only as of the date the statement is made. These forward-looking statements are based largely on our expectations. They are subject to a number of risks and uncertainties, some of which cannot be predicted or quantified and are beyond our control. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. Statements in this prospectus, and in documents incorporated into this prospectus, including those set forth in "Risk Factors" describe factors, among others, that could contribute to or cause these differences. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this prospectus will in fact transpire or prove to be accurate. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this section.

USE OF PROCEEDS

We will not receive any proceeds from the sale of any shares offered by this prospectus.

SELLING STOCKHOLDERS

The following table provides information about the selling stockholders. The shares offered by this prospectus will be offered from time to time by the selling stockholders named below, or by pledgees, donees, transferees or other successors in interest to them.

The shares shown as owned and offered by Advantage Fund II Ltd. and Koch Investment Group Limited under this prospectus may be issued upon conversion of Series A Convertible Preferred Stock and exercise of warrants acquired by these selling stockholders from us in a private placement on September 17, 1999. Under the terms of the Series A Convertible Preferred Stock and the warrants, no

selling stockholder can convert Series A Convertible Preferred Stock or exercise warrants to the extent such conversion or exercise would cause the selling stockholder's beneficial ownership of our common stock (excluding shares underlying unconverted Series A Convertible Preferred Stock and unexercised warrants) to exceed 4.9% of the outstanding shares of common stock.

Name of Selling Stockholders	Shares Owned Prior to the Offering	Maximum Number of Shares to be Sold in the Offering	Shares Owned After Offering (Assuming All Shares Offered are Sold)	Percentage of Common Stock Owned After Offering (Assuming All Shares Offered are Sold)
Advantage Fund II Ltd.	1,532,895(1)	2,472,773(2)	0	0%
Koch Investment Group Limited	510,965(1)	824,258(2)	0	0%
Reedland Capital Partners	20,000	20,000	0	0%
Richard Cohn	2,500	2,500	0	0%
Intellect Capital Corp.	2,500	2,500	0	0%

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(1) Represents the number of shares issuable upon the conversion of Series A Convertible Preferred Stock at the initial fixed conversion price of $2.6812, including conversion of two years of accrued dividends thereon, and exercise of warrants.

(2) In accordance with the registration rights agreements between us and these selling stockholders, the number of shares shown as offered by this prospectus represents 175% of the number of shares issuable upon conversion of the Series A Convertible Preferred Stock as described in note (1) plus the shares issuable upon exercise of the warrants.

As of the date of this prospectus, the selling stockholders do not hold any other securities in Titan other than the shares being offered under this prospectus and the Series A Convertible Preferred Stock and warrants described in this prospectus. None of the selling stockholders has had any material relationship with us within the past three years.

DESCRIPTION OF SECURITIES

We are authorized to issue up to 90,000,000 shares of common stock and 10,000,000 shares of preferred stock. As of October 15, 1999, 17,163,097 shares of common stock were issued and outstanding. Additionally, as of October 15, 1999, we have outstanding options to purchase 1,143,000 shares of our common stock, warrants to purchase 397,967 of our common stock and 4,000 shares of our Series A Convertible Preferred Stock.

Our Board of Directors has the authority, without further action by the stockholders, to issue a total of up to 10,000,000 preferred shares in one or more series and to fix the rights, preferences, privileges and restrictions granted to or imposed upon any series of unissued preferred shares and to determine the number of shares constituting any series and the designation of the series, without any further vote or action by the stockholders.

The following summary of certain provisions of the common stock and preferred shares does not purport to be complete and is subject to, and is qualified in its entirety by, our amended Articles of Incorporation, Restated Bylaws, our Certificate of Designations with respect to our Series A Convertible Preferred Stock, and by the provisions of applicable law.

COMMON STOCK

The holders of our common stock are entitled to one vote per share on all matters on which stockholders are entitled to vote. Subject to the rights of holders of any class or series of shares, including preferred shares, having a preference over the common stock as to dividends or upon liquidation, the holders of our common stock are also entitled to dividends as may be declared by our Board of Directors out of funds that are lawfully available, and are entitled upon liquidation to receive pro rata the assets that are available for distribution to holders of common stock. Holders of the common stock have no preemptive, subscription, or conversion rights. The common stock is not subject to assessment and has no redemption provisions.

SERIES A CONVERTIBLE PREFERRED STOCK

We have 4,000 shares of Series A Convertible Preferred Stock authorized, issued and outstanding. The Series A Convertible Preferred Stock is currently convertible at any time into a maximum of 3,429,400 shares of our common stock at a fixed conversion price of $2.6812 which represents the average market price of our common stock for the ten days prior to the issuance of the Series A Convertible Preferred Stock on September 17, 1999, the date we sold the Series A Convertible Preferred Stock. Commencing September 17, 2000, the conversion price is adjusted every six months to be the lesser of (a) 130% of the prior conversion price or (b) 90% of the average market price for the ten days prior to such adjustment date. The conversion price is subject to further adjustment under certain other circumstances, including our inability to provide the Series A Convertible Preferred Stockholders with common stock certificates on a timely basis after receiving notice of their conversion, and our failure to pay any applicable redemption price when due. Upon an adjustment of the conversion price, the number of shares into which the Series A Convertible Preferred Stock may be converted is correspondingly adjusted. The conversion price and number of shares of common stock underlying the Series A Convertible Preferred Stock is also subject to adjustment for stock splits, stock dividends, combinations, capital reorganizations and similar events relating to our common stock.

Dividends at the rate of $60 per annum per share are payable in cash or, at our option, may be added to the value of the Series A Convertible Preferred Stock subject to conversion and to the $1,000 per share liquidation preference of the Series A Convertible Preferred Stock.

If we are in compliance with various provisions, we have the right at any time to redeem the Series A Convertible Preferred Stock at a premium (generally, 120% of its $1,000 per share liquidation value plus accrued and unpaid dividends), and under certain circumstances, at the market value of the common stock into which the Series A Convertible Preferred Stock would otherwise be convertible. Assuming we are in compliance with various provisions, after the third anniversary of issuance, we may redeem the Series A Convertible Preferred Stock at its liquidation value plus accrued and unpaid dividends.

The holders of the Series A Convertible Preferred Stock have the right to force us to redeem all or some of their Series A Convertible Preferred Stock at the greater of the premium or converted market value described above under the following circumstances:

* there is no closing bid price reported for our common stock for five consecutive trading days;
* our common stock ceases to be listed for trading on the Nasdaq SmallCap Market;
* the holders of our Series A Convertible Preferred Stock are unable, for 30 or more days (whether or not consecutive) to sell their common stock issuable upon conversion of the Series A Convertible Preferred Stock pursuant to an effective registration statement;
* we default under any of the agreements relating to our sale of the Series A Convertible Preferred Stock, including our failure to timely deliver certificates for common stock upon conversion;
* certain business combination events;
* the adoption of any amendment to our Articles of Incorporation materially adverse to the holders of the Series A Convertible Preferred Stock without the consent of the holders of a majority of the Series A Convertible Preferred Stock; and

* the holders of the Series A Convertible Preferred Stock are unable to convert all of their shares because of limitations under exchange or market rules that require stockholder approval of certain stock issuances and we fail to obtain such approval.

Upon liquidation, the holders of the Series A Convertible Preferred Stock will be entitled to receive, before any distribution to holders of our common stock or any other class or series of our capital stock ranking junior to the Series A Convertible Preferred Stock, liquidation distributions equal to $1,000 per share, plus any accrued and unpaid dividends.

The Series A Convertible Preferred Stock has no general voting rights. However, holders of the Series A Convertible Preferred Stock have the right to consent to the issuance of any capital stock that is senior to the Series A Convertible Preferred Stock, and to any amendment to the terms of the Series A Convertible Preferred Stock. In addition, pursuant to the purchase agreements entered into in connection with the issuance of the Series A Convertible Preferred Stock, without the consent of the holders of the Series A Convertible Preferred Stock, we may not issue for approximately 12 months after issuance of the Preferred Stock, any common stock (or securities convertible into common stock), at a price below the market price of the common stock on the date of issuance, except in certain specified instances. For approximately 18 months after issuance, the holders of the Series A Convertible Preferred Stock also have a right of first refusal to acquire any such equity securities except in specified instances set forth in the purchase agreements.

WARRANTS

We also issued warrants in connection with the offering of our Series A Convertible Preferred Stock. We issued warrants to purchase 372,967 shares of common stock to the Series A Convertible Preferred Stockholders. We also issued warrants to purchase 25,000 shares of common stock to Reedland Capital Partners and its designees as partial compensation for their assistance in placing the Series A Convertible Preferred Stock. The exercise price of the warrants is $3.21744 per share. These warrants are the only warrants we currently have outstanding. They warrants expire on September 17, 2004.

The exercise price and number of shares of common stock issuable upon exercise of the warrants held by the Series A Convertible Preferred Stockholders are subject to adjustment in certain events, including the issuance of common stock (or securities convertible into common stock) at a price below the market price.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for our common stock is Signature Stock Transfer, Inc.

CHARTER PROVISIONS AND EFFECTS OF NEVADA LAW

Our Articles of Incorporation authorize our Board of Directors to issue up to 10,0000,000 shares of preferred stock from time to time in one or more designated series. Our Board of Directors, without approval of the stockholders, is authorized to establish the voting powers, designations, preferences, limitations, restrictions and relative rights of each series of preferred stock, including voting powers, preferences and relative rights that may be superior to our common stock. As of October 15, 1999, 4,000 shares of preferred stock have been designated Series A Convertible Preferred Stock and 4,000 shares of Series A Convertible Preferred Stock were outstanding.

Sections 78.3791 through 78.3793 of the Nevada Revised Statutes generally apply to any acquisition of outstanding voting securities of an issuing corporation which results in the acquiror owning more than 20% of the issuing corporation's then outstanding voting securities. An issuing corporation is any Nevada corporation with at least 200 stockholders, at least 100 of which are stockholders of record and Nevada residents, and which conducts business in Nevada.

The securities acquired in a covered acquisition are denied voting rights unless a majority of the security holders of the issuing corporation approve the granting of voting rights. If permitted by the issuing corporation's Articles of Incorporation or bylaws then in effect, voting securities acquired in the covered acquisition are redeemable by the issuing corporation at the average price paid for the securities by the acquiror if the acquiring person has not given timely notice to the issuing corporation or if the stockholders of the issuing corporation vote not to grant voting rights to the acquiring person's securities.

Unless the issuing corporation's Articles of Incorporation or bylaws then in effect provide otherwise, if the acquiring person acquired securities having 50% or more of the voting power of the issuing corporation's outstanding securities and the stockholders of the issuing corporation grant voting rights to the acquiring person, then any stockholders of the issuing corporation who voted against granting voting rights to the acquiring person may demand that the issuing corporation purchase, for fair value, all or any portion of his securities.

Our Articles of Incorporation and bylaws do not limit the effect of these provisions.

PLAN OF DISTRIBUTION

The selling stockholders, their pledgees, donees, transferees or other successors in interest may from time to time offer and sell all or a portion of the shares in transactions on the Nasdaq SmallCap Market, or on any other securities exchange or market on which the common stock is listed or traded, in negotiated transactions or otherwise, at prices then prevailing or related to the then-current market price or at negotiated prices. The selling stockholders or their pledgees, donees, transferees or other successors in interest may sell their shares directly or through agents or broker-dealers acting as principal or agent, or in block trades or pursuant to a distribution by one or more underwriters on a firm commitment or best-efforts basis. To the extent required, the names of any agent or broker-dealer and applicable commissions or discounts and any other required information with respect to any particular offer will be set forth in an accompanying prospectus supplement. Each of the selling stockholders and their pledgees, donees, transferees or other successors in interest reserves the right to accept or reject, in whole or in part, any proposed purchase of the shares to be made directly or through agents.

In connection with distributions of the shares, any selling stockholder may enter into hedging transactions with broker-dealers and the broker-dealers may engage in short sales of the shares in the course of hedging the positions they assume with the selling stockholder. Any selling stockholder also may sell the shares short and deliver the shares to close out such short positions. Any selling stockholder also may enter into option or other transactions with broker-dealers that involve the delivery of the shares to the broker-dealers, which may then resell or otherwise transfer such shares. Any selling stockholder also may loan or pledge the shares to a broker-dealer and the broker-dealer may sell the shares so loaned or upon a default may sell or otherwise transfer the pledged shares. These activities are limited by the purchase agreements between us and the Series A Convertible Preferred Stockholders during periods when the conversion price is subject to periodic adjustment.

The selling stockholders, any agents, dealers or underwriters that participate with the selling stockholders in the resale of the shares of common stock and the pledgees, donees, transferees or other successors in interest of the selling stockholders may be deemed to be "underwriters" within the meaning of the Securities Act, in which case any commissions received by such agents, dealers or underwriters and a profit on the resale of the shares of common stock purchased by them may be deemed underwriting commissions or discounts under the Securities Act.

In order to comply with the securities laws of particular states, if applicable, the shares may be sold only through registered or licensed brokers or dealers.

There is no assurance that the selling stockholders will sell any or all of the shares.

Pursuant to registration rights agreements between us and the selling stockholders, we have agreed to pay all expenses incurred in the registration of the shares other than selling commissions and discounts, brokerage fees and transfer taxes or any legal, accounting and other expenses incurred by the selling stockholders.

In addition to selling their common stock under this prospectus, the selling stockholders may:

* transfer their common stock in other ways not involving market makers or established trading markets, including by gift, distribution, or other transfer; or
* sell their common stock under Rule 144 of the Securities Act.

LEGAL OPINIONS

James, Driggs, Walch, Santoro, Kearney, Johnson & Thompson will pass upon the validity of the common stock offered under this prospectus.

EXPERTS

The financial statements incorporated in this Registration Statement by reference to the Annual Report on Form 10-KSB for the year ended January 2, 1999, have been so incorporated in reliance on the report of PriceWaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting. The financial statements of Titan Motorcycle Co. of America for the year ended December 31, 1997 appearing in our Annual Report on Form 10-KSB for the fiscal year ended January 2, 1999 have been audited by Jones, Jensen & Company, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. These consolidated financial statements are incorporated herein by reference in reliance upon the report given upon the authority of PriceWaterhouseCoopers LLP and Jones, Jensen & Company, as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

GOVERNMENT FILINGS: We file annual, quarterly and special reports and other information with the Securities and Exchange Commission. You may read and copy any document that we file at the Commission's Public Reference Room at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, and at its regional offices located at 7 World Trade Center, 13th Floor, New York, New York 10048, and at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Please call the Commission at 1-800-SEC-0330 for more information about the Public Reference Rooms. Most of our filings are also available to you free of charge at the Commission's web site at http://www.sec.gov.

STOCK MARKET: Our common stock is listed on the Nasdaq SmallCap Market and similar information can be inspected and copied at the offices of the National Association of Securities Dealers, Inc., 1735 K Street, N.W., Washington, D.C. 20006.

REGISTRATION STATEMENT: We have filed a registration statement under the Securities Act with the Commission with respect to the common stock offered under this prospectus. This prospectus is a part of the registration statement. However, it does not contain all of the information contained in the registration statement and its exhibits. You should refer to the registration statement and its exhibits for further information about us and the common stock offered under this prospectus.

INFORMATION INCORPORATED BY REFERENCE: The Commission allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the Commission will automatically update and supersede this information. We have filed the following documents with the Commission and they are incorporated by reference into this prospectus:

* our Annual Report on Form 10-KSB for the fiscal year ended January 2, 1999, as amended by Amendment No. 1 thereto on Form 10-KSB/A;
* our Proxy Statement for the 1999 Annual Meeting of Stockholders, dated April 12, 1999;
* our Quarterly Reports on Form 10-QSB for the fiscal quarters ended April 3, 1999 and July 3, 1999;
* our Current Reports on Form 8-K, including Exhibits, filed January 8, 1999 and October 1, 1999; and
* the description of our capital stock contained in our registration statement on Form 10-SB, including all amendments or reports filed for the purpose of updating the description of our capital stock.

Please note that all other documents and reports filed under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act following the date of this prospectus and prior to the termination of this offering will be deemed to be incorporated by reference into this prospectus and to be made a part of it from the date of the filing of our reports and documents.

You may request free copies of these filings by writing or telephoning us at the following address:

Investor Relations
Titan Motorcycle Co. of America
2222 West Peoria Avenue
Phoenix, Arizona 85029
(602) 861-6977

PART II.

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF INSURANCE AND DISTRIBUTION

The following are the estimated expenses in connection with the issuance and distribution of the securities being registered, all of which will be paid by Titan:

Securities and Exchange Commission Registration Fee	$ 2,261
Nasdaq Listing Fee	$ 7,500
Legal Fees and Expenses	$ 10,000
Accounting Fees and Expenses	$ 10,000
Transfer Agent Fees and Expenses	$ 2,000
Miscellaneous	$ 10,000
TOTAL	$ 41,761

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Subsection 2 of Section 78.7502 of Chapter 78 of the Nevada Revised Statutes (the "NRS") empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he 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 conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent does not, of itself, create a presumption that the person did not act in good faith or in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation or that, with respect to any criminal action or proceeding, he had reasonable cause to believe his actions were unlawful.

Subsection 2 of Section 78.7502 of the NRS empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted under similar standards to those described above expect that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation or for amounts paid in settlement to the corporation unless and only to the extent that the court in which such action or suit was brought determines that, despite the adjudication of liability, such person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

Section 78.7502 of the NRS further provides that to the extent a director or officer of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsections (1) and (2) or in the defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith. Section 78.751 of the NRS provides that any indemnification provided for by Section 78.7502 of the NRS (by court order or otherwise) shall not be deemed exclusive of any other rights to which the indemnified party may be entitled and that the scope of indemnification shall continue as to directors, officers, employees or agents who have ceased to hold such positions, and to their heirs, executors and administrators. Section 78.752 empowers the corporation to purchase and maintain insurance on behalf of a director, officer, employee or agent of the corporation against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such whether or not the corporation would have the power to indemnify him against such liabilities under Section 78.7502.

Article 4.2 of our Articles of Incorporation provide that no director or officer of ours shall be personally liable to us or any of our stockholders for damages for breach of their fiduciary duty as a director or officer. This provision, however, does not eliminate or limit the liability of our directors or officers for:

* acts or omissions which involve intentional misconduct, fraud or a knowing violation of law, or
* the payment of distributions in violation of Nevada Revised Statutes Section 78.300.

Article VI of our bylaws provides for the indemnification of our directors, officers, employees and agents in a manner substantially identical in scope to that permitted under Section 78.7502 of the Nevada Revised Statutes. The Bylaws provide that the expenses of officers and directors incurred in defending any civil or criminal action, suit or proceeding shall be paid by us as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified.

ITEM 16. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
3.1	Restated Articles of Incorporation (incorporated by reference to Exhibit 3.(I) to the Company's Registration Statement on Form 10-SB filed on June 16, 1998).
3.2	Bylaws, as amended and restated on September 10, 1999 (incorporated by reference to Exhibit 3 to the Company's Current Report on Form 8-K filed October 1, 1999).
4.1	Certificate of Designations of the Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 1, 1999).
4.2	Warrant issued to Advantage Fund II Ltd., dated September 17, 1999 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed October 1, 1999).
4.3	Warrant issued to Koch Investment Group Limited, dated September 17, 1999 (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed October 1, 1999).
4.4	Warrant issued to Reedland Capital Partners, dated September 17, 1999
4.5	Warrant issued to Mr. Richard Cohn, dated September 17, 1999
4.6	Warrant issued to Intellect Capital Corp., dated September 17, 1999

4.7	Registration Rights Agreement with Advantage Fund II Ltd., dated September 15, 1999 (incorporated by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed October 1, 1999).
4.8	Registration Rights Agreement with Koch Investment Group Limited, dated September 15, 1999 (incorporated by reference to Exhibit 4.6 to the Company's Current Report on Form 8-K filed October 1, 1999).
5	Opinion of James, Driggs, Walch, Santoro, Kearney, Johnson & Thompson regarding legality.
10.1	Subscription Agreement with Advantage Fund II Ltd., dated as of September 15, 1999 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 1, 1999).
10.2	Subscription Agreement with Koch Investment Group Limited, dated as of September 15, 1999 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed October 1, 1999).
10.3	Loan Agreement with Wells Fargo Bank dated April 10, 1998.
10.4	First Amendment to Loan Agreement with Wells Fargo Bank dated July 17, 1998.
10.5	Second Amendment to Loan Agreement with Wells Fargo Bank dated August 21, 1998.
10.6	Third Amendment to Loan Agreement with Wells Fargo Bank dated November 10, 1998.
10.7	Fourth Amendment to Loan Agreement with Wells Fargo Bank dated January 22, 1999.
10.8	Fifth Amendment to Loan Agreement with Wells Fargo Bank dated July 28, 1999.
10.9	Promissory Note with Oxford International Management dated December 9, 1996.
10.10	Modification of Promissory Note with Oxford International Management dated December 16, 1997.
10.11	Promissory Note with Oxford International Management dated July 22, 1999.
10.12	Authorized Dealer Sales and Service Agreement with Paragon Custom Cycles, Inc. dated January 4, 1999.
10.13	Authorized Dealer Sales and Service Agreement with Pujol Motorcycle Company, LLC dated January 4, 1999.
10.14	Authorized Dealer Sales and Service Agreement with Vegas Motorcycle Company, LLC dated January 4, 1999.
10.15	Authorized Dealer Sales and Service Agreement with Titan Motorcycle of Houston, LLC dated May 14, 1999.
10.16	Purchase Sale and Assignment Agreement with TransAmerica Commercial Finance Corporation dated August 1, 1997.
10.17	Manufacturers/Distributors Financing Agreement with TransAmerica Commercial Finance Corporation dated April 25, 1997.
10.18	Standard Commercial Industrial Triple Net Lease with Holualoa, Peoria Avenue Industrial, LLC dated August 7, 1997.
10.19	First Amendment to Standard Industrial Triple Net Lease with Holualoa, Peoria Avenue Industrial, LLC dated August 7, 1999.

10.20	Lease for Term with Rough Ice, L.L.C. dated October 1, 1998
10.21	Floorplan Repurchase Agreement with Bombardier Capital, Inc. dated August 5, 1998.
10.22	Letter Agreement with Thomas & Perkins dated August 1, 1998.
10.23	Letter Agreement with Thomas & Perkins dated February 5, 1999.
10.24	Promotional Agreement with Paisano Publications, Inc. dated January 21, 1998.
10.25	Letter Agreement with Playboy Enterprises, Inc. dated June 17, 1998.
10.26	Non-Competition Agreement between Titan and Bob Lobban.
23.1	Consent of PriceWaterhouseCoopers LLP
23.2	Consent of Jones, Jensen & Company
23.3	Consent of James, Driggs, Walch, Santoro, Kearney, Johnson & Thompson (included in Exhibit 5).
24	Power of Attorney (included on signature page of registration statement).

ITEM 17. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's Annual Report under Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report under Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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, therefore, 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Phoenix, State of Arizona, on October 15, 1999.

TITAN MOTORCYCLE CO. OF AMERICA

/s/ Francis S. Keery

Francis S. Keery, Chairman of the Board of Directors and Chief Executive Officer

Know all men by these presents, that each person whose signature appears below constitutes and appoints Francis S. Keery, Robert P. Lobban, Patrick Keery, and Barbara S. Keery, and each of them, his true and lawful attorneys-in-fact and agent, with full powers of substitution and resubstitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments to this registration statement on Form S-3 and to sign any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) of the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith with the Securities and Exchange Commission, granting under said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully and to all intents and purposes as he might or could do in person hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the date indicated.

SIGNATURE	TITLE	DATE
/s/ Francis S. Keery --- Francis S. Keery	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	October 15, 1999
/s/ Robert P. Lobban --- Robert P. Lobban	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	October 15, 1999
/s/ Patrick Keery --- Patrick Keery	President and Director	October 15, 1999
/s/ Barbara S. Keery --- Barbara S. Keery	Vice President, Secretary and Director	October 15, 1999
/s/ Harry H. Birkenruth --- Harry H. Birkenruth	Director	October 15, 1999
/s/ H.B. Tony Turner --- H.B. Tony Turner	Director	October 15, 1999

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10.26	Non-Competition Agreement between Titan and Bob Lobban.
23.1	Consent of PriceWaterhouseCoopers LLP
23.2	Consent of Jones, Jensen & Company
23.3	Consent of James, Driggs, Walch, Santoro, Kearney, Johnson & Thompson (included in Exhibit 5).
24	Power of Attorney (included on signature page of registration statement).

These securities have not been registered under the Securities Act of 1933 or any state securities laws. These securities have been acquired for investment and not with a view to distribution or resale, and may not be sold, mortgaged, pledged, hypothecated or otherwise transferred without registration under the Securities Act of 1933 and qualification under state securities laws, or an opinion of counsel acceptable to the corporation that registration and qualification is not required.

TITAN MOTORCYCLE CO. OF AMERICA

Common Stock Purchase Warrant

To Subscribe for and Purchase
20,000 Shares of Common Stock of
TITAN MOTORCYCLE CO. OF AMERICA

September 17, 1999

THIS CERTIFIES that, for good and valuable consideration, the sufficiency of which is hereby acknowledged, Reedland Capital Partners or its registered assigns (the "Holder") is entitled to subscribe for and purchase from TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation (hereinafter called the "Company"), up to 20,000 shares (subject to adjustment as hereinafter provided) of fully paid and non-assessable Common Stock of the Company (the "Common Stock"), subject to the provisions and upon the terms and conditions hereinafter set forth at the price of $3.21744 per share (such price as may from time to time be adjusted as provided herein is called the "Warrant Price"), at or prior to 5:00 p.m. Pacific time on September 17, 2004 (the "Exercise Period").

This Warrant and any Warrant subsequently issued upon exchange or transfer hereof are hereinafter collectively called the "Warrant."

Section 1. EXERCISE OF WARRANT. The rights represented by this Warrant may be exercised by the Holder, in whole or in part (but not as to fractional shares) at any time or from time to time during the Exercise Period by the completion of the purchase form attached hereto and by the surrender of this Warrant (properly endorsed) at the office of the Company as it may designate by notice in writing to the Holder hereof at the address of the Holder appearing on the books of the Company, and by payment to the Company of the Warrant Price in cash or by certified or official bank check, for each share being purchased. In the event of any exercise of the rights represented by this Warrant, a certificate or certificates for the shares of Common Stock so purchased, registered in the name of the Holder or its nominee or other party designated in the purchase form by the Holder hereof, shall be delivered to the Holder as soon as practicable after the exercise of this Warrant, and in any event within five (5) business days after the date on which the rights represented by this Warrant shall have been so exercised; and, unless this Warrant has expired or has been exercised in full, a new Warrant representing the number of shares (except a remaining fractional share), if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder within such time. The person in whose name any certificate for shares of Common Stock is

issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and payment of the Warrant is made, except that, if the date of such surrender and payment is a date on which the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open. No fractional shares shall be issued upon exercise of this Warrant and no payment or adjustment shall be made upon any exercise on account of any cash dividends on the Common Stock issued upon such exercise. If any fractional interest in a share of Common Stock would, except for the provision of this Section 1, be delivered upon such exercise, the Company, in lieu of delivery of a fractional share thereof, shall pay to the Holder an amount in cash equal to the current market price of such fractional share as determined in good faith by the Board of Directors of the Company. Current market price means the closing price of the Common Stock on the relevant date as reported on the Nasdaq SmallCap Market (or any national securities exchange, national market including the Nasdaq National Market, or other quotation system on which the Common Stock is then listed) or, if no prices are reported for that date, such prices on the next preceding date for which closing prices were reported, or if the Common Stock is not publicly traded, by such methods or procedures as may be established from time to time by the Board of Directors of the Company in good faith.

Section 2. STOCK SPLITS, CONSOLIDATION, MERGER, AND SALE. In the event that before the issuance of the shares of Common Stock into which this Warrant may be exercised the outstanding shares of Common Stock shall be split, combined, or consolidated, by dividend, reclassification or otherwise, into a greater or lesser number of shares of Common Stock or any other class or classes of stock,

as appropriate, the Warrant Price in effect immediately prior to such combination or consolidation and the number of shares purchasable under this Warrant shall, concurrently with the effectiveness of such combination or consolidation, be proportionately adjusted. If there shall be effected any consolidation or merger of the Company with another corporation, or a sale of all or substantially all of the Company's assets to another corporation, and if the holders of Common Stock shall be entitled pursuant to the terms of any such transaction to receive stock, securities or assets with respect to or in exchange for Common Stock, then, as a condition of such consolidation, merger or sale, lawful and adequate provisions shall be made whereby the Holder of this Warrant shall thereafter have the right to receive, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore receivable upon the exercise of such Warrant, such shares of stock, securities or assets as may be issuable or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such Common Stock immediately theretofore so receivable had such consolidation, merger or sale not taken place, and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder to the end that the provisions hereof shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of this Warrant.

(a) STOCK TO BE RESERVED. The Company will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issue upon the exercise of this Warrant as herein provided, such number of shares of Common Stock as shall then be issuable upon the exercise of this Warrant.

(b) ISSUE TAX. The issuance of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holders of this Warrant for any issuance tax in respect thereof provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the Holder of this Warrant, which shall be borne by the Holder.

(c) CLOSING OF BOOKS. The Company will not close its transfer books to impair any issuance of the shares of Common Stock upon the exercise of this Warrant.

Section 3. NOTICES OF RECORD DATES. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution (other than cash dividends out of earned surplus), or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

(b) any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any transfer of all or substantially all the assets of the Company to or consolidation or merger of the Company with or into any other corporation, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company, then and in each such event the Company will give notice to the Holder of this Warrant specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and stating the amount and character of such dividend, distribution or right, and (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock will be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding-up. Such notice shall be given at least ten (10) days and not more than ninety (90) days prior to the date therein specified, and such notice shall state that the action in question or the record date is subject to the effectiveness of a registration statement under the Securities Act of 1933, as amended (the "Securities Act") or to a favorable vote of shareholders, if either is required. Any failure to provide a notice hereunder shall not affect the corporate action taken.

Section 4. NO SHAREHOLDER RIGHTS OR LIABILITIES. This Warrant shall not entitle the Holder hereof to any voting rights or other rights as a shareholder of the Company. No provision hereof, in the absence of affirmative action by the Holder hereof to purchase shares of Common Stock, and no mere enumeration hereon of the rights or privileges of the Holder hereof, shall give rise to any liability of such Holder for the Warrant Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

Section 5. REPRESENTATIONS OF HOLDER. The Holder hereby represents and acknowledges to the Company as of the date hereof and as of each exercise of this Warrant that:

(a) this Warrant, the Common Stock issuable upon exercise of this Warrant and any securities issued with respect to any of them by way of a stock dividend or stock split or in connection with a recapitalization, merger, consolidation or other reorganization will be "restricted securities" as such term is used in the rules and regulations under the Securities Act; such securities have not been and may not be registered under the Securities Act or any state securities law; and such securities must be held indefinitely unless registration is effected or transfer can be made pursuant to appropriate exemptions;

(b) the Holder has read, and fully understands, the terms of this Warrant set forth on its face and the attachments hereto, including the restrictions on transfer contained herein;

(c) the Holder is purchasing for investment for its own account and not with a view to or for sale in connection with any distribution of this Warrant or the Common Stock of the Company issuable upon exercise of this Warrant and it has no intention of selling such securities in a public distribution in violation of the federal securities laws or any applicable state securities laws;

(d) the Holder is an "accredited investor" within the meaning of paragraph (a) of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission and an "excluded purchaser" within the meaning of Section 25102(f) of the California Corporate Securities Law of 1968; and

(e) the Company may affix the following legend (in addition to any other legend(s), if any, required by applicable state corporate and/or securities laws) to certificates for shares of Common Stock (or other securities) issued upon exercise of this Warrant:

> These securities have not been registered under the Securities Act of 1933 or any state securities laws. These securities have been acquired for investment and not with a view to distribution or resale, and may not be sold, mortgaged, pledged, hypothecated or otherwise transferred without registration under the Securities Act of 1933 and qualification under state securities laws, or an opinion of counsel acceptable to the corporation that registration and qualification is not required.

Section 6. RESTRICTIONS ON TRANSFER; REGISTRATION RIGHTS.

(a) The Holder may not transfer this Warrant without the written consent of the Company and an opinion of counsel acceptable to the Company that the transfer may be effected in compliance with exemptions under the Securities Act and applicable state securities laws. The Holder may not transfer the Common Stock underlying the Warrant unless there is an effective registration statement in effect under the Securities Act and the transfer is qualified under applicable state securities laws, or the Holder has delivered to the Company an opinion of counsel acceptable to the Company that registration and qualification is not required.

(b) The Company is obligated to cause a registration statement to be filed under the Securities Act on or before October 15, 1999 pursuant to a Registration Rights Agreement between the Company and Advantage Fund II Ltd. and a Registration Rights Agreement between the Company and Koch Investment Group Limited (the "Registration Statement"). The Company shall include in such Registration Statement all of the Common Stock issuable upon conversion of the Warrant.

(c) All fees, disbursements, and out-of-pocket expenses incurred in connection with the filing of the Registration Statement under Paragraph (a) of Section 6 and in complying with applicable securities and Blue Sky laws shall be borne by the Company, provided, however, that any expenses of the individual Holder or holders of the underlying securities, including but not limited to the Holder or holders' attorneys' fees and discounts and commissions, shall be borne by the Holder and holders of the Common Stock. The Company at its expense will supply the Holder and any holder of Common Stock with copies of the Registration Statement and the prospectus or offering circular included therein and other related documents in such quantities as may be reasonably requested by the Holder or holder of Common Stock.

(d) The Company shall have no obligation to register the Warrant but shall be obligated to register the Common Stock issuable upon exercise of the Warrant in accordance with Paragraph (b) of Section 6.

(e) The Company agrees that it will use its best efforts to keep such Registration Statement effective until September 17, 2004 or such earlier date as all Common Stock covered by such Registration Statement have been disposed of pursuant thereto.

(f) The Holder agrees to cooperate with the Company and to provide the Company on its request with all information concerning the Holder, the Warrant issued hereunder, any Common Stock acquired upon exercise of the Warrant and the means or methods of intended disposition of the Common Stock pursuant to the Registration Statement that may reasonably be requested by the Company in order for the Company to perform its obligation under this Section 6.

Section 7. LOST, STOLEN, MUTILATED, OR DESTROYED WARRANT. If this Warrant is lost, stolen, mutilated, or destroyed, the Company may, on such terms as to indemnity or otherwise as it may in its discretion reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated, or destroyed.

Section 8. PRESENTMENT. Prior to due presentment of this Warrant, together with a completed assignment form attached hereto for registration of transfer, the Company may deem and treat the Holder as the absolute owner of the Warrant, notwithstanding any notation of ownership or other writing thereon, for the purpose of any exercise thereof and for all other purposes, and the Company shall not be affected by any notice to the contrary.

Section 9. NOTICE. Notice or demand pursuant to this Warrant shall be sufficiently given or made, if sent by first-class mail, postage prepaid, addressed, if to the Holder of this Warrant, to the Holder at its last known address as it shall appear in the records of the Company, and if to the Company, at 2222 West Peoria Avenue, Phoenix, Arizona 85029, Attention: Chief Financial Officer. The Company may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 9 for the giving of notice.

Section 10. GOVERNING LAW. The validity, interpretation, and performance of this Warrant shall be governed by the laws of the State of Arizona without regard to principles of conflicts of laws.

Section 11. SUCCESSORS, ASSIGNS. Subject to the restrictions on transfer by Holder set forth in Section 6 hereof, all the terms and provisions of the Warrant shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

Section 12. AMENDMENT. This Warrant may be modified, amended, or terminated by a writing signed by the Company and the Holder.

Section 13. SEVERABILITY. Should any part but not the whole of this Warrant for any reason be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Warrant had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Warrant without including therein any such part which may, for any reason, be hereafter declared invalid.

Section 14. NO IMPAIRMENT. The Company will not, by any voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder of this Warrant against impairment.

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IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed and delivered on and as of the day and year first above written by one of its officers thereunto duly authorized.

TITAN MOTORCYCLE CO. OF AMERICA,
a Nevada corporation

Dated: _____ _____

By: _____
Title: _____

The undersigned Holder agrees and accepts this Warrant and acknowledges that it has read and confirms each of the representations contained in Section 5.

REEDLAND CAPITAL PARTNERS

_____

By:_____
Title: _____

PURCHASE FORM

(To be executed by the Warrant Holder if he desires to exercise the Warrant in whole or in part)

To: TITAN MOTORCYCLE CO. OF AMERICA

The undersigned, whose Social Security or other identifying number is _____, hereby irrevocably exercises the attached Warrant, agrees to purchase _____ shares of Common Stock, and tenders payment herewith to the order of TITAN MOTORCYCLE CO. OF AMERICA in the amount of $_____.

The undersigned requests that certificates for such shares be issued as follows:

Name: _____

Address: _____

_____

_____

Deliver to: _____

Address: _____

_____

_____

and, if the number of shares shall not be all the shares purchasable under the Warrant, that a new Warrant for the balance remaining of the shares purchasable under the attached Warrant be registered in the name of, and delivered to, the undersigned at the address stated below:

Address: _____

_____

_____

By this exercise,

The undersigned hereby reaffirms its representations and warrants set forth forth in Section 5 of the Warrant as of the date hereof.

Dated:_____, _____

Signature: _____

(Signature must conform in all respects to the name of the Warrant Holder as specified on the face of the Warrant, without alteration, enlargement or any change whatsoever)

ASSIGNMENT

(To be executed by the Warrant Holder if he desires to effect a transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose Social Security or other identification number is _____ [residing/located] at _____ the attached Warrant, and appoints _____ residing at _____ _____ the undersigned's attorney-in-fact to transfer said Warrant on the books of the Company, with full power of substitution in the premises.

Dated:_____, _____

In the presence of:

_____ _____

(Signature must conform in all respects to the name of the Warrant Holder as specified on the face of the Warrant, without alteration, enlargement or any change whatsoever)

These securities have not been registered under the Securities Act of 1933 or any state securities laws. These securities have been acquired for investment and not with a view to distribution or resale, and may not be sold, mortgaged, pledged, hypothecated or otherwise transferred without registration under the Securities Act of 1933 and qualification under state securities laws, or an opinion of counsel acceptable to the corporation that registration and qualification is not required.

TITAN MOTORCYCLE CO. OF AMERICA

Common Stock Purchase Warrant

To Subscribe for and Purchase
2,500 Shares of Common Stock of
TITAN MOTORCYCLE CO. OF AMERICA

September 17, 1999

THIS CERTIFIES that, for good and valuable consideration, the sufficiency of which is hereby acknowledged, Mr. Richard Cohn or his registered assigns (the "Holder") is entitled to subscribe for and purchase from TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation (hereinafter called the "Company"), up to 2,500 shares (subject to adjustment as hereinafter provided) of fully paid and non-assessable Common Stock of the Company (the "Common Stock"), subject to the provisions and upon the terms and conditions hereinafter set forth at the price of $3.21744 per share (such price as may from time to time be adjusted as provided herein is called the "Warrant Price"), at or prior to 5:00 p.m. Pacific time on September 17, 2004 (the "Exercise Period").

This Warrant and any Warrant subsequently issued upon exchange or transfer hereof are hereinafter collectively called the "Warrant."

Section 1. EXERCISE OF WARRANT. The rights represented by this Warrant may be exercised by the Holder, in whole or in part (but not as to fractional shares) at any time or from time to time during the Exercise Period by the completion of the purchase form attached hereto and by the surrender of this Warrant (properly endorsed) at the office of the Company as it may designate by notice in writing to the Holder hereof at the address of the Holder appearing on the books of the Company, and by payment to the Company of the Warrant Price in cash or by certified or official bank check, for each share being purchased. In the event of any exercise of the rights represented by this Warrant, a certificate or certificates for the shares of Common Stock so purchased, registered in the name of the Holder or its nominee or other party designated in the purchase form by the Holder hereof, shall be delivered to the Holder as soon as practicable after the exercise of this Warrant, and in any event within five (5) business days after the date on which the rights represented by this Warrant shall have been so exercised; and, unless this Warrant has expired or has been exercised in full, a new Warrant representing the number of shares (except a remaining fractional share), if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder within such time. The person in whose name any certificate for shares of Common Stock is issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and payment of the Warrant is made, except that, if the date of such surrender and payment is a date on which the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open. No fractional shares shall be issued upon exercise of this Warrant and no payment or adjustment shall be made upon any exercise on account of any cash dividends on the Common Stock issued upon such exercise. If any fractional interest in a share of Common Stock would, except for the provision of this Section 1, be delivered upon such exercise, the Company, in lieu of delivery of a fractional share thereof, shall pay to the Holder an amount in cash equal to the current market price of such fractional share as determined in good faith by the Board of Directors of the Company. Current market price means the closing price of the Common Stock on the relevant date as reported on the Nasdaq SmallCap Market (or any national securities exchange, national market including the Nasdaq National Market, or other quotation system on which the Common Stock is then listed) or, if no prices are reported for that date, such prices on the next preceding date for which closing prices were reported, or if the Common Stock is not publicly traded, by such methods or procedures as may be established from time to time by the Board of Directors of the Company in good faith.

Section 2. STOCK SPLITS, CONSOLIDATION, MERGER, AND SALE. In the event that before the issuance of the shares of Common Stock into which this Warrant may be exercised the outstanding shares of Common Stock shall be split, combined, or consolidated, by dividend, reclassification or otherwise, into a greater or lesser number of shares of Common Stock or any other class or classes of stock,

as appropriate, the Warrant Price in effect immediately prior to such combination or consolidation and the number of shares purchasable under this Warrant shall, concurrently with the effectiveness of such combination or consolidation, be proportionately adjusted. If there shall be effected any consolidation or merger of the Company with another corporation, or a sale of all or substantially all of the Company's assets to another corporation, and if the holders of Common Stock shall be entitled pursuant to the terms of any such transaction to receive stock, securities or assets with respect to or in exchange for Common Stock, then, as a condition of such consolidation, merger or sale, lawful and adequate provisions shall be made whereby the Holder of this Warrant shall thereafter have the right to receive, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore receivable upon the exercise of such Warrant, such shares of stock, securities or assets as may be issuable or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such Common Stock immediately theretofore so receivable had such consolidation, merger or sale not taken place, and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder to the end that the provisions hereof shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of this Warrant.

(a) STOCK TO BE RESERVED. The Company will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issue upon the exercise of this Warrant as herein provided, such number of shares of Common Stock as shall then be issuable upon the exercise of this Warrant.

(b) ISSUE TAX. The issuance of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holders of this Warrant for any issuance tax in respect thereof provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the Holder of this Warrant, which shall be borne by the Holder.

(c) CLOSING OF BOOKS. The Company will not close its transfer books to impair any issuance of the shares of Common Stock upon the exercise of this Warrant.

Section 3. NOTICES OF RECORD DATES. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution (other than cash dividends out of earned surplus), or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

(b) any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any transfer of all or substantially all the assets of the Company to or consolidation or merger of the Company with or into any other corporation, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company, then and in each such event the Company will give notice to the Holder of this Warrant specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and stating the amount and character of such dividend, distribution or right, and (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock will be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding-up. Such notice shall be given at least ten (10) days and not more than ninety (90) days prior to the date therein specified, and such notice shall state that the action in question or the record date is subject to the effectiveness of a registration statement under the Securities Act of 1933, as amended (the "Securities Act") or to a favorable vote of shareholders, if either is required. Any failure to provide a notice hereunder shall not affect the corporate action taken.

Section 4. NO SHAREHOLDER RIGHTS OR LIABILITIES. This Warrant shall not entitle the Holder hereof to any voting rights or other rights as a shareholder of the Company. No provision hereof, in the absence of affirmative action by the Holder hereof to purchase shares of Common Stock, and no mere enumeration hereon of the rights or privileges of the Holder hereof, shall give rise to any liability of such Holder for the Warrant Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

Section 5. REPRESENTATIONS OF HOLDER. The Holder hereby represents and acknowledges to the Company as of the date hereof and as of each exercise of this Warrant that:

(a) this Warrant, the Common Stock issuable upon exercise of this Warrant and any securities issued with respect to any of them by way of a stock dividend or stock split or in connection with a recapitalization, merger, consolidation or other reorganization will be "restricted securities" as such term is used in the rules and regulations under the Securities Act; such securities have not been and may not be registered under the Securities Act or any state securities law; and such securities must be held indefinitely unless registration is effected or transfer can be made pursuant to appropriate exemptions;

(b) the Holder has read, and fully understands, the terms of this Warrant set forth on its face and the attachments hereto, including the restrictions on transfer contained herein;

(c) the Holder is purchasing for investment for its own account and not with a view to or for sale in connection with any distribution of this Warrant or the Common Stock of the Company issuable upon exercise of this Warrant and it has no intention of selling such securities in a public distribution in violation of the federal securities laws or any applicable state securities laws;

(d) the Holder is an "accredited investor" within the meaning of paragraph (a) of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission and an "excluded purchaser" within the meaning of Section 25102(f) of the California Corporate Securities Law of 1968; and

(e) the Company may affix the following legend (in addition to any other legend(s), if any, required by applicable state corporate and/or securities laws) to certificates for shares of Common Stock (or other securities) issued upon exercise of this Warrant:

> These securities have not been registered under the Securities Act of 1933 or any state securities laws. These securities have been acquired for investment and not with a view to distribution or resale, and may not be sold, mortgaged, pledged, hypothecated or otherwise transferred without registration under the Securities Act of 1933 and qualification under state securities laws, or an opinion of counsel acceptable to the corporation that registration and qualification is not required.

Section 6. RESTRICTIONS ON TRANSFER; REGISTRATION RIGHTS.

(a) The Holder may not transfer this Warrant without the written consent of the Company and an opinion of counsel acceptable to the Company that the transfer may be effected in compliance with exemptions under the Securities Act and applicable state securities laws. The Holder may not transfer the Common Stock underlying the Warrant unless there is an effective registration statement in effect under the Securities Act and the transfer is qualified under applicable state securities laws, or the Holder has delivered to the Company an opinion of counsel acceptable to the Company that registration and qualification is not required.

(b) The Company is obligated to cause a registration statement to be filed under the Securities Act on or before October 15, 1999 pursuant to a Registration Rights Agreement between the Company and Advantage Fund II Ltd. and a Registration Rights Agreement between the Company and Koch Investment Group Limited (the "Registration Statement"). The Company shall include in such Registration Statement all of the Common Stock issuable upon conversion of the Warrant.

(c) All fees, disbursements, and out-of-pocket expenses incurred in connection with the filing of the Registration Statement under Paragraph (a) of Section 6 and in complying with applicable securities and Blue Sky laws shall be borne by the Company, provided, however, that any expenses of the individual Holder or holders of the underlying securities, including but not limited to the Holder or holders' attorneys' fees and discounts and commissions, shall be borne by the Holder and holders of the Common Stock. The Company at its expense will supply the Holder and any holder of Common Stock with copies of the Registration Statement and the prospectus or offering circular included therein and other related documents in such quantities as may be reasonably requested by the Holder or holder of Common Stock.

(d) The Company shall have no obligation to register the Warrant but shall be obligated to register the Common Stock issuable upon exercise of the Warrant in accordance with Paragraph (b) of Section 6.

(e) The Company agrees that it will use its best efforts to keep such Registration Statement effective until September 17, 2004 or such earlier date as all Common Stock covered by such Registration Statement have been disposed of pursuant thereto.

(f) The Holder agrees to cooperate with the Company and to provide the Company on its request with all information concerning the Holder, the Warrant issued hereunder, any Common Stock acquired upon exercise of the Warrant and the means or methods of intended disposition of the Common Stock pursuant to the Registration Statement that may reasonably be requested by the Company in order for the Company to perform its obligation under this Section 6.

Section 7. LOST, STOLEN, MUTILATED, OR DESTROYED WARRANT. If this Warrant is lost, stolen, mutilated, or destroyed, the Company may, on such terms as to indemnity or otherwise as it may in its discretion reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated, or destroyed.

Section 8. PRESENTMENT. Prior to due presentment of this Warrant, together with a completed assignment form attached hereto for registration of transfer, the Company may deem and treat the Holder as the absolute owner of the Warrant, notwithstanding any notation of ownership or other writing thereon, for the purpose of any exercise thereof and for all other purposes, and the Company shall not be affected by any notice to the contrary.

Section 9. NOTICE. Notice or demand pursuant to this Warrant shall be sufficiently given or made, if sent by first-class mail, postage prepaid, addressed, if to the Holder of this Warrant, to the Holder at its last known address as it shall appear in the records of the Company, and if to the Company, at 2222 West Peoria Avenue, Phoenix, Arizona 85029, Attention: Chief Financial Officer. The Company may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 9 for the giving of notice.

Section 10. GOVERNING LAW. The validity, interpretation, and performance of this Warrant shall be governed by the laws of the State of Arizona without regard to principles of conflicts of laws.

Section 11. SUCCESSORS, ASSIGNS. Subject to the restrictions on transfer by Holder set forth in Section 6 hereof, all the terms and provisions of the Warrant shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

Section 12. AMENDMENT. This Warrant may be modified, amended, or terminated by a writing signed by the Company and the Holder.

Section 13. SEVERABILITY. Should any part but not the whole of this Warrant for any reason be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Warrant had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Warrant without including therein any such part which may, for any reason, be hereafter declared invalid.

Section 14. NO IMPAIRMENT. The Company will not, by any voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder of this Warrant against impairment.

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IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed and delivered on and as of the day and year first above written by one of its officers thereunto duly authorized.

TITAN MOTORCYCLE CO. OF AMERICA,
a Nevada corporation

Dated: _____ _____

By: _____
Title: _____

The undersigned Holder agrees and accepts this Warrant and acknowledges that it has read and confirms each of the representations contained in Section 5.

RICHARD COHN

_____

PURCHASE FORM

(To be executed by the Warrant Holder if he desires to exercise the Warrant in whole or in part)

To: TITAN MOTORCYCLE CO. OF AMERICA

The undersigned, whose Social Security or other identifying number is _____, hereby irrevocably exercises the attached Warrant, agrees to purchase _____ shares of Common Stock, and tenders payment herewith to the order of TITAN MOTORCYCLE CO. OF AMERICA in the amount of $_____.

The undersigned requests that certificates for such shares be issued as follows:

Name: _____

Address: _____

_____

_____

Deliver to: _____

Address: _____

_____

_____

and, if the number of shares shall not be all the shares purchasable under the Warrant, that a new Warrant for the balance remaining of the shares purchasable under the attached Warrant be registered in the name of, and delivered to, the undersigned at the address stated below:

Address: _____

_____

_____

By this exercise,

The undersigned hereby reaffirms its representations and warrants set forth forth in Section 5 of the Warrant as of the date hereof.

Dated:_____, _____

Signature: _____

(Signature must conform in all respects to the name of the Warrant Holder as specified on the face of the Warrant, without alteration, enlargement or any change whatsoever)

ASSIGNMENT

(To be executed by the Warrant Holder if he desires to effect a transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose Social Security or other identification number is _____ [residing/located] at _____ the attached Warrant, and appoints _____ residing at _____ _____ the undersigned's attorney-in-fact to transfer said Warrant on the books of the Company, with full power of substitution in the premises.

Dated:_____, _____

In the presence of:

_____ _____

(Signature must conform in all respects to the name of the Warrant Holder as specified on the face of the Warrant, without alteration, enlargement or any change whatsoever)

These securities have not been registered under the Securities Act of 1933 or any state securities laws. These securities have been acquired for investment and not with a view to distribution or resale, and may not be sold, mortgaged, pledged, hypothecated or otherwise transferred without registration under the Securities Act of 1933 and qualification under state securities laws, or an opinion of counsel acceptable to the corporation that registration and qualification is not required.

TITAN MOTORCYCLE CO. OF AMERICA

Common Stock Purchase Warrant

To Subscribe for and Purchase
2,500 Shares of Common Stock of
TITAN MOTORCYCLE CO. OF AMERICA

September 17, 1999

THIS CERTIFIES that, for good and valuable consideration, the sufficiency of which is hereby acknowledged, Intellect Capital Corp. or its registered assigns (the "Holder") is entitled to subscribe for and purchase from TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation (hereinafter called the "Company"), up to 2,500 shares (subject to adjustment as hereinafter provided) of fully paid and non-assessable Common Stock of the Company (the "Common Stock"), subject to the provisions and upon the terms and conditions hereinafter set forth at the price of $3.21744 per share (such price as may from time to time be adjusted as provided herein is called the "Warrant Price"), at or prior to 5:00 p.m. Pacific time on September 17, 2004 (the "Exercise Period").

This Warrant and any Warrant subsequently issued upon exchange or transfer hereof are hereinafter collectively called the "Warrant."

Section 1. EXERCISE OF WARRANT. The rights represented by this Warrant may be exercised by the Holder, in whole or in part (but not as to fractional shares) at any time or from time to time during the Exercise Period by the completion of the purchase form attached hereto and by the surrender of this Warrant (properly endorsed) at the office of the Company as it may designate by notice in writing to the Holder hereof at the address of the Holder appearing on the books of the Company, and by payment to the Company of the Warrant Price in cash or by certified or official bank check, for each share being purchased. In the event of any exercise of the rights represented by this Warrant, a certificate or certificates for the shares of Common Stock so purchased, registered in the name of the Holder or its nominee or other party designated in the purchase form by the Holder hereof, shall be delivered to the Holder as soon as practicable after the exercise of this Warrant, and in any event within five (5) business days after the date on which the rights represented by this Warrant shall have been so exercised; and, unless this Warrant has expired or has been exercised in full, a new Warrant representing the number of shares (except a remaining fractional share), if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder within such time. The person in whose name any certificate for shares of Common Stock is issued upon exercise of this Warrant shall for all purposes be deemed to have become the holder of record of such shares on the date on which this Warrant was surrendered and payment of the Warrant is made, except that, if the date of such surrender and payment is a date on which the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open. No fractional shares shall be issued upon exercise of this Warrant and no payment or adjustment shall be made upon any exercise on account of any cash dividends on the Common Stock issued upon such exercise. If any fractional interest in a share of Common Stock would, except for the provision of this Section 1, be delivered upon such exercise, the Company, in lieu of delivery of a fractional share thereof, shall pay to the Holder an amount in cash equal to the current market price of such fractional share as determined in good faith by the Board of Directors of the Company. Current market price means the closing price of the Common Stock on the relevant date as reported on the Nasdaq SmallCap Market (or any national securities exchange, national market including the Nasdaq National Market, or other quotation system on which the Common Stock is then listed) or, if no prices are reported for that date, such prices on the next preceding date for which closing prices were reported, or if the Common Stock is not publicly traded, by such methods or procedures as may be established from time to time by the Board of Directors of the Company in good faith.

Section 2. STOCK SPLITS, CONSOLIDATION, MERGER, AND SALE. In the event that before the issuance of the shares of Common Stock into which this Warrant may be exercised the outstanding shares of Common Stock shall be split, combined, or consolidated, by dividend, reclassification or otherwise, into a greater or lesser number of shares of Common Stock or any other class or classes of stock,

as appropriate, the Warrant Price in effect immediately prior to such combination or consolidation and the number of shares purchasable under this Warrant shall, concurrently with the effectiveness of such combination or consolidation, be proportionately adjusted. If there shall be effected any consolidation or merger of the Company with another corporation, or a sale of all or substantially all of the Company's assets to another corporation, and if the holders of Common Stock shall be entitled pursuant to the terms of any such transaction to receive stock, securities or assets with respect to or in exchange for Common Stock, then, as a condition of such consolidation, merger or sale, lawful and adequate provisions shall be made whereby the Holder of this Warrant shall thereafter have the right to receive, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore receivable upon the exercise of such Warrant, such shares of stock, securities or assets as may be issuable or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such Common Stock immediately theretofore so receivable had such consolidation, merger or sale not taken place, and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder to the end that the provisions hereof shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of this Warrant.

(a) STOCK TO BE RESERVED. The Company will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issue upon the exercise of this Warrant as herein provided, such number of shares of Common Stock as shall then be issuable upon the exercise of this Warrant.

(b) ISSUE TAX. The issuance of certificates for shares of Common Stock upon exercise of this Warrant shall be made without charge to the Holders of this Warrant for any issuance tax in respect thereof provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the Holder of this Warrant, which shall be borne by the Holder.

(c) CLOSING OF BOOKS. The Company will not close its transfer books to impair any issuance of the shares of Common Stock upon the exercise of this Warrant.

Section 3. NOTICES OF RECORD DATES. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution (other than cash dividends out of earned surplus), or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

(b) any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any transfer of all or substantially all the assets of the Company to or consolidation or merger of the Company with or into any other corporation, or

(c) any voluntary or involuntary dissolution, liquidation or winding-up of the Company, then and in each such event the Company will give notice to the Holder of this Warrant specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and stating the amount and character of such dividend, distribution or right, and (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock will be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding-up. Such notice shall be given at least ten (10) days and not more than ninety (90) days prior to the date therein specified, and such notice shall state that the action in question or the record date is subject to the effectiveness of a registration statement under the Securities Act of 1933, as amended (the "Securities Act") or to a favorable vote of shareholders, if either is required. Any failure to provide a notice hereunder shall not affect the corporate action taken.

Section 4. NO SHAREHOLDER RIGHTS OR LIABILITIES. This Warrant shall not entitle the Holder hereof to any voting rights or other rights as a shareholder of the Company. No provision hereof, in the absence of affirmative action by the Holder hereof to purchase shares of Common Stock, and no mere enumeration hereon of the rights or privileges of the Holder hereof, shall give rise to any liability of such Holder for the Warrant Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

Section 5. REPRESENTATIONS OF HOLDER. The Holder hereby represents and acknowledges to the Company as of the date hereof and as of each exercise of this Warrant that:

(a) this Warrant, the Common Stock issuable upon exercise of this Warrant and any securities issued with respect to any of them by way of a stock dividend or stock split or in connection with a recapitalization, merger, consolidation or other reorganization will be "restricted securities" as such term is used in the rules and regulations under the Securities Act; such securities have not been and may not be registered under the Securities Act or any state securities law; and such securities must be held indefinitely unless registration is effected or transfer can be made pursuant to appropriate exemptions;

(b) the Holder has read, and fully understands, the terms of this Warrant set forth on its face and the attachments hereto, including the restrictions on transfer contained herein;

(c) the Holder is purchasing for investment for its own account and not with a view to or for sale in connection with any distribution of this Warrant or the Common Stock of the Company issuable upon exercise of this Warrant and it has no intention of selling such securities in a public distribution in violation of the federal securities laws or any applicable state securities laws;

(d) the Holder is an "accredited investor" within the meaning of paragraph (a) of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission and an "excluded purchaser" within the meaning of Section 25102(f) of the California Corporate Securities Law of 1968; and

(e) the Company may affix the following legend (in addition to any other legend(s), if any, required by applicable state corporate and/or securities laws) to certificates for shares of Common Stock (or other securities) issued upon exercise of this Warrant:

> These securities have not been registered under the Securities Act of 1933 or any state securities laws. These securities have been acquired for investment and not with a view to distribution or resale, and may not be sold, mortgaged, pledged, hypothecated or otherwise transferred without registration under the Securities Act of 1933 and qualification under state securities laws, or an opinion of counsel acceptable to the corporation that registration and qualification is not required.

Section 6. RESTRICTIONS ON TRANSFER; REGISTRATION RIGHTS.

(a) The Holder may not transfer this Warrant without the written consent of the Company and an opinion of counsel acceptable to the Company that the transfer may be effected in compliance with exemptions under the Securities Act and applicable state securities laws. The Holder may not transfer the Common Stock underlying the Warrant unless there is an effective registration statement in effect under the Securities Act and the transfer is qualified under applicable state securities laws, or the Holder has delivered to the Company an opinion of counsel acceptable to the Company that registration and qualification is not required.

(b) The Company is obligated to cause a registration statement to be filed under the Securities Act on or before October 15, 1999 pursuant to a Registration Rights Agreement between the Company and Advantage Fund II Ltd. and a Registration Rights Agreement between the Company and Koch Investment Group Limited (the "Registration Statement"). The Company shall include in such Registration Statement all of the Common Stock issuable upon conversion of the Warrant.

(c) All fees, disbursements, and out-of-pocket expenses incurred in connection with the filing of the Registration Statement under Paragraph (a) of Section 6 and in complying with applicable securities and Blue Sky laws shall be borne by the Company, provided, however, that any expenses of the individual Holder or holders of the underlying securities, including but not limited to the Holder or holders' attorneys' fees and discounts and commissions, shall be borne by the Holder and holders of the Common Stock. The Company at its expense will supply the Holder and any holder of Common Stock with copies of the Registration Statement and the prospectus or offering circular included therein and other related documents in such quantities as may be reasonably requested by the Holder or holder of Common Stock.

(d) The Company shall have no obligation to register the Warrant but shall be obligated to register the Common Stock issuable upon exercise of the Warrant in accordance with Paragraph (b) of Section 6.

(e) The Company agrees that it will use its best efforts to keep such Registration Statement effective until September 17, 2004 or such earlier date as all Common Stock covered by such Registration Statement have been disposed of pursuant thereto.

(f) The Holder agrees to cooperate with the Company and to provide the Company on its request with all information concerning the Holder, the Warrant issued hereunder, any Common Stock acquired upon exercise of the Warrant and the means or methods of intended disposition of the Common Stock pursuant to the Registration Statement that may reasonably be requested by the Company in order for the Company to perform its obligation under this Section 6.

Section 7. LOST, STOLEN, MUTILATED, OR DESTROYED WARRANT. If this Warrant is lost, stolen, mutilated, or destroyed, the Company may, on such terms as to indemnity or otherwise as it may in its discretion reasonably impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated, or destroyed.

Section 8. PRESENTMENT. Prior to due presentment of this Warrant, together with a completed assignment form attached hereto for registration of transfer, the Company may deem and treat the Holder as the absolute owner of the Warrant, notwithstanding any notation of ownership or other writing thereon, for the purpose of any exercise thereof and for all other purposes, and the Company shall not be affected by any notice to the contrary.

Section 9. NOTICE. Notice or demand pursuant to this Warrant shall be sufficiently given or made, if sent by first-class mail, postage prepaid, addressed, if to the Holder of this Warrant, to the Holder at its last known address as it shall appear in the records of the Company, and if to the Company, at 2222 West Peoria Avenue, Phoenix, Arizona 85029, Attention: Chief Financial Officer. The Company may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 9 for the giving of notice.

Section 10. GOVERNING LAW. The validity, interpretation, and performance of this Warrant shall be governed by the laws of the State of Arizona without regard to principles of conflicts of laws.

Section 11. SUCCESSORS, ASSIGNS. Subject to the restrictions on transfer by Holder set forth in Section 6 hereof, all the terms and provisions of the Warrant shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

Section 12. AMENDMENT. This Warrant may be modified, amended, or terminated by a writing signed by the Company and the Holder.

Section 13. SEVERABILITY. Should any part but not the whole of this Warrant for any reason be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Warrant had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Warrant without including therein any such part which may, for any reason, be hereafter declared invalid.

Section 14. NO IMPAIRMENT. The Company will not, by any voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder of this Warrant against impairment.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed and delivered on and as of the day and year first above written by one of its officers thereunto duly authorized.

TITAN MOTORCYCLE CO. OF AMERICA,
a Nevada corporation

Dated: _____ _____

By: _____
Title: _____

The undersigned Holder agrees and accepts this Warrant and acknowledges that it has read and confirms each of the representations contained in Section 5.

INTELLECT CAPITAL CORP.

_____

By: _____
Title: _____

PURCHASE FORM

(To be executed by the Warrant Holder if he desires to exercise the Warrant in whole or in part)

To: TITAN MOTORCYCLE CO. OF AMERICA

The undersigned, whose Social Security or other identifying number is _____, hereby irrevocably exercises the attached Warrant, agrees to purchase _____ shares of Common Stock, and tenders payment herewith to the order of TITAN MOTORCYCLE CO. OF AMERICA in the amount of $_____.

The undersigned requests that certificates for such shares be issued as follows:

Name: _____

Address: _____

_____

_____

Deliver to: _____

Address: _____

_____

_____

and, if the number of shares shall not be all the shares purchasable under the Warrant, that a new Warrant for the balance remaining of the shares purchasable under the attached Warrant be registered in the name of, and delivered to, the undersigned at the address stated below:

Address: _____

_____

_____

By this exercise,

The undersigned hereby reaffirms its representations and warrants set forth forth in Section 5 of the Warrant as of the date hereof.

Dated:_____, _____

Signature: _____

(Signature must conform in all respects to the name of the Warrant Holder as specified on the face of the Warrant, without alteration, enlargement or any change whatsoever)

ASSIGNMENT

(To be executed by the Warrant Holder if he desires to effect a transfer of the Warrant)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose Social Security or other identification number is _____ [residing/located] at _____ the attached Warrant, and appoints _____ residing at _____ _____ the undersigned's attorney-in-fact to transfer said Warrant on the books of the Company, with full power of substitution in the premises.

Dated:_____, _____

In the presence of:

_____ _____

(Signature must conform in all respects to the name of the Warrant Holder as specified on the face of the Warrant, without alteration, enlargement or any change whatsoever)

[LETTERHEAD OF JAMES, DRIGGS, WALCH, SANTORO, JOHNSON, KEARNEY & THOMPSON]

TITAN MOTORCYCLE CO. OF AMERICA
2222 West Peoria Avenue
Phoenix, Arizona 85029

Re: Issuance of Common Stock

Gentlemen:

We have acted as special Nevada counsel to Titan Motorcycle Co. of America, a Nevada corporation (the "Company"), in connection with its Registration Statement on Form S-3 (the "Registration Statement") filed under the Securities Act of 1933, as amended (the "1933 Act"), relating to the registration of, and covering the resale of the 3,322,031 shares of Common Stock (the Shares) issuable upon exercise of (1) the Series A Convertible Preferred Stock, $.001 par value (the Preferred Stock) and Common Stock Purchase Warrants (the Investor Warrants) which were issued to Advantage Fund II Ltd. and Koch Investment Group Limited (the Investors) pursuant to those two certain Subscription Agreements, dated as of September 15, 1999, by and between the Holders and the Company (the Subscription Agreements), and (2) the Common Stock Purchase Warrants (the Reedland Warrants), which were issued to Reedland Capital Partners (Reedland) and its designees pursuant to that certain Engagement Letter between the Company and Reedland, dated August 20, 1999.

In rendering the opinions set forth herein, we have limited our factual inquiry to (i) reliance on a certificate of the Secretary of the Company, (ii) reliance on the facts and representations contained in the Registration Statement, including, without limitation, those relating to the number of the Company's Common Shares, without par value, which are authorized, issued or reserved for issuance upon conversion or exercise of preferred shares, warrants and options, and (iii) such documents, corporate records and other instruments as we have deemed necessary or appropriate as a basis for the opinions expressed below, including, without limitation, a certificate issued by the Secretary of State of the State of Nevada dated September 8, 1999, attesting to the corporate existence of the Company in the State of Nevada, and telephonic verification with such Secretary of State with respect to the Company's continued valid existence as of the date hereof.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such copies. In rendering the opinion expressed below, we have assumed that the Shares (i) will conform in all material respects to the description thereof set forth in the Registration Statement, (ii) were issued and delivered in accordance with the terms of the Agreement, and (iii) were issued pursuant to an exemption from the registration requirements of the 1933 Act pursuant to Section 4(2) of the 1933 Act.

Based upon the foregoing, and subject to the qualifications set forth herein, we are of the opinion that the Shares to be issued upon the exercise of the Preferred Stock, Investor Warrants, and Reedland Warrant will be validly issued, fully paid, and nonassessable.

The foregoing opinion is limited to the current internal laws of the State of Nevada (without giving effect to any conflict of law principles thereof), and we have not considered, and express no opinion on, the laws of any other jurisdiction. This opinion is based on the laws in effect and facts in existence on the date of this letter, and we assume no obligation to revise or supplement this letter should the law or facts, or both, change.

This opinion is intended solely for the use of the Company in connection with the registration of the Shares. It may not be relied upon by any other person or for any other purpose, or reproduced or filed publicly by any person, without the written consent of James, Driggs, Walch, Santoro, Kearney, Johnson & Thompson; provided, however, that we hereby consent to the filing of this opinion as Exhibit 5 to the Registration Statement and to the references to James, Driggs, Walch, Santoro, Kearney, Johnson & Thompson contained in the Registration Statement.

Very truly yours,
James, Driggs, Walch, Santoro,
Johnson, Kearney & Thompson

/s/ J. Douglas Driggs, Jr.

J. Douglas Driggs, Jr.

LOAN AGREEMENT

This Loan Agreement (this "Agreement") is entered into as of April 10, 1998 by and between Wells Fargo Bank, National Association ("Lender") and Titan Motorcycle Co. of America, a Nevada corporation ("Borrower").

W I T N E S S E T H:

WHEREAS, Borrower has requested that Lender enter into certain financing arrangements with Borrower pursuant to which Lender may make loans and provide other financial accommodations to Borrower; and

WHEREAS, Lender is willing to make such loans and provide such financial accommodations on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

All terms used herein which are defined in Article 1 or Article 9 of the Uniform Commercial Code shall have the meanings given therein unless otherwise defined in this Agreement. Any accounting term used herein unless otherwise defined or set forth in this Agreement shall have the meanings customarily given to such term in accordance with GAAP. For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

1.1 "Accounts" shall mean all present and future rights of Borrower to payment of or goods sold or leased for services rendered, which are not evidenced by instruments or chattel paper, and whether or not earned by performance.

1.2 "Availability Reserves" shall mean, as of any date of determination, such amounts as Lender may from time to time establish and revise in good faith reducing the amount of Revolving Loans which would otherwise be available to Borrower under the lending formula(s) provided for herein: (a) to reflect events, conditions, contingencies or risks which, as determined by Lender in good faith, do or may affect either (i) the Collateral or its value, (ii) the assets, business or prospects of Borrower or any Obligor, or (iii) the security interests and other rights of Lender in the Collateral (including the enforceability, perfection and priority thereof), or (b) to reflect Lender's good faith belief that any collateral report or financial information furnished by or on behalf of Borrower or any Obligor to Lender is or may have been incomplete, inaccurate or misleading in any material respect, or (c) in respect of any state of facts which Lender determines in good faith constitutes an Event of Default or may, with notice or passage of time or both, constitute an Event of Default. As of the date of this Agreement, Lender is establishing an Availability Reserve of 1% against Eligible Accounts by reason of possible warranty claims against Borrower, and an Availability Reserve in the amount of $800,000 against Eligible Inventory until a perpetual inventory system satisfactory to Lender is put in place by Borrower.

1.3 "Cash Collateral Account" shall have the meaning set forth in SECTION 6.1 hereof.

1.4 "Collateral" shall mean all the property in which Borrower or an Obligor grants or is required to grant to Lender a security interest or lien, as described in SECTION 5 hereof.

1.5 "Eligible Accounts" shall mean Accounts created by Borrower which are and continue to be acceptable to Lender based on the criteria set forth below. In general, Accounts shall be Eligible Accounts if:

(a) such Accounts arise from the actual and BONA FIDE sale and delivery of goods by Borrower or rendition of services by Borrower in the ordinary course of Borrower's business which transactions are completed in accordance with the terms and provisions contained in any documents related thereto;

(b) such Accounts are not unpaid more than ninety (90) days after the date of the original invoice therefor, or, if such accounts are financed by Transamerica under the Manufacturer's/Distributor's Finance Agreement (One Step) dated April 25, 1997 (the "TMFC Agreement"), thirty (30) days after the date of the original invoice therefor;

(c) such Accounts comply with the terms and conditions applicable thereto contained in the Security Agreement executed in connection therewith;

(d) such Accounts do not arise from sales on consignment, guaranteed sale, sale and return, sale on approval, or other terms under which payment by the account debtor may be conditional or contingent;

(e) the chief executive office of the account debtor with respect to such Accounts is located in the United States of America, or, at Lender's option, if: (1) the account debtor has delivered to Borrower an irrevocable letter of credit issued or confirmed by a bank satisfactory to Lender, sufficient to cover such Account, in form and substance satisfactory to Lender and, if required by Lender, the original of such letter of credit has been delivered to Lender or Lender's agent and the issuer thereof notified of the assignment of the proceeds of such letter of credit to Lender, or (ii) such Account is subject to credit insurance payable to Lender issued by an insurer and on terms and in an amount acceptable to Lender, or (iii) the account debtor resides in a province of Canada which recognizes Lender's perfection and enforcement rights as to Accounts by reason of the filing of a UCC-1 in the state of Borrower's chief executive office, or (iv) such Account is financed by Transamerica under the TMFC Agreement, so long as such agreement provides that

Borrower has no obligation to repurchase the underlying inventory if it has not been repossessed by Transamerica and is not deliverable to Borrower in the United States free and clear of any liens and encumbrances; or (v) such Account is otherwise acceptable in all respects to Lender (subject to such lending formula with respect thereto as Lender may determine);

(f) such Accounts do not consist of progress billings, bill and hold invoices or retainage invoices;

(g) the account debtor with respect to such Accounts has not asserted a counterclaim, defense or dispute and does not have, and does not engage in transactions which may give rise to, any right of setoff against such Accounts;

(h) there are no facts, events or occurrences which would impair the validity, enforceability or collectability of such Accounts or reduce the amount payable or delay payment thereunder;

(i) such Accounts are subject to the first priority, valid and perfected security interest of Lender and any goods giving rise thereto are not, and were not at the time of the sale thereof, subject to any liens except those permitted in this Agreement;

(j) neither the account debtor nor any officer, employee or agent of the account debtor with respect to such Accounts is an officer, employee or agent of or affiliated with Borrower directly or indirectly by virtue of family membership, ownership, control, management or otherwise. Titan of Las Vegas, Titan of Los Angeles and Paragon Custom shall be deemed to be affiliates of Borrower until such time as Transamerica agrees, in a writing satisfactory to Lender, not to require Borrower to repurchase inventory previously sold to such entities;

(k) the account debtors with respect to such Accounts are not any foreign government, the United States of America, any State or any political subdivision, department, agency or instrumentality thereof, unless, if the account debtor is the United States of America, any State or any political subdivision, department, agency or instrumentality thereof, upon Lender's request, the Federal Assignment of Claims Act of 1940, as amended, or any similar State or local law, if applicable, has been complied with in a manner satisfactory to Lender;

(1) there are no proceedings or actions which are threatened or pending against any account debtor with respect to such Accounts from such account debtor which might result in any material adverse change in any such account debtor's financial condition;

(m) such Accounts of a single account debtor or its affiliates do not constitute more than twenty (20%) of all otherwise Eligible Accounts (but the portion of the Accounts not in excess of such percentage may be deemed Eligible Accounts);

(n) such Accounts are not owed by any account debtor who has Accounts ineligible under paragraph (b) and which constitute more than twenty-five (25%) percent of the total Accounts from such account debtor;

(o) such Accounts are owed by Titan of Oregon or other account debtors who are dealers in motorized vehicles which have been approved and financed by Transamerica under the TMFC Agreement; and

(p) such Accounts are owed by account debtors deemed creditworthy at all times by Lender, as determined by Lender.

General criteria for Eligible Accounts may be established and revised from time to time by Lender in good faith. Any Accounts which are not Eligible Accounts shall nevertheless be part of the Collateral.

1.6 "Eligible Inventory" shall mean Inventory owned by Borrower which is and remains acceptable to Lender for lending purposes and is located at one of the addresses set forth in Schedule I to this Agreement; provided however, that if any such location is owned by a party other than Borrower, Lender shall have obtained from the owner thereof an agreement relative to Lender's rights with respect to such Inventory, in form and content satisfactory to Lender; and provided further that in no event however shall Eligible Inventory include: (a) inventory subject to a security interest or lien in favor of any person other than Lender, except those permitted in this Agreement; and (b) inventory which is not subject to the first priority, valid and perfected security interest of Lender. General criteria for Eligible Inventory may be established and revised from time to time by Lender in good faith. Any Inventory which is not Eligible Inventory shall nevertheless be part of the Collateral.

1.7 "Equipment" shall mean all of Borrower's now owned and hereafter acquired equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

1.8 "Event of Default" shall mean the occurrence or existence of any event or condition described in Section 10.1 hereof.

1.9 "GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Boards which are applicable to the circumstances as of the date of determination consistently applied, except that, for purposes of SECTION 8.10 hereof, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the audited financial statements delivered to Lender prior to the date hereof.

1.10 "General Intangibles" shall mean general intangibles (including, but not limited to, tax and duty refunds, registered and unregistered patents, trademarks, service marks, copyrights, trade names, applications for the foregoing, trade secrets, goodwill, processes, drawings, blueprints, customer lists, licenses, whether as licensor or licensee, choses in action and other claims and existing and future leasehold interests in equipment).

1.11 "Information Certificate" shall mean the Information Certificate of Borrower constituting EXHIBIT A hereto containing material information with respect to Borrower, its business and assets provided by or on behalf of Borrower to Lender in connection with the preparation of this Agreement and the other Loan Documents and the financing arrangements provided for herein.

1.12 "Inventory" shall mean all of Borrower's now owned and hereafter existing or acquired raw materials, work in process, finished goods and all other inventory of whatsoever kind or nature, wherever located.

1.13 "Line of Credit" shall mean a revolving line of credit under which Lender agrees to make Revolving Loans, subject to the terms and conditions of this Agreement.

1.14 "Line of Credit Note" shall have the meaning set forth in Section 2.1 hereof.

1.15 "Loan Documents" shall mean, collectively, this Agreement and all notes, guarantees, security agreements, subordination agreements, and other agreements, documents and instruments now or at any time hereafter executed and/or delivered by Borrower or any Obligor in connection with this Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.16 "Maximum Amount" shall mean the amount of $5,000,000.00.

1.20 "Net Amount of Eligible Accounts" shall mean the gross amount of Eligible Accounts less (a) sales, excise or similar taxes included in the amount thereof and (b) returns, discounts, claims, credits and allowances of any nature at any time issued, owing, granted, outstanding, available or claimed with respect thereto.

1.21 "Obligor" shall mean any guarantor, endorser, acceptor, surety or other person liable on or with respect to the Line of Credit or who is the owner of any property which is security for the Line of Credit, or any of them, other than Borrower. If Borrower is a partnership, each general partner is an Obligor.

1.22 "Records" shall mean all of Borrower's present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of Borrower with respect to the foregoing maintained with or by any other person).

1.23 "Revolving Loans" shall mean advances made by Lender to Borrower on a revolving basis under the Line of Credit, as set forth in Section 2.1 hereof.

1.24 "Rights to Payment" shall mean all Accounts, General Intangibles, contract rights, chattel paper, documents, instruments, letters of credit, bankers acceptances and guaranties, and all present and future liens, security interests, rights, remedies, title and interest in, to and in respect of Accounts and other Collateral, and shall include without limitation, (a) rights and remedies under or relating to guaranties, contracts of suretyship, letters of credit and credit and other insurance related to the Collateral, (b) rights of stoppage in transit, replevin, repossession, reclamation and other rights and remedies of an unpaid vendor, lienor or secured party, (c) goods described in invoices, documents, contracts or instruments with respect to, or otherwise representing or evidencing, Accounts or other Collateral, including without limitation, returned, repossessed and reclaimed goods, and (d) deposits by and property of account debtors or other persons securing the obligations of account debtors, monies, securities, credit balances, deposits, deposit accounts and other property of Borrower now or hereafter held or received by or in transit to Lender or any of its affiliates or at any other depository or other institution from or for the account of Borrower, whether for safekeeping, pledge, custody, transmission, collection or otherwise.

1.25 "Tangible Net Worth" shall mean, at any time, the aggregate of total stockholders' equity less any intangible assets.

1.26 "Transamerica" means Transamerica Commercial Finance Corporation.

1.27 "Value" shall mean, as determined by Lender in good faith, with respect to Inventory, the lower of (a) cost computed on a standard cost basis in accordance with GAAP, or (b) market value.

1.28 "Working Amount" shall mean the average daily principal balance of the outstanding Revolving Loans while this Agreement is in effect.

1.29 "Working Capital" shall mean, at any time, total current assets less total current liabilities.

SECTION 2. CREDIT FACILITIES

2.1 LINE OF CREDIT

(a) LENDING FORMULA. Subject to and upon the terms and conditions contained herein, Lender agrees to make Revolving Loans under a line of credit (the "Line of Credit") from time to time in amounts requested by Borrower up to an aggregate outstanding principal amount equal to the lesser of: (i) the Maximum Amount; or (ii) the sum of:

(A) eighty five percent (85%) of the Net Amount of Eligible Accounts so long as the dilution of Accounts, as described below, is 5% or less, and eighty percent (80%) if such dilution is greater than 5%); PLUS

(B) the sum of (1) seventy percent (70%) of the Value of Eligible Inventory consisting of finished goods, other than apparel, (2) fifty percent (50%) of the Value of Eligible Inventory consisting of raw materials, other than apparel, (3) the lesser of (y) fifty percent (50%) of the Value of Eligible Inventory consisting of work-in-process, other than apparel, and (z) $1,500,000.00, for the fiscal year ending December 31, 1998, and $2,000,000.00 for each fiscal year thereafter, and (4) thirty percent (30%) of the Value of Eligible Inventory consisting of finished goods apparel; LESS

(C) any Availability Reserves.

(b) REDUCTION OF LENDING FORMULA. Lender may, in its discretion, from time to time, upon not less than five (5) days prior notice to Borrower, (i) reduce the lending formula with respect to Eligible Accounts to the extent that Lender determines in good faith that: (A) the dilution with respect to the Accounts for any period (based on the ratio of (1) the aggregate amount of reductions in Accounts other than as a result of payments in cash to (2) the aggregate amount of total sales) has increased in any material respect or may be reasonably anticipated to increase in any material respect above historical levels, or (B) the general creditworthiness of account debtors has declined; or (ii) reduce the lending formula with respect to Eligible Inventory to the extent that Lender determines that: (A) the number of days of the turnover of the Inventory for any period has adversely changed in any material respect, or (B) the liquidation value of the Eligible Inventory, or any category thereof, has decreased, or (C) the nature and quality of the Inventory has deteriorated. In determining whether to reduce the lending formula(s), Lender may consider events, conditions, contingencies or risks which are also considered in determining Eligible Accounts, Eligible Inventory or in establishing Availability Reserves. In the event that the effect of any reserves established by Lender subsequent to the date of this Agreement results in an effective advance rate which is less than seventy five percent (75%) of the effective advance rate determined on the basis of existing availability and reserves already established as of the date of this Agreement, then Borrower shall have the right to terminate this Agreement without payment of the early termination fee described in paragraph 11.1(c) hereof.

(c) OVERADVANCE. In the event that the outstanding amount of any component of the Revolving Loans exceed the amounts available under the lending formulas or the Maximum Amount, as applicable, such event shall not limit, waive or otherwise affect any rights of Lender in that circumstance or on any future occasions and Borrower shall, upon demand by Lender, which may be made at any time or from time to time, immediately repay to Lender the entire amount of any such excess(es) for which payment is demanded.

(d) LINE OF CREDIT NOTE. Borrower's obligation to repay Revolving Loans made under the Line of Credit shall be evidenced by a promissory note executed by Borrower, substantially in the form of Exhibit B hereto (the "Line of Credit Note")

2.2 AVAILABILITY RESERVES. All Revolving Loans otherwise available to Borrower pursuant to the lending formula(s) or sublimits, and subject to the Maximum Amount and other applicable limits hereunder shall be subject to Lender's continuing right to establish and revise Availability Reserves.

2.3 SUPPORT AGREEMENT. Frank Keery shall execute a Support Agreement in favor of Bank, in form and content acceptable to Bank and Frank Keery.

2.4 SUBORDINATION OF DEBT. All obligations of Borrower to Oxford International shall be subordinated in right of repayment to all obligations of Borrower to Lender, as evidenced by and subject to the terms of subordination agreements in form and substance satisfactory to Lender.

SECTION 3. INTEREST AND FEES

3.1 INTEREST. The outstanding principal balance of Revolving Loans shall bear interest at the rate of interest set forth in the Line of Credit Note.

3.2 CLOSING FEE. Borrower shall pay to Lender as a closing fee the amount of $7,500.00, which shall be fully earned as of and payable on the date hereof.

3.4 UNUSED LINE FEE. Borrower shall pay to Lender monthly an unused line fee for the Line of Credit equal to a rate per annum of one quarter percent (0.25%) of the amount by which the Maximum Amount exceeds the average daily principal balance of the outstanding Revolving Loans during the immediately preceding month (or part thereof) while this Agreement is in effect and for so long thereafter as any of the Revolving Loans are outstanding, which fee shall be payable on the first day of each month in arrears.

3.5 COMPUTATION AND PAYMENT. Interest (and fees computed on a per annum basis) shall be computed on the basis of a 360-day year, actual days elapsed. Interest shall be payable at times and place set forth in the Line of Credit Note.

SECTION 4. CONDITIONS PRECEDENT

4.1. INITIAL CREDIT. The obligation of Lender to extend any credit contemplated by this Agreement is subject to the fulfillment to Lender's satisfaction of all of the following conditions:

(a) APPROVAL OF LENDER COUNSEL. All legal matters incidental to the extension of credit by Lender shall be satisfactory to counsel of Lender.

(b) DOCUMENTATION. Lender shall have received, in form and substance satisfactory to Lender, each of the following, duly executed:

(i) This Agreement
(ii) The Line of Credit Note
(iii) Corporate Borrowing Resolution
(iv) UCC-1 Financing Statement(s)
(v) Security Agreement(s)
(vi) Lock Box Agreement
(vii) Support Agreement
(viii) The subordination agreement required by Section 2.4 hereof.
(ix) Agreement with Transamerica.
(x) Subordination Agreement from Ed Tucker Distributor, Inc.
(xi) Such other documents as Lender may require under any other Section of this Agreement.

(c) FINANCIAL CONDITION. There shall have been no material adverse change, as determined by Lender, in the financial condition or business of Borrower or any Obligor, nor any material decline, as determined by Lender, in the market value of any collateral required hereunder or a substantial or material portion of the assets of Borrower or any Obligor.

(d) INSURANCE. Borrower shall have delivered to Lender evidence of insurance coverage on all property, in form, substance, amounts, covering risks and issued by companies satisfactory to Lender, and where required by Lender, with loss payable endorsements in favor of Lender.

(e) APPRAISALS. Lender shall have obtained, at Borrower's cost, an appraisal of Inventory, issued by an appraiser acceptable to Lender and in form, substance and reflecting values satisfactory to Lender, in its discretion.

(f) SECURITY INTERESTS. Lender shall have received evidence, in form and substance satisfactory to Lender, that Lender has valid perfected and first priority security interests in and liens upon the Collateral and any other property which is intended to be security for the Line of Credit or the liability of any Obligor in respect thereof, subject only to the security interests and liens permitted herein or in the other Loan Documents.

(g) FIELD REVIEW. Lender shall have completed a field review of the Records and such other information with respect to the Collateral as Lender may require to determine the amount of Revolving Loans available to Borrower, the results of which shall be satisfactory to Lender.

(h) OTHER DOCUMENTS. Lender shall have received, in form and substance satisfactory to Lender, all consents, waivers, acknowledgments and other agreements from third persons which Lender may deem necessary or desirable in order to permit, protect and perfect its security interests in and liens upon the Collateral or to effectuate the provisions or purposes of this Agreement and the other Loan Documents, including without limitation, acknowledgments by lessors, mortgagees and warehousemen of Lender's security interests in the Collateral, waivers by such persons of any security interests, liens or other claims by such persons to the Collateral and agreements permitting Lender access to, and the right to remain on, the premises to exercise its rights and remedies and otherwise deal with the Collateral.

(i) AVAILABILITY. Borrower shall have a minimum of $500,000.00 of availability for Revolving Loans in addition to the amount paid or to be paid to Borrower's prior lender to retire Borrower's line of credit with such prior lender and bringing all other obligations to a current status satisfactory to Lender.

(j) LIFE INSURANCE. Borrower shall have collaterally assigned to Lender its life insurance policies on Frank Keery and Patrick Keery.

(k) TAKE-OVER AUDIT. Lender shall have performed and be satisfied with a "take-over" audit.

4.2. SUBSEQUENT CREDIT. The obligation of Lender to make each extension of credit requested by Borrower hereunder shall be subject to the fulfillment to Lender's satisfaction of each of the following conditions:

(a) COMPLIANCE. The representations and warranties contained herein and each of the other Loan Documents shall be true on and as of the date of the signing of this Agreement and on the date of each extension of credit by Lender pursuant hereto, with the same effect as though such representations and warranties had been made on and as of each such date, and on each such date, no Event of Default as defined herein, and no condition, event or act which with the giving of notice or the passage of time or both would constitute such an Event of Default, shall have occurred and be continuing or shall exist. No action seeking the dissolution or liquidation of Borrower has been approved by the directors or shareholders of Borrower. There shall not exist or occur any event or condition which Lender in good faith believes impairs, or is substantially likely to impair, the prospect of payment or performance by Borrower of its obligations under any of the Loan Documents.

(b) DOCUMENTATION. Lender shall have received all additional documents which may be required in connection with such extension of credit.

SECTION 5. GRANT OF SECURITY INTEREST

As security for all indebtedness of Borrower to Lenders pursuant to this Agreement, Borrower grants to Lender security interests of first priority in the following property and interests in property, whether now owned or hereafter acquired or existing, and wherever located: all Rights to Payment, Inventory, Equipment and Records, and all products and proceeds of any of the foregoing, in any form, including without limitation, insurance proceeds and all claims against third parties for loss or damage to or destruction of any or all of the foregoing.

All of the foregoing shall be evidenced by and subject to the terms of such documents as Lender shall reasonably require, all in form and substance satisfactory to Lender. Borrower shall reimburse Lender, immediately upon demand, for all costs and expenses incurred by Lender in connection with any of the foregoing security, including without limitation filing and recording fees and costs of appraisals and audits; provided, however, with respect to collateral audits required by Lender, Borrower's responsibility for the costs and expenses with respect thereto shall in no event exceed (i) $5,000 in connection with each such audit, (ii) $20,000 in connection with no more than four (4) audits conducted in the first twelve months of this Agreement, and (iii) (A) $10,000 in connection with no more than two (2) audits conducted in each twelve month period thereafter, if no Event of Default has occurred during such subsequent twelve month period, or (B) if an Event of Default has so occurred, $20,000 in connection with no more than four (4) such audits conducted in such subsequent twelve month period. Nothing contained in the immediately preceding sentence shall limit Lender's rights to conduct more frequent audits at its own cost and expense or the terms of this Agreement applicable if an Event of Default shall have occurred and be continuing.

SECTION 6. COLLECTION AND ADMINISTRATION

6.1 CASH COLLATERAL ACCOUNT.

(a) CASH COLLATERAL ACCOUNT. Borrower shall, at Borrower's expense and in the manner requested by Lender from time to time, direct that remittances and all other collections and proceeds of Accounts and other Collateral shall be deposited into a lock box account maintained in Lender's name. In connection therewith, Borrower shall execute such lockbox agreement as Lender shall require. Borrower shall maintain with Lender, and Borrower hereby grants to Lender a security interest in, a non--interest bearing deposit account over which Borrower shall have no control ("Cash Collateral Account") and into which the proceeds of all Borrower's Rights to Payment shall be deposited immediately upon their receipt.

(b) CALCULATIONS/CLEARANCE CHARGE. For purposes of calculating the amount of the Revolving Loans available to Borrower, such payments will be applied (conditional upon final collection) to the Line of Credit on the business day of receipt by the Commercial Finance Division of interbranch advices of deposit, if such advices are received within sufficient time (in accordance with Lender's usual and customary practices as in effect from time to time) to credit Borrower's loan account on such day, and if not, then on the next business day. Lender shall be entitled to charge Borrower for one (1) business day of 'clearance' at the interest rate then applicable to the Line of Credit on all proceeds of Rights to Payment deposited into the Cash Collateral Account, whether or not such proceeds are applied to reduce the outstanding principal balance of the Line of Credit. This clearance charge is acknowledged to constitute an integral part of the pricing of the Line of Credit, and shall apply whether or not the amount of proceeds deposited exceeds the outstanding principal balance of the Line of Credit. Notwithstanding the foregoing, Borrower shall not be liable for clearance charges to the extent that a significant positive balance in the Cash Collateral Account resulting from the deposit of funds representing proceeds of equity or subordinated debt injections and not proceeds of normal operations continues beyond a period of fifteen (15) days.

(c) IMMEDIATE DEPOSIT. Borrower and all of its affiliates, subsidiaries, shareholders, directors, employees or agents shall, acting as trustee for Lender, receive, as the property of Lender, any monies, checks, notes, drafts, or any other payment relating to and/or proceeds of Accounts or other Collateral which come into their possession or under their control and immediately upon receipt thereof, shall deposit or cause the same to be deposited in the Cash Collateral Account, or remit the same or cause the same to be remitted, in kind, to Lender. In no event shall the same be commingled with Borrower's own funds. Notwithstanding the foregoing or anything in the other Loan Documents to the contrary (i) Borrower may open and maintain one or more bank accounts outside the United States (collectively "Foreign Accounts") into which Borrower may deposit the proceeds of cash sales of inventory that occur outside the United States, and (ii) pay costs and expenses attributable to such sales directly from the Foreign Account. Borrower shall take all actions reasonably requested by Lender to ensure the perfection and first priority of Lender's security interest in such proceeds of foreign sales and in such Foreign Accounts and shall deliver to Lender copies of all monthly bank statements of the Foreign Accounts and copies of all documents evidencing costs and expenses attributable to foreign sales. In the event and at such time that Lender determines that balances in such Foreign Accounts are sufficiently high to warrant depositing funds therefrom directly into the Cash Collateral Account, Borrower shall engage in appropriate foreign exchange transactions and arrange for proceeds of such foreign sales to be so deposited into the Cash Collateral Account.

6.2 STATEMENTS. Lender shall render to Borrower each month a statement setting forth the balance in Borrower's loan account(s) maintained by Lender for Borrower pursuant to the provisions of this Agreement, including principal, interest, fees, Costs and expenses. Each such statement shall be subject to

subsequent adjustment by Lender but shall, absent manifest errors or omissions, be considered correct and deemed accepted by Borrower and conclusively binding upon Borrower and Lender as an account stated except to the extent that Lender receives a written notice from Borrower of any specific exceptions of Borrower thereto or Lender sends a correcting notice within sixty (60) days after the date such statement has been mailed by the Lender. Until such time as Lender shall have rendered to Borrower a written statement as provided above, the balance in Borrower's loan account(s) shall be presumptive evidence of the amounts due and owing to Lender by Borrower.

6.3 PAYMENTS. All amounts due under any of the Loan Documents shall be payable to the Cash Collateral Account as provided in Section 6.1 hereof or such other place as Lender may designate from time to time. Lender may apply payments received or collected from Borrower or for the account of Borrower (including, without limitation, the monetary proceeds of collections or of realization upon any Collateral) to the Line of Credit, whether or not then due, in such order and manner as Lender determines. At Lender's option, all principal, interest, fees, costs, expenses and other charges provided for in this Agreement or the other Loan Documents may be charged directly to the loan account(s) of Borrower. Borrower shall make all payments due Lender free and clear of, and without deduction or withholding for or on account of, any setoff, counterclaim, defense, duties, taxes, levies, imposts, fees, deductions, withholding, restrictions or conditions of any kind. If after receipt of any payment of, or proceeds of Collateral applied to the payment of, any of Borrower's obligations to Lender under this Agreement, Lender is required to surrender or return such payment or proceeds to any person or entity for any reason, then the obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this Agreement shall continue in full force and effect as if such payment or proceeds had not been received by Lender. Borrower shall be liable to pay to Lender, and does hereby indemnify and hold Lender harmless for the amount of any payments or proceeds surrendered or returned. This Section 6.3 shall remain effective notwithstanding any contrary action which may be taken by Lender in reliance upon such payment or proceeds. This Section 6.3 shall survive the payment of Borrower's obligations under the Loan Documents and the termination of this Agreement.

6.4 USE OF PROCEEDS. Borrower shall use the initial proceeds of the Revolving Loans provided by Lender to Borrower hereunder only for: * (a) payments to each of the persons listed in the disbursement order furnished by Borrower to Lender on or about the date hereof; and (b) costs, expenses and fees in connection with the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents. All other Revolving Loans made to Borrower pursuant to the provisions hereof shall be used by Borrower only for general operating, working capital and other proper corporate purposes of Borrower not otherwise prohibited by the terms of this Agreement. None of the proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purposes of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for the any other purpose which might cause any of the Revolving Loans to be considered a "purpose credit" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended.

SECTION 7. REPRESENTATIONS AND WARRANTIES

Borrower makes the following representations and warranties to Lender, which representations and warranties shall survive the execution of this Agreement and shall continue in full force and effect until the full and final payment, and satisfaction and discharge, of all obligations of Borrower to Lender subject to this Agreement.

7.1 LEGAL STATUS. Borrower is a corporation duly organized and existing and in good standing under the laws of the State of Nevada, and is qualified or licensed to do business, and is in good standing as a foreign corporation, if applicable, in all jurisdictions in which such qualification or licensing is required or in which the failure to so qualify or to be so licensed could have a material adverse effect on Borrower.

7.2 AUTHORIZATION AND VALIDITY. The Loan Documents have been duly authorized, and upon their execution and delivery in accordance with the provisions hereof will constitute legal, valid and binding agreements and obligations of Borrower or the party which executes the same, enforceable in accordance with their respective terms.

7.3 NO VIOLATION. The execution, delivery and performance by Borrower of each of the Loan Documents do not violate any provision of any law or regulation, or contravene any provision of the Articles of Incorporation or By-Laws of Borrower, or result in a breach of or default under any contract, obligation, indenture or other instrument to which Borrower is a party or by which Borrower may be bound.

7.4 NO CLAIMS. There are no pending, or to the best of Borrower's knowledge threatened, actions, claims, investigations, suits or proceedings before any governmental authority, arbitrator, court or administrative agency which may adversely affect the financial condition or operation of Borrower other than those disclosed by Borrower to Lender in the Information Certificate.

7.5 CORRECTNESS OF FINANCIAL STATEMENT. The financial statement of Borrower dated February 28, 1998, heretofore delivered by Borrower to Lender is complete and correct and presents fairly the financial condition of Borrower on an interim basis as of such date; discloses all liabilities of Borrower that are required to be reflected or reserved against under GAAP, whether liquidated or unliquidated, fixed or contingent; and has been prepared in accordance with generally accepted accounting principles consistently applied. Since the date of such financial statement there has been no material adverse change in the financial condition of Borrower, nor has Borrower mortgaged, pledged or granted a security interest in or encumbered any of its assets or properties except as disclosed by Borrower to Lender in writing in the Information Certificate or as permitted by this Agreement.

7.6 INCOME TAX RETURNS. Except as set forth in the Information Certificate, Borrower has no knowledge of any pending assessments or adjustments of its income tax payable with respect to any year.

7.7 NO SUBORDINATION. There is no agreement, indenture, contract or instrument to which Borrower is a party or by which Borrower may be bound that requires the subordination in right of payment of any of Borrower's obligations subject to this Agreement to any other obligation of Borrower.

7.8 PERMITS, FRANCHISES. Borrower possesses, and will hereafter possess, all permits, memberships, franchises, contracts and licenses required and rights to all trademarks, trade names, if any, patents, and fictitious names necessary to enable it to conduct the business in which it is now engaged in compliance with applicable law.

7.9 ERISA. Borrower is in compliance in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974, as amended or recodified from time to time ("ERISA"); Borrower has not violated any provision of any defined employee pension benefit plan (as defined in ERISA) maintained or contributed to by Borrower (each, a "Plan"); no Reportable Event as defined in ERISA has occurred and is continuing with respect to any Plan initiated by Borrower; Borrower has met its minimum funding requirements under ERISA with respect to each Plan; and each Plan will be able to fulfill its benefit obligations as they come due in accordance with the Plan documents and under generally accepted accounting principles.

7.10 OTHER OBLIGATIONS. Borrower is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation.

7.11 ENVIRONMENTAL MATTERS. Except as disclosed by Borrower to Lender in writing prior to the date hereof, Borrower is in compliance in all material respects with all applicable Federal or state environmental, hazardous waste, health and safety statutes and any rules or regulations adopted pursuant thereto, which govern or affect any of Borrower's operations and/or properties, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Federal Resource Conservation and Recovery Act of 1976, the Federal Toxic Substances Control Act and the California Health and Safety Code, as any of the same may be amended, modified or supplemented from time to time. None of the operations of Borrower is the subject of any Federal or state investigation evaluating whether any remedial action involving a material expenditure is needed to respond to a release of any toxic or hazardous waste or substance into the environment. Borrower has no material contingent liability in connection with any release of any toxic or hazardous waste or substance into the environment.

SECTION 8. AFFIRMATIVE COVENANTS

Borrower covenants that so long as Lender remains committed to extend credit to Borrower pursuant to the terms of this Agreement or any liabilities (whether direct or contingent, liquidated or unliquidated) of Borrower to Lender under any of the Loan Documents remain outstanding, and until payment in full of all obligations of Borrower subject hereto, Borrower shall:

8.1 PUNCTUAL PAYMENTS. Punctually pay all principal, interest, fees or other liabilities due under any of the Loan Documents at the times and place and in the manner specified therein, and immediately upon demand by Bank, the amount by which the outstanding principal balance of Revolving Loans at any time exceeds any limitation applicable thereto.

8.2 RECORDS AND PREMISES. Maintain proper books and records in which true and complete entries shall be made of all dealings or transactions of or in relation to Collateral and the business of Borrower in accordance with GAAP. From time to time as requested by Lender, at the cost and expense of Borrower (except as otherwise expressly provided by this Agreement), allow Lender or its designee complete access to all of Borrower's premises during normal business hours and after notice to Borrower, or at any time and without notice to Borrower if an Event of Default exists or has occurred and is continuing, for the purposes of inspecting, verifying and auditing the Collateral and all of Borrower's books and records, including, without limitation, the Records, and promptly furnish to Lender such copies of such books and records or extracts therefrom as Lender may request, and allow Lender during normal business hours to use such of Borrower's personnel, equipment, supplies and premises as may be reasonably necessary for the foregoing, and if an Event of Default exists or has occurred and is continuing, for the collection of Accounts and realization of other Collateral.

8.3 COLLATERAL REPORTING. Borrower shall provide Lender with the following documents in a form satisfactory to Lender:

(a) on a weekly basis, or, at any time borrowing availability hereunder is less than $750,000 or if an Event of Default has occurred and is continuing, on a daily basis, a schedule of Accounts, including without limitation, daily sales, credit and adjustment journals and cash receipts;

(b) on or before the first business day of each week for each immediately preceding week and of each month for each immediately preceding month (or more frequently as Lender may request), a borrowing base certificate, and, on or before the first business day of each week for each immediately preceding week until a perpetual inventory system satisfactory to Lender is in place, results of a weekly physical inventory count of finished goods;

(c) on or before the 15th day after and as of the end of each month, (or more frequently as Lender may request but not more frequently than weekly), (i) perpetual inventory reports, when a perpetual inventory system satisfactory to Lender is in place (ii) inventory reports by category and (iii) agings of accounts payable and accounts receivable;

(d) upon Lender's request, (i) copies of customer statements and credit memos, remittance advices and reports, and copies of deposit slips and bank statements, (ii) copies of shipping and delivery documents, and (iii) copies of purchase orders, invoices and delivery documents for Inventory and Equipment acquired by Borrower; provided, however, that with respect to shipments involving aggregate amounts greater than $75,000 to any one dealer, copies of invoices and shipping documents shall be accumulated and sent weekly to Lender on or before the first business day of each week;

(e) upon Lender's request, Borrower shall, at Lender's expense, no more than once in any twelve (12) month period, but at Borrower's expense and at any time or times as Lender may request on or after an Event of Default, deliver or cause to be delivered to Lender written reports or appraisals as to the Collateral in form, scope and methodology acceptable to Lender and by an appraiser acceptable to Lender, addressed to Lender or upon which Lender is expressly permitted to rely;

(f) such other reports as to the Collateral as Lender shall reasonably request from time to time.

Notwithstanding the foregoing, Lender may request more frequent reporting in each circumstance described above at any time after the occurrence and during the continuation of any Event of Default.

If any of Borrower's records of the Collateral are prepared or maintained by an accounting service, contractor, shipper or other agent, Borrower hereby irrevocably authorizes such service, contractor, shipper or agent to deliver such records, reports, and related documents to Lender and to follow Lender's instructions with respect to further services at any time that an Event of Default exists or has occurred and is continuing.

8.4 FINANCIAL STATEMENTS. Provide to Lender all of the following, in form and detail satisfactory to Lender:

(a) not later than 90 days after and as of the end of each fiscal year, a draft of the audited financial statement of Borrower, and not later than 120 days after and as of the end of each fiscal year, a final audited financial statement of Borrower, prepared by independent certified public accountants acceptable to Lender, to include balance sheet, income statement, statement of cash flows, and footnotes, if any;

(b) not later than 30 days after and as of the end of each month, a financial statement of Borrower, prepared by Borrower, to include balance sheet, income statement and statement of cash flows, and, if Borrower becomes subject to S.E.C. filing requirements, not later than 30 days after filing with the S.E.C., copies of all 10Q and 10K reports filed;

(c) contemporaneously with each annual and monthly financial statement of Borrower required hereby, a certificate of the president or chief financial officer of Borrower that the financial statements delivered pursuant thereto are accurate and that there exists no Event of Default nor any condition, act or event which with the giving of notice or the passage of time or both would constitute an Event of Default; and

(e) as soon as practicable and in any event by the last day of each fiscal year of Borrower, (1) a plan and financial forecast for Borrower's next succeeding fiscal year including, without limitation, a forecasted balance sheet, statement of income and statement of cash flows for each month of such fiscal year, and (2) forecasted balance sheets, statements of income and statements of cash flows for the second succeeding fiscal year; and as soon as practicable, all material amendments, updates and revisions, if any, to the information provided pursuant to this paragraph; and

(f) from time to time such other information as Lender may reasonably request, which may include, without limitation, budgets, forecasts, projections and other information respecting the Collateral and the business of Borrower.

8.5 COMPLIANCE. Preserve and maintain all licenses, permits, governmental approvals, rights, privileges and franchises necessary for the conduct of its business; conduct its business in an orderly and regular manner; and comply with the provisions of all documents pursuant to which Borrower is organized and/or which govern Borrower's continued existence and with the requirements of all laws, rules, regulations and orders of any governmental authority applicable to Borrower or its business.

8.6 INSURANCE. Maintain and keep in force insurance of the types and in amounts customarily carried in lines of business similar to Borrower's, including but not limited to fire, extended coverage, public liability, property damage and workers' compensation, carried with companies and in amounts satisfactory to Lender, and deliver to Lender from time to time at Lender's request schedules setting forth all insurance then in effect. So long as no Event of Default has occurred and is then continuing, Lender shall allow Borrower to apply insurance proceeds received to repair, rebuilding or restoration of Collateral, provided that: (a) an independent expert acceptable to Lender and engaged by Borrower certifies to Lender that such repair, rebuilding or restoration can be substantially completed within 180 days of the casualty event and in no event later than one month before the maturity date of

the Line of Credit Note and that the insurance proceeds, together with other funds deposited by Borrower for such purpose, will be sufficient to effect such repair, rebuilding or restoration; (b) Borrower, at its expense, shall promptly prepare and submit to Lender all plans and specifications necessary for the restoration and repair of the damaged Collateral, together with evidence acceptable to Lander setting forth the total expenditure needed for the restoration and repair; (c) the plans and specifications and all other aspects of the proposed restoration and repair shall be subject to Lender's approval in the exercise of its reasonable discretion; (d) Borrower shall first expend, or deposit into an escrow account, any difference between the total cost of repair, rebuilding and restoration and the amount of insurance proceeds; (e) Borrower shall commence restoration and repair of the damaged. Collateral only after Lender shall have notified Borrower in writing that the required safeguards, proceeds and assignments described herein are in place and that the plans and specifications and all other respects of the proposed restoration have been approved by Lender, and Borrower shall thereafter proceed diligently with the restoration and repair until completed; (f) all insurance proceeds shall be deposited into an escrow account with an escrow agent acceptable to Lender in its sole discretion, and disbursements shall be made from the escrow account for the restoration and repair in accordance with a disbursement schedule approved by Lender; and (g) all funds held in such escrow account shall be fully available for disbursement to Lender on and after the occurrence of any Event of Default. The Collateral as rebuilt or restored shall be of at least equal value and substantially identical character as prior to the damage or destruction. The application or release by Lender of any insurance proceeds shall not cure or waive any default or notice of default under the Loan Documents or invalidate any act done pursuant to the notice. If an Event of Default has occurred, Lender may apply any insurance proceeds received by Lender at any time to payment of the Borrower's Obligations to Lender under this Agreement, whether or not then due, in any order and in such manner as Lender may determine, or Lender may hold such proceeds as cash collateral for such Obligations.

8.7 FACILITIES. Keep all Borrower's properties useful or necessary to Borrower's business in good repair and condition, and from time to time make necessary repairs, renewals and replacements thereto so that Borrower's properties shall be fully and efficiently preserved and maintained.

8.8 TAXES AND OTHER LIABILITIES. Pay and discharge when due any and all indebtedness, obligations, assessments and taxes, both real or personal, including without limitation, Federal and state income taxes and state and local property taxes and assessments, except such (a) as Borrower may in good faith contest or as to which a bona fide dispute may arise, and (b) for which Borrower has made provision, to Lender's satisfaction, for eventual payment thereof in the event Borrower is obligated to make such payment.

8.9 LITIGATION. Promptly give notice in writing to Lender of any litigation pending or threatened in writing against Borrower with a claim in excess of $75,000.

8.10 FINANCIAL CONDITION. Maintain Borrower's financial condition, measured on a quarterly basis, as follows:

(a) Working Capital not at any time less than $2,000,000.

(b) Tangible Net Worth not at any time less than $3,600,000 for the fiscal quarters ending June 30, 1998 and September 30, 1998, and $4,000,000 thereafter.

(c) Capital expenditures, inclusive of capitalized lease expenditures, not greater than $500,000 in any fiscal year.

8.11 NOTICE TO LENDER. Promptly (but in no event more than five (5) days after the occurrence of each such event or matter) give written notice to Lender in reasonable detail of: (a) the occurrence of any Event of Default, or any condition, event or act which with the giving of notice or the passage of time or both would constitute such an Event of Default; (b) the occurrence and nature of any Reportable Event or Prohibited Transaction, each as defined in ERISA, or any funding deficiency with respect to any Plan; and (c) any termination or cancellation of any insurance policy which Borrower is required to maintain, or any loss through liability or property damage, or through fire, theft or any other cause affecting Borrower's property. Provide not less than thirty (30) days prior written notice to Lender of any change in the name or the organizational structure of Borrower.

8.12 FURTHER ASSURANCES. At the request of Lender at any time and from time to time, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary or proper to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Loan Documents, at Borrower's expense. Lender may at any time and from time to time request a certificate from an officer of Borrower representing that all conditions precedent to the making of Revolving Loans contained herein are satisfied. In the event of such request by Lender, Lender may, at its option, cease to make any further Revolving Loans until Lender has received such certificate and, in addition, Lender has determined that such conditions are satisfied. Where permitted by law, Borrower hereby authorizes Lender to execute and file one or more UCC financing statements signed only by Lender.

8.13 YEAR 2000. Perform all acts reasonably necessary to (a) ensure that Borrower and any business in which Borrower holds a substantial interest becomes Year 2000 Compliant in a timely manner, (b) encourage all of its customers, suppliers and vendors that are material to Borrower's business to become Year 2000 Compliant, (c) ascertain from such customers, suppliers and vendors their preparedness to become Year 2000 Compliant in a timely manner and (c) ensure that Borrower's business shall not be materially and adversely affected by any lack of preparedness by such customers, suppliers and vendors. Such acts shall include, without limitation, performing a comprehensive review and assessment of all of Borrower's systems and adopting a detailed plan, with itemized budget, for the remediation, monitoring and testing of such systems. As used herein, "Year 2000 Compliant" shall mean, in regard to any entity, that all software, hardware, firmware, equipment, goods or systems utilized by or material to the

business operations or financial condition of such entity, will properly perform date sensitive functions before, during and after the year 2000. Borrower shall, immediately upon request, provide to Lender such certifications or other evidence of Borrower's compliance with the terms hereof as Lender may from time to time require.

8.14 PERPETUAL INVENTORY SYSTEM. Implement, by no later than July 1, 1998, a fully functional perpetual inventory system satisfactory to Lender.

SECTION 9. NEGATIVE COVENANTS

Borrower further covenants that so long as Lender remains committed to Borrower pursuant to the terms of this Agreement or any liabilities (whether direct or contingent, liquidated or unliquidated) of Borrower to Lender under any of the Loan Documents remain outstanding, and until payment in full of all obligations of Borrower subject hereto, Borrower will not without the Lender's prior written consent:

9.1 OTHER INDEBTEDNESS. Create, incur, assume or permit to exist any indebtedness or liabilities resulting from borrowings, loans or advances, whether secured or unsecured, matured or unmatured, liquidated or unliquidated, joint or several, except the liabilities of Borrower to Lender and any other liabilities of Borrower existing as of, and disclosed to Lender prior to, the date hereof in the Information Certificate, and except for preferred stock offerings and subordinated debt subject to subordination agreements in favor of, and in form and content acceptable to, Lender.

9.2 MERGER, CONSOLIDATION, TRANSFER OF ASSETS. Merge into or consolidate with any corporation or other entity in any transaction in which Borrower shall not be the surviving entity or that involves amounts greater than $500,000.00; make any substantial change in the conduct or nature of Borrower's business; acquire all or substantially all of the assets of any corporation or other entity in any transaction involving amounts greater than $500,000.00; nor sell, lease, transfer or otherwise dispose of all or a substantial or material part of its assets except in the ordinary course of business. Lender's consent to any exceptions to this Section 9.2 shall not be unreasonably withheld.

9.3 GUARANTIES. Guarantee or become liable in any way as surety, endorser (other than as endorser of negotiable instruments for deposit or collection in the ordinary course of business), accommodation endorser or otherwise for, nor pledge or hypothecate any assets of Borrower as security for, any liabilities or obligations of any other person or entity, except as disclosed in the Information Certificate plus, from and after the date hereof, in an additional aggregate amount not to exceed $100,000.00.

9.4 LOANS, ADVANCES. INVESTMENTS. Make any loans or advances to or investments in any person or entity, except advances to employees in the ordinary course of business not to exceed $100,000.00 outstanding at any time.

9.5 DIVIDENDS. DISTRIBUTIONS. Declare or pay any dividend or distribution, either in cash or any property other than stock, on Borrower's stock now or hereafter outstanding; nor redeem, retire, repurchase or otherwise acquire any shares of any class of Borrower's stock now or hereafter outstanding. Lender's consent to any exceptions to this Section 9.5 shall not be unreasonably withheld.

9.6 PLEDGE OF ASSETS. Mortgage, pledge, grant or permit to exist a security interest in, or lien upon, any of its assets of any kind, now owned or hereafter acquired, except any of the foregoing in favor of Lender and except as set forth in the Information Certificate. Lender's consent to any further exceptions under this Section 9.6 shall not be unreasonably withheld.

9.7 NEW COLLATERAL LOCATION. Open any new location unless Borrower (a) gives Lender thirty (30) days prior written notice of the intended opening of any such new location, and (b) executes and delivers, or causes to be executed and delivered, to Lender such agreements, documents, and instruments as Lender may deem reasonably necessary or desirable to protect its interests in the Collateral at such location, including without limitation, UCC-1 financing statements.

SECTION 10. EVENTS OF DEFAULT

10.1 EVENTS OF DEFAULT. The occurrence of any of the following shall constitute an "Event of Default" under this Agreement:

(a) Borrower shall fail to pay when due any principal, interest, fees or other amounts payable under any of the Loan Documents.

(b) Any financial statement or certificate (including the Information Certificate) furnished to Lender in connection with, or any representation or warranty made by Borrower or any other party under this Agreement or any other Loan Document shall prove to be incorrect, false or misleading in any material respect when furnished or made.

(c) Any default in the performance of or compliance with any obligation, agreement or other provision contained in this Agreement (other than those described in paragraphs 10.1(a) and 10.1(b)), and if such default is by its nature curable, such default is not cured within twenty (20) days after the occurrence thereof.

(d) Any default in the payment or performance of any obligation, or any defined event of default, under the terms of any contract or instrument (other than any of the Loan Documents) pursuant to which Borrower or any Obligor

has incurred any debt or other liability to any person or entity, including Lender, and, if the debt or other liability is owed to a party other than Lender, the amount thereof exceeds $75,000.00.

(e) Any default in the payment or performance of any obligation, or any defined event of default, under any of the Loan Documents other than this Agreement.

(f) The filing of a notice of judgment lien against Borrower or any Obligor; or the recording of any abstract of judgment against Borrower or any Obligor in any county in which Borrower or such Obligor has an interest in real property; or the service of a notice of levy and/or of a writ of attachment or execution, or other like process, against the assets of Borrower or any Obligor; or the entry of a judgment against Borrower or any Obligor; and with respect to any of the foregoing, the amount in dispute is in excess of $75,000.00.

(g) Borrower or any Obligor shall become insolvent, or shall suffer or consent to or apply for the appointment of a receiver, trustee, custodian or liquidator of itself or any of its property, or shall generally fail to pay its debts as they become due, or shall make a general assignment for the benefit of creditors; Borrower or any Obligor shall file a voluntary petition in bankruptcy, or seeking reorganization, in order to effect a plan or other arrangement with creditors or any other relief under the Bankruptcy Reform Act, Title 11 of the United States Code, as amended or recodified from time to time ("Bankruptcy Code"), or under any state or federal law granting relief to debtors, whether now or hereafter in effect; or any involuntary petition or proceeding pursuant to the Bankruptcy Code or any other applicable state or federal law relating to bankruptcy, reorganization or other relief for debtors is filed or commenced against Borrower or any Obligor, or Borrower or any Obligor shall file an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition; or Borrower or any Obligor shall be adjudicated a bankrupt, or an order for relief shall be entered by any court of competent jurisdiction under the Bankruptcy Code or any other applicable state or federal law relating to bankruptcy, reorganization or other relief for debtors.

(h) The dissolution or liquidation of Borrower.

(i) Frank Keery shall cease to be a voting member and the chairman of the board of directors of Borrower.

(j) Any Obligor revokes or terminates its guarantee, endorsement or other agreement in favor of Lender. Any creditor of Borrower which has executed a subordination in favor of Lender revokes or terminates such subordination.

(k) The indictment of Borrower or any Obligor under any criminal statute, or commencement of criminal or civil proceedings against Borrower or any Obligor, pursuant to which statute or proceedings the penalties or remedies sought or available include forfeiture of any of the property of Borrower or such Obligor.

(1) Any member of Borrower's Senior Management shall cease, for any reason, to be employed by Borrower on a full-time basis. Senior Management means Frank Keery.

10.2 REMEDIES. If an Event of Default shall occur, (a) any indebtedness of Borrower under any of the Loan Documents, any term thereof to the contrary notwithstanding, shall at Lender's option and without notice become immediately due and payable without presentment, demand, protest or notice of dishonor, all of which are hereby expressly waived by Borrower; (b) the obligation, if any, of Lender to permit further borrowings hereunder shall immediately cease and terminate; and (c) Lender shall have all rights, powers and remedies available under each of the Loan Documents, or accorded by law, including without limitation the right to resort to any or all security for any credit accommodation from Lender subject hereto and to exercise any or all of the rights of a beneficiary or secured party pursuant to applicable law. All rights, powers and remedies of Lender in connection with each of the Loan Documents may be exercised at any time by Lender and from time to time after the occurrence of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

SECTION 11. TERM OF AGREEMENT AND MISCELLANEOUS

11.1 TERM.

(a) MATURITY DATE. This Agreement and the other Loan Documents shall become effective as of the date set forth on the first page hereof and shall continue in full force and effect for a term ending on the date two (2) years from the date hereof. Upon the date of termination of the Loan Documents, Borrower shall pay to Lender, in full, all outstanding and unpaid obligations under this Agreement and the other Loan Documents and shall furnish cash collateral to Lender in such amounts as Lender determines are reasonably necessary to secure Lender from loss, cost, damage or expense, including attorneys' fees and legal expenses, in connection with any contingent obligations, including issued and outstanding checks or other payments provisionally credited to the obligations and/or as to which Lender has not yet received final and indefeasible payment. Interest shall be due until and including the next business day, if the amounts so paid by Borrower to the bank account designated by Lender are received in such bank account later than 12:00 noon, California time.

(b) CONTINUING OBLIGATIONS. No termination of this Agreement or the other Loan Documents shall relieve or discharge Borrower of its respective duties, obligations and covenants under this Agreement or the other Loan Documents until all Borrower's obligations under this Agreement and the other Loan Documents have been fully and finally discharged and paid, and Lender's continuing security interest in the Collateral and the rights and remedies of Lender hereunder, under the other Loan Documents and applicable law, shall remain in effect until all such obligations have been fully and finally discharged and paid.

(c) EARLY TERMINATION FEE. If for any reason (other than as set forth in paragraph 2.1(c) and in paragraph 11.1(d)) this Agreement is terminated by Borrower action prior to the end of the then current term of this Agreement, in view of the impracticality and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of Lender's lost profits as a result thereof, Borrower agrees to pay to Lender, upon the effective date of such termination, an early termination fee in the amount set forth below if such termination is effective in the period indicated:

	AMOUNT	PERIOD
(i)	2% of the Working Amount	Date hereof to and including first anniversary date.
(ii)	1% of the Working Amount	First anniversary date hereof to but not including second anniversary date.

Such early termination fee shall be presumed to be the amount of damages sustained by Lender as a result of such early termination and Borrower agrees that it is reasonable under the circumstances currently existing.

(d) NO EARLY TERMINATION FEE. No early termination fee shall be payable if a group or division of Wells Fargo Bank (other than the workout group), or an affiliate of Wells Fargo Bank extends credit to Borrower, which credit refinances and/or replaces in full the credit facilities granted under this Agreement.

11.2 NO WAIVER. No delay, failure or discontinuance of Lender in exercising any right, power or remedy under any of the Loan Documents shall affect or operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver, permit, consent or approval of any kind by Lender of any breach of or default under any of the Loan Documents must be in writing and shall be effective only to the extent set forth in such writing.

11.3 NOTICES. All notices, requests and demands which any party is required or may desire to give to any other party under any provision of this Agreement must be in writing delivered to each party at the following address:

BORROWER: Titan Motorcycle Co.
2222 West Peoria Avenue,
Phoenix, AZ 85029

Attention (to either or both of)
Frank Keery and/or
Robert Lobban

LENDER: WellsCredit
Wells Fargo Bank
100 W. Washington, Suite 100
Phoenix, AZ 85003

Attention: Tom Stoltz, Portfolio Manager

or to such other address as any party may designate by written notice to all other parties. Each such notice, request and demand shall be deemed given or made as follows: (a) if sent by hand delivery or overnight delivery service, upon delivery; (b) if sent by mail, upon the earlier of the date of receipt or three (3) days after deposit in the U.S. mail, first class and postage prepaid; (c) if sent by telecopy, upon actual receipt by either Frank Keery or Robert Lobban (or any successor of such officers)

11.4 COSTS, EXPENSES AND ATTORNEYS' FEES. Borrower shall pay to Lender immediately upon demand the full amount of all payments, advances, changes, costs and expenses, including reasonable attorneys' fees (to include outside counsel fees and all allocated costs of Lender's in-house counsel>, incurred by Lender in connection with Ca) the negotiation and preparation of this Agreement and each of the other Loan Documents, in an amount not to exceed $15,000.00, Lender's continued administration hereof and thereof, and the preparation of any amendments and waivers hereto and thereto, (b) all out-of-pocket expenses and costs heretofore and from time to time hereafter incurred by Lender during the course of periodic field examinations of the Collateral and Borrower's operations, plus a per diem charge for Lender's examiners in the field and office at Lender's Commercial Finance Division's rate in effect from time to time, (c) the enforcement of Lender's rights and/or the collection of any amounts which become due to Lender under any of the Loan Documents, and Cd) the prosecution or defense of any action in any way related to any of the Loan Documents, including without limitation any action for declaratory relief, and including any of the foregoing incurred in connection with any bankruptcy proceeding relating to Borrower.

11.5 SUCCESSORS, ASSIGNMENT. This Agreement shall be binding on and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties; provided however, that Borrower may not assign or transfer its interest hereunder without the prior written consent of Lender. Lender reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, Lender's rights and

benefits under each of the Loan Documents to other lending or financial institutions for purposes of regulatory compliance and portfolio management. In connection therewith, Lender may disclose all documents and information which Lender now has or may hereafter acquire relating to any credit extended by Lender to Borrower, Borrower or its business, any Obligor or the business of any Obligor, or any Collateral required hereunder, to any assignee or participant who shall agree to maintain the confidentiality of such documents and information.

11.6 ENTIRE AGREEMENT, AMENDMENT. This Agreement and each other of the Loan Documents constitute the entire agreement between Borrower and Lender with respect to any extension of credit by Lender subject hereto and supersede all prior negotiations, communications, discussions and correspondence concerning the subject matter hereof. This Agreement may be amended or modified only by a written instrument executed by each party hereto.

11.7 NO THIRD PARTY BENEFICIARIES. This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their respective permitted successors and assigns, and no other person or entity shall be a third party beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any other of the Loan Documents to which it is not a party.

11.8 TIME. Time is of the essence of each and every provision of this Agreement and each other of the Loan Documents.

11.9 SEVERABILITY OF PROVISIONS. If any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or any remaining provisions of this Agreement.

11.10 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of California, except to the extent that Lender has greater rights or remedies under Federal law, whether as a national bank or otherwise, in which case such choice of California law shall not be deemed to deprive Lender of such rights and remedies as may be available under Federal law.

11.11 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS.

11.12 ARBITRATION.

(a) ARBITRATION. Upon the demand of any party, any Dispute shall be resolved by binding arbitration (except as set forth in (e) below) in accordance with the terms of this Agreement. A "Dispute" shall mean any action, dispute,

claim or controversy of any kind, whether in contract or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to, any of the Loan Documents, or any past, present or future extensions of credit and other activities, transactions or obligations of any kind related directly or indirectly to any of the Loan Documents, including without limitation, any of the foregoing arising in connection with the exercise of any self-- help, ancillary or other remedies pursuant to any of the Loan Documents. Any party may by summary proceedings bring an action in court to compel arbitration of a Dispute. Any party who fails or refuses to submit to arbitration following a lawful demand by any other party shall bear all costs and expenses incurred by such other party in compelling arbitration of any Dispute.

(b) GOVERNING RULES. Arbitration proceedings shall be administered by the American Arbitration Association ("AAA') or such other administrator as the parties shall mutually agree upon in accordance with the AAA Commercial Arbitration Rules. All Disputes submitted to arbitration shall be resolved in accordance with the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any conflicting choice of law provision in any of the Loan Documents. The arbitration shall be conducted at a location in California selected by the AAA or other administrator. If there is any inconsistency between the terms hereof and any such rules, the terms and procedures set forth herein shall control. All statutes of limitation applicable to any Dispute shall apply to any arbitration proceeding. All discovery activities shall be expressly limited to matters directly relevant to the Dispute being arbitrated. Judgment upon any award rendered in an arbitration may be entered in any court having jurisdiction; provided however, that nothing contained herein shall be deemed to be a waiver by any party that is a bank of the protections afforded to it under 12 U.S.C. ss.91 or any similar applicable state law.

(c) NO WAIVER; PROVISIONAL REMEDIES, SELF-HELP AND FORECLOSURE. No provision hereof shall limit the right of any party to exercise self--help remedies such as setoff, foreclosure against or sale of any real or personal property collateral or security, or to obtain provisional or ancillary remedies, including without limitation injunctive relief, sequestration, attachment, garnishment or the appointment of a receiver, from a court of competent jurisdiction before, after or during the pendency of any arbitration or other proceeding. The exercise of any such remedy shall not waive the right of any party to Compel arbitration or reference hereunder.

(d) ARBITRATOR QUALIFICATIONS AND POWERS; AWARDS. Arbitrators must be active members of the California State Bar or retired judges of the state or federal judiciary of California, with expertise in the substantive laws applicable to the subject matter of the Dispute. Arbitrators are empowered to resolve Disputes by summary rulings in response to motions filed prior to the final arbitration hearing. Arbitrators (i) shall resolve all Disputes in accordance with the substantive law of the state of California, (ii) may grant any remedy or relief that a court of the state of California could order or grant within the scope hereof and such ancillary relief as is necessary to make effective any award, and (iii) shall have the power to award recovery of all costs and fees, to impose sanctions and to take such other actions as they deem necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure, the California Rules of Civil Procedure or other applicable

law. Any Dispute in which the amount in controversy is $5,000,000 or less shall be decided by a single arbitrator who shall not render an award of greater than $5,000,000 (including damages, costs, fees and expenses). By submission to a single arbitrator, each party expressly waives any right or claim to recover more than $5,000,000. Any Dispute in which the amount in controversy exceeds $5,000,000 shall be decided by majority vote of a panel of three arbitrators; provided however, that all three arbitrators must actively participate in all hearings and deliberations.

(e) JUDICIAL REVIEW. Notwithstanding anything herein to the contrary, in any arbitration in which the amount in controversy exceeds $25,000,000, the arbitrators shall be required to make specific, written findings of fact and conclusions of law. In such arbitrations (A) the arbitrators shall not have the power to make any award which is not supported by substantial evidence or which is based on legal error, (B) an award shall not be binding upon the parties unless the findings of fact are supported by substantial evidence and the conclusions of law are not erroneous under the substantive law of the state of California, and (C) the parties shall have in addition to the grounds referred to in the Federal Arbitration Act for vacating, modifying or correcting an award the right to judicial review of (1) whether the findings of fact rendered by the arbitrators are supported by substantial evidence, and (2) whether the conclusions of law are erroneous under the substantive law of the state of California. Judgment confirming an award in such a proceeding may be entered only if a court determines the award is supported by substantial evidence and not based on legal error under the substantive law of the state of California.

(f) REAL PROPERTY COLLATERAL; JUDICIAL REFERENCE. Notwithstanding anything herein to the contrary, no Dispute shall be submitted to arbitration if the Dispute concerns indebtedness secured directly or indirectly, in whole or in part, by any real property unless (1) the holder of the mortgage, lien or security interest specifically elects in writing to proceed with the arbitration, or (ii) all parties to the arbitration waive any rights or benefits that might accrue to them by virtue of the single action rule statute of California, thereby agreeing that all indebtedness and obligations of the parties, and all mortgages, liens and security interests securing such indebtedness and obligations, shall remain fully valid and enforceable. If any such Dispute is not submitted to arbitration, the Dispute shall be referred to a referee in accordance with California Code of Civil Procedure Section 638 et seq., and this general reference agreement is intended to be specifically enforceable in accordance, with said Section 638. A referee with the qualifications required herein for arbitrators shall be selected pursuant to the AAA's selection procedures. Judgment upon the decision rendered by a referee shall be entered in the court in which such proceeding was commenced in accordance with California Code of Civil Procedure Sections 644 and 645.

(g) MISCELLANEOUS. To the maximum extent practicable, the AAA, the arbitrators and the parties shall take all action required to conclude any arbitration proceeding within 180 days of the filing of the Dispute with the AAA. No arbitrator or other party to an arbitration proceeding may disclose the existence, content or results thereof, except for disclosures of information by

a party required in the ordinary course of its business, by applicable law or regulation, or to the extent necessary to exercise any judicial review rights set forth herein. If more than one agreement for arbitration by or between the parties potentially applies to a Dispute, the arbitration provision most directly related to the Loan Documents or the subject matter of the Dispute shall control. This arbitration provision shall survive termination, amendment or expiration of any of the Loan Documents or any relationship between the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

TITAN MOTORCYCLE CO.	WELLS FARGO BANK, NATIONAL ASSOCIATION
By: /s/ Francis S. Keery	By: /s/ [illegible]
Title: Chief Executive Officer	Title: Vice President
By:	
Title:	

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (this "Amendment") is entered into as of July 17, 1998, by and between TITAN MOTORCYCLE CO. OF AMERICA, a Nevada Corporation ("Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

RECITALS

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Loan Agreement between Borrower and Lender dated as of April 10, 1998 ("Loan Agreement")

WHEREAS, Lender and Borrower have agreed to certain changes in the terms and conditions set forth in the Loan Agreement and have agreed to amend the Loan Agreement to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Loan Agreement shall be amended as follows:

1. Paragraph 8.3 is hereby deleted in its entirety with the following substituted therefor:

" 8.3 COLLATERAL REPORTING. Borrower shall provide Lender with the following documents in a form satisfactory to Lender:

(a) on a weekly basis, or, at any time borrowing availability hereunder is less than $500,000 or if an Event of Default has occurred and is continuing, on a daily basis, a schedule of Accounts, including without limitation, daily sales, credit and adjustment journals and cash receipts;

(b) on or before the third business day of each week for each immediately preceding week and of each month for each immediately preceding month (or more frequently as Lender may request), a borrowing base certificate, and, on or before the third business day of each week for each immediately preceding week until a perpetual inventory system satisfactory to Lender is in place, results of a weekly physical inventory count of finished goods; provided, however, that so long as any weekly report provided by Borrower to Lender hereunder covers periods coinciding with Borrower's month end and contains corresponding monthly information, no separate monthly report need be delivered by Borrower pursuant to this subparagraph (b);

(c) on or before the 15th day after and as of the end of each month, (or more frequently as Lender may request but not more frequently than weekly), (i) perpetual inventory reports, when a perpetual inventory system satisfactory to Lender is in place (ii) inventory reports by category and (iii) agings of accounts payable and accounts receivable; provided, however, that so long as any weekly report provided by Borrower to Lender hereunder covers periods coinciding with Borrower's month end and contains corresponding monthly information, no separate monthly report need be delivered by Borrower pursuant to this subparagraph (c);

(d) upon Lender's request, (i) copies of customer statements and credit memos, remittance advices and reports, and copies of deposit slips and bank statements, (ii) copies of shipping and delivery documents, and (iii) copies of purchase orders, invoices and delivery documents for Inventory and Equipment acquired by Borrower; provided, however, that with respect to shipments involving aggregate amounts greater than $75,000 to any one dealer, copies of invoices and shipping documents shall be accumulated and sent weekly to Lender on or before the third business day of the immediately succeeding week;

(e) upon Lender's request, Borrower shall, at Lender's expense, no more than once in any twelve (12) month period, but at Borrower's expense and at any time or times as Lender may request on or after an Event of Default, deliver or cause to be delivered to Lender written reports or appraisals as to the Collateral in form, scope and methodology acceptable to Lender and by an appraiser acceptable to Lender, addressed to Lender or upon which Lender is expressly permitted to rely;

(f) such other reports as to the Collateral as Lender shall reasonably request from time to time."

2. Paragraph 8.14 is hereby deleted in its entirety with the following substituted therefor:

" 8.14 PERPETUAL INVENTORY SYSTEM. Implement, by no later than July 31, 1998, a fully functional perpetual inventory system satisfactory to Lender."

3. Except as specifically provided herein, all terms and conditions of the Loan Agreement remain in full force and effect, without waiver or modification.

All terms defined in the Loan Agreement shall have the same meaning when used in this Amendment. This Amendment and the Loan Agreement shall be read together, as one document.

4. Borrower hereby remakes all representations and warranties contained in the Loan Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment and except as set forth in this Amendment, there exists no Event of Default as defined in the Loan Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

TITAN MOTORCYCLE CO. OF AMERICA	WELLS FARGO BANK, NATIONAL ASSOCIATION
By: /s/ Robert P. Lobban	By: /s/ Gerald W. Widasky
Title: Chief Financial Officer	Title: Vice President

SECOND AMENDMENT TO LOAN AGREEMENT

THIS SECOND AMENDMENT TO LOAN AGREEMENT (this "Amendment") is entered into as of August 21, 1998, by and between TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation ("Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

RECITALS

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Loan Agreement between Borrower and Lender dated as of April 10, 1998 ("Loan Agreement").

WHEREAS, Lender and Borrower have agreed to certain changes in the terms and conditions set forth in the Loan Agreement and have agreed to amend the Loan Agreement to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Loan Agreement shall be amended as follows:

1. Paragraph 1.16 is hereby deleted in its entirety with the following substituted therefor:

" 1.16 "Maximum Amount" shall mean the amount of $6,600,000.00."

2. Paragraph 2.1(c) is hereby amended by adding the following sentence to the end thereof:

> "Notwithstanding the foregoing, but still subject to the Maximum Amount, Borrower shall be permitted to have a temporary overadvance facility under the Line of Credit such that outstanding borrowings may exceed the borrowing base provided for by this Agreement by an amount not to exceed Eight Hundred Thousand Dollars ($800,000.00) during the period beginning August 21, 1998, and ending on October 31, 1998."

3. Paragraph 8.14 is hereby deleted in its entirety with the following substituted therefor:

" 8.14 Perpetual Inventory System. Implement, by no later than November 30, 1998, a fully functional perpetual inventory system satisfactory to Lender."

4. Borrower shall pay to Lender an amendment fee in the amount of $2,400.00, which shall be fully earned as of and payable on the date of this Amendment.

5. The Line of Credit Note is replaced and superseded by the Line of Credit Note in the form attached hereto as Exhibit A.

6. Except as specifically provided herein, all terms and conditions of the Loan Agreement remain in full force and effect, without waiver or modification. All terms defined in the Loan Agreement shall have the same meaning when used in this Amendment. This Amendment and the Loan Agreement shall be read together, as one document.

7. Borrower hereby remakes all representations and warranties contained in the Loan Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment and except as set forth in this Amendment, there exists no Event of Default as defined in the Loan Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

TITAN MOTORCYCLE CO. OF AMERICA	WELLS FARGO BANK, NATIONAL ASSOCIATION
By: /s/ Robert P. Lobban	By: /s/ Gerald W. Widasky
Title: Chief Financial Officer	Title: Vice President

THIRD AMENDMENT TO LOAN AGREEMENT

THIS THIRD AMENDMENT TO LOAN AGREEMENT (this "Amendment") is entered into as of Nov. 10, 1998, by and between TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation ("Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

RECITALS

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Loan Agreement between Borrower and Lender dated as of April 10, 1998, as amended ("Loan Agreement").

WHEREAS, Lender and Borrower have agreed to certain changes in the terms and conditions set forth in the Loan Agreement and have agreed to amend the Loan Agreement to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Loan Agreement shall be amended as follows:

1. Paragraph 1.16 is hereby deleted in its entirety with the following substituted therefor:

" 1.16 "Maximum Amount" shall mean the amount of $10,000,000.00."

2. Borrower shall pay to Lender an amendment fee in the amount of $5,100.00, which shall be fully earned as of and payable on the date of this Amendment.

3. The Line of Credit Note is replaced and superseded by the Line of Credit Note in the form attached hereto as Exhibit A.

4. Except as specifically provided herein, all terms and conditions of the Loan Agreement remain in full force and effect, without waiver or

modification. All terms defined in the Loan Agreement shall have the same meaning when used in this Amendment. This Amendment and the Loan Agreement shall be read together, as one document.

5. Borrower hereby remakes all representations and warranties contained in the Loan Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment and except as set forth in this Amendment, there exists no Event of Default as defined in the Loan Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

TITAN MOTORCYCLE CO. OF AMERICA	WELLS FARGO BANK, NATIONAL ASSOCIATION
By: /s/ Robert P. Lobban	By: /s/ Gerald W. Widasky
Title: Chief Financial Officer	Title: Vice President

FOURTH AMENDMENT TO LOAN AGREEMENT

THIS FOURTH AMENDMENT TO LOAN AGREEMENT (this "Amendment") is entered into as of January 22, 1999, by and between TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation ("Borrower"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

RECITALS

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Loan Agreement between Borrower and Lender dated as of April 10, 1998 ("Loan Agreement").

WHEREAS, Lender and Borrower have agreed to certain changes in the terms and conditions set forth the Loan Agreement and have agreed to amend the Loan Agreement to reflect said changes.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Loan Agreement shall be amended as follows:

1. Paragraph 2.1(c) is hereby amended by adding the following at the end thereof:

"Notwithstanding the foregoing, but still subject to the Maximum Amount, Lender agrees to permit outstanding borrowings under the Line of Credit to exceed the amount otherwise available under the lending formulas set forth Section 2.1 of this Agreement by an amount not to exceed Seven Hundred Fifty Thousand Dollars ($750,000.00) (the "Overadvance") on the condition that the Overadvance (and availability for borrowings thereunder) shall be reduced by and repaid (i) promptly upon receipt by borrower of the net proceeds of any infusions of equity or equity offerings, by amount equal to 50% of such net proceeds, and (ii) to the extent not fully reduced and repaid pursuant to clause (i) hereof, on

Wednesday of each week in amounts of $125,000.00 each (or such lesser amount as may be required on any such Wednesday to reduce to zero and repay in full the Overadvance), commencing on May 5, 1999 until repaid in full. Revolving Loans made under the Line of Credit shall be made first under the applicable lending formulas against Eligible Inventory and Eligible Accounts and then under the Overadvance, and repayments of principal under the Line of Credit shall be applied, in inverse order. Interest on the outstanding principal balance of the Overadvance shall accrue at a rate per annum (computed on the basis of a 360 day year) equal to 2.50% above the Prime Rate in effect from time to time, and shall be payable at the times and place interest is otherwise payable under the Line of Credit note. As a condition of Lender's agreement herein, Borrower shall cause Frank Keery and Barbara Keery to execute and deliver to Lender (contemporaneously with the execution of this Amendment) a Continuing Guaranty in form and content acceptable to Lender whereby Frank Keery and Barbara Keery shall guarantee repayment of a portion of the Overadvance in the principal amount of $375,000.00. Nothing in this Section shall obligate Lender to permit any overadvance other than the Overadvance or imply any such obligation." 2. Borrower shall pay to Lender a non-refundable fee for the Overadvance in the amount of $7,500.00, which shall be fully earned as of and payable on the date of this Amendment.

3. Except as specifically provided herein, all terms and conditions of the Loan Agreement remain in full force and effect without waiver or modification. All terms defined in the Loan Agreement shall have the same meaning when used in this Amendment. This Amendment and the Loan Agreement shall be read together, as one document.

4. Borrower hereby remakes all representations and warranties contained in the Loan Agreement and reaffirms all covenants set forth therein. Borrower further certifies that as of the date of this Amendment and except as Set forth in this Amendment, there exists no Event of Default as defined in the Loan Agreement, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first written above.

TITAN MOTORCYCLE CO. OF AMERICA	WELLS FARGO BANK, NATIONAL ASSOCIATION
By: /s/ Robert P. Lobban	By: /s/ Gerald W. Widasky
Title: Chief Financial Officer	Title: Vice President

FIFTH AMENDMENT TO LOAN AGREEMENT

THIS FIFTH AMENDMENT TO LOAN AGREEMENT (the "Amendment") is made as of this 28th day of July, 1999 by and between TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation ("Borrower") WELLS FARGO CREDIT, INC., a Minnesota corporation ("Lender"), the successor-in-interest to Wells Fargo Bank, National Association, a national banking association, and FRANCIS KEERY, a married man ("Shareholder").

WHEREAS, Borrower is currently indebted to Lender pursuant to the terms and conditions of that certain Loan Agreement dated as of April 10, 1998 between Borrower and Wells Fargo Bank, National Association ("Bank"), as amended (the "Loan Agreement");

WHEREAS, due to lower than projected sales and delays with the proposed private placement facility, Shareholder desires to make a $500,000 loan to Borrower; and

WHEREAS, Lender desires to reduce the advance rates on certain Collateral under the Loan Agreement and Borrower desires to have such advance rate reductions occur in stages;

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Lender and Shareholder, intending to be legally bound, agree as follows:

1. DEFINITIONS. Except as otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed thereto in the Loan Agreement.

2. SHAREHOLDER LOAN. On or before July 31, 1999, Shareholder shall make a loan of $500,000 to Borrower, the proceeds of which are to be deposited in Borrower's Cash Collateral Account at Bank. Concurrently therewith, Borrower and Shareholder shall execute and deliver to Lender a Subordination Agreement in the form attached hereto as Exhibit "A" incorporated herein by this reference (the "Subordination Agreement").

3. ADVANCE RATES. Provided that Shareholder timely deposits the loan proceeds into Borrower's operating account at the Bank and Borrower and Shareholder execute and deliver the Subordination Agreement to Lender and, further provided that no Event of Default, or act, omission or event that with the giving of notice and/or passage of time would constitute an Event of Default, has occurred and is continuing, and without limiting any other rights available to Lender under the Loan Documents, Lender will not reduce the advance rates set forth in Section 2.1 of the Loan Agreement prior to September 1, 1999. Thereafter, provided that no Event of Default, or act, omission or event that with the giving of notice and/or passage of time would constitute an Event of Default, has occurred and is continuing, the advance rates will be reduced as set forth on Exhibit "B" attached hereto and incorporated herein by this reference. Notwithstanding anything to the contrary in this Section or in Exhibit "B", upon the consummation of any private placement facility of $5,000,000 or more issued by Borrower, the advance rates for Eligible Accounts and raw materials Eligible Inventory will automatically and without further notice be reduced to eighty percent (80%) and forty-two percent (42%), respectively.

4. RELEASE OF CLAIMS. In consideration of Lender's agreements contained herein, Borrower and its successors and assigns each hereby fully release, remise and forever discharge Lender and Bank and all of their past and present officers, directors, agents, employees, servants, partners, shareholders, attorneys and managers, and all of their respective heirs, personal representatives, predecessors, successors and assigns, for, from and against any and all claims, demands, causes of action, controversies, offsets, obligations, losses, damages, and liabilities of every kind and character whatsoever, including without limitation any action, omission, misrepresentation or other basis of liability founded either in tort or contract and the duties arising thereunder that Borrower, or any of its successors or assigns has had in the past, or now has, or which may hereafter accrue, whether known or unknown, whether currently existing or hereafter asserted, relating in any manner to, or arising from or in connection with, the indebtedness evidenced by the Loan Documents, any negotiations, loan administration, exercise of rights and remedies, payment, offset with respect to, or other matter relating to such indebtedness, any collateral securing payment and performance of such indebtedness, or any matter preliminary to the execution and delivery by Borrower and Lender of this Amendment, or any statement, action, omission or conduct of Lender or Bank or any of their officers, directors, agents, employees, servants, partners, shareholders, attorneys and managers relating in any manner to such indebtedness, collateral or this Amendment; provided,

however, that the foregoing release and discharge shall not apply to the obligations of Lender expressly set forth in this Amendment or first arising after the date of this Amendment. Borrower acknowledges and agrees that Lender is not and shall not be obligated in any way to continue or undertake any loan, financing or other credit arrangement with Borrower, including without limitation any renewal of the indebtedness evidenced by the Loan Documents, beyond the maturity date thereof as set forth therein.

Borrower acknowledges that it is familiar with the provisions of Section 1542 of the California Civil Code, which provides as follows:

> A general release does not extend to claims which the creditor [releasor] does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor [releasee].

Borrower has been advised by counsel with respect to the release of unknown claims contained herein. Upon advice of such counsel, Borrower hereby waives and relinquishes all of the rights and benefits which he may have under Section 1542 of the Civil Code of the State of California.

5. GOVERNING LAW. This Amendment shall be governed by and construed in accordance with the laws of the State of California.

6. COUNTERPARTS. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which combined shall constitute one and the same instrument.

7. SUCCESSORS AND ASSIGNS. This Amendment shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

8. TRANSACTION EXPENSES. Borrower agrees to pay any and all Costs and expenses incurred by Lender in connection with this Amendment, including, without limitation, attorneys' fees and disbursements of counsel to the Lender for the services performed by such counsel in connection with the preparation of this Amendment and the documents and instruments incidental hereto. Lender may pay such costs and expenses directly as an advance under the Loan Agreement.

9. AMENDMENT. Except as otherwise amended hereby, all of the terms and provisions of the Loan Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, this Amendment is executed as of the date first above written.

BORROWER:

TITAN MOTORCYCLE CO. OF AMERICA, a Nevada corporation

By: /s/ Robert P. Lobban

Name: Robert P. Lobban

Title: Chief Financial Officer

LENDER:

WELLS FARGO CREDIT, INC., a Minnesota corporation

By:

Name:

Title:

SHAREHOLDER:

/s/ Francis Keery

FRANCIS KEERY

PROMISSORY NOTE

$2,000,000.00 December 9, 1996

FOR VALUE RECEIVED, the undersigned, Titan Motorcycle Co. of America, of 2002 E. Indian School Road, Phoenix, AZ 85016 promises to pay to the order of OXFORD INTERNATIONAL MANAGEMENT the principal sum of up to Two Million ($2,000,000) dollars, or the then outstanding balance, if less, together with interest thereon from date hereof until paid, at the rate of Eight Percent (8%) per annum as follows: ON DEMAND, BUT NOT BEFORE DECEMBER 9, 1997.

All or any part of the aforesaid principal sum may be prepaid at any time and from time to time without penalty. Notwithstanding the foregoing, no such prepayment may be made prior to December 9, 1997.

In the event of any default by the undersigned in the payment of principal or interest when due or in the event of the suspension of actual business, insolvency, assignment for the benefit of creditors, adjudication of bankruptcy, or appointment of a receiver, of or against the undersigned, the unpaid balance of the principal sum of this promissory note shall at the option of the holder become immediately due and payable.

The maker and all other persons who may become liable for the payment hereof severally waive demand, presentment, protest, notice of dishonor or nonpayment, notice of protest, and any and all lack of diligence or delays in collection which may occur, and expressly consent and agree to each and any extension or postponement of time of payment hereof from time to time at or after maturity or other indulgence, and waive all notice thereof.

In case suit or action is instituted to collect this note, or any portion hereof, the maker promises to pay such additional sum, as the court may adjudge reasonable, attorneys' fees in said proceedings.

This note is made and executed under, and is in all respects governed by, the laws of the State of Arizona.

/s/ [illegible]	/s/ Francis S. Keery
- ----------	----------
Oxford International Management	Titan Motorcycle Co. of America

MODIFICATION OF PROMISSORY NOTE

Where as the parties to a certain promissory note, between Titan Motorcycle Co. of America and Oxford International Management, dated December 9, 1996, wish to amend, or modify, the terms of said note, the following shall be incorporated, joined to, and become a part of the original agreement.

"This promissory note shall be modified to show that the outstanding amounts of the note shall not be due, or "called" until January 1, 2000. On this date, one-third (1/3) of the outstanding amount shall become due. On January 1, 2001, another one-third (1/3) of the amount outstanding, as of January 1, 2000, will become due. The remaining one-third (1/3) of the amount outstanding, as of January 1, 2000, will become due on January 1, 2002. Any remaining balance, principal and/or interest would also be paid on January 1, 2002.

Further, in lieu of the above referenced payment schedule, the full balance due (principal and interest) may be converted to equity, in the form of common stock in Titan Motorcycle Co. of America, upon mutual agreement by both parties at any time after January 1, 2000. The conversion price will be at a ten (10%) percent discount to the market price of the common stock as of January 1,2000, or the date of conversion, which ever is later."

The parties to the original promissory note, and this modification, further agree that in the future, the original note can be further modified, extended, or changed, in writing, as the parties may agree to, in writing.

Dated this 16th day of December, 1997

/s/ [illegible]	/s/ Francis S. Keery
- ----------	----------
Oxford International Management	Titan Motorcycle Co. of America

PROMISSORY NOTE

July 22, 1999

FOR VALUE RECEIVED, the undersigned, Titan Motorcycle Co. of America, of 2002 E. Indian School Road, Phoenix, AZ 85016 promises to pay to the order of OXFORD INTERNATIONAL MANAGEMENT the principal sum of up to Two Million ($2,000,000) Dollars and accrued interest at the rate of 12% per annum at the following pay down rate:

January 1, 2001 - one third (1/3rd) of the outstanding principal balance including any accrued interest to that date
January 1, 2002 - one half (1/2) of the then outstanding principal balance including any accrued interest to that date.
January 1, 2003 - total of the then outstanding principal balance including any accrued interest to that date.

All or any part of the aforesaid principal sum may be prepaid at any time and from time to time without penalty at the full discretion of the borrower. Further, in lieu of the above referenced payment schedule, the full balance due (principal and interest) may be converted to equity, in the form of common stock in Titan Motorcycle Co. of America, upon mutual agreement by both parties at any time after January 1, 2000. The conversion price will be at a ten (10%) percent discount to the market price of the common stocks as of January 1, 2000, or the date of conversion, whichever is later.

In the event of any default by the undersigned in the payment of principal or interest when due or in the event of the suspension of actual business, insolvency, assignment for the benefit of creditors, adjudication of bankruptcy, or appointment of receiver, of or against the undersigned, the unpaid balance of the principal sum and any accrued interest owed of this promissory note shall, at the option of the holder, become immediately due and payable.

The maker and all other persons who may become liable for the payment hereof severally waive demand, presentment, protest, notice of dishonor or nonpayment, notice of protest, and any and all lack of diligence or delays in collection which may occur, and expressly consent and agree to each and any extension or postponement of time of payment hereof from time to time at or after maturity or other indulgence, and waive all notice thereof.

In case suit or action is instituted to collect this note, or any portion hereof, the maker promises to pay such additional sum, as the court may adjudge reasonable attorney's fees in said proceedings.

This note is made and executed under, and is in all respects governed by, the laws of the State of Arizona.

OXFORD INTERNATIONAL MANAGEMENT	TITAN MOT CYCLE CO. OF AMERICA
By: _____	By: /s/ Francis S. Keery
Title _____	Title: Chairman, C.E.O.

TITAN MOTORCYCLE CO. OF AMERICA(R)

AUTHORIZED DEALER SALES AND SERVICE AGREEMENT

1. PARTIES TO AGREEMENT

This Agreement is made by and between TITAN Motorcycle Co. of America(R), 2222 West Peoria Avenue, Phoenix, AZ 85029, an Arizona corporation hereinafter called TITAN and PARAGON CUSTOM CYCLES, INC. hereinafter called "DEALER". The purpose of this Agreement is to appoint DEALER during the continuance of this Agreement as an authorized independent dealer for TITAN brand products as hereinafter designated and to establish the basic rules which will govern the relationship between TITAN and DEALER.

2. DURATION OF AGREEMENT

This Agreement shall be in effect from the date of execution by TITAN to and including December 31, 2000, unless sooner terminated as hereinafter provided. No act by either party to this Agreement shall be construed as an extension or renewal of this Agreement, except renewals or extensions in writing and signed by both parties.

3. GRANTING OF DEALERSHIP

A. TITAN hereby grants to DEALER, during the continuance of this Agreement, the non-exclusive privilege of purchasing for DEALER's own account for resale to retail purchasers solely at DEALER's place(s) of business in the city or cities and at the address or addresses indicated in Paragraph 1 above, those Titan brand products specified in Appendix "A" to this Agreement and related parts and accessories (hereinafter collectively called "Products") which are supplied by TITAN. No obligation exists on the part of TITAN to sell any other of TITAN products to DEALER

B. DEALER will not move its place(s) of business to any new or different location other than that specified in Paragraph 1, or establish any additional place o places of business for the sale, servicing or display of Products without the prior written consent of Titan.

C. DEALER will not establish, directly or indirectly, an associate dealer or a sub-dealer for the safe or service of new or used Products, or permit someone else to act on DEALER's behalf or perform DEALER's obligations under this Agreement in connection with the sale or service of new or used Products without the prior written consent of an executive officer of TITAN.

4. AREA OF PRIMARY RESPONSIBILITY

A. TITAN and DEALER agree that DEALER's area of primary responsibility for the sales and service of the Products shall be a twenty-five (25) mile radius of DEALER's place(s) of business as specified in Paragraph 1 of this agreement.

B. TITAN reserves the unrestricted right to sell the Products and grant the privilege of using it's name and trademarks to other dealers or persons whether located in DEALER's area of primary responsibility or elsewhere.

5. SALES PERFORMANCE

DEALER agrees, at its own cost and expense, to use its best efforts and due diligence to energetically and aggressively develop and promote the sale of Products, including each model and type thereof. DEALER and TITAN agree that TITAN shall evaluate DEALER's development and promotion of the sale of Products, both as a whole and separately for each model based on such reasonable criteria as TITAN may determine from time to time, which may include but not be limited to: (a) fair and reasonable sales objectives which may be established from time to time by TITAN for DEALER after review with DEALER; (b) the ratio of sales of Products by DEALER to sales of other makes of similar products as compared with (i) such ratio on a local, state, and/or nationwide bases; (ii) the average ratio for all TITAN dealers appointed by TITAN; (c) the development of DEALER's sales performance over a reasonable period of time; and (d) particular conditions in DEALER's area of primary responsibility, if any. affecting such performance or potential sales performance. DEALER acknowledges and agrees to a minimum sales objective of new TITAN motorcycles as indicated in Appendix C throughout the term of this agreement.

6. OWNERSHIP AND MANAGEMENT

To induce TITAN to enter into this Agreement, DEALER represents that the person(s) identified in Appendix "B" to this Agreement, are all of the owners and persons executing managerial authority on behalf of DEALER. TITAN is

entering into this Agreement in reliance upon these representations. DEALER agrees there will be no change in DEALER's owners or general managers without TITAN's prior written consent.

7. PRICES, TERMS AND CONDITIONS

A. TITAN shall invoice Products sold to DEALER under this agreement at prices and on terms and conditions established by TITAN and that are current at the time of shipment to DEALER. Prices, terms and conditions of sale may be changed by TITAN from time to time without prior notice or liability from TITAN to DEALER. Unless otherwise expressly stated by TITAN, said prices to DEALER do not include sales, use, excise, or similar taxes. DEALER warrants that all Products purchased from TITAN are purchased for resale only in the ordinary course of DEALER's business, at DEALER's place(s) of business as specified in Paragraph I of this Agreement, and that DEALER has complied with all pertinent state and local laws pertaining to the collection and payment by DEALER of all sales, use and like taxes applicable to such resale transactions.

B. If DEALER is delinquent in payment of any indebtedness or obligation to TITAN or if DEALER is in default with respect to any provisions of this Agreement, then TITAN, at its sole discretion and in addition to any other rights and remedies it may have under this Agreement or at law, may without further notice suspend all pending orders and shipments until said delinquency is cured or until said default is cured, as the case may be.

C. DEALER agrees that TITAN may apply toward the payment of any indebtedness due TITAN by DEALER, whether under this Agreement or otherwise, any credit owing to DEALER by TITAN. D. DEALER agrees to permit floor checking of all TITAN brand inventory in possession of DEALER by representatives of TITAN in order to assist TITAN in product planning, distribution and production quantities and to determine compliance by DEALER with warranty registration requirements.

8. SHIPMENT OF PRODUCTS

A. TITAN shall ship Products purchased by DEALER during the duration of this Agreement by whatever mode of transportation TITAN shall select from whatever geographic point TITAN may from time to time establish. All shipments of Products shall be at DEALER's risk and DEALER shall be responsible for and shall pay any and all transportation and/or handling charges resulting from shipment of Products to DEALER, unless otherwise specified in writing by TITAN.

B. TITAN will endeavor as far as practical to make deliveries to DEALER in accordance with DEALER's orders, but if for any cause TITAN fails to make deliveries within the time stated in the order, or cancels any of such orders, TITAN will not be liable to DEALER for any payment whatsoever by reason of such failure to deliver, delays in making deliveries or cancellation, nor for any loss of profits resulting directly or indirectly therefrom.

9. DISCONTINUANCE OR UNAVAILABILITY OF PRODUCTS

A. TITAN reserves for itself the right to discontinue the manufacture or sale of any of the Products or to make changes in design, color or appearance or to add improvements to particular Products at anytime, all without notice to DEALER and without incurring any obligation to DEALER either with respect to any Products previously ordered or purchased by DEALER or otherwise.

B. In the event of a Product shortage or Product introduction, TITAN shall have the right to allocate or apportion said available Product or Products among its customers as TITAN, in the exercise of its discretion, deems appropriate, without incurring any liability to DEALER.

10. EQUAL REPRESENTATION

In the event DEALER sells other brands or lines of products which are competitive with those Products purchased by DEALER from TITAN, DEALER agrees to provide the Products with at least an equal representation to that provided other competitive brands or lines.

11. DEALER BUSINESS FACILITIES

A. DEALER agrees to establish, staff, equip and maintain a salesroom and service facility for the Products which will provide a first-class display of the full line of Products and provide adequate service for the retail customer. Each such facility will comply with reasonable written layout, appearance and size standards established by TITAN from time to time. DEALER understands that TITAN shall evaluate DEALER's compliance with such standard in determining its performance under this Agreement.

B. In carrying out its obligations under this Agreement, DEALER agrees to maintain posted opening and closing hours, which business hours shall not be less than that which is customary for similar business establishments in DEALERS area of primary responsibility.

12. DEALER IDENTIFICATION

DEALER shall purchase, display and maintain, at DEALER's expense, signage approved by TITAN, identifying the Products in a conspicuous location visible outside DEALER's salesroom and service facilities, to the full extent permitted by law. In the event of a prohibition by law, DEALER shall use its good faith efforts to obtain an exception. DEALER shall further display and maintain during the term of this Agreement such other authorized Product and service signs and identification as are necessary to properly advertise DEALER's business in TITAN products and service on a basis mutually satisfactory to both TITAN and DEALER. DEALER agrees to place and maintain on the business premises signs and other means of notification to the public that DEALER is an independent business person, separate and distinct from TITAN.

13. FINANCIAL RESPONSIBILITY

A. DEALER shall at all times maintain and employ, in connection with its business and operations under this Agreement, such working capital and net worth together with a line of credit with a financing institution which will permit DEALER to properly and fully carry out and perform DEALER's duties and obligations under this Agreement, including an inventory of Products commensurate with annually set objectives established by TITAN and DEALER. Such working capital, net worth and/or line of credit shall be amounts not less than minimum standards established by TITAN from time to time for dealers similarly situated.

B. DEALER shall at all times maintain insurance coverage reasonably carried by similarly situated dealers in such business, including without limitation, general liability, property damage, and products liability to adequately protect DEALER from loss resulting from the assembly, sale, service or repair of the Products or arising out of any acts or omissions of the DEALER.

14. MODEL INVENTORY

Subject to the ability of TITAN to supply, DEALER agrees to purchase from Titan and at all times maintain an inventory of then available models of Products, which inventory shall at no time be less than the number of Products reasonably established by TITAN from time to time after consultation with DEALER, such initial minimum inventory being listed in Appendix D.

15. SERVICE PARTS

Dealer agrees to organize and maintain a complete parts department. DEALER at all times will keep in DEALER's place(s) of business as specified in Paragraph 1 of this Agreement an inventory of service parts of an assortment and in quantities that in TITAN's judgement is necessary to meet the current anticipated requirements of owners of TITAN Products. DEALER agrees that it will not sell or offer for sale or use in the repair or any Products, as a genuine TITAN part, any part that is not in fact a genuine new TITAN part.

16. EMPLOYEE TRAINING

DEALER wilt participate in and will make available to its employees training courses, service schools, sales and management seminars and personnel development programs as may be provided or required from time to time by TITAN. DEALER agrees to have in its employ at all times during the continuance of this Agreement at least one filly trained mechanic who has been trained in service and repair of TITAN's Products.

17. REPORTS AND FINANCIAL INFORMATION

DEALER will provide TITAN, by the 30th day of the month following the end of DEALER's calendar or fiscal business year, a complete and accurate financial and operating statement covering DEALER's preceding calendar or fiscal year operations and showing the true and accurate conditions of DEALER's business. DEALER will also furnish to TITAN, on such forms and at such times as TITAN reasonably may require, complete and accurate reports of DEALER's sales activity and stock of Products then being held by DEALER.

18. ADVERTISING AND TRADE PRACTICES

A. DEALER agrees to develop, utilize and participate in various advertising and sales promotion programs in fulfilling its responsibilities for selling, promoting and advertising the Products. In so doing, DEALER agrees to (a) maintain a trademark or tradename advertising listing or a display advertising listing in the Yellow Pages of the principal telephone directory in its marketing area; (b) make reasonable use of newspaper, direct mail, television, radio or other appropriate advertising media as suggested by TITAN; (c) participate in advertising or sales promotion programs offered from time to time by TITAN and in accordance with the applicable provisions and rules thereof; and (d) make every reasonable effort to build and maintain customer interest in activities involving Products and confidence in DEALER, TITAN and the Products.

B. To assist DEALER in fulfilling his advertising and promotion responsibilities, TITAN may, at its sole discretion, develop and offer from time to time various advertising and sales promotion programs to promote the sale of Products for the mutual benefit of TITAN and DEALER. TITAN may also provide to DEALER from time to time advertising and sales promotion material for purchase by DEALER. DEALER agrees to pay promptly for any such materials. TITAN may offer other materials to DEALER from time to time at no charge.

C. DEALER agrees to at all times conduct its business in a manner that will reflect favorably on the good name and reputation of the Products and TITAN. DEALER expressly recognizes its obligation to avoid in every way any discourteous, deceptive. misleading or unethical practice or advertising that is or might be detrimental to the Products, TITAN, or the public. DEALER agrees, when notified by TITAN of such objections, to immediately discontinue such practice or advertising.

19. PRE-DELIVERY SERVICE

DEALER expressly recognizes its obligation to effectively assemble, inspect, service and/or prepare Products in accordance with schedules or instructions furnished from time to time by TITAN before delivery to the retail purchaser by DEALER. DEALER agrees to uncrate, set up, inspect and test each new TITAN Product at DEALER's place of business as specified in this Agreement, prior to delivery to the retail purchaser, in accordance with the written instructions

furnished from time to time by TITAN. DEALER agrees to make all necessary repairs to such Products after receipt of a formal authorization from TITAN and agrees that each such Product will be received directly by the retail purchaser at DEALER's place(s) of business as specified in Paragraph 1 of this Agreement in safe and lawful operating condition. Upon request, DEALER will furnish evidence to TITAN of the performance of such pre-delivery services on forms prescribed by TITAN. DEALER will report promptly in writing, to TITAN's Chief Executive Officer any act or failure to act on the part of TITAN or any of its personnel which DEALER believes was not fair and equitable towards it in the establishment or performance of pre-delivery obligations.

20. REPAIR AND MAINTENANCE SERVICE

A. DEALER expressly recognizes its obligation to obtain necessary tools, and to effectively perform repair or maintenance services required on Products, in accordance with TITAN's current recommendations and specifications.

B. DEALER shall develop and maintain competent, qualified and efficient service mechanics for the service and repair of the Products and shall employ said persons in DEALER's service and repair facilities. DEALER shall not use service or repair facilities or personnel other than its own in connection with the service and repair of the Products without the prior written consent of an executive officer of TITAN. DEALER shall comply with and maintain copies of bulletins which may fl-cm time to time be issued by TITAN pertaining to the service or the use or operation of the Products, and to the maintenance of requisite tools to perform service work on the Products.

C. DEALER shall perform all Product services under this Agreement, including pre-delivery, warranty and recall service, as an independent contractor. DEALER agrees to post his labor rates in a conspicuous manner so that they are plainly visible to his service customers. Service provided by DEALER shall include only those services which are specifically requested by the customer or those services approved in advance by the customer.

21. WARRANTY

A. TITAN makes no representations or warranties, express or implied, with respect to the Products except as may be provided in a standard written or printed warranty offered to the retail purchaser with respect to one or more of the Products from time to time. THE FOREGOING IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXCEPT TITLE, WHETHER EXPRESS OR IMPLIED, AND TITAN MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE TO DEALER. THE FULFILLING OF THE TERMS OF THE PRINTED WARRANTY SHALL CONSTITUTE THE SOLE REMEDY OF DEALER AND THE SOLE LIABILITY OF TITAN, WHETHER ON WARRANTY, CONTRACT OR NEGLIGENCE.

B. DEALER expressly recognizes its obligation to effectively perform warranty work on Products whether delivered by DEALER or by another authorized dealer and to fulfill the conditions of the warranty as applicable to particular Products where indicated without charge to the retail purchaser. Within three (3) business days after delivery of a new Product to a retail purchaser, DEALER shall complete and send to TITAN a true and complete sales warranty registration report on such Product in a manner then prescribed by TITAN, including the name

and address of the owner. TITAN may utilize the information in the extent of a recall of a Product, and/or to provide TITAN with useful marketing information.

C. DEALER will report promptly, in writing, to TITAN's Chief Executive Officer, any act or failure to act on the part of TITAN or any of its personnel which DEALER believes was not fair and equitable towards it in the performance of warranty obligations or which resulted in DEALER not receiving reasonable and adequate compensation for warranty labor and parts provided by DEALER.

D. DEALER shall process and dispose of warranty claims on the Products in accordance with the procedure which may be prescribed from time to time by TITAN, and TITAN shall have no obligation to recognize any warranty claims unless the prescribed procedure is complied with by DEALER including, but not limited to, the receipt by DEALER from TITAN of a written warranty work authorization prior to the commencement of any reimbursable warranty work. In support of DEALER's claim for warranty compensation, DEALER agrees to provide TITAN with such supportive documents as TITAN may request.

E. DEALER expressly warrants that should any of the Products be modified by DEALER or at DEALER's request, DEALER will attach to the Product prior to retail sale a conspicuous statement which wilt clearly disclose the extent or nature of the modification and the resultant warranty coverage, if any, which will then apply to the Products.

F. DEALER expressly acknowledges that DEALER is performing warranty work on the Products as an independent contractor and may be compensated for such services separate and apart from the purchase price of the Products.

22. TRADEMARKS AND TRADE NAMES

TITAN and its related companies are exclusively entitled to the use of the trademark "TITAN Motorcycle Company of America" and to the use of all trade names and trademarks used in connection with the Products and the goodwill attached thereto in the United States of America (thereinafter collectively called the "Marks"). TITAN grants DEALER the non exclusive permission to advertise and otherwise inform the general public of the fact that DEALER sells the Products and is a "TITAN Motorcycle Company of America Dealer" at the locations specified in Paragraph 1 of this Agreement, including the use of outdoor signs, signs on buildings and other means of identification for such specified location. DEALER will not use, or permit the use of the Marks either as part of any corporate title, firm name or trade name unless TITAN shall first consent thereto in writing. On termination of this Agreement, DEALER agrees to immediately discontinue all use of the Marks and other means of identification that might make it appear or imply that DEALER is still an authorized representative of the Products including, without limitation. removal of any listing in any telephone directory, display advertising or outdoor sign. TITAN shall have the right, but not the obligation, to acquire any or all such signs in possession of DEALER on date of termination at a price that is not in excess of the price, if any, originally paid by DEALER. DEALER further agrees to discontinue any use of the Marks or any semblance of same, as a part of its business or corporate name and, if appropriate, file a change or discontinuance of such name with the appropriate authorities. In the event DEALER fails to comply with the terms and conditions of this Paragraph, TITAN shall have the right to enter upon DEALER's premises and remove all such signs bearing the TITAN designation or Marks without liability of TITAN to DEALER. DEALER agrees to reimburse TITAN for all Costs and expenses, including without limitation,

attorneys' fees, incurred by TITAN in effecting or enforcing compliance with this Paragraph. The provisions of this Paragraph shall survive after termination of this Agreement.

23. INDEPENDENT PERSON

DEALER is an independent business and the conduct of its business is within the sole discretion of DEALER. This Agreement does not create the relationship of principal and agent, master and servant, or employer and employee between TITAN and DEALER. Nothing herein contained shall be construed or interpreted to grant any authority to DEALER to commit or bind TITAN in any manner to any person. DEALER shall be solely responsible for all the acts and omissions of DEALER, its agents and employees. This Agreement is not intended to govern, control or manage the day-to-day business activities of DEALER. DEALER agrees to defend, indemnify and save TITAN and its suppliers harmless from any claim, demand, damage, liability, cost or expense, including attorneys' fees and expenses arising out of any acts or omissions of DEALER, its agents or employees.

24. SALE OF DEALER'S BUSINESS

A. DEALER may not sell, transfer or assign the whole or any part of DEALER's rights or obligations under this Agreement, without TITAN's prior written consent. DEALER shall give Titan at least thirty (30) days' prior written notice of any such proposed sale, transfer, or assignment. TITAN's failure to object to the proposed sale, transfer, or assignment following notice from DEALER shall not constitute TITAN's consent.

B. Provided that this Agreement is still in effect, and provided further that notice of termination or notice of nonrenewal has not been provided to DEALER and is not then in effect between DEALER and TITAN, TITAN agrees to not unreasonably refuse to enter into a new Sales and Service Agreement for the remainder of the term provided in Paragraph 2 of this Agreement with a person contracting to purchase DEALER's business as pertains to the Products, provided that said purchaser as of the date of sale meets all then current requirements established by TITAN for the appointment of new dealers.

25. EARLY TERMINATION OF AGREEMENT

A. This Agreement maybe terminated in its entirety or with respect to any of the Products at any time without notice by mutual consent of DEALER and TITAN.

B. Either party may terminate this Agreement in its entirety or with respect to any of the Products prior to the expiration date provided in Paragraph 2 hereof, without cause, on a minimum of sixty (60) days' prior written notice from one party to the other. If applicable State law should require notice of termination of a fixed period of time greater than that provided by this Agreement for a stated reason, then such required notice in the form prescribed shall be given by the terminating party.

C. TITAN may immediately terminate this Agreement in its entirely or with respect to any of the Products by written notice given to DEALER in the event of any of the following: (1) death, incapacity, removal or resignation of DEALER or any person in the employment thereof and in reliance upon whom this Agreement was entered into by TITAN; (2) any sale or transfer of any substantial interest in the managerial control and/or ownership of DEALER without TITAN's prior

written consent; (3) an unauthorized change made by DEALER in the location of DEALER's place(s) of business as specified in this Agreement or the addition of any place of business for Products; (4) discontinuance of the operation of DEALER's business for a period of five (5) consecutive days, unless such discontinuance is the result of a natural disaster; (5) the appointment of an assignee, referee, receiver, or trustee for DEALER or upon its adjudication in bankruptcy or the liquidation of DEALER; (6) any dispute, disagreement or controversy between or among partners, managers, officers, or shareholders of DEALER which, in the opinion of TITAN, adversely affects the operation, management or business of DEALER or TITAN and is not resolved within thirty (30) days after notice is given to DEALER by TITAN; (7) submission by DEALER to TITAN of a fraudulent report, statement claim for reimbursement, refund or credit or falsification of warranty claim or registration or of DEALER's retail labor rate or providing of fraudulent statements relating to pre-delivery preparation, testing, servicing, repairing or maintenance of the Products; (8) failure to maintain DEALER's account on a current basis and in accordance with TITAN's terms and conditions of sale; (9) failure by DEALER, within five (5) days following notification by TITAN, to replace with cash or cashier's check any check provided TITAN by DEALER which has been returned from the bank on which the check was drawn without payment to; (10) conviction in any court of competent jurisdiction of DEALER, or any principal officer or manger of DEALER, of any crime tending to affect adversely the ownership, operation, management, business or interest of the DEALER or TITAN; or (11) failure of DEALER to obtain or maintain any license required by law.

D. The date of notice of termination shall be the date of mailing of such notice. If any period of notice of the termination required hereunder is less than that required by applicable laws, such period of notice shall be increased and be deemed to be the minimum period required by such laws.

E. DEALER hereby acknowledges and agrees that in the event of a discontinuance of the operation of DEALER's business for a period often (10) consecutive days, for any reason whatsoever other than a natural disaster, such discontinuance shall constitute a voluntary termination of this Agreement by DEALER. Upon receipt of such notice, DEALER shall cooperate with TITAN, including without limitation, executing such other documents as may be reasonably required by TITAN, to effectuate the voluntary termination of this Agreement and DEALER's business in TITAN's Products.

26. PROCEDURE ON TERMINATION

A. Upon termination or expiration and nonrenewal of this Agreement, DEALER will immediately pay to TITAN all sums owing from DEALER to TITAN. Any amount due TITAN by DEALER may be deducted from credits owing DEALER.

B. In the event of early termination or expiration and nonrenewal of this Agreement, TITAN shall continue to fill orders from DEALER for such Products as may be affected by the termination or nonrenewal up to the specified termination or expiration date. TITAN shall have the right to impose reasonable limitations on such orders for such Products during the notice period. On the specified date of termination or expiration, all unfilled orders for such Products will be automatically cancelled. Payment terms for such Products supplied by TITAN to DEALER after notice of intention to terminate or upon expiration and nonrenewal may be changed to cash, certified check or other terms determined by TITAN.

C. After the effective date of termination of this Agreement, the acceptance of orders from DEALER by TITAN, or the continuation of the sale by DEALER of Products, or the referring of inquiries to DEALER by TITAN, or any business relations either party has with the other will not be construed as a renewal of this Agreement nor a waiver of the termination. If TITAN accepts any orders from DEALER after termination of this Agreement, alt such transaction(s) will be governed, unless the contrary intention appears, by the terms of this Agreement applicable to such transactions.

27. COMPLIANCE WITH SAFETY, REGULATORY, AND EMISSION CONTROL REQUIREMENTS

A. DEALER agrees to comply with, and operate consistently with, all applicable provisions of the National Traffic and Motor Vehicle Safety Act of 1966 and the Federal Clean Air Act, as amended, including applicable rules and regulations issued from time to time thereunder, and all other applicable federal, state and local rules and regulations issued from time to time thereunder, and all other applicable federal, state and local product safety, regulatory and emission control requirements.

B. In the event that the laws of the state in which DEALER is located require dealers of Products to install in new or used Products, prior to the retail sale thereof, any safety devices or other equipment not installed or supplied as standard equipment by TITAN, then DEALER, prior to its sale of any such TITAN Product, shall properly install such equipment.

28. COMPLIANCE WITH SAFETY, REGULATORY AND EMISSION CONTROL REQUIREMENTS

DEALER hereby agrees to adopt, promote and implement safety programs developed and provided by TITAN upon written notification from TITAN, DEALER agrees to place and display safety notices and warnings and proper user information labels on TITAN Products and in the dealership as appropriate, and to adhere to established user recommendations and restrictions on the sale of TITAN Products as directed by TITAN. DEALER agrees to promote and require safety awareness and training of purchasers and users of TITAN Products in accordance with programs and materials developed or provided by TITAN upon written notification by TITAN. DEALER agrees to provide to customers safety notices and warnings and other safety awareness materials prepared or provided by TITAN, and/or which may from time to time be developed and provided by industry and/or safety associations, regarding use of TITAN Products. DEALER agrees to require the reading or viewing of such safety awareness materials by the customer in conjunction with the sale of a TITAN Product as specified in writing by TITAN. DEALER agrees that violation of its safety obligations described in this Paragraph constitutes ground for TITAN action under this Agreement. TITAN retains the right, through written notification, to amend the "DEALER SAFETY OBLIGATIONS" specified in this Paragraph and to add such other Dealer Safety Obligations as may be necessary or advisable.

29. DEALER'S SUCCESSOR ON DEATH OR INCAPACITY

Upon termination of this Agreement because of death or incapacity of the principal of DEALER, TITAN will offer to a nominated successor of the principal of DEALER acceptable to TITAN, or to spouse of the principal of DEALER, continuation of this Agreement for the duration of the Agreement as provided in

Paragraph 2 hereof, provided that: (i) DEALER, within fifteen (15) days of the occurrence of such death or incapacity, gives notice to TITAN of such occurrence and the name and qualifications of the DEALER's successor; (ii) The facilities and capital of the dealership meet TITAN then current requirements; and, (iii) The person to whom the continuation of the Agreement is offered provides written notice to TITAN of acceptance within fifteen (15) days from the extension of the offer by TITAN.

30. DISPUTE RESOLUTION

All controversies, claims and disputes arising in connection with this Agreement, except any controversies, claims and disputes relating to amounts due and unpaid to TITAN or relating to third party personal injury, shall be settled by mutual consultation between the parties in good faith as promptly as possible, but failing an amicable settlement shall be settled finally by arbitration in accordance with the provisions of this Paragraph. Such arbitration shall be conducted in Phoenix, Arizona in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and the parties hereto agree that such arbitration shall be the sole and exclusive method of resolving any and all such controversies, claims or disputes, except those expressly excluded above. Judgement upon such award may be entered in the Superior Court of the State of Arizona for the County of Maricopa, if the award is rendered against DEALER. The prevailing party shall be entitled to recover from the nonprevailing party all costs and expenses of the arbitration, including reasonable attorney's fees.

31. SERVICE OF NOTICE

Any notice which may be required to be served by DEALER on TITAN, or by TITAN on DEALER, shall be in writing and Sent by certified or registered mail, return-receipt requested, addressed to the party for whom intended at its last known address. Each party will promptly advise the other, in writing, of any change of address.

32. GENERAL PROVISIONS

DEALER agrees that it neither has nor may acquire by performance under the terms and provisions of this Agreement, any vested right in the sales and service responsibility assigned to it hereunder and any investments made by DEALER in the performance hereof are made with the knowledge that this Agreement may expire and not be renewed or be terminated as herein provided. This Agreement is the entire agreement between the parties and terminates and supersedes all prior agreements, verbal or written, between the parties. Neither trade usage nor course of dealing shall serve to modify, amend or change this Agreement. This Agreement may be altered or amended in writing only and must be signed by an executive officer of TITAN. Both parties shall be excused from nonperformance in the case of FORCE MAJEURE or other causes beyond the control of the parties. The paragraph headings contained herein are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. It is understood that this is a general form of agreement designated for use in any State. Should any provision of this Agreement or the application thereof to any particular person or circumstance be contrary to or prohibited by applicable laws or regulations, such provision shall be inapplicable and deemed omitted and the remaining provisions of this Agreement will be valid and binding and of like effect as though such provisions were not included herein. TITAN has a right to

amend, modify or change this Agreement in case of legislation, government regulation or changes in circumstances beyond the control of TITAN that might affect materially the relationship between TITAN and DEALER. This Agreement and the rights and obligations arising thereunder shall be governed by and construed according to the laws of the State of Arizona.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate the day and year hereinafter written.

DEALER	TITAN MOTORCYCLE CO. OF AMERICA
Signature: /s/ Barbara S. Keery	Signature: /s/ Robert P. Lobban
Position/Title: Partner	Position/Title: CFO
Signature:	Dated: 1/4/99
Position/Title:	
Dated: 12/30/98	

Circle One: Corporation Partnership Individual

This Agreement shall be executed on behalf of DEALER by the owner in case of a sole proprietorship, by general partner in case of a partnership, or by a duly authorized officer in case of a corporation, showing position or title of person signing.

APPENDIX "A"

THE DEFINITION OF PRODUCTS IN THIS AGREEMENT SHALL INCLUDE:

MOTORCYCLE MODELS:

"SIDEWINDER" SX & RM

"ROADRUNNER" SX & RM

"ROADRUNNER SPORT" RM

"GECKO" SX & RM

"COYOTE"

APPENDIX "B"

OWNERS AND MANAGERS

1. THE FOLLOWING PERSONS ARE THE BENEFICIAL AND RECORD OWNERS OF DEALER:

NAME AND ADDRESS OF EACH RECORD OR BENEFICIAL OWNER OF DEALER	IF A CORPORATION, NUMBER AND CLASS OF SHARES		PERCENTAGE OWNERSHIP OF RECORD IN DEALER
	NUMBER	CLASS	
BPF, LLC			100%

2. THE FOLLOWING PERSONS ARE DEALER'S OFFICERS:

NAME AND ADDRESS	TITLE
PATRICK KEERY	PARTNER
FRANCIS KEERY	PARTNER
BARBARA KEERY	PARTNER
BRYANT CRAGUN	PARTNER

3. THE FOLLOWING PERSONS FUNCTION AS GENERAL MANAGER OF DEALER AND, AS SUCH, ARE AUTHORIZED TO MAKE ALL DECISIONS ON BEHALF OF DEALER WITH RESPECT TO DEALER'S OPERATIONS:

NAME AND ADDRESS	TITLE
JOE KLEIMAN	MANAGER

APPENDIX "C"

MINIMUM ANNUAL QUANTITY OF NEW TITAN MOTORCYCLES
TO BE PURCHASED
FROM
TITAN BY DEALER

TWENTY (20) UNIT PER YEAR

APPENDIX "D"

MINIMUM MODEL FLOOR INVENTORY OF TITAN. PRODUCTS
TO BE CONTINUOUSLY CARRIED BY DEALER

TWENTY (20) UNITS TO BE DETERMINED BY DEALER

TITAN MOTORCYCLE CO. OF AMERICA(R)

AUTHORIZED DEALER SALES AND SERVICE

AGREEMENT

1. PARTIES TO AGREEMENT

This Agreement is made by and between TITAN Motorcycle Co. of America(R), 2222 West Peoria Avenue, Phoenix, AZ 85029, an Arizona corporation hereinafter called TITAN and PUJOL MOTORCYCLE COMPANY, LLC hereinafter called "DEALER". The purpose of this Agreement is to appoint DEALER during the continuance of this Agreement as an authorized independent dealer for TITAN brand products as hereinafter designated and to establish the basic rules which will govern the relationship between TITAN and DEALER.

2. DURATION OF AGREEMENT

This Agreement shall be in effect from the date of execution by TITAN to and including December 31, 2000, unless sooner terminated as hereinafter provided. No act by either party to this Agreement shall be construed as an extension or renewal of this Agreement, except renewals or extensions in writing and signed by both parties.

3. GRANTING OF DEALERSHIP

A. TITAN hereby grants to DEALER, during the continuance of this Agreement, the non-exclusive privilege of purchasing for DEALER's own account for resale to retail purchasers solely at DEALER's place(s) of business in the city or cities and at the address or addresses indicated in Paragraph 1 above, those Titan brand products specified in Appendix "A" to this Agreement and related parts and accessories (hereinafter collectively called "Products") which are supplied by TITAN. No obligation exists on the part of TITAN to sell any other of TITAN products to DEALER

B. DEALER will not move its place(s) of business to any new or different location other than that specified in Paragraph 1, or establish any additional place o places of business for the sale, servicing or display of Products without the prior written consent of Titan.

C. DEALER will not establish, directly or indirectly, an associate dealer or a sub-dealer for the safe or service of new or used Products, or permit someone else to act on DEALER's behalf or perform DEALER's obligations under this Agreement in connection with the sale or service of new or used Products without the prior written consent of an executive officer of TITAN.

4. AREA OF PRIMARY RESPONSIBILITY

A. TITAN and DEALER agree that DEALER's area of primary responsibility for the sales and service of the Products shall be a twenty-five (25) mile radius of DEALER's place(s) of business as specified in Paragraph 1 of this agreement.

B. TITAN reserves the unrestricted right to sell the Products and grant the privilege of using it's name and trademarks to other dealers or persons whether located in DEALER's area of primary responsibility or elsewhere.

5. SALES PERFORMANCE

DEALER agrees, at its own cost and expense, to use its best efforts and due diligence to energetically and aggressively develop and promote the sale of Products, including each model and type thereof. DEALER and TITAN agree that TITAN shall evaluate DEALER's development and promotion of the sale of Products, both as a whole and separately for each model based on such reasonable criteria as TITAN may determine from time to time, which may include but not be limited to: (a) fair and reasonable sales objectives which may be established from time to time by TITAN for DEALER after review with DEALER; (b) the ratio of sales of Products by DEALER to sales of other makes of similar products as compared with (i) such ratio on a local, state, and/or nationwide bases; (ii) the average ratio for all TITAN dealers appointed by TITAN; (c) the development of DEALER's sales performance over a reasonable period of time; and (d) particular conditions in DEALER's area of primary responsibility, if any. affecting such performance or potential sales performance. DEALER acknowledges and agrees to a minimum sales objective of new TITAN motorcycles as indicated in Appendix C throughout the term of this agreement.

6. OWNERSHIP AND MANAGEMENT

To induce TITAN to enter into this Agreement, DEALER represents that the person(s) identified in Appendix "B" to this Agreement, are all of the owners and persons executing managerial authority on behalf of DEALER. TITAN is

entering into this Agreement in reliance upon these representations. DEALER agrees there will be no change in DEALER's owners or general managers without TITAN's prior written consent.

7. PRICES, TERMS AND CONDITIONS

A. TITAN shall invoice Products sold to DEALER under this agreement at prices and on terms and conditions established by TITAN and that are current at the time of shipment to DEALER. Prices, terms and conditions of sale may be changed by TITAN from time to time without prior notice or liability from TITAN to DEALER. Unless otherwise expressly stated by TITAN, said prices to DEALER do not include sales, use, excise, or similar taxes. DEALER warrants that all Products purchased from TITAN are purchased for resale only in the ordinary course of DEALER's business, at DEALER's place(s) of business as specified in Paragraph I of this Agreement, and that DEALER has complied with all pertinent state and local laws pertaining to the collection and payment by DEALER of all sales, use and like taxes applicable to such resale transactions.

B. If DEALER is delinquent in payment of any indebtedness or obligation to TITAN or if DEALER is in default with respect to any provisions of this Agreement, then TITAN, at its sole discretion and in addition to any other rights and remedies it may have under this Agreement or at law, may without further notice suspend all pending orders and shipments until said delinquency is cured or until said default is cured, as the case may be.

C. DEALER agrees that TITAN may apply toward the payment of any indebtedness due TITAN by DEALER, whether under this Agreement or otherwise, any credit owing to DEALER by TITAN. D. DEALER agrees to permit floor checking of all TITAN brand inventory in possession of DEALER by representatives of TITAN in order to assist TITAN in product planning, distribution and production quantities and to determine compliance by DEALER with warranty registration requirements.

8. SHIPMENT OF PRODUCTS

A. TITAN shall ship Products purchased by DEALER during the duration of this Agreement by whatever mode of transportation TITAN shall select from whatever geographic point TITAN may from time to time establish. All shipments of Products shall be at DEALER's risk and DEALER shall be responsible for and shall pay any and all transportation and/or handling charges resulting from shipment of Products to DEALER, unless otherwise specified in writing by TITAN.

B. TITAN will endeavor as far as practical to make deliveries to DEALER in accordance with DEALER's orders, but if for any cause TITAN fails to make deliveries within the time stated in the order, or cancels any of such orders, TITAN will not be liable to DEALER for any payment whatsoever by reason of such failure to deliver, delays in making deliveries or cancellation, nor for any loss of profits resulting directly or indirectly therefrom.

9. DISCONTINUANCE OR UNAVAILABILITY OF PRODUCTS

A. TITAN reserves for itself the right to discontinue the manufacture or sale of any of the Products or to make changes in design, color or appearance or to add improvements to particular Products at anytime, all without notice to DEALER and without incurring any obligation to DEALER either with respect to any Products previously ordered or purchased by DEALER or otherwise.

B. In the event of a Product shortage or Product introduction, TITAN shall have the right to allocate or apportion said available Product or Products among its customers as TITAN, in the exercise of its discretion, deems appropriate, without incurring any liability to DEALER.

10. EQUAL REPRESENTATION

In the event DEALER sells other brands or lines of products which are competitive with those Products purchased by DEALER from TITAN, DEALER agrees to provide the Products with at least an equal representation to that provided other competitive brands or lines.

11. DEALER BUSINESS FACILITIES

A. DEALER agrees to establish, staff, equip and maintain a salesroom and service facility for the Products which will provide a first-class display of the full line of Products and provide adequate service for the retail customer. Each such facility will comply with reasonable written layout, appearance and size standards established by TITAN from time to time. DEALER understands that TITAN shall evaluate DEALER's compliance with such standard in determining its performance under this Agreement.

B. In carrying out its obligations under this Agreement, DEALER agrees to maintain posted opening and closing hours, which business hours shall not be less than that which is customary for similar business establishments in DEALERS area of primary responsibility.

12. DEALER IDENTIFICATION

DEALER shall purchase, display and maintain, at DEALER's expense, signage approved by TITAN, identifying the Products in a conspicuous location visible outside DEALER's salesroom and service facilities, to the full extent permitted by law. In the event of a prohibition by law, DEALER shall use its good faith efforts to obtain an exception. DEALER shall further display and maintain during the term of this Agreement such other authorized Product and service signs and identification as are necessary to properly advertise DEALER's business in TITAN products and service on a basis mutually satisfactory to both TITAN and DEALER. DEALER agrees to place and maintain on the business premises signs and other means of notification to the public that DEALER is an independent business person, separate and distinct from TITAN.

13. FINANCIAL RESPONSIBILITY

A. DEALER shall at all times maintain and employ, in connection with its business and operations under this Agreement, such working capital and net worth together with a line of credit with a financing institution which will permit DEALER to properly and fully carry out and perform DEALER's duties and obligations under this Agreement, including an inventory of Products commensurate with annually set objectives established by TITAN and DEALER. Such working capital, net worth and/or line of credit shall be amounts not less than minimum standards established by TITAN from time to time for dealers similarly situated.

B. DEALER shall at all times maintain insurance coverage reasonably carried by similarly situated dealers in such business, including without limitation, general liability, property damage, and products liability to adequately protect DEALER from loss resulting from the assembly, sale, service or repair of the Products or arising out of any acts or omissions of the DEALER.

14. MODEL INVENTORY

Subject to the ability of TITAN to supply, DEALER agrees to purchase from Titan and at all times maintain an inventory of then available models of Products, which inventory shall at no time be less than the number of Products reasonably established by TITAN from time to time after consultation with DEALER, such initial minimum inventory being listed in Appendix D.

15. SERVICE PARTS

Dealer agrees to organize and maintain a complete parts department. DEALER at all times will keep in DEALER's place(s) of business as specified in Paragraph 1 of this Agreement an inventory of service parts of an assortment and in quantities that in TITAN's judgement is necessary to meet the current anticipated requirements of owners of TITAN Products. DEALER agrees that it will not sell or offer for sale or use in the repair or any Products, as a genuine TITAN part, any part that is not in fact a genuine new TITAN part.

16. EMPLOYEE TRAINING

DEALER wilt participate in and will make available to its employees training courses, service schools, sales and management seminars and personnel development programs as may be provided or required from time to time by TITAN. DEALER agrees to have in its employ at all times during the continuance of this Agreement at least one filly trained mechanic who has been trained in service and repair of TITAN's Products.

17. REPORTS AND FINANCIAL INFORMATION

DEALER will provide TITAN, by the 30th day of the month following the end of DEALER's calendar or fiscal business year, a complete and accurate financial and operating statement covering DEALER's preceding calendar or fiscal year operations and showing the true and accurate conditions of DEALER's business. DEALER will also furnish to TITAN, on such forms and at such times as TITAN reasonably may require, complete and accurate reports of DEALER's sales activity and stock of Products then being held by DEALER.

18. ADVERTISING AND TRADE PRACTICES

A. DEALER agrees to develop, utilize and participate in various advertising and sales promotion programs in fulfilling its responsibilities for selling, promoting and advertising the Products. In so doing, DEALER agrees to (a) maintain a trademark or tradename advertising listing or a display advertising listing in the Yellow Pages of the principal telephone directory in its marketing area; (b) make reasonable use of newspaper, direct mail, television, radio or other appropriate advertising media as suggested by TITAN; (c) participate in advertising or sales promotion programs offered from time to time by TITAN and in accordance with the applicable provisions and rules thereof; and (d) make every reasonable effort to build and maintain customer interest in activities involving Products and confidence in DEALER, TITAN and the Products.

B. To assist DEALER in fulfilling his advertising and promotion responsibilities, TITAN may, at its sole discretion, develop and offer from time to time various advertising and sales promotion programs to promote the sale of Products for the mutual benefit of TITAN and DEALER. TITAN may also provide to DEALER from time to time advertising and sales promotion material for purchase by DEALER. DEALER agrees to pay promptly for any such materials. TITAN may offer other materials to DEALER from time to time at no charge.

C. DEALER agrees to at all times conduct its business in a manner that will reflect favorably on the good name and reputation of the Products and TITAN. DEALER expressly recognizes its obligation to avoid in every way any discourteous, deceptive. misleading or unethical practice or advertising that is or might be detrimental to the Products, TITAN, or the public. DEALER agrees, when notified by TITAN of such objections, to immediately discontinue such practice or advertising.

19. PRE-DELIVERY SERVICE

DEALER expressly recognizes its obligation to effectively assemble, inspect, service and/or prepare Products in accordance with schedules or instructions furnished from time to time by TITAN before delivery to the retail purchaser by DEALER. DEALER agrees to uncrate, set up, inspect and test each new TITAN Product at DEALER's place of business as specified in this Agreement, prior to delivery to the retail purchaser, in accordance with the written instructions

furnished from time to time by TITAN. DEALER agrees to make all necessary repairs to such Products after receipt of a formal authorization from TITAN and agrees that each such Product will be received directly by the retail purchaser at DEALER's place(s) of business as specified in Paragraph 1 of this Agreement in safe and lawful operating condition. Upon request, DEALER will furnish evidence to TITAN of the performance of such pre-delivery services on forms prescribed by TITAN. DEALER will report promptly in writing, to TITAN's Chief Executive Officer any act or failure to act on the part of TITAN or any of its personnel which DEALER believes was not fair and equitable towards it in the establishment or performance of pre-delivery obligations.

20. REPAIR AND MAINTENANCE SERVICE

A. DEALER expressly recognizes its obligation to obtain necessary tools, and to effectively perform repair or maintenance services required on Products, in accordance with TITAN's current recommendations and specifications.

B. DEALER shall develop and maintain competent, qualified and efficient service mechanics for the service and repair of the Products and shall employ said persons in DEALER's service and repair facilities. DEALER shall not use service or repair facilities or personnel other than its own in connection with the service and repair of the Products without the prior written consent of an executive officer of TITAN. DEALER shall comply with and maintain copies of bulletins which may fl-cm time to time be issued by TITAN pertaining to the service or the use or operation of the Products, and to the maintenance of requisite tools to perform service work on the Products.

C. DEALER shall perform all Product services under this Agreement, including pre-delivery, warranty and recall service, as an independent contractor. DEALER agrees to post his labor rates in a conspicuous manner so that they are plainly visible to his service customers. Service provided by DEALER shall include only those services which are specifically requested by the customer or those services approved in advance by the customer.

21. WARRANTY

A. TITAN makes no representations or warranties, express or implied, with respect to the Products except as may be provided in a standard written or printed warranty offered to the retail purchaser with respect to one or more of the Products from time to time. THE FOREGOING IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXCEPT TITLE, WHETHER EXPRESS OR IMPLIED, AND TITAN MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE TO DEALER. THE FULFILLING OF THE TERMS OF THE PRINTED WARRANTY SHALL CONSTITUTE THE SOLE REMEDY OF DEALER AND THE SOLE LIABILITY OF TITAN, WHETHER ON WARRANTY, CONTRACT OR NEGLIGENCE.

B. DEALER expressly recognizes its obligation to effectively perform warranty work on Products whether delivered by DEALER or by another authorized dealer and to fulfill the conditions of the warranty as applicable to particular Products where indicated without charge to the retail purchaser. Within three (3) business days after delivery of a new Product to a retail purchaser, DEALER shall complete and send to TITAN a true and complete sales warranty registration report on such Product in a manner then prescribed by TITAN, including the name and address of the owner. TITAN may utilize the information in the extent of a recall of a Product, and/or to provide TITAN with useful marketing information.

C. DEALER will report promptly, in writing, to TITAN's Chief Executive Officer, any act or failure to act on the part of TITAN or any of its personnel which DEALER believes was not fair and equitable towards it in the performance of warranty obligations or which resulted in DEALER not receiving reasonable and adequate compensation for warranty labor and parts provided by DEALER.

D. DEALER shall process and dispose of warranty claims on the Products in accordance with the procedure which may be prescribed from time to time by TITAN, and TITAN shall have no obligation to recognize any warranty claims unless the prescribed procedure is complied with by DEALER including, but not limited to, the receipt by DEALER from TITAN of a written warranty work authorization prior to the commencement of any reimbursable warranty work. In support of DEALER's claim for warranty compensation, DEALER agrees to provide TITAN with such supportive documents as TITAN may request.

E. DEALER expressly warrants that should any of the Products be modified by DEALER or at DEALER's request, DEALER will attach to the Product prior to retail sale a conspicuous statement which wilt clearly disclose the extent or nature of the modification and the resultant warranty coverage, if any, which will then apply to the Products.

F. DEALER expressly acknowledges that DEALER is performing warranty work on the Products as an independent contractor and may be compensated for such services separate and apart from the purchase price of the Products.

22. TRADEMARKS AND TRADE NAMES

TITAN and its related companies are exclusively entitled to the use of the trademark "TITAN Motorcycle Company of America" and to the use of all trade names and trademarks used in connection with the Products and the goodwill attached thereto in the United States of America (thereinafter collectively called the "Marks"). TITAN grants DEALER the non exclusive permission to advertise and otherwise inform the general public of the fact that DEALER sells the Products and is a "TITAN Motorcycle Company of America Dealer" at the locations specified in Paragraph 1 of this Agreement, including the use of outdoor signs, signs on buildings and other means of identification for such specified location. DEALER will not use, or permit the use of the Marks either as part of any corporate title, firm name or trade name unless TITAN shall first consent thereto in writing. On termination of this Agreement, DEALER agrees to immediately discontinue all use of the Marks and other means of identification that might make it appear or imply that DEALER is still an authorized representative of the Products including, without limitation. removal of any listing in any telephone directory, display advertising or outdoor sign. TITAN shall have the right, but not the obligation, to acquire any or all such signs in possession of DEALER on date of termination at a price that is not in excess of the price, if any, originally paid by DEALER. DEALER further agrees to discontinue any use of the Marks or any semblance of same, as a part of its business or corporate name and, if appropriate, file a change or discontinuance of such name with the appropriate authorities. In the event DEALER fails to comply with the terms and conditions of this Paragraph, TITAN shall have the right to enter upon DEALER's premises and remove all such signs bearing the TITAN designation or Marks without liability of TITAN to DEALER. DEALER agrees to reimburse TITAN for all Costs and expenses, including without limitation, attorneys' fees, incurred by TITAN in effecting or enforcing compliance with this Paragraph. The provisions of this Paragraph shall survive after termination of this Agreement.

23. INDEPENDENT PERSON

DEALER is an independent business and the conduct of its business is within the sole discretion of DEALER. This Agreement does not create the relationship of principal and agent, master and servant, or employer and employee between TITAN and DEALER. Nothing herein contained shall be construed or interpreted to grant any authority to DEALER to commit or bind TITAN in any manner to any person. DEALER shall be solely responsible for all the acts and omissions of DEALER, its agents and employees. This Agreement is not intended to govern, control or manage the day-to-day business activities of DEALER. DEALER agrees to defend, indemnify and save TITAN and its suppliers harmless from any claim, demand, damage, liability, cost or expense, including attorneys' fees and expenses arising out of any acts or omissions of DEALER, its agents or employees.

24. SALE OF DEALER'S BUSINESS

A. DEALER may not sell, transfer or assign the whole or any part of DEALER's rights or obligations under this Agreement, without TITAN's prior written consent. DEALER shall give Titan at least thirty (30) days' prior written notice of any such proposed sale, transfer, or assignment. TITAN's failure to object to the proposed sale, transfer, or assignment following notice from DEALER shall not constitute TITAN's consent.

B. Provided that this Agreement is still in effect, and provided further that notice of termination or notice of nonrenewal has not been provided to DEALER and is not then in effect between DEALER and TITAN, TITAN agrees to not unreasonably refuse to enter into a new Sales and Service Agreement for the remainder of the term provided in Paragraph 2 of this Agreement with a person contracting to purchase DEALER's business as pertains to the Products, provided that said purchaser as of the date of sale meets all then current requirements established by TITAN for the appointment of new dealers.

25. EARLY TERMINATION OF AGREEMENT

A. This Agreement maybe terminated in its entirety or with respect to any of the Products at any time without notice by mutual consent of DEALER and TITAN.

B. Either party may terminate this Agreement in its entirety or with respect to any of the Products prior to the expiration date provided in Paragraph 2 hereof, without cause, on a minimum of sixty (60) days' prior written notice from one party to the other. If applicable State law should require notice of termination of a fixed period of time greater than that provided by this Agreement for a stated reason, then such required notice in the form prescribed shall be given by the terminating party.

C. TITAN may immediately terminate this Agreement in its entirely or with respect to any of the Products by written notice given to DEALER in the event of any of the following: (1) death, incapacity, removal or resignation of DEALER or any person in the employment thereof and in reliance upon whom this Agreement was entered into by TITAN; (2) any sale or transfer of any substantial interest in the managerial control and/or ownership of DEALER without TITAN's prior

written consent; (3) an unauthorized change made by DEALER in the location of DEALER's place(s) of business as specified in this Agreement or the addition of any place of business for Products; (4) discontinuance of the operation of DEALER's business for a period of five (5) consecutive days, unless such discontinuance is the result of a natural disaster; (5) the appointment of an assignee, referee, receiver, or trustee for DEALER or upon its adjudication in bankruptcy or the liquidation of DEALER; (6) any dispute, disagreement or controversy between or among partners, managers, officers, or shareholders of DEALER which, in the opinion of TITAN, adversely affects the operation, management or business of DEALER or TITAN and is not resolved within thirty (30) days after notice is given to DEALER by TITAN; (7) submission by DEALER to TITAN of a fraudulent report, statement claim for reimbursement, refund or credit or falsification of warranty claim or registration or of DEALER's retail labor rate or providing of fraudulent statements relating to pre-delivery preparation, testing, servicing, repairing or maintenance of the Products; (8) failure to maintain DEALER's account on a current basis and in accordance with TITAN's terms and conditions of sale; (9) failure by DEALER, within five (5) days following notification by TITAN, to replace with cash or cashier's check any check provided TITAN by DEALER which has been returned from the bank on which the check was drawn without payment to; (10) conviction in any court of competent jurisdiction of DEALER, or any principal officer or manger of DEALER, of any crime tending to affect adversely the ownership, operation, management, business or interest of the DEALER or TITAN; or (11) failure of DEALER to obtain or maintain any license required by law.

D. The date of notice of termination shall be the date of mailing of such notice. If any period of notice of the termination required hereunder is less than that required by applicable laws, such period of notice shall be increased and be deemed to be the minimum period required by such laws.

E. DEALER hereby acknowledges and agrees that in the event of a discontinuance of the operation of DEALER's business for a period often (10) consecutive days, for any reason whatsoever other than a natural disaster, such discontinuance shall constitute a voluntary termination of this Agreement by DEALER. Upon receipt of such notice, DEALER shall cooperate with TITAN, including without limitation, executing such other documents as may be reasonably required by TITAN, to effectuate the voluntary termination of this Agreement and DEALER's business in TITAN's Products.

26. PROCEDURE ON TERMINATION

A. Upon termination or expiration and nonrenewal of this Agreement, DEALER will immediately pay to TITAN all sums owing from DEALER to TITAN. Any amount due TITAN by DEALER may be deducted from credits owing DEALER.

B. In the event of early termination or expiration and nonrenewal of this Agreement, TITAN shall continue to fill orders from DEALER for such Products as may be affected by the termination or nonrenewal up to the specified termination or expiration date. TITAN shall have the right to impose reasonable limitations on such orders for such Products during the notice period. On the specified date of termination or expiration, all unfilled orders for such Products will be automatically cancelled. Payment terms for such Products supplied by TITAN to DEALER after notice of intention to terminate or upon expiration and nonrenewal may be changed to cash, certified check or other terms determined by TITAN.

C. After the effective date of termination of this Agreement, the acceptance of orders from DEALER by TITAN, or the continuation of the sale by DEALER of Products, or the referring of inquiries to DEALER by TITAN, or any business relations either party has with the other will not be construed as a renewal of this Agreement nor a waiver of the termination. If TITAN accepts any orders from DEALER after termination of this Agreement, alt such transaction(s) will be governed, unless the contrary intention appears, by the terms of this Agreement applicable to such transactions.

27. COMPLIANCE WITH SAFETY, REGULATORY, AND EMISSION CONTROL REQUIREMENTS

A. DEALER agrees to comply with, and operate consistently with, all applicable provisions of the National Traffic and Motor Vehicle Safety Act of 1966 and the Federal Clean Air Act, as amended, including applicable rules and regulations issued from time to time thereunder, and all other applicable federal, state and local rules and regulations issued from time to time thereunder, and all other applicable federal, state and local product safety, regulatory and emission control requirements.

B. In the event that the laws of the state in which DEALER is located require dealers of Products to install in new or used Products, prior to the retail sale thereof, any safety devices or other equipment not installed or supplied as standard equipment by TITAN, then DEALER, prior to its sale of any such TITAN Product, shall properly install such equipment.

28. COMPLIANCE WITH SAFETY, REGULATORY AND EMISSION CONTROL REQUIREMENTS

DEALER hereby agrees to adopt, promote and implement safety programs developed and provided by TITAN upon written notification from TITAN, DEALER agrees to place and display safety notices and warnings and proper user information labels on TITAN Products and in the dealership as appropriate, and to adhere to established user recommendations and restrictions on the sale of TITAN Products as directed by TITAN. DEALER agrees to promote and require safety awareness and training of purchasers and users of TITAN Products in accordance with programs and materials developed or provided by TITAN upon written notification by TITAN. DEALER agrees to provide to customers safety notices and warnings and other safety awareness materials prepared or provided by TITAN, and/or which may from time to time be developed and provided by industry and/or safety associations, regarding use of TITAN Products. DEALER agrees to require the reading or viewing of such safety awareness materials by the customer in conjunction with the sale of a TITAN Product as specified in writing by TITAN. DEALER agrees that violation of its safety obligations described in this Paragraph constitutes ground for TITAN action under this Agreement. TITAN retains the right, through written notification, to amend the "DEALER SAFETY OBLIGATIONS" specified in this Paragraph and to add such other Dealer Safety Obligations as may be necessary or advisable.

29. DEALER'S SUCCESSOR ON DEATH OR INCAPACITY

Upon termination of this Agreement because of death or incapacity of the principal of DEALER, TITAN will offer to a nominated successor of the principal of DEALER acceptable to TITAN, or to spouse of the principal of DEALER, continuation of this Agreement for the duration of the Agreement as provided in

Paragraph 2 hereof, provided that: (i) DEALER, within fifteen (15) days of the occurrence of such death or incapacity, gives notice to TITAN of such occurrence and the name and qualifications of the DEALER's successor; (ii) The facilities and capital of the dealership meet TITAN then current requirements; and, (iii) The person to whom the continuation of the Agreement is offered provides written notice to TITAN of acceptance within fifteen (15) days from the extension of the offer by TITAN.

30. DISPUTE RESOLUTION

All controversies, claims and disputes arising in connection with this Agreement, except any controversies, claims and disputes relating to amounts due and unpaid to TITAN or relating to third party personal injury, shall be settled by mutual consultation between the parties in good faith as promptly as possible, but failing an amicable settlement shall be settled finally by arbitration in accordance with the provisions of this Paragraph. Such arbitration shall be conducted in Phoenix, Arizona in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and the parties hereto agree that such arbitration shall be the sole and exclusive method of resolving any and all such controversies, claims or disputes, except those expressly excluded above. Judgement upon such award may be entered in the Superior Court of the State of Arizona for the County of Maricopa, if the award is rendered against DEALER. The prevailing party shall be entitled to recover from the nonprevailing party all costs and expenses of the arbitration, including reasonable attorney's fees.

31. SERVICE OF NOTICE

Any notice which may be required to be served by DEALER on TITAN, or by TITAN on DEALER, shall be in writing and Sent by certified or registered mail, return-receipt requested, addressed to the party for whom intended at its last known address. Each party will promptly advise the other, in writing, of any change of address.

32. GENERAL PROVISIONS

DEALER agrees that it neither has nor may acquire by performance under the terms and provisions of this Agreement, any vested right in the sales and service responsibility assigned to it hereunder and any investments made by DEALER in the performance hereof are made with the knowledge that this Agreement may expire and not be renewed or be terminated as herein provided. This Agreement is the entire agreement between the parties and terminates and supersedes all prior agreements, verbal or written, between the parties. Neither trade usage nor course of dealing shall serve to modify, amend or change this Agreement. This Agreement may be altered or amended in writing only and must be signed by an executive officer of TITAN. Both parties shall be excused from nonperformance in the case of FORCE MAJEURE or other causes beyond the control of the parties. The paragraph headings contained herein are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. It is understood that this is a general form of agreement designated for use in any State. Should any provision of this Agreement or the application thereof to any particular person or circumstance be contrary to or prohibited by applicable laws or regulations, such provision shall be inapplicable and deemed omitted and the remaining provisions of this Agreement will be valid and binding and of like effect as though such provisions were not included herein. TITAN has a right to

amend, modify or change this Agreement in case of legislation, government regulation or changes in circumstances beyond the control of TITAN that might affect materially the relationship between TITAN and DEALER. This Agreement and the rights and obligations arising thereunder shall be governed by and construed according to the laws of the State of Arizona.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate the day and year hereinafter written.

DEALER	TITAN MOTORCYCLE CO. OF AMERICA
Signature: /s/ Barbara S. Keery	Signature: /s/ Robert P. Lobban
Position/Title: Partner	Position/Title: CFO
Signature:	Dated: 1/4/99
Position/Title:	
Dated: 12/30/98	

Circle One: Corporation Partnership Individual

This Agreement shall be executed on behalf of DEALER by the owner in case of a sole proprietorship, by general partner in case of a partnership, or by a duly authorized officer in case of a corporation, showing position or title of person signing.

APPENDIX "A"

THE DEFINITION OF PRODUCTS IN THIS AGREEMENT SHALL INCLUDE:

MOTORCYCLE MODELS:

"SIDEWINDER" SX & RM

"ROADRUNNER" SX & RM

"ROADRUNNER SPORT" RM

"GECKO" SX & RM

"COYOTE"

APPENDIX "B"

OWNERS AND MANAGERS

1. THE FOLLOWING PERSONS ARE THE BENEFICIAL AND RECORD OWNERS OF DEALER:

NAME AND ADDRESS OF EACH RECORD OR BENEFICIAL OWNER OF DEALER	IF A CORPORATION, NUMBER AND CLASS OF SHARES		PERCENTAGE OWNERSHIP OF RECORD IN DEALER
	NUMBER	CLASS	
BPF, LLC			100%

2. THE FOLLOWING PERSONS ARE DEALER'S OFFICERS:

NAME AND ADDRESS	TITLE
PATRICK KEERY	PARTNER
FRANCIS KEERY	PARTNER
BARBARA KEERY	PARTNER
BRYANT CRAGUN	PARTNER

3. THE FOLLOWING PERSONS FUNCTION AS GENERAL MANAGER OF DEALER AND, AS SUCH, ARE AUTHORIZED TO MAKE ALL DECISIONS ON BEHALF OF DEALER WITH RESPECT TO DEALER'S OPERATIONS:

NAME AND ADDRESS	TITLE
JEFF LIPET	MANAGER

APPENDIX "C"

MINIMUM ANNUAL QUANTITY OF NEW TITAN MOTORCYCLES

TO BE PURCHASED

FROM

TITAN BY DEALER

TWENTY (20) UNIT PER YEAR

APPENDIX "D"

MINIMUM MODEL FLOOR INVENTORY OF TITAN. PRODUCTS

TO BE CONTINUOUSLY CARRIED BY DEALER

TWENTY (20) UNITS TO BE DETERMINED BY DEALER

TITAN MOTORCYCLE CO. OF AMERICA(R)

AUTHORIZED DEALER SALES AND SERVICE

AGREEMENT

1. PARTIES TO AGREEMENT

This Agreement is made by and between TITAN Motorcycle Co. of America(R), 2222 West Peoria Avenue, Phoenix, AZ 85029, an Arizona corporation hereinafter called TITAN and VEGAS MOTORCYCLE COMPANY, LLC hereinafter called "DEALER". The purpose of this Agreement is to appoint DEALER during the continuance of this Agreement as an authorized independent dealer for TITAN brand products as hereinafter designated and to establish the basic rules which will govern the relationship between TITAN and DEALER.

2. DURATION OF AGREEMENT

This Agreement shall be in effect from the date of execution by TITAN to and including December 31, 2000, unless sooner terminated as hereinafter provided. No act by either party to this Agreement shall be construed as an extension or renewal of this Agreement, except renewals or extensions in writing and signed by both parties.

3. GRANTING OF DEALERSHIP

A. TITAN hereby grants to DEALER, during the continuance of this Agreement, the non-exclusive privilege of purchasing for DEALER's own account for resale to retail purchasers solely at DEALER's place(s) of business in the city or cities and at the address or addresses indicated in Paragraph 1 above, those Titan brand products specified in Appendix "A" to this Agreement and related parts and accessories (hereinafter collectively called "Products") which are supplied by TITAN. No obligation exists on the part of TITAN to sell any other of TITAN products to DEALER

B. DEALER will not move its place(s) of business to any new or different location other than that specified in Paragraph 1, or establish any additional place o places of business for the sale, servicing or display of Products without the prior written consent of Titan.

C. DEALER will not establish, directly or indirectly, an associate dealer or a sub-dealer for the safe or service of new or used Products, or permit someone else to act on DEALER's behalf or perform DEALER's obligations under this Agreement in connection with the sale or service of new or used Products without the prior written consent of an executive officer of TITAN.

4. AREA OF PRIMARY RESPONSIBILITY

A. TITAN and DEALER agree that DEALER's area of primary responsibility for the sales and service of the Products shall be a twenty-five (25) mile radius of DEALER's place(s) of business as specified in Paragraph 1 of this agreement.

B. TITAN reserves the unrestricted right to sell the Products and grant the privilege of using it's name and trademarks to other dealers or persons whether located in DEALER's area of primary responsibility or elsewhere.

5. SALES PERFORMANCE

DEALER agrees, at its own cost and expense, to use its best efforts and due diligence to energetically and aggressively develop and promote the sale of Products, including each model and type thereof. DEALER and TITAN agree that TITAN shall evaluate DEALER's development and promotion of the sale of Products, both as a whole and separately for each model based on such reasonable criteria as TITAN may determine from time to time, which may include but not be limited to: (a) fair and reasonable sales objectives which may be established from time to time by TITAN for DEALER after review with DEALER; (b) the ratio of sales of Products by DEALER to sales of other makes of similar products as compared with (i) such ratio on a local, state, and/or nationwide bases; (ii) the average ratio for all TITAN dealers appointed by TITAN; (c) the development of DEALER's sales performance over a reasonable period of time; and (d) particular conditions in DEALER's area of primary responsibility, if any. affecting such performance or potential sales performance. DEALER acknowledges and agrees to a minimum sales objective of new TITAN motorcycles as indicated in Appendix C throughout the term of this agreement.

6. OWNERSHIP AND MANAGEMENT

To induce TITAN to enter into this Agreement, DEALER represents that the person(s) identified in Appendix "B" to this Agreement, are all of the owners and persons executing managerial authority on behalf of DEALER. TITAN is

entering into this Agreement in reliance upon these representations. DEALER agrees there will be no change in DEALER's owners or general managers without TITAN's prior written consent.

7. PRICES, TERMS AND CONDITIONS

A. TITAN shall invoice Products sold to DEALER under this agreement at prices and on terms and conditions established by TITAN and that are current at the time of shipment to DEALER. Prices, terms and conditions of sale may be changed by TITAN from time to time without prior notice or liability from TITAN to DEALER. Unless otherwise expressly stated by TITAN, said prices to DEALER do not include sales, use, excise, or similar taxes. DEALER warrants that all Products purchased from TITAN are purchased for resale only in the ordinary course of DEALER's business, at DEALER's place(s) of business as specified in Paragraph I of this Agreement, and that DEALER has complied with all pertinent state and local laws pertaining to the collection and payment by DEALER of all sales, use and like taxes applicable to such resale transactions.

B. If DEALER is delinquent in payment of any indebtedness or obligation to TITAN or if DEALER is in default with respect to any provisions of this Agreement, then TITAN, at its sole discretion and in addition to any other rights and remedies it may have under this Agreement or at law, may without further notice suspend all pending orders and shipments until said delinquency is cured or until said default is cured, as the case may be.

C. DEALER agrees that TITAN may apply toward the payment of any indebtedness due TITAN by DEALER, whether under this Agreement or otherwise, any credit owing to DEALER by TITAN.

D. DEALER agrees to permit floor checking of all TITAN brand inventory in possession of DEALER by representatives of TITAN in order to assist TITAN in product planning, distribution and production quantities and to determine compliance by DEALER with warranty registration requirements.

8. SHIPMENT OF PRODUCTS

A. TITAN shall ship Products purchased by DEALER during the duration of this Agreement by whatever mode of transportation TITAN shall select from whatever geographic point TITAN may from time to time establish. All shipments of Products shall be at DEALER's risk and DEALER shall be responsible for and shall pay any and all transportation and/or handling charges resulting from shipment of Products to DEALER, unless otherwise specified in writing by TITAN.

B. TITAN will endeavor as far as practical to make deliveries to DEALER in accordance with DEALER's orders, but if for any cause TITAN fails to make deliveries within the time stated in the order, or cancels any of such orders, TITAN will not be liable to DEALER for any payment whatsoever by reason of such failure to deliver, delays in making deliveries or cancellation, nor for any loss of profits resulting directly or indirectly therefrom.

9. DISCONTINUANCE OR UNAVAILABILITY OF PRODUCTS

A. TITAN reserves for itself the right to discontinue the manufacture or sale of any of the Products or to make changes in design, color or appearance or to add improvements to particular Products at anytime, all without notice to DEALER and without incurring any obligation to DEALER either with respect to any Products previously ordered or purchased by DEALER or otherwise.

B. In the event of a Product shortage or Product introduction, TITAN shall have the right to allocate or apportion said available Product or Products among its customers as TITAN, in the exercise of its discretion, deems appropriate, without incurring any liability to DEALER.

10. EQUAL REPRESENTATION

In the event DEALER sells other brands or lines of products which are competitive with those Products purchased by DEALER from TITAN, DEALER agrees to provide the Products with at least an equal representation to that provided other competitive brands or lines.

11. DEALER BUSINESS FACILITIES

A. DEALER agrees to establish, staff, equip and maintain a salesroom and service facility for the Products which will provide a first-class display of the full line of Products and provide adequate service for the retail customer. Each such facility will comply with reasonable written layout, appearance and size standards established by TITAN from time to time. DEALER understands that TITAN shall evaluate DEALER's compliance with such standard in determining its performance under this Agreement.

B. In carrying out its obligations under this Agreement, DEALER agrees to maintain posted opening and closing hours, which business hours shall not be less than that which is customary for similar business establishments in DEALERS area of primary responsibility.

12. DEALER IDENTIFICATION

DEALER shall purchase, display and maintain, at DEALER's expense, signage approved by TITAN, identifying the Products in a conspicuous location visible outside DEALER's salesroom and service facilities, to the full extent permitted by law. In the event of a prohibition by law, DEALER shall use its good faith efforts to obtain an exception. DEALER shall further display and maintain during the term of this Agreement such other authorized Product and service signs and identification as are necessary to properly advertise DEALER's business in TITAN products and service on a basis mutually satisfactory to both TITAN and DEALER. DEALER agrees to place and maintain on the business premises signs and other means of notification to the public that DEALER is an independent business person, separate and distinct from TITAN.

13. FINANCIAL RESPONSIBILITY

A. DEALER shall at all times maintain and employ, in connection with its business and operations under this Agreement, such working capital and net worth together with a line of credit with a financing institution which will permit DEALER to properly and fully carry out and perform DEALER's duties and obligations under this Agreement, including an inventory of Products commensurate with annually set objectives established by TITAN and DEALER. Such working capital, net worth and/or line of credit shall be amounts not less than minimum standards established by TITAN from time to time for dealers similarly situated.

B. DEALER shall at all times maintain insurance coverage reasonably carried by similarly situated dealers in such business, including without limitation, general liability, property damage, and products liability to adequately protect DEALER from loss resulting from the assembly, sale, service or repair of the Products or arising out of any acts or omissions of the DEALER.

14. MODEL INVENTORY

Subject to the ability of TITAN to supply, DEALER agrees to purchase from Titan and at all times maintain an inventory of then available models of Products, which inventory shall at no time be less than the number of Products reasonably established by TITAN from time to time after consultation with DEALER, such initial minimum inventory being listed in Appendix D.

15. SERVICE PARTS

Dealer agrees to organize and maintain a complete parts department. DEALER at all times will keep in DEALER's place(s) of business as specified in Paragraph 1 of this Agreement an inventory of service parts of an assortment and in quantities that in TITAN's judgement is necessary to meet the current anticipated requirements of owners of TITAN Products. DEALER agrees that it will not sell or offer for sale or use in the repair or any Products, as a genuine TITAN part, any part that is not in fact a genuine new TITAN part.

16. EMPLOYEE TRAINING

DEALER wilt participate in and will make available to its employees training courses, service schools, sales and management seminars and personnel development programs as may be provided or required from time to time by TITAN. DEALER agrees to have in its employ at all times during the continuance of this Agreement at least one filly trained mechanic who has been trained in service and repair of TITAN's Products.

17. REPORTS AND FINANCIAL INFORMATION

DEALER will provide TITAN, by the 30th day of the month following the end of DEALER's calendar or fiscal business year, a complete and accurate financial and operating statement covering DEALER's preceding calendar or fiscal year operations and showing the true and accurate conditions of DEALER's business. DEALER will also furnish to TITAN, on such forms and at such times as TITAN reasonably may require, complete and accurate reports of DEALER's sales activity and stock of Products then being held by DEALER.

18. ADVERTISING AND TRADE PRACTICES

A. DEALER agrees to develop, utilize and participate in various advertising and sales promotion programs in fulfilling its responsibilities for selling, promoting and advertising the Products. In so doing, DEALER agrees to (a) maintain a trademark or tradename advertising listing or a display advertising listing in the Yellow Pages of the principal telephone directory in its marketing area; (b) make reasonable use of newspaper, direct mail, television, radio or other appropriate advertising media as suggested by TITAN; (c) participate in advertising or sales promotion programs offered from time to time by TITAN and in accordance with the applicable provisions and rules thereof; and (d) make every reasonable effort to build and maintain customer interest in activities involving Products and confidence in DEALER, TITAN and the Products.

B. To assist DEALER in fulfilling his advertising and promotion responsibilities, TITAN may, at its sole discretion, develop and offer from time to time various advertising and sales promotion programs to promote the sale of Products for the mutual benefit of TITAN and DEALER. TITAN may also provide to DEALER from time to time advertising and sales promotion material for purchase by DEALER. DEALER agrees to pay promptly for any such materials. TITAN may offer other materials to DEALER from time to time at no charge.

C. DEALER agrees to at all times conduct its business in a manner that will reflect favorably on the good name and reputation of the Products and TITAN. DEALER expressly recognizes its obligation to avoid in every way any discourteous, deceptive. misleading or unethical practice or advertising that is or might be detrimental to the Products, TITAN, or the public. DEALER agrees, when notified by TITAN of such objections, to immediately discontinue such practice or advertising.

19. PRE-DELIVERY SERVICE

DEALER expressly recognizes its obligation to effectively assemble, inspect, service and/or prepare Products in accordance with schedules or instructions furnished from time to time by TITAN before delivery to the retail purchaser by DEALER. DEALER agrees to uncrate, set up, inspect and test each new TITAN Product at DEALER's place of business as specified in this Agreement, prior to delivery to the retail purchaser, in accordance with the written instructions

furnished from time to time by TITAN. DEALER agrees to make all necessary repairs to such Products after receipt of a formal authorization from TITAN and agrees that each such Product will be received directly by the retail purchaser at DEALER's place(s) of business as specified in Paragraph 1 of this Agreement in safe and lawful operating condition. Upon request, DEALER will furnish evidence to TITAN of the performance of such pre-delivery services on forms prescribed by TITAN. DEALER will report promptly in writing, to TITAN's Chief Executive Officer any act or failure to act on the part of TITAN or any of its personnel which DEALER believes was not fair and equitable towards it in the establishment or performance of pre-delivery obligations.

20. REPAIR AND MAINTENANCE SERVICE

A. DEALER expressly recognizes its obligation to obtain necessary tools, and to effectively perform repair or maintenance services required on Products, in accordance with TITAN's current recommendations and specifications.

B. DEALER shall develop and maintain competent, qualified and efficient service mechanics for the service and repair of the Products and shall employ said persons in DEALER's service and repair facilities. DEALER shall not use service or repair facilities or personnel other than its own in connection with the service and repair of the Products without the prior written consent of an executive officer of TITAN. DEALER shall comply with and maintain copies of bulletins which may fl-cm time to time be issued by TITAN pertaining to the service or the use or operation of the Products, and to the maintenance of requisite tools to perform service work on the Products.

C. DEALER shall perform all Product services under this Agreement, including pre-delivery, warranty and recall service, as an independent contractor. DEALER agrees to post his labor rates in a conspicuous manner so that they are plainly visible to his service customers. Service provided by DEALER shall include only those services which are specifically requested by the customer or those services approved in advance by the customer.

21. WARRANTY

A. TITAN makes no representations or warranties, express or implied, with respect to the Products except as may be provided in a standard written or printed warranty offered to the retail purchaser with respect to one or more of the Products from time to time. THE FOREGOING IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXCEPT TITLE, WHETHER EXPRESS OR IMPLIED, AND TITAN MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE TO DEALER. THE FULFILLING OF THE TERMS OF THE PRINTED WARRANTY SHALL CONSTITUTE THE SOLE REMEDY OF DEALER AND THE SOLE LIABILITY OF TITAN, WHETHER ON WARRANTY, CONTRACT OR NEGLIGENCE.

B. DEALER expressly recognizes its obligation to effectively perform warranty work on Products whether delivered by DEALER or by another authorized dealer and to fulfill the conditions of the warranty as applicable to particular Products where indicated without charge to the retail purchaser. Within three (3) business days after delivery of a new Product to a retail purchaser, DEALER shall complete and send to TITAN a true and complete sales warranty registration report on such Product in a manner then prescribed by TITAN, including the name

and address of the owner. TITAN may utilize the information in the extent of a recall of a Product, and/or to provide TITAN with useful marketing information.

C. DEALER will report promptly, in writing, to TITAN's Chief Executive Officer, any act or failure to act on the part of TITAN or any of its personnel which DEALER believes was not fair and equitable towards it in the performance of warranty obligations or which resulted in DEALER not receiving reasonable and adequate compensation for warranty labor and parts provided by DEALER.

D. DEALER shall process and dispose of warranty claims on the Products in accordance with the procedure which may be prescribed from time to time by TITAN, and TITAN shall have no obligation to recognize any warranty claims unless the prescribed procedure is complied with by DEALER including, but not limited to, the receipt by DEALER from TITAN of a written warranty work authorization prior to the commencement of any reimbursable warranty work. In support of DEALER's claim for warranty compensation, DEALER agrees to provide TITAN with such supportive documents as TITAN may request.

E. DEALER expressly warrants that should any of the Products be modified by DEALER or at DEALER's request, DEALER will attach to the Product prior to retail sale a conspicuous statement which wilt clearly disclose the extent or nature of the modification and the resultant warranty coverage, if any, which will then apply to the Products.

F. DEALER expressly acknowledges that DEALER is performing warranty work on the Products as an independent contractor and may be compensated for such services separate and apart from the purchase price of the Products.

22. TRADEMARKS AND TRADE NAMES

TITAN and its related companies are exclusively entitled to the use of the trademark "TITAN Motorcycle Company of America" and to the use of all trade names and trademarks used in connection with the Products and the goodwill attached thereto in the United States of America (thereinafter collectively called the "Marks"). TITAN grants DEALER the non exclusive permission to advertise and otherwise inform the general public of the fact that DEALER sells the Products and is a "TITAN Motorcycle Company of America Dealer" at the locations specified in Paragraph 1 of this Agreement, including the use of outdoor signs, signs on buildings and other means of identification for such specified location. DEALER will not use, or permit the use of the Marks either as part of any corporate title, firm name or trade name unless TITAN shall first consent thereto in writing. On termination of this Agreement, DEALER agrees to immediately discontinue all use of the Marks and other means of identification that might make it appear or imply that DEALER is still an authorized representative of the Products including, without limitation. removal of any listing in any telephone directory, display advertising or outdoor sign. TITAN shall have the right, but not the obligation, to acquire any or all such signs in possession of DEALER on date of termination at a price that is not in excess of the price, if any, originally paid by DEALER. DEALER further agrees to discontinue any use of the Marks or any semblance of same, as a part of its business or corporate name and, if appropriate, file a change or discontinuance of such name with the appropriate authorities. In the event DEALER fails to comply with the terms and conditions of this Paragraph, TITAN shall have the right to enter upon DEALER's premises and remove all such signs bearing the TITAN designation or Marks without liability of TITAN to DEALER. DEALER agrees to reimburse TITAN for all Costs and expenses, including without limitation, attorneys' fees, incurred by TITAN in effecting or enforcing compliance with this Paragraph. The provisions of this Paragraph shall survive after termination of this Agreement.

23. INDEPENDENT PERSON

DEALER is an independent business and the conduct of its business is within the sole discretion of DEALER. This Agreement does not create the relationship of principal and agent, master and servant, or employer and employee between TITAN and DEALER. Nothing herein contained shall be construed or interpreted to grant any authority to DEALER to commit or bind TITAN in any manner to any person. DEALER shall be solely responsible for all the acts and omissions of DEALER, its agents and employees. This Agreement is not intended to govern, control or manage the day-to-day business activities of DEALER. DEALER agrees to defend, indemnify and save TITAN and its suppliers harmless from any claim, demand, damage, liability, cost or expense, including attorneys' fees and expenses arising out of any acts or omissions of DEALER, its agents or employees.

24. SALE OF DEALER'S BUSINESS

A. DEALER may not sell, transfer or assign the whole or any part of DEALER's rights or obligations under this Agreement, without TITAN's prior written consent. DEALER shall give Titan at least thirty (30) days' prior written notice of any such proposed sale, transfer, or assignment. TITAN's failure to object to the proposed sale, transfer, or assignment following notice from DEALER shall not constitute TITAN's consent.

B. Provided that this Agreement is still in effect, and provided further that notice of termination or notice of nonrenewal has not been provided to DEALER and is not then in effect between DEALER and TITAN, TITAN agrees to not unreasonably refuse to enter into a new Sales and Service Agreement for the remainder of the term provided in Paragraph 2 of this Agreement with a person contracting to purchase DEALER's business as pertains to the Products, provided that said purchaser as of the date of sale meets all then current requirements established by TITAN for the appointment of new dealers.

25. EARLY TERMINATION OF AGREEMENT

A. This Agreement maybe terminated in its entirety or with respect to any of the Products at any time without notice by mutual consent of DEALER and TITAN.

B. Either party may terminate this Agreement in its entirety or with respect to any of the Products prior to the expiration date provided in Paragraph 2 hereof, without cause, on a minimum of sixty (60) days' prior written notice from one party to the other. If applicable State law should require notice of termination of a fixed period of time greater than that provided by this Agreement for a stated reason, then such required notice in the form prescribed shall be given by the terminating party.

C. TITAN may immediately terminate this Agreement in its entirely or with respect to any of the Products by written notice given to DEALER in the event of any of the following: (1) death, incapacity, removal or resignation of DEALER or any person in the employment thereof and in reliance upon whom this Agreement was entered into by TITAN; (2) any sale or transfer of any substantial interest in the managerial control and/or ownership of DEALER without TITAN's prior

written consent; (3) an unauthorized change made by DEALER in the location of DEALER's place(s) of business as specified in this Agreement or the addition of any place of business for Products; (4) discontinuance of the operation of DEALER's business for a period of five (5) consecutive days, unless such discontinuance is the result of a natural disaster; (5) the appointment of an assignee, referee, receiver, or trustee for DEALER or upon its adjudication in bankruptcy or the liquidation of DEALER; (6) any dispute, disagreement or controversy between or among partners, managers, officers, or shareholders of DEALER which, in the opinion of TITAN, adversely affects the operation, management or business of DEALER or TITAN and is not resolved within thirty (30) days after notice is given to DEALER by TITAN; (7) submission by DEALER to TITAN of a fraudulent report, statement claim for reimbursement, refund or credit or falsification of warranty claim or registration or of DEALER's retail labor rate or providing of fraudulent statements relating to pre-delivery preparation, testing, servicing, repairing or maintenance of the Products; (8) failure to maintain DEALER's account on a current basis and in accordance with TITAN's terms and conditions of sale; (9) failure by DEALER, within five (5) days following notification by TITAN, to replace with cash or cashier's check any check provided TITAN by DEALER which has been returned from the bank on which the check was drawn without payment to; (10) conviction in any court of competent jurisdiction of DEALER, or any principal officer or manger of DEALER, of any crime tending to affect adversely the ownership, operation, management, business or interest of the DEALER or TITAN; or (11) failure of DEALER to obtain or maintain any license required by law.

D. The date of notice of termination shall be the date of mailing of such notice. If any period of notice of the termination required hereunder is less than that required by applicable laws, such period of notice shall be increased and be deemed to be the minimum period required by such laws.

E. DEALER hereby acknowledges and agrees that in the event of a discontinuance of the operation of DEALER's business for a period often (10) consecutive days, for any reason whatsoever other than a natural disaster, such discontinuance shall constitute a voluntary termination of this Agreement by DEALER. Upon receipt of such notice, DEALER shall cooperate with TITAN, including without limitation, executing such other documents as may be reasonably required by TITAN, to effectuate the voluntary termination of this Agreement and DEALER's business in TITAN's Products.

26. PROCEDURE ON TERMINATION

A. Upon termination or expiration and nonrenewal of this Agreement, DEALER will immediately pay to TITAN all sums owing from DEALER to TITAN. Any amount due TITAN by DEALER may be deducted from credits owing DEALER.

B. In the event of early termination or expiration and nonrenewal of this Agreement, TITAN shall continue to fill orders from DEALER for such Products as may be affected by the termination or nonrenewal up to the specified termination or expiration date. TITAN shall have the right to impose reasonable limitations on such orders for such Products during the notice period. On the specified date of termination or expiration, all unfilled orders for such Products will be automatically cancelled. Payment terms for such Products supplied by TITAN to DEALER after notice of intention to terminate or upon expiration and nonrenewal may be changed to cash, certified check or other terms determined by TITAN.

C. After the effective date of termination of this Agreement, the acceptance of orders from DEALER by TITAN, or the continuation of the sale by DEALER of Products, or the referring of inquiries to DEALER by TITAN, or any business relations either party has with the other will not be construed as a renewal of this Agreement nor a waiver of the termination. If TITAN accepts any orders from DEALER after termination of this Agreement, alt such transaction(s) will be governed, unless the contrary intention appears, by the terms of this Agreement applicable to such transactions.

27. COMPLIANCE WITH SAFETY, REGULATORY, AND EMISSION CONTROL REQUIREMENTS

A. DEALER agrees to comply with, and operate consistently with, all applicable provisions of the National Traffic and Motor Vehicle Safety Act of 1966 and the Federal Clean Air Act, as amended, including applicable rules and regulations issued from time to time thereunder, and all other applicable federal, state and local rules and regulations issued from time to time thereunder, and all other applicable federal, state and local product safety, regulatory and emission control requirements.

B. In the event that the laws of the state in which DEALER is located require dealers of Products to install in new or used Products, prior to the retail sale thereof, any safety devices or other equipment not installed or supplied as standard equipment by TITAN, then DEALER, prior to its sale of any such TITAN Product, shall properly install such equipment.

28. COMPLIANCE WITH SAFETY, REGULATORY AND EMISSION CONTROL REQUIREMENTS

DEALER hereby agrees to adopt, promote and implement safety programs developed and provided by TITAN upon written notification from TITAN, DEALER agrees to place and display safety notices and warnings and proper user information labels on TITAN Products and in the dealership as appropriate, and to adhere to established user recommendations and restrictions on the sale of TITAN Products as directed by TITAN. DEALER agrees to promote and require safety awareness and training of purchasers and users of TITAN Products in accordance with programs and materials developed or provided by TITAN upon written notification by TITAN. DEALER agrees to provide to customers safety notices and warnings and other safety awareness materials prepared or provided by TITAN, and/or which may from time to time be developed and provided by industry and/or safety associations, regarding use of TITAN Products. DEALER agrees to require the reading or viewing of such safety awareness materials by the customer in conjunction with the sale of a TITAN Product as specified in writing by TITAN. DEALER agrees that violation of its safety obligations described in this Paragraph constitutes ground for TITAN action under this Agreement. TITAN retains the right, through written notification, to amend the "DEALER SAFETY OBLIGATIONS" specified in this Paragraph and to add such other Dealer Safety Obligations as may be necessary or advisable.

29. DEALER'S SUCCESSOR ON DEATH OR INCAPACITY

Upon termination of this Agreement because of death or incapacity of the principal of DEALER, TITAN will offer to a nominated successor of the principal of DEALER acceptable to TITAN, or to spouse of the principal of DEALER, continuation of this Agreement for the duration of the Agreement as provided in

Paragraph 2 hereof, provided that: (i) DEALER, within fifteen (15) days of the occurrence of such death or incapacity, gives notice to TITAN of such occurrence and the name and qualifications of the DEALER's successor; (ii) The facilities and capital of the dealership meet TITAN then current requirements; and, (iii) The person to whom the continuation of the Agreement is offered provides written notice to TITAN of acceptance within fifteen (15) days from the extension of the offer by TITAN.

30. DISPUTE RESOLUTION

All controversies, claims and disputes arising in connection with this Agreement, except any controversies, claims and disputes relating to amounts due and unpaid to TITAN or relating to third party personal injury, shall be settled by mutual consultation between the parties in good faith as promptly as possible, but failing an amicable settlement shall be settled finally by arbitration in accordance with the provisions of this Paragraph. Such arbitration shall be conducted in Phoenix, Arizona in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and the parties hereto agree that such arbitration shall be the sole and exclusive method of resolving any and all such controversies, claims or disputes, except those expressly excluded above. Judgement upon such award may be entered in the Superior Court of the State of Arizona for the County of Maricopa, if the award is rendered against DEALER. The prevailing party shall be entitled to recover from the nonprevailing party all costs and expenses of the arbitration, including reasonable attorney's fees.

31. SERVICE OF NOTICE

Any notice which may be required to be served by DEALER on TITAN, or by TITAN on DEALER, shall be in writing and Sent by certified or registered mail, return-receipt requested, addressed to the party for whom intended at its last known address. Each party will promptly advise the other, in writing, of any change of address.

32. GENERAL PROVISIONS

DEALER agrees that it neither has nor may acquire by performance under the terms and provisions of this Agreement, any vested right in the sales and service responsibility assigned to it hereunder and any investments made by DEALER in the performance hereof are made with the knowledge that this Agreement may expire and not be renewed or be terminated as herein provided. This Agreement is the entire agreement between the parties and terminates and supersedes all prior agreements, verbal or written, between the parties. Neither trade usage nor course of dealing shall serve to modify, amend or change this Agreement. This Agreement may be altered or amended in writing only and must be signed by an executive officer of TITAN. Both parties shall be excused from nonperformance in the case of FORCE MAJEURE or other causes beyond the control of the parties. The paragraph headings contained herein are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. It is understood that this is a general form of agreement designated for use in any State. Should any provision of this Agreement or the application thereof to any particular person or circumstance be contrary to or prohibited by applicable laws or regulations, such provision shall be inapplicable and deemed omitted and the remaining provisions of this Agreement will be valid and binding and of like effect as though such provisions were not included herein. TITAN has a right to

amend, modify or change this Agreement in case of legislation, government regulation or changes in circumstances beyond the control of TITAN that might affect materially the relationship between TITAN and DEALER. This Agreement and the rights and obligations arising thereunder shall be governed by and construed according to the laws of the State of Arizona.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate the day and year hereinafter written.

DEALER	TITAN MOTORCYCLE CO. OF AMERICA
Signature: /s/ Barbara S. Keery	Signature: /s/ Robert P. Lobban
Position/Title: Partner	Position/Title: Chief Financial Officer
Signature:	Dated: 1/4/99
Position/Title:	
Dated: 12/30/98	

Circle One: Corporation Partnership Individual

This Agreement shall be executed on behalf of DEALER by the owner in case of a sole proprietorship, by general partner in case of a partnership, or by a duly authorized officer in case of a corporation, showing position or title of person signing.

APPENDIX "A"

THE DEFINITION OF PRODUCTS IN THIS AGREEMENT SHALL INCLUDE:

MOTORCYCLE MODELS:

"SIDEWINDER" SX & RM

"ROADRUNNER" SX & RM

"ROADRUNNER SPORT" RM

"GECKO" SX & RM

"COYOTE"

APPENDIX "B"

OWNERS AND MANAGERS

1. THE FOLLOWING PERSONS ARE THE BENEFICIAL AND RECORD OWNERS OF DEALER:

NAME AND ADDRESS OF EACH RECORD OR BENEFICIAL OWNER OF DEALER	IF A CORPORATION, NUMBER AND CLASS OF SHARES		PERCENTAGE OWNERSHIP OF RECORD IN DEALER
	NUMBER	CLASS	
BPF, LLC			100%

2. THE FOLLOWING PERSONS ARE DEALER'S OFFICERS:

NAME AND ADDRESS	TITLE
PATRICK KEERY	PARTNER
FRANCIS KEERY	PARTNER
BARBARA KEERY	PARTNER
BRYANT CRAGUN	PARTNER

3. THE FOLLOWING PERSONS FUNCTION AS GENERAL MANAGER OF DEALER AND, AS SUCH, ARE AUTHORIZED TO MAKE ALL DECISIONS ON BEHALF OF DEALER WITH RESPECT TO DEALER'S OPERATIONS:

NAME AND ADDRESS	TITLE
PETE CICCARRONE	MANAGER

APPENDIX "C"

MINIMUM ANNUAL QUANTITY OF NEW TITAN MOTORCYCLES

TO BE PURCHASED

FROM

TITAN BY DEALER

TWENTY (20) UNIT PER YEAR

APPENDIX "D"

MINIMUM MODEL FLOOR INVENTORY OF TITAN. PRODUCTS

TO BE CONTINUOUSLY CARRIED BY DEALER

TWENTY (20) UNITS TO BE DETERMINED BY DEALER

TITAN MOTORCYCLE CO. OF AMERICA(R)

AUTHORIZED DEALER SALES AND SERVICE AGREEMENT

1. PARTIES TO AGREEMENT

This Agreement is made by and between TITAN Motorcycle Co. of America R, 2222 West Peoria Avenue, Phoenix, AZ 85029, an Arizona corporation hereinafter called TITAN and TITAN MOTORCYCLE OF HOUSTON, LLC hereinafter called "DEALER". The purpose of this Agreement is to appoint DEALER during the continuance of this Agreement as an authorized independent dealer for TITAN brand products as hereinafter designated and to establish the basic rules which will govern the relationship between TITAN and DEALER.

2. DURATION OF AGREEMENT

This Agreement shall be in effect from the date of execution by TITAN to and including December 31, 2000, unless sooner terminated as hereinafter provided. No act by either party to this Agreement shall be construed as an extension or renewal of this Agreement, except renewals or extensions in writing and signed by both parties.

3. GRANTING OF DEALERSHIP

A. TITAN hereby grants to DEALER, during the continuance of this Agreement, the non-exclusive privilege of purchasing for DEALER's own account for resale to retail purchasers solely at DEALER's place(s) of business in the city or cities and at the address or addresses indicated in Paragraph 1 above, those Titan brand products specified in Appendix "A" to this Agreement and related parts and accessories (hereinafter collectively called "Products") which are supplied by TITAN. No obligation exists on the part of TITAN to sell any other of TITAN products to DEALER

B. DEALER will not move its place(s) of business to any new or different location other than that specified in Paragraph 1, or establish any additional place o places of business for the sale, servicing or display of Products without the prior written consent of Titan.

C. DEALER will not establish, directly or indirectly, an associate dealer or a sub-dealer for the safe or service of new or used Products, or permit someone else to act on DEALER's behalf or perform DEALER's obligations under this Agreement in connection with the sale or service of new or used Products without the prior written consent of an executive officer of TITAN.

4. AREA OF PRIMARY RESPONSIBILITY

A. TITAN and DEALER agree that DEALER's area of primary responsibility for the sales and service of the Products shall be a twenty-five (25) mile radius of DEALER's place(s) of business as specified in Paragraph 1 of this agreement.

B. TITAN reserves the unrestricted right to sell the Products and grant the privilege of using it's name and trademarks to other dealers or persons whether located in DEALER's area of primary responsibility or elsewhere.

5. SALES PERFORMANCE

DEALER agrees, at its own cost and expense, to use its best efforts and due diligence to energetically and aggressively develop and promote the sale of Products, including each model and type thereof. DEALER and TITAN agree that TITAN shall evaluate DEALER's development and promotion of the sale of Products, both as a whole and separately for each model based on such reasonable criteria as TITAN may determine from time to time, which may include but not be limited to: (a) fair and reasonable sales objectives which may be established from time to time by TITAN for DEALER after review with DEALER; (b) the ratio of sales of Products by DEALER to sales of other makes of similar products as compared with (i) such ratio on a local, state, and/or nationwide bases; (ii) the average ratio for all TITAN dealers appointed by TITAN; (c) the development of DEALER's sales performance over a reasonable period of time; and (d) particular conditions in DEALER's area of primary responsibility, if any. affecting such performance or potential sales performance. DEALER acknowledges and agrees to a minimum sales objective of new TITAN motorcycles as indicated in Appendix C throughout the term of this agreement.

6. OWNERSHIP AND MANAGEMENT

To induce TITAN to enter into this Agreement, DEALER represents that the person(s) identified in Appendix "B" to this Agreement, are all of the owners and persons executing managerial authority on behalf of DEALER. TITAN is

entering into this Agreement in reliance upon these representations. DEALER agrees there will be no change in DEALER's owners or general managers without TITAN's prior written consent.

7. PRICES, TERMS AND CONDITIONS

A. TITAN shall invoice Products sold to DEALER under this agreement at prices and on terms and conditions established by TITAN and that are current at the time of shipment to DEALER. Prices, terms and conditions of sale may be changed by TITAN from time to time without prior notice or liability from TITAN to DEALER. Unless otherwise expressly stated by TITAN, said prices to DEALER do not include sales, use, excise, or similar taxes. DEALER warrants that all Products purchased from TITAN are purchased for resale only in the ordinary course of DEALER's business, at DEALER's place(s) of business as specified in Paragraph I of this Agreement, and that DEALER has complied with all pertinent state and local laws pertaining to the collection and payment by DEALER of all sales, use and like taxes applicable to such resale transactions.

B. If DEALER is delinquent in payment of any indebtedness or obligation to TITAN or if DEALER is in default with respect to any provisions of this Agreement, then TITAN, at its sole discretion and in addition to any other rights and remedies it may have under this Agreement or at law, may without further notice suspend all pending orders and shipments until said delinquency is cured or until said default is cured, as the case may be.

C. DEALER agrees that TITAN may apply toward the payment of any indebtedness due TITAN by DEALER, whether under this Agreement or otherwise, any credit owing to DEALER by TITAN. D. DEALER agrees to permit floor checking of all TITAN brand inventory in possession of DEALER by representatives of TITAN in order to assist TITAN in product planning, distribution and production quantities and to determine compliance by DEALER with warranty registration requirements.

8. SHIPMENT OF PRODUCTS

A. TITAN shall ship Products purchased by DEALER during the duration of this Agreement by whatever mode of transportation TITAN shall select from whatever geographic point TITAN may from time to time establish. All shipments of Products shall be at DEALER's risk and DEALER shall be responsible for and shall pay any and all transportation and/or handling charges resulting from shipment of Products to DEALER, unless otherwise specified in writing by TITAN.

B. TITAN will endeavor as far as practical to make deliveries to DEALER in accordance with DEALER's orders, but if for any cause TITAN fails to make deliveries within the time stated in the order, or cancels any of such orders, TITAN will not be liable to DEALER for any payment whatsoever by reason of such failure to deliver, delays in making deliveries or cancellation, nor for any loss of profits resulting directly or indirectly therefrom.

9. DISCONTINUANCE OR UNAVAILABILITY OF PRODUCTS

A. TITAN reserves for itself the right to discontinue the manufacture or sale of any of the Products or to make changes in design, color or appearance or to add improvements to particular Products at anytime, all without notice to DEALER and without incurring any obligation to DEALER either with respect to any Products previously ordered or purchased by DEALER or otherwise.

B. In the event of a Product shortage or Product introduction, TITAN shall have the right to allocate or apportion said available Product or Products among its customers as TITAN, in the exercise of its discretion, deems appropriate, without incurring any liability to DEALER.

10. EQUAL REPRESENTATION

In the event DEALER sells other brands or lines of products which are competitive with those Products purchased by DEALER from TITAN, DEALER agrees to provide the Products with at least an equal representation to that provided other competitive brands or lines.

11. DEALER BUSINESS FACILITIES

A. DEALER agrees to establish, staff, equip and maintain a salesroom and service facility for the Products which will provide a first-class display of the full line of Products and provide adequate service for the retail customer. Each such facility will comply with reasonable written layout, appearance and size standards established by TITAN from time to time. DEALER understands that TITAN shall evaluate DEALER's compliance with such standard in determining its performance under this Agreement.

B. In carrying out its obligations under this Agreement, DEALER agrees to maintain posted opening and closing hours, which business hours shall not be less than that which is customary for similar business establishments in DEALERS area of primary responsibility.

12. DEALER IDENTIFICATION

DEALER shall purchase, display and maintain, at DEALER's expense, signage approved by TITAN, identifying the Products in a conspicuous location visible outside DEALER's salesroom and service facilities, to the full extent permitted by law. In the event of a prohibition by law, DEALER shall use its good faith efforts to obtain an exception. DEALER shall further display and maintain during the term of this Agreement such other authorized Product and service signs and identification as are necessary to properly advertise DEALER's business in TITAN products and service on a basis mutually satisfactory to both TITAN and DEALER. DEALER agrees to place and maintain on the business premises signs and other means of notification to the public that DEALER is an independent business person, separate and distinct from TITAN.

13. FINANCIAL RESPONSIBILITY

A. DEALER shall at all times maintain and employ, in connection with its business and operations under this Agreement, such working capital and net worth together with a line of credit with a financing institution which will permit DEALER to properly and fully carry out and perform DEALER's duties and obligations under this Agreement, including an inventory of Products commensurate with annually set objectives established by TITAN and DEALER. Such working capital, net worth and/or line of credit shall be amounts not less than minimum standards established by TITAN from time to time for dealers similarly situated.

B. DEALER shall at all times maintain insurance coverage reasonably carried by similarly situated dealers in such business, including without limitation, general liability, property damage, and products liability to adequately protect DEALER from loss resulting from the assembly, sale, service or repair of the Products or arising out of any acts or omissions of the DEALER.

14. MODEL INVENTORY

Subject to the ability of TITAN to supply, DEALER agrees to purchase from Titan and at all times maintain an inventory of then available models of Products, which inventory shall at no time be less than the number of Products reasonably established by TITAN from time to time after consultation with DEALER, such initial minimum inventory being listed in Appendix D.

15. SERVICE PARTS

Dealer agrees to organize and maintain a complete parts department. DEALER at all times will keep in DEALER's place(s) of business as specified in Paragraph 1 of this Agreement an inventory of service parts of an assortment and in quantities that in TITAN's judgement is necessary to meet the current anticipated requirements of owners of TITAN Products. DEALER agrees that it will not sell or offer for sale or use in the repair or any Products, as a genuine TITAN part, any part that is not in fact a genuine new TITAN part.

16. EMPLOYEE TRAINING

DEALER wilt participate in and will make available to its employees training courses, service schools, sales and management seminars and personnel development programs as may be provided or required from time to time by TITAN. DEALER agrees to have in its employ at all times during the continuance of this Agreement at least one filly trained mechanic who has been trained in service and repair of TITAN's Products.

17. REPORTS AND FINANCIAL INFORMATION

DEALER will provide TITAN, by the 30th day of the month following the end of DEALER's calendar or fiscal business year, a complete and accurate financial and operating statement covering DEALER's preceding calendar or fiscal year operations and showing the true and accurate conditions of DEALER's business. DEALER will also furnish to TITAN, on such forms and at such times as TITAN reasonably may require, complete and accurate reports of DEALER's sales activity and stock of Products then being held by DEALER.

18. ADVERTISING AND TRADE PRACTICES

A. DEALER agrees to develop, utilize and participate in various advertising and sales promotion programs in fulfilling its responsibilities for selling, promoting and advertising the Products. In so doing, DEALER agrees to (a) maintain a trademark or tradename advertising listing or a display advertising listing in the Yellow Pages of the principal telephone directory in its marketing area; (b) make reasonable use of newspaper, direct mail, television, radio or other appropriate advertising media as suggested by TITAN; (c) participate in advertising or sales promotion programs offered from time to time by TITAN and in accordance with the applicable provisions and rules thereof; and (d) make every reasonable effort to build and maintain customer interest in activities involving Products and confidence in DEALER, TITAN and the Products.

B. To assist DEALER in fulfilling his advertising and promotion responsibilities, TITAN may, at its sole discretion, develop and offer from time to time various advertising and sales promotion programs to promote the sale of Products for the mutual benefit of TITAN and DEALER. TITAN may also provide to DEALER from time to time advertising and sales promotion material for purchase by DEALER. DEALER agrees to pay promptly for any such materials. TITAN may offer other materials to DEALER from time to time at no charge.

C. DEALER agrees to at all times conduct its business in a manner that will reflect favorably on the good name and reputation of the Products and TITAN. DEALER expressly recognizes its obligation to avoid in every way any discourteous, deceptive. misleading or unethical practice or advertising that is or might be detrimental to the Products, TITAN, or the public. DEALER agrees, when notified by TITAN of such objections, to immediately discontinue such practice or advertising.

19. PRE-DELIVERY SERVICE

DEALER expressly recognizes its obligation to effectively assemble, inspect, service and/or prepare Products in accordance with schedules or instructions furnished from time to time by TITAN before delivery to the retail purchaser by DEALER. DEALER agrees to uncrate, set up, inspect and test each new TITAN Product at DEALER's place of business as specified in this Agreement, prior to delivery to the retail purchaser, in accordance with the written instructions

furnished from time to time by TITAN. DEALER agrees to make all necessary repairs to such Products after receipt of a formal authorization from TITAN and agrees that each such Product will be received directly by the retail purchaser at DEALER's place(s) of business as specified in Paragraph 1 of this Agreement in safe and lawful operating condition. Upon request, DEALER will furnish evidence to TITAN of the performance of such pre-delivery services on forms prescribed by TITAN. DEALER will report promptly in writing, to TITAN's Chief Executive Officer any act or failure to act on the part of TITAN or any of its personnel which DEALER believes was not fair and equitable towards it in the establishment or performance of pre-delivery obligations.

20. REPAIR AND MAINTENANCE SERVICE

A. DEALER expressly recognizes its obligation to obtain necessary tools, and to effectively perform repair or maintenance services required on Products, in accordance with TITAN's current recommendations and specifications.

B. DEALER shall develop and maintain competent, qualified and efficient service mechanics for the service and repair of the Products and shall employ said persons in DEALER's service and repair facilities. DEALER shall not use service or repair facilities or personnel other than its own in connection with the service and repair of the Products without the prior written consent of an executive officer of TITAN. DEALER shall comply with and maintain copies of bulletins which may fl-cm time to time be issued by TITAN pertaining to the service or the use or operation of the Products, and to the maintenance of requisite tools to perform service work on the Products.

C. DEALER shall perform all Product services under this Agreement, including pre-delivery, warranty and recall service, as an independent contractor. DEALER agrees to post his labor rates in a conspicuous manner so that they are plainly visible to his service customers. Service provided by DEALER shall include only those services which are specifically requested by the customer or those services approved in advance by the customer.

21. WARRANTY

A. TITAN makes no representations or warranties, express or implied, with respect to the Products except as may be provided in a standard written or printed warranty offered to the retail purchaser with respect to one or more of the Products from time to time. THE FOREGOING IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXCEPT TITLE, WHETHER EXPRESS OR IMPLIED, AND TITAN MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE TO DEALER. THE FULFILLING OF THE TERMS OF THE PRINTED WARRANTY SHALL CONSTITUTE THE SOLE REMEDY OF DEALER AND THE SOLE LIABILITY OF TITAN, WHETHER ON WARRANTY, CONTRACT OR NEGLIGENCE.

B. DEALER expressly recognizes its obligation to effectively perform warranty work on Products whether delivered by DEALER or by another authorized dealer and to fulfill the conditions of the warranty as applicable to particular Products where indicated without charge to the retail purchaser. Within three (3) business days after delivery of a new Product to a retail purchaser, DEALER shall complete and send to TITAN a true and complete sales warranty registration report on such Product in a manner then prescribed by TITAN, including the name and address of the owner. TITAN may utilize the information in the extent of a recall of a Product, and/or to provide TITAN with useful marketing information.

C. DEALER will report promptly, in writing, to TITAN's Chief Executive Officer, any act or failure to act on the part of TITAN or any of its personnel which DEALER believes was not fair and equitable towards it in the performance of warranty obligations or which resulted in DEALER not receiving reasonable and adequate compensation for warranty labor and parts provided by DEALER.

D. DEALER shall process and dispose of warranty claims on the Products in accordance with the procedure which may be prescribed from time to time by TITAN, and TITAN shall have no obligation to recognize any warranty claims unless the prescribed procedure is complied with by DEALER including, but not limited to, the receipt by DEALER from TITAN of a written warranty work authorization prior to the commencement of any reimbursable warranty work. In support of DEALER's claim for warranty compensation, DEALER agrees to provide TITAN with such supportive documents as TITAN may request.

E. DEALER expressly warrants that should any of the Products be modified by DEALER or at DEALER's request, DEALER will attach to the Product prior to retail sale a conspicuous statement which wilt clearly disclose the extent or nature of the modification and the resultant warranty coverage, if any, which will then apply to the Products.

F. DEALER expressly acknowledges that DEALER is performing warranty work on the Products as an independent contractor and may be compensated for such services separate and apart from the purchase price of the Products.

22. TRADEMARKS AND TRADE NAMES

TITAN and its related companies are exclusively entitled to the use of the trademark "TITAN Motorcycle Company of America" and to the use of all trade names and trademarks used in connection with the Products and the goodwill attached thereto in the United States of America (thereinafter collectively called the "Marks"). TITAN grants DEALER the non exclusive permission to advertise and otherwise inform the general public of the fact that DEALER sells the Products and is a "TITAN Motorcycle Company of America Dealer" at the locations specified in Paragraph 1 of this Agreement, including the use of outdoor signs, signs on buildings and other means of identification for such specified location. DEALER will not use, or permit the use of the Marks either as part of any corporate title, firm name or trade name unless TITAN shall first consent thereto in writing. On termination of this Agreement, DEALER agrees to immediately discontinue all use of the Marks and other means of identification that might make it appear or imply that DEALER is still an authorized representative of the Products including, without limitation. removal of any listing in any telephone directory, display advertising or outdoor sign. TITAN shall have the right, but not the obligation, to acquire any or all such signs in possession of DEALER on date of termination at a price that is not in excess of the price, if any, originally paid by DEALER. DEALER further agrees to discontinue any use of the Marks or any semblance of same, as a part of its business or corporate name and, if appropriate, file a change or discontinuance of such name with the appropriate authorities. In the event DEALER fails to comply with the terms and conditions of this Paragraph, TITAN shall have the right to enter upon DEALER's premises and remove all such signs bearing the TITAN designation or Marks without liability of TITAN to DEALER. DEALER agrees to reimburse TITAN for all Costs and expenses, including without limitation, attorneys' fees, incurred by TITAN in effecting or enforcing compliance with this Paragraph. The provisions of this Paragraph shall survive after termination of this Agreement.

23. INDEPENDENT PERSON

DEALER is an independent business and the conduct of its business is within the sole discretion of DEALER. This Agreement does not create the relationship of principal and agent, master and servant, or employer and employee between TITAN and DEALER. Nothing herein contained shall be construed or interpreted to grant any authority to DEALER to commit or bind TITAN in any manner to any person. DEALER shall be solely responsible for all the acts and omissions of DEALER, its agents and employees. This Agreement is not intended to govern, control or manage the day-to-day business activities of DEALER. DEALER agrees to defend, indemnify and save TITAN and its suppliers harmless from any claim, demand, damage, liability, cost or expense, including attorneys' fees and expenses arising out of any acts or omissions of DEALER, its agents or employees.

24. SALE OF DEALER'S BUSINESS

A. DEALER may not sell, transfer or assign the whole or any part of DEALER's rights or obligations under this Agreement, without TITAN's prior written consent. DEALER shall give Titan at least thirty (30) days' prior written notice of any such proposed sale, transfer, or assignment. TITAN's failure to object to the proposed sale, transfer, or assignment following notice from DEALER shall not constitute TITAN's consent.

B. Provided that this Agreement is still in effect, and provided further that notice of termination or notice of nonrenewal has not been provided to DEALER and is not then in effect between DEALER and TITAN, TITAN agrees to not unreasonably refuse to enter into a new Sales and Service Agreement for the remainder of the term provided in Paragraph 2 of this Agreement with a person contracting to purchase DEALER's business as pertains to the Products, provided that said purchaser as of the date of sale meets all then current requirements established by TITAN for the appointment of new dealers.

25. EARLY TERMINATION OF AGREEMENT

A. This Agreement maybe terminated in its entirety or with respect to any of the Products at any time without notice by mutual consent of DEALER and TITAN. B. Either party may terminate this Agreement in its entirety or with respect to any of the Products prior to the expiration date provided in Paragraph 2 hereof, without cause, on a minimum of sixty (60) days' prior written notice from one party to the other. If applicable State law should require notice of termination of a fixed period of time greater than that provided by this Agreement for a stated reason, then such required notice in the form prescribed shall be given by the terminating party.

C. TITAN may immediately terminate this Agreement in its entirely or with respect to any of the Products by written notice given to DEALER in the event of any of the following: (1) death, incapacity, removal or resignation of DEALER or any person in the employment thereof and in reliance upon whom this Agreement was entered into by TITAN; (2) any sale or transfer of any substantial interest in the managerial control and/or ownership of DEALER without TITAN's prior

written consent; (3) an unauthorized change made by DEALER in the location of DEALER's place(s) of business as specified in this Agreement or the addition of any place of business for Products; (4) discontinuance of the operation of DEALER's business for a period of five (5) consecutive days, unless such discontinuance is the result of a natural disaster; (5) the appointment of an assignee, referee, receiver, or trustee for DEALER or upon its adjudication in bankruptcy or the liquidation of DEALER; (6) any dispute, disagreement or controversy between or among partners, managers, officers, or shareholders of DEALER which, in the opinion of TITAN, adversely affects the operation, management or business of DEALER or TITAN and is not resolved within thirty (30) days after notice is given to DEALER by TITAN; (7) submission by DEALER to TITAN of a fraudulent report, statement claim for reimbursement, refund or credit or falsification of warranty claim or registration or of DEALER's retail labor rate or providing of fraudulent statements relating to pre-delivery preparation, testing, servicing, repairing or maintenance of the Products; (8) failure to maintain DEALER's account on a current basis and in accordance with TITAN's terms and conditions of sale; (9) failure by DEALER, within five (5) days following notification by TITAN, to replace with cash or cashier's check any check provided TITAN by DEALER which has been returned from the bank on which the check was drawn without payment to; (10) conviction in any court of competent jurisdiction of DEALER, or any principal officer or manger of DEALER, of any crime tending to affect adversely the ownership, operation, management, business or interest of the DEALER or TITAN; or (11) failure of DEALER to obtain or maintain any license required by law.

D. The date of notice of termination shall be the date of mailing of such notice. If any period of notice of the termination required hereunder is less than that required by applicable laws, such period of notice shall be increased and be deemed to be the minimum period required by such laws.

E. DEALER hereby acknowledges and agrees that in the event of a discontinuance of the operation of DEALER's business for a period often (10) consecutive days, for any reason whatsoever other than a natural disaster, such discontinuance shall constitute a voluntary termination of this Agreement by DEALER. Upon receipt of such notice, DEALER shall cooperate with TITAN, including without limitation, executing such other documents as may be reasonably required by TITAN, to effectuate the voluntary termination of this Agreement and DEALER's business in TITAN's Products.

26. PROCEDURE ON TERMINATION

A. Upon termination or expiration and nonrenewal of this Agreement, DEALER will immediately pay to TITAN all sums owing from DEALER to TITAN. Any amount due TITAN by DEALER may be deducted from credits owing DEALER.

B. In the event of early termination or expiration and nonrenewal of this Agreement, TITAN shall continue to fill orders from DEALER for such Products as may be affected by the termination or nonrenewal up to the specified termination or expiration date. TITAN shall have the right to impose reasonable limitations on such orders for such Products during the notice period. On the specified date of termination or expiration, all unfilled orders for such Products will be automatically cancelled. Payment terms for such Products supplied by TITAN to DEALER after notice of intention to terminate or upon expiration and nonrenewal may be changed to cash, certified check or other terms determined by TITAN.

C. After the effective date of termination of this Agreement, the acceptance of orders from DEALER by TITAN, or the continuation of the sale by DEALER of Products, or the referring of inquiries to DEALER by TITAN, or any business relations either party has with the other will not be construed as a renewal of this Agreement nor a waiver of the termination. If TITAN accepts any orders from DEALER after termination of this Agreement, alt such transaction(s) will be governed, unless the contrary intention appears, by the terms of this Agreement applicable to such transactions.

27. COMPLIANCE WITH SAFETY, REGULATORY, AND EMISSION CONTROL REQUIREMENTS

A. DEALER agrees to comply with, and operate consistently with, all applicable provisions of the National Traffic and Motor Vehicle Safety Act of 1966 and the Federal Clean Air Act, as amended, including applicable rules and regulations issued from time to time thereunder, and all other applicable federal, state and local rules and regulations issued from time to time thereunder, and all other applicable federal, state and local product safety, regulatory and emission control requirements.

B. In the event that the laws of the state in which DEALER is located require dealers of Products to install in new or used Products, prior to the retail sale thereof, any safety devices or other equipment not installed or supplied as standard equipment by TITAN, then DEALER, prior to its sale of any such TITAN Product, shall properly install such equipment.

28. COMPLIANCE WITH SAFETY, REGULATORY AND EMISSION CONTROL REQUIREMENTS

DEALER hereby agrees to adopt, promote and implement safety programs developed and provided by TITAN upon written notification from TITAN, DEALER agrees to place and display safety notices and warnings and proper user information labels on TITAN Products and in the dealership as appropriate, and to adhere to established user recommendations and restrictions on the sale of TITAN Products as directed by TITAN. DEALER agrees to promote and require safety awareness and training of purchasers and users of TITAN Products in accordance with programs and materials developed or provided by TITAN upon written notification by TITAN. DEALER agrees to provide to customers safety notices and warnings and other safety awareness materials prepared or provided by TITAN, and/or which may from time to time be developed and provided by industry and/or safety associations, regarding use of TITAN Products. DEALER agrees to require the reading or viewing of such safety awareness materials by the customer in conjunction with the sale of a TITAN Product as specified in writing by TITAN. DEALER agrees that violation of its safety obligations described in this Paragraph constitutes ground for TITAN action under this Agreement. TITAN retains the right, through written notification, to amend the "DEALER SAFETY OBLIGATIONS" specified in this Paragraph and to add such other Dealer Safety Obligations as may be necessary or advisable.

29. DEALER'S SUCCESSOR ON DEATH OR INCAPACITY

Upon termination of this Agreement because of death or incapacity of the principal of DEALER, TITAN will offer to a nominated successor of the principal of DEALER acceptable to TITAN, or to spouse of the principal of DEALER, continuation of this Agreement for the duration of the Agreement as provided in

Paragraph 2 hereof, provided that: (i) DEALER, within fifteen (15) days of the occurrence of such death or incapacity, gives notice to TITAN of such occurrence and the name and qualifications of the DEALER's successor; (ii) The facilities and capital of the dealership meet TITAN then current requirements; and, (iii) The person to whom the continuation of the Agreement is offered provides written notice to TITAN of acceptance within fifteen (15) days from the extension of the offer by TITAN.

30. DISPUTE RESOLUTION

All controversies, claims and disputes arising in connection with this Agreement, except any controversies, claims and disputes relating to amounts due and unpaid to TITAN or relating to third party personal injury, shall be settled by mutual consultation between the parties in good faith as promptly as possible, but failing an amicable settlement shall be settled finally by arbitration in accordance with the provisions of this Paragraph. Such arbitration shall be conducted in Phoenix, Arizona in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and the parties hereto agree that such arbitration shall be the sole and exclusive method of resolving any and all such controversies, claims or disputes, except those expressly excluded above. Judgement upon such award may be entered in the Superior Court of the State of Arizona for the County of Maricopa, if the award is rendered against DEALER. The prevailing party shall be entitled to recover from the nonprevailing party all costs and expenses of the arbitration, including reasonable attorney's fees.

31. SERVICE OF NOTICE

Any notice which may be required to be served by DEALER on TITAN, or by TITAN on DEALER, shall be in writing and Sent by certified or registered mail, return-receipt requested, addressed to the party for whom intended at its last known address. Each party will promptly advise the other, in writing, of any change of address.

32. GENERAL PROVISIONS

DEALER agrees that it neither has nor may acquire by performance under the terms and provisions of this Agreement, any vested right in the sales and service responsibility assigned to it hereunder and any investments made by DEALER in the performance hereof are made with the knowledge that this Agreement may expire and not be renewed or be terminated as herein provided. This Agreement is the entire agreement between the parties and terminates and supersedes all prior agreements, verbal or written, between the parties. Neither trade usage nor course of dealing shall serve to modify, amend or change this Agreement. This Agreement may be altered or amended in writing only and must be signed by an executive officer of TITAN. Both parties shall be excused from nonperformance in the case of FORCE MAJEURE or other causes beyond the control of the parties. The paragraph headings contained herein are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. It is understood that this is a general form of agreement designated for use in any State. Should any provision of this Agreement or the application thereof to any particular person or circumstance be contrary to or prohibited by applicable laws or regulations, such provision shall be inapplicable and deemed omitted and the remaining provisions of this Agreement will be valid and binding and of like effect as though such provisions were not included herein. TITAN has a right to

amend, modify or change this Agreement in case of legislation, government regulation or changes in circumstances beyond the control of TITAN that might affect materially the relationship between TITAN and DEALER. This Agreement and the rights and obligations arising thereunder shall be governed by and construed according to the laws of the State of Arizona.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate the day and year hereinafter written.

DEALER	TITAN MOTORCYCLE CO. OF AMERICA
Signature: /s/ Barbara S. Keery	Signature: /s/ Robert P. Lobban
Position/Title:	Position/Title: CFO
Signature:	Dated: 5/14/99
Position/Title:	
Dated: 5/14/99	

Circle One: Corporation Partnership Individual

This Agreement shall be executed on behalf of DEALER by the owner in case of a sole proprietorship, by general partner in case of a partnership, or by a duly authorized officer in case of a corporation, showing position or title of person signing.

APPENDIX "A"

THE DEFINITION OF PRODUCTS IN THIS AGREEMENT SHALL INCLUDE:

MOTORCYCLE MODELS:

"SIDEWINDER" SX & RM

"ROADRUNNER" SX & RM

"ROADRUNNER SPORT" RM

"GECKO" SX & RM

"COYOTE"

APPENDIX "B"

OWNERS AND MANAGERS

1. THE FOLLOWING PERSONS ARE THE BENEFICIAL AND RECORD OWNERS OF DEALER:

NAME AND ADDRESS OF EACH RECORD OR BENEFICIAL OWNER OF DEALER	IF A CORPORATION, NUMBER AND CLASS OF SHARES		PERCENTAGE OWNERSHIP OF RECORD IN DEALER
	NUMBER	CLASS	
BPF, LLC			100%

2. THE FOLLOWING PERSONS ARE DEALER'S OFFICERS:

NAME AND ADDRESS	TITLE
PATRICK KEERY	PARTNER
FRANCIS KEERY	PARTNER
BARBARA KEERY	PARTNER
BRYANT CRAGUN	PARTNER

3. THE FOLLOWING PERSONS FUNCTION AS GENERAL MANAGER OF DEALER AND, AS SUCH, ARE AUTHORIZED TO MAKE ALL DECISIONS ON BEHALF OF DEALER WITH RESPECT TO DEALER'S OPERATIONS:

NAME AND ADDRESS	TITLE
MATT BLEVINS	MANAGER

APPENDIX "C"

MINIMUM ANNUAL QUANTITY OF NEW TITAN MOTORCYCLES
TO BE PURCHASED
FROM
TITAN BY DEALER

TWENTY (20) UNIT PER YEAR

APPENDIX "D"

MINIMUM MODEL FLOOR INVENTORY OF TITAN. PRODUCTS
TO BE CONTINUOUSLY CARRIED BY DEALER

TWENTY (20) UNITS TO BE DETERMINED BY DEALER

PURCHASE, SALE AND ASSIGNMENT AGREEMENT

THIS PURCHASE, SALE AND ASSIGNMENT AGREEMENT (the "Agreement") is made and entered into this 1st day of August, 1997, by and between TRANSAMERICA COMMERCIAL FINANCE CORPORATION, a Delaware corporation, with its principal place of business at Two Continental Towers, 1701 Golf Rd., Rolling Meadows, Illinois, 60008 (the "Buyer"), and TITAN MOTORCYCLE COMPANY OF AMERICA, an Arizona corporation, with its principal place of business at 2222 West Peoria, Phoenix, Arizona 85029 (the "Seller").

WHEREAS, Seller is the owner and holder of certain Loan Documents (as defined below) and Seller desires to sell and assign to Buyer certain of its right, title and interest in, to and arising under the Loan Documents; and

WHEREAS, Buyer desires to purchase and take an assignment of such Loan Documents on the terms and conditions set forth herein; and

NOW THEREFORE, in consideration of the premises and the mutual undertakings herein, the parties agree as follows:

1. DEFINITIONS

A. "Closing" means the payment in full of the Purchase Price to Seller and the transfer to Buyer of all property and rights of Seller contemplated herein.

B. "Collateral" means all assets of a Dealer as of the Purchase Date in which Seller has a security interest to secure the performance of a Dealer's obligations with respect to the Represented Value under the Loan Documents, including without limitation all Inventory and proceeds thereof.

C. "Dealer" means any person, firm or corporation identified on the attached Exhibit A that purchased Inventory from Seller at wholesale prior to the Purchase Date.

D. "Final Date" means September 15, 1997.

E. "Inventory" means all Titan motorcycles of a Dealer which were sold at wholesale by Seller to such Dealer prior to the Purchase Date as identified by model and serial number on the attached Exhibit A, and all proceeds thereof.

F. "Loan Documents" mean those portions of any documentation between Seller and Dealer and any "credit file" or other file Seller may have with respect to each Dealer evidencing or relating to the Represented Value for such Dealer including without limitation Seller's right to payment for the sale of Inventory to a Dealer or the security interest granted to Seller by Dealer to secure such extensions of credit and any guaranties of such extensions of credit. The Loan Documents may include but shall not be limited to inventory financing agreements, notes, trust receipts, invoices evidencing the sale or shipment of goods, program letters, chattel paper, certificates of title, manufacturer's statement of origin, Uniform Commercial Code financing statements, rights under insurance policies, subordination agreements, personal or corporate guaranties, amendments or other writings entered into between Seller and Dealer or executed by either of them on or prior to the Purchase Date.

G. "Purchase Date" means the first day of August, 1997, or any other date agreed on by the parties in writing.

H. "Purchase Price" means the aggregate amount of the Represented Values on the Purchase Date, which shall equal _____ ($____).

I. "Represented Value" means the aggregate amount of the Seller's right to principal payments from each Dealer under the terms of the Loan Documents as of the Purchase Date as listed on Exhibit A attached hereto and the right to payment of all interest and charges after the Purchase Date which are or will be due in connection therewith.

2. AGREEMENT TO PURCHASE, SELL AND ASSIGN

A. Subject to the Closing, Seller shall on the Purchase Date, and hereby does sell, assign, transfer and convey to Buyer on the Purchase Date and Buyer shall and hereby does agree to purchase and accept, all of Seller's right, title and interest in, to and arising under the Loan Documents to the extent of the Represented Value and the Collateral (collectively, the "Rights").

B. On or before the Closing, Seller shall deliver to Buyer copies of all of the applicable Loan Documents.

C. As soon as practicable after Closing, Seller shall mark its books and records to indicate that the Rights have been sold and assigned to Buyer.

D. If requested by Buyer after the earlier of (i) the Final Date or (ii) with respect to any particular Dealer, an acceptable Dealer audit, Seller shall execute any assignment, amendment, continuation or termination or any UCC financing statement in any jurisdiction reasonably necessary to carry out the intent of this Agreement, including an assignment of its UCC financing statement for each Dealer, with respect to the Collateral.

3. FURTHER RIGHTS

A. Immediately after Closing, the Seller shall join with Buyer in sending a notice in a form similar to the attached Exhibit B to inform each Dealer of this Agreement and Seller's assignment to Buyer hereunder of the Rights. Each Dealer shall be directed to make all payments to Buyer for amounts owed with respect to the Represented Value after the Purchase Date.

B. Upon request of Buyer after Closing, Seller shall execute any further documents reasonably necessary to effectuate the Purchase, Sale and Assignment, as well as to carry out any further intent of this Agreement.

C. If it becomes necessary for Buyer to demonstrate the validity of Buyer's right or interest in, to or under the Rights, in a court of law or otherwise, Seller agrees to immediately deliver to Buyer, upon request, the original Loan Documents or certified copies of the same and any other evidence to assist Buyer in proving its interest in, to and under the Rights. Buyer shall return such Loan Documents to Seller as soon as possible.

4. PURCHASE DATE

On the Purchase Date, Buyer shall pay the Seller the Purchase Price in full and by funds wired to Seller's account.

5. DEALER AUDITS

A. During the period of time between the Purchase Date and the Final Date, Buyer may visit the place of business of each Dealer to confirm the amount of the Represented Value in connection with each Dealer, that such Represented Value is fully collateralized, to determine if the Dealer is in default under the terms of the Loan Documents and to determine if any breach of the Seller's representations, covenants or warranties thereunder has occurred (the "Dealer Audit"). Specifically, during each Dealer Audit, Seller authorizes Buyer to contact Dealer to verify that the amount of the Represented Value in relation to that Dealer is true and correct, or, at its sole option, Buyer may request written confirmation from Dealer of the Dealer's Represented Value. Furthermore, during the Dealer Audit, Buyer may verify that the items of Inventory securing the Represented Value are present at each Dealer's place of business and have not been sold.

B. As Buyer performs its Dealer Audits, Buyer shall determine whether Loan Documents applicable to a Dealer shall be accepted for purchase by Buyer (an "Approved Dealer") or whether Loan Documents applicable to a Dealer shall not be accepted for purchase by Buyer (an "Unapproved Dealer"). Buyer shall communicate the results of its Dealer Audits to Seller no later than the Final Date. Buyer may not conclude that a Dealer is Unapproved Dealer unless the conclusion is commercial reasonable, which shall mean that either: (i) the Dealer is in default under any of its Loan Documents, (ii) the amount of the Represented Value cannot be confirmed; (iii) all of the items of Inventory securing the Represented Value are not a Dealer's location; or (iv) the Dealer does not meet TCFC's credit criteria for an on-going financing facility.

With respect to any Unapproved Dealer, Buyer shall notify Seller as soon as possible of the specific reason(s) why the Dealer is an Unapproved Dealer.

C. If in the course of performing the Dealer Audits, Buyer determines that:

(i) A Dealer is an Unapproved Dealer, or;

(ii) Seller has materially breached any of its representations, warranties or covenants set forth in Section 7 herein,

Seller shall, upon demand, repurchase all of Buyer's right, title and interest in, to and under the Rights for any such Dealer(s), by paying Buyer, in full and by check, an amount equal to the Represented Value relating to such Dealer(s), less any payment(s) received by the Buyer with respect to the Represented Value of such Dealer(s). On the date Seller repurchases the Rights, Buyer shall deliver to Seller a certificate signed by Buyer's Group Credit Manager that certifies the amounts, if any, received by Buyer with respect to all repurchased Rights. Concurrently, with Buyer receiving Seller's payment in full for repurchased Rights, Buyer shall assign to Seller, without recourse or warranty, with the exception of a limited warranty that the Rights are free and clear of all claims, liens and encumbrances created by Buyer, all of Buyer's right, title and interest in, to and under the Rights for any such Dealer(s). At any time on Seller's demand, Buyer shall sign any documents and take any steps reasonably necessary to assign the repurchased Rights and Loan Documents back to Seller by documents that are reasonably acceptable to Buyer.

6. COLLECTION UNDER THE LOAN DOCUMENTS

After the Purchase Date, Buyer shall collect from each Dealer all amounts due under the Loan Documents with respect to the Represented Value in accordance with the terms thereof. Buyer may, at any time, without notice to or further consent of Seller, renew and extend the time of payments, and compromise or adjust claims arising under the terms of the Loan Documents or the Collateral covered thereby and waive or modify performance of such terms and conditions of the Loan Documents with each Dealer as Buyer, in its sole discretion, may determine to be reasonable. No such renewal, extension, compromise, adjustment, waiver or modification shall affect the liability of Seller hereunder, including without limitation Seller's liability for the representations, warranties and covenants herein; provided, however, if Buyer materially alters or irrevocably eliminates, the right to payment of the Represented Value or any security interest in the Inventory related thereto, without the prior written consent of Seller, Seller shall not be obligated to repurchase such Rights.

7. SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

Seller hereby represents, warrants and covenants to Buyer that as of the Purchase Date and until the Purchase Price has been repaid in full to Buyer.

A. The Loan Documents comply with all applicable federal, state and local laws and regulations.

B. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Arizona and has full power, authority and legal right to execute and deliver this Agreement and to perform and observe

the terms and provisions hereof and thereof, without resulting in any conflict with or breach of any instrument or agreement to which Seller is a party or by which it is bound, nor to the best of Seller's knowledge will the transfer be in violation of any governmental regulation, decree or rule of any kind which Seller may be subject to. To the best of Seller's knowledge, no litigation or administrative proceeding is pending which would restrain, set aside or invalidate the transactions or the sale and assignment of the Rights contemplated by Seller and Buyer herein.

C. Seller has taken all necessary action or authorized the execution and delivery of this Agreement and the performance of all the terms and conditions hereunder.

D. All information provided or to be provided to Buyer by Seller in connection with or pursuant to this Agreement is materially true and correct.

E. Seller has good and marketable title to all of the Rights and writings described hereunder, free and clear of all liens, claims or security interests, and possesses the right to transfer and assign the Rights to Buyer. On or before Closing, Seller shall take any and all actions necessary to complete the Purchase, Sale and Assignment, and thereby sell, transfer and assign its right, title and interest in the Rights to Buyer.

F. Each of the Loan Documents and all instruments and documents pertaining thereto, and all related security, constitute bona fide transactions and obligations entered into by each Dealer with Seller, and are valid, binding and legally enforceable under the current laws of the states in which they originated (subject to bankruptcy laws and any other laws that generally protect the rights of debtors) and are not subject to any defense, offset or counterclaim to or by any Dealer. No settlement, payment or compromise has been made, entered into or agreed to be entered into by Seller that would change the Represented Value due Seller from any Dealer under any of the Loan Documents as of the Purchase Date, the Final Date or at any time thereafter.

G. The Loan Documents evidence a perfected first priority purchase money security interest in each item of Inventory.

H. No Inventory securing the Loan Documents has been repossessed or is the subject of any insurance claim presently pending. None of the Dealers are materially in default under the terms of any of the related Loan Documents.

I. Seller has not received any notice of charges made or notice of any complaint filed against Seller stating that Seller is not in compliance with any law, regulation or order applicable to or affecting the Loan Documents.

J. All taxes assessable against or relating to the Loan Documents which are due or may become due on or before the Purchase Date to any governmental authority having the right to assess such taxes, have been paid, or will be paid by Seller.

K. Buyer shall have no obligation to finance any Dealer's purchase of Inventory if Buyer, in its sole discretion, determines that a Dealer does not meet Buyer's then current credit criteria, which may change from time to time at Buyer's sole discretion.

L. In the event of material breach of any of the representations, warranties and covenants in this Section 7 or of any other term or condition of this Agreement, Seller will promptly, upon receipt of notice from Buyer to do so, pay Buyer an amount equal to the damages suffered by Buyer as a result including, but not limited to, the amount of any Represented Value which remains owing from a dealer(s) and any other charges relating thereto. Alternatively, at Buyer's sole discretion, Buyer may request Seller to repurchase all of the Rights related to any such breach and pay in full and by check, an amount equal to the Represented Value for such Dealer, less any payments received by Seller, plus interest from the Purchase Date at the rate set forth in the Loan Documents, and upon receipt of such payment in full, Buyer shall assign to Seller, without recourse and without warranty, such related Rights. At any time, on Seller's request, Buyer shall sign any documents and take any steps reasonably necessary to assign the repurchased Rights and Loan Documents back to Seller by documents that are reasonably acceptable to Buyer.

M. Seller will save, defend, and hold Buyer harmless from any damage, loss, claim or expense as a result of the breach of any of Seller's representations, warranties or covenants contained herein, or due to Seller's failure to meet any obligations under the provisions of this Agreement.

8. TRANSFER OF TITLE FROM SELLER TO BUYER

A. The obligation of Buyer to Close under this Agreement is subject to the following conditions:

(i) That the representations, warranties and covenants of Seller contained in this Agreement shall be true and correct on the Purchase Date hereof, and;

(ii) That Seller will have delivered to Buyer on or prior to the Purchase Date the instruments, documents and materials described in Section 2 herein, in a form reasonably satisfactory to Buyer.

B. The obligation of Seller to transfer its right, title and interest under the Loan Documents on the Purchase Date is subject to the Buyer having delivered to Seller the full amount of the Purchase Price in the form of a cashier's check or funds wired to Seller's designated bank account.

9. SURVIVAL OF WARRANTIES

All representations and warranties made herein shall be deemed to have been made as of the date of this Agreement and the Closing Date. Seller's representations and warranties shall continue in effect notwithstanding the

Closing or any examination, audits or investigations made at any time by or on behalf of Buyer, for a period not to exceed the greater of the original term of each of the Loan Documents or the period of any statute of limitations applicable to each of the Loan Documents pursuant to its original terms.

10. NOTICES

A. All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be deemed duly given if delivered or mailed by registered or certified mail, postage prepaid, and pending written notice to the other of a different address, addressed as follows:

(i) If to Buyer:

Richard Strickler,
Vice-President
TRANSAMERICA COMMERCIAL FINANCE CORPORATION
304 Inverness Way South
Suite 400
Englewood, CO 80112

(ii) If to Seller:

Frank Keery, C.E.O.
TITAN MOTORCYCLE COMPANY OF AMERICA
2222 West Peoria
Phoenix, Arizona 85029

With a copy to:

Richard Keyt
Gallagher & Kennedy, P.A.
2600 North Central Avenue
Phoenix, Arizona 85004

B. Notices shall be deemed received: if delivered, when delivered; or, if mailed, on the earlier of delivery or the fifth business day following the date of mailing.

11. POWER OF ATTORNEY

Seller irrevocably appoints and designates Buyer, by any officer or employee, as its attorney-in-fact in its behalf and in the name of seller to endorse the name of Seller upon any check or other instrument payable to Seller or its order which may be received by Buyer for payments due under the Loan Documents after the Purchase Date. Seller agrees that in the event Seller

receives any payments representing amounts due from any Dealer after the Purchase Date, Seller shall promptly endorse such check or other instrument of payment to the order of Buyer and forward it to Buyer.

12. ASSIGNMENTS

Seller's and Buyer's obligations and duties herein shall bind their successors and assigns. Seller's and Buyer's rights and benefits herein shall run to their successors and assigns. Seller and Buyer may not assign this Agreement.

13. GOVERNING LAW

This Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws (as opposed to conflicts of laws provisions) of the State of Illinois, Buyer's principal place of business.

14. HEADINGS AND EXHIBITS

The Section headings herein are for convenience only and shall not be deemed to explain, limit or amplify the provisions of this Agreement.

15. ENTIRE AGREEMENT

This Agreement contains all the terms agreed upon by the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and can only be amended by a writing that is duly signed by both parties.

16. SEVERABILITY

Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or be deemed invalid under applicable law in any respect, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

17. REIMBURSEMENT

In the event attorney's fees and other costs or expenses are incurred by either party to enforce the obligations of the other party under the terms of this Agreement, the prevailing party shall be reimbursed in full by the other party for such attorney's reasonable fees and other reasonable costs or expenses.

18. CONFIDENTIALITY

Buyer shall regard and preserve as confidential all documents and information delivered to Buyer hereunder and all trade secrets and other confidential information, including, but not limited to, customer lists, pricing information, technical and non-technical information, inventions, processes and products, including information relating, but not limited to, the whole ro any portion or phase of any scientific or technical information, research, know-how, discoveries, inventions, development, design, process, procedure, compositions, formula or improvements, machines, computer programs and other software, any present or future business plans, marketing information, merchandising information, licensing information or financial information obtained by Buyer hereunder or arising out of the property transferred to Buyer; provided such information has not been published or disseminated by Seller, has not otherwise become a matter of general public knowledge pertaining to Seller's business, or is requested pursuant to a subpoena or other court order. All such information shall be deemed confidential. Buyer shall not, without the prior written consent of Seller, use for Buyer's benefit or purposes, or disclose to others at any time any trade secret or other confidential information connected with the business or developments of Seller, except as reasonably necessary for Buyer to realize the benefits arising from the property it purchases hereunder. If the transactions contemplated hereunder do not Close, Buyer shall return to Seller, within ten days of Seller's demand, all originals and copies of all information and documents delivered to Buyer hereunder.

19. HOLD HARMLESS

A. Buyer will save, defend and hold Seller harmless from and indemnify Seller against any damages, loss, claim or expense as a result of the breach of any of Buyer's representation, warranties or covenants contained herein, or due to Buyer's failure to meet any obligations under the provisions of this Agreement.

B. Seller will save, defend and hold Buyer harmless from and indemnify Buyer against any damages, loss, claim or expense as a result of the breach of any of Seller's representations, warranties or covenants contained herein, or due to Seller's failure to meet any obligations under the provisions of this Agreement.

IN WITNESS WHEREOF, Seller and Buyer have executed this Purchase, Sale and Assignment Agreement by their duly authorized representative on the day and year written above.

ATTEST:

/s/ Barbara S. Keery (Seal)
- ----------
Secretary

TITAN MOTORCYCLE COMPANY OF AMERICA ("SELLER")

By: /s/ Francis S. Keery

Title: C.E.O.

ATTEST:

_____

TRANSAMERICA COMMERCIAL FINANCE CORPORATION ("BUYER")

By: /s/ Richard M. Strickler

Title: Vice President

MANUFACTURER'S/DISTRIBUTOR'S FINANCING AGREEMENT (ONE-STEP)
(CONSUMER PRODUCTS)

This Manufacturer's/Distributor's Financing Agreement is entered into as of the 25 day of April, 1997 by and between Titan Motorcycle Co. of America, a Arizona corporation ("Company") and TRANSAMERICA COMMERCIAL FINANCE CORPORATION, a Delaware corporation, ("TCFC"), to set forth some of the terms and conditions under which TCFC will provide financing for certain of the Company's dealers.

In consideration of the matters and mutual agreements herein contained, TCFC and Company agree as follows:

1. DEFINITIONS.

(a) "Approval" herein shall mean TCFC's agreement, whether orally, in writing or by electronic transmission, to finance the sale of Inventory by Company to Dealer.

(b) "Dealer" herein shall mean any person, firm or corporation which buys Inventory at wholesale from Company and sells Inventory.

(c) "Inventory" herein shall mean any and all products manufactured or sold at wholesale by Company.

(d) "Invoice" herein shall mean an invoice, bill of sale or other evidence, whether in writing or electronically transmitted, of the sale or delivery of Inventory by Company to Dealer.

(e) "Wholesale Instrument" shall mean an Invoice, billing statement, inventory schedule or other evidence of indebtedness, including the books and records of TCFC, arising out of the financing by TCFC of an Invoice.

2. WHOLESALE FINANCING PROGRAM.

If Company requests an Approval or sends to TCFC an Invoice, then the Dealer related to such Approval or Invoice shall be eligible for wholesale financing, and TCFC may, from time to time in Its sole discretion. issue such Approvals and advance against such Invoices, all under the terms of this Agreement. If TCFC issues an Approval, Company shall deliver an original Invoice to TCFC. Provided TCFC receives the Invoice within thirty (30) days of the date TCFC Issued the Approval, TCFC shall pay Company the amount of the Invoice, subject to the terms of the financing program then In effect between Company and TCFC. If the Invoice is not received within said 30-day period, or is not acceptable in form or content once received, TCFC has the right, without notice to Company, to cancel the Approval related to said Invoice. Prior to funding any Approval, TCFC has the right to cancel said Approval upon oral or written notice to Company should Dealer be in default of any of its obligations to TCFC and provided that Company has not shipped Inventory in reliance on TCFC's Approval. Advances on Invoices and Approvals for such advances issued by TCFC as provided

hereunder shall constitute an acceptance of the terms and conditions hereof by Company and TCFC as to each such advance, and no other act or notice shall be required on the part of TCFC or Company to entitle such advances and Approvals to the benefits of this Agreement. TCFC may deduct, set-off, withhold and/or apply any sums or payments due from Company to TCFC, under this Agreement against any sums or payments due from TCFC to Company from any advance to be made by TCFC against any Invoice.

3. PURCHASE OF INVENTORY.

(a) If TCFC shall repossess or come into possession of any Inventory, or any part thereof, covered by any Invoice. Company agrees to purchase such Inventory from TCFC * and wherever located. Company shall pay TCFC, within thirty (30) days of request therefor and in good funds, the original amount of such Invoice (the "Purchase Price"). In addition to the Purchase Price, Company shall pay TCFC for ** all out of pocket charges actually Incurred by TCFC in taking possession or in the repossession of such Inventory, Including but not limited to shipping, storage, fees. Company shall not assert any interest in or title to such Inventory until it has paid TCFC the Purchase Price and other charges as specified herein in full and in cash.

(b) If an Invoice delivered to TCFC by Company does not identify the inventory covered thereunder by serial number, but only by model number, and Company cannot prove to TCFC's reasonable satisfaction that an item of Inventory is covered by a particular Invoice, then for purposes of determining the age or price of an item of Inventory under this Agreement, the item of Inventory shall be deemed to be covered by the most recent Invoice which has an item with the same model number as the item of Inventory tendered for purchase.

4. REPRESENTATIONS AND WARRANTIES OF COMPANY.

(a) Company represents and warrants that at the time of TCFC'S approval of and/or advance against any Invoice as provided hereunder, that: (i) all Invoices issued by Company represent valid obligations of Dealer, are legally enforceable according to their terms and relate to bonafide, original acquisition sales of Inventory by Company to Dealer without any claim, offset or defense to payment by Dealer and that Dealer requested that the acquisition of Inventory be financed by TCFC; (ii) Company's title to all Inventory is free and clear of all liens and encumbrances when transferred to Dealer and Company transfers to Dealer all its right, title and interest in and to the Inventory; (iii) the Inventory is in new and unused condition; it is of the kind, quality and condition represented or warranted to Dealer; it meets or exceeds all applicable federal, state and local safety, construction and other standards; and if it is a type of Inventory customarily crated or boxed, such crate or box is factory sealed.

- ----------

* New and Unused condition but subject to wear and tear incident to display and demonstration.

** One half

(b) In the event of breach of any of the foregoing representations or warranties, Company shall purchase from TCFC the Wholesale Instrument relating to the Invoice or Inventory with respect to which the warranty was breached. Company shall pay within thirty (30) days and in good funds, the original amount of the Invoice, plus all charges owing by Dealer with respect thereto, and all of TCFCs out of pocket costs and expenses actually Incurred in connection with such breach.

5. COVENANTS OF THE COMPANY. Company covenants as follows:

(a) All Inventory financed by TCFC shall be subject to applicable product warranties of Company, and Company agrees to perform, or cause to be performed, all repairs, modifications and/or other acts required by Company pursuant to said product warranties. All expenses of performance under this section shall be paid by Company.

(b) If Company accepts the return from any Dealer of any Inventory covered by any Wholesale Instrument, voluntarily or otherwise, whether or not any substitution is made for such returned Inventory, Company will reimburse TCFC for the original amount of the Invoice, within thirty (30) days of the return. In the event that Dealer shall be entitled to the payment by Company of any rebates, reserves or incentives. Company shall advise TCFC of the amount and nature of the payment and shall obtain TCFC'S approval (which will not be unreasonably withheld) prior to remitting such funds to Dealer.

6. WAIVERS.

(a) Company waives notice of non-payment; protest and dishonor and notice of protest and dishonor of any Wholesale Instrument; notice of TCFC's acceptance of this Agreement; and all other notices to which Company might otherwise be entitled to by law. TCFC may, at any time or times, without notice to or further consent of Company, renew and extend the time of payment of Wholesale Instruments and compromise or adjust claims on Wholesale Instruments or Inventory covered thereby and waive or modify performance of such terms and conditions of its financing arrangement with Dealers, as TCFC may determine to be reasonable, and no such renewal, extension, compromise, adjustment, waiver or modification shall affect the liability of Company hereunder.

(b) The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect the right of such party to require performance of that provision. Any waiver by either party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of any such provision, or a waiver of any right under this Agreement.

7. MISCELLANEOUS.

(a) This Agreement has been duly authorized and executed by Company and TCFC and shall be binding upon and inure to the benefit of the successors or assigns of the parties hereto. Company may not assign this Agreement without the prior written consent of TCFC.

(b) This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof, and all prior writings, discussions and/or agreements are superseded by, and merged into, the terms and provisions of this Agreement. No modification or amendment to this Agreement shall be valid or binding unless reduced to writing and executed by the parties hereto. Notwithstanding the foregoing, the parties acknowledge that there may be other agreements between them coveting related matters such as financing program terms, manufacturer sponsored rate programs, interest free period programs and electronic invoice transmission which shall continue in full force and effect. This Agreement shall not be deemed to create, or Intend, a joint venture, partnership, or agency relationship between Company and TCFC.

(c) Any written notice given under this Agreement shall be deemed sufficiently given to a party hereto three (3) days after it is mailed by certified mail. return receipt requested, to such party at its address set forth after its signature below.

(d) This Agreement shall be governed by and construed in accordance with the internal laws (as opposed to the conflicts of law provisions) of the State of Illinois, the principal place of business of TCFC.

(e) The respective acts arid obligations of the parties under this Agreement shall be performed Solely by said parties; provided, however, if any act or obligation hereunder is performed by any party's subsidiary, affiliate or agent, then such performance shall be deemed to be the act or obligation of Company or TCFC, as applicable.

(f) Any amounts not paid when due under this Agreement shall accrue interest at the rate of 1-1/2% per month until paid in full. Company further agrees to pay all reasonable out of pocket costs and expenses, including attorneys fees, actually incurred by TCFC in enforcing any of the provisions of this Agreement.

(g) Either party hereto may cancel this Agreement at any time upon thirty (30) days notice in writing of its intention to cancel. Notwithstanding the foregoing, either party may elect to terminate the Agreement immediately upon notice to the other party if such other party Is in default under the terms of the Agreement, is insolvent, in receivership or is not paying its debts when due. The termination of this Agreement shall in no manner affect, limit or modify the obligations of Company as to Invoices approved or advanced against by TCFC prior to the effective date of termination, or other obligations incurred prior to such date.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on APRIL 25, 1997.

TRANSAMERICA COMMERCIAL FINANCE CORPORATION	TITAN MOTORCYCLE CO. OF AMERICA (COMPANY)
By: ---------- (Authorized Signature)	By: ---------- (Authorized Signature)
Print Name: Christopher C. Meals	Print Name: Patrick F. Keery
Title: Vice President Credit	Title: President
Address:	Address:
Two Continental Towers 1701 Golf Road Rolling Meadows, Illinois 60008 Attention; Vice President Operations	2222 West Peoria Phoenix, AZ 85029 Attn: Patrick F. Keery

CERTIFIED COPY OF JOINT RESOLUTIONS
OF BOARD OF DIRECTORS
AND SHAREHOLDERS (MFR/DIST)

The undersigned, Barbara Keery hereby certifies to Transamerica Commercial Finance Corporation that: (s)he is the duly elected, qualified and acting SECRETARY of TITAN MOTORCYCLE CO. OF AMERICA a corporation duly existing and in good standing under the laws of the State of ARIZONA (the "Corporation"); as such officer (s)he has custody of the corporate records of the Corporation, including the minutes of the meetings of, and actions taken by consent of, its Board of Directors and shareholders; (i) at a joint meeting of said Board of Directors and shareholders duly called, convened and held, at which there was present and acting throughout a quorum of the Board of Directors and all of the shareholders, or (ii) pursuant to a written consent duly executed by all directors and shareholders of the Corporation, the following resolutions were duly adopted by both the Board of Directors of the Corporation and all of the Corporation's shareholders; and said resolutions have not been amended or rescinded, and presently are in full force and effect and do not in any manner contravene the charter or by-laws of the Corporation:

RESOLVED, that this Corporation is hereby authorized to establish and maintain financing arrangements with TRANSAMERICA COMMERCIAL FINANCE CORPORATION, and its successors and assigns ("TCFC"), in such amounts and upon such terms as any officer of this Corporation (including any such officers successors in office) may approve, such approval to be conclusively evidenced by the execution by any officer (including any such officer's successors in office) or agent of this Corporation, or any parson now or hereafter designated by any of them (each such officer, agent and other person, an "Authorized Person"), of any agreement or other document or documents which provide for such financing arrangements.

FURTHER RESOLVED, that each Authorized Person is authorized and directed to do the following in the name and on behalf of this Corporation, namely, (a) to incur obligations pursuant to such financing arrangements, directly or Indirectly, with TCFC at any time and from time to time, (b) to execute and deliver such agreements, powers of attorney, program letters, guaranties, and other agreements, instruments, financial reports, certifications and other documents, and all renewals, extensions, supplements and modifications thereof, as TCFC shall require to establish and continua such financing arrangements, in each case upon such terms as any officer of this Corporation (including any such officer's successors in office) may approve, such approval to be conclusively evidenced by the execution thereof by any Authorized Person, and (c) to do all such other acts and things as any Authorized Person deems necessary or advisable to establish and continue such financing arrangements and to carry out the intent of these resolutions and the transactions contemplated herein, with all such acts and things previously done by them to establish and continue financing arrangements for this Corporation with TCFC being hereby ratified and approved.

IN WITNESS WHEREOF, the undersigned has set his or her hand as such Secretary or Assistant Secretary and the corporate seal of the Corporation on April 25, 1997.

(Corporate Seal)

_____
(Signature of Secretary or Assistant Secretary)

Confirmed by the Assistant Secretary, Secretary, President (if also a Director) or a Director of the Corporation:

Print Name: Barbara Keery

_____

Print Name: Patrick F. Keery

Title/Position: President

If same person signs in the capacity of both the President and Secretary his/her signatures must be witnessed by a non-related third party.

WITNESS:

_____

Print Name:_____

STANDARD COMMERCIAL-INDUSTRIAL TRIPLE NET LEASE
BASIC TERMS SHEET

This Basic Terms Sheet to that certain Standard Commercial-Industrial Triple Net Lease between the parties listed below is for the convenience of the parties in quickly referencing certain of the basic terms of the Lease. It is not intended to serve as a complete summary of the Lease. In the event of any inconsistency between this Basic Terms Sheet and the Lease, the applicable Lease provision shall prevail and control.

DATE OF LEASE (See PARAGRAPH 1):	August 7, 1997
NAME OF LESSOR (See PARAGRAPH 1):	Holualoa Peoria Avenue Industrial, LLC, an Arizona limited liability company
NAME OF LESSEE (See PARAGRAPH 1):	Titan Motorcycle Co. of America, a Nevada corporation
LESSEE'S TELEPHONE NUMBER:	(602) 861-6977
ADDRESS OF PREMISES (See PARAGRAPH 2):	2222 W. Peoria Avenue, Suite A, Phoenix, Arizona
APPROXIMATE GROSS RENTABLE AREA OF PREMISES (See PARAGRAPH 12):	18,048 square feet
LESSEE'S PERCENTAGE OF INSURANCE, REAL PROPERTY TAX AND CAM AMOUNTS (See PARAGRAPH 12):	29.35%
LEASE COMMENCEMENT DATE (See SECTION 3.1):	The business day following full execution of this Lease.
LEASE EXPIRATION DATE (See SECTION 3.1):	March 31, 2004
MONTHLY BASE RENT (See PARAGRAPH 4):	SEE ADDENDUM
ADDITIONAL RENT	1. Rental Tax (See SECTION 4.1) 2. Insurance Amount (See SECTION 8.10) 3. Real Property Tax Amount (SECTION 10.1) 4. CAM Amount (See PARAGRAPH 11)
LESSEE'S SECURITY DEPOSIT (See PARAGRAPH 5):	$9,800
LESSEE'S PERMITTED USE (See SECTION 6.1):	Assembly and sales of motorcycle parts and related general office and administration (see SECTION 6.1(A) for a more complete description)
ADDRESS FOR LESSOR:	Holualoa Peoria Avenue Industrial, LLC c/o Wessex Service Companies 2828 N. Central Avenue Suite #1060 Phoenix, Arizona 85004 Attn: Susan Maher

LESSOR:	LESSEE:
HOLUALOA PEORIA AVENUE INDUSTRIAL, LLC, an Arizona limited liability company	TITAN MOTORCYCLE CO. OF AMERICA, INC., a Nevada corporation
By: Holualoa Arizona, Inc. an Arizona corporation Its: Manager	
By: /s/ Sandra M. Alter ----------	By: /s/ Francis S. Keery ----------
Its: Authorized Agent ----------	Name: Francis S. Keery ----------
Name: Sandra M. Alter ----------	Its: CEO ----------
Date: 8/7/97	Date: 8/7/99

STANDARD COMMERCIAL-INDUSTRIAL TRIPLE NET LEASE

1. PARTIES. This Lease, dated AUGUST 7, 1997, for reference purposes only, is made by and between HOLUALOA PEORIA AVENUE INDUSTRIAL, LLC, an Arizona limited partnership ("Lessor"), and TITAN MOTORCYCLE CO. OF AMERICA, INC., a Nevada corporation ("Lessee").

2. PREMISES. Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all the conditions set forth herein, the premises demised by this Lease, located at 2222 W. PEORIA AVENUE, SUITE A (the "Premises"), together with a nonexclusive tight to use the parking and common areas (collectively, the "Common Areas"), surrounding the Premises and within the project commonly known as Peoria Avenue Industrial (the "Project"). The location of the Premises and the parameters of the Common Areas and the Project are shown on Exhibit "A" attached hereto. All dimensions and areas quoted herein or in any exhibit attached hereto are approximate and are based on gross rentable area, rather than solely on areas designed for the exclusive use and occupancy of tenants.

3. TERM.

3.1. TERM. The term of this Lease shall COMMENCE ON THE BUSINESS DAY FOLLOWING FULL EXECUTION OF THIS LEASE ("Commencement Date") and END ON MARCH 31, 2004 ("Expiration Date"), unless sooner terminated pursuant to any provision hereof ("Term"). Lessor shall deliver possession of the Premises to Lessee on the Commencement Date.

3.2. INTENTIONALLY DELETED.

4. RENT.

4.1. MONTHLY BASE RENT. Lessee shall pay to Lessor a monthly base rental as set forth in the Addendum hereto. The monthly base rental due hereunder shall be payable to Lessor by the first day of each month during the Term at the address stated herein or to such other persons or at such other places as Lessor may designate in writing and shall be paid in lawful money of the United Slates of America. The Lessee further agrees to pay Lessor, in addition to the rent as provided herein, all privilege, sales, excise, rental and other taxes (except income taxes) imposed now or hereinafter imposed by any governmental authority upon the rentals and all other amounts herein provided to be paid by the Lessee. Said payment shall be in addition to and accompanying each monthly rental payment made by Lessee to Lessor.

The base rental set forth in this SECTION 4.1 is a negotiated figure and shall govern whether or not the actual gross rentable square footage of the Premises is the same as set forth in PARAGRAPH 12 hereof. Lessee shall have no right to withhold, deduct or offset any amount from the base monthly rental or any other sum due hereunder even if the actual gross rentable square footage of the Premises is less than that set forth in PARAGRAPH 12. Rent for any period during the Tern, which is for less than one month shah be a pro rata portion of the monthly installment.

4.2. INTENTIONALLY DELETED.

5. SECURITY DEPOSIT. Lessee shall deposit with Lessor upon execution hereof NINE THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS ($9,800.00) as security for Lessee's faithful performance of Lessee's obligations hereunder. If Lessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of the Lease, Lessor may use, apply, or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum for which Lessor may become obligated by reason of Lessee's default, or to compensate Lessor for any loss or damage which Lessor may suffer thereby. If Lessor so uses or applies all or any portion of said deposit, Lessee shall within ten (10) days after written demand therefor deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount hereinabove stated, and Lessee's failure to do so shall be a material breach of this Lease. Lessor shall not be required to keep said deposit separate from its general accounts. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by Lessor, shall be returned, without payment of interest or other increment for its use, to Lessee (or, at Lessor's option, to the last assignee, if any, of Lessee's interest hereunder) at the expiration of the Term and after Lessee has vacated the Premises. Any mortgagee of Lessor, purchaser of the Project, or beneficiary of a deed of trust shall be relieved and released from any obligation to return said deposit in the event such mortgagee, beneficiary of deed of trust or purchaser becomes the owner of the Project by reason of foreclosure or trustee's sale (including deed in lieu thereof) or proceeding in lieu of foreclosure or trustees sale unless said deposit shall have been actually delivered so such mortgagee, beneficiary of deed of trust or purchaser. Such release, however, shall not relieve the person or entity who owned the Project immediately prior to acquisition of title by such mortgagee, beneficiary of deed of trust or purchaser of any obligation he or it may have to return said deposit.

6. USE.

6.1. PERMITTED USES.

(a) The Premises are to be used only for THE DESIGN, ASSEMBLY, SALES AND DISTRIBUTION OF NEW MOTORCYCLES, MOTORCYCLE PARTS AND MOTORCYCLE ACCESSORIES. IN ADDITION, THE OPERATION WILL INCLUDE WELDING, ASSEMBLY, PAINTING, MACHINING, TESTING, POLISHING AND OTHER ALLIED ACTIVITIES, AND RELATED GENERAL OFFICE AND ADMINISTRATION ("Permitted Use") and for no other business or purpose whatsoever without the prior written consent of Lessor. No act shall be done in or about the Premises that is unlawful. Lessee shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance or other act or thing which unreasonably disturbs the quiet enjoyment of any other lessee in the Project, taking into account, however, Lessee's Permitted Use of the Premises. If any of Lessee's machines or equipment unreasonably disturb any other lessee in the Project, then Lessee shall provide adequate insulation, or take such other action as may be necessary to eliminate the noise or disturbance. Lessee, at its expense, shall comply with all laws relating to its use and occupancy of the Premises and shall observe such reasonable rules and regulations as may be adopted and made available to Lessee by Lessor from

time to time for the safety, cars and cleanliness of the Premises or the Project and for the preservation of good order therein.

(b) Lessee warrants that the operation of its business shall be conducted in strict compliance with all applicable recorded private covenants, conditions and restrictions and all applicable federal, state and local environmental, safety and other pertinent laws, rules, regulations and ordinances and that any alterations necessary to the Premises by reason of such covenants, conditions, restrictions, laws, rules, regulations and ordinances, including, without limitation, The Americans With Disabilities Act shall be at Lessee's sole cost and expense. Lessee represents and warrants to Lessor that there is no risk to Lessee, Lessee's visitors and others using the Premises arising from Lessee's operations. Lessee shall indemnify, defend and hold harmless Lessor from and against any claim, liability, expense, lawsuit, loss or other damage, including reasonable attorneys' fees, arising from or relating to Lessee's use of the Premises or Lessees activities within the Project or any violations of the Americans with Disabilities Act due to the use of the Premises by Lessee, its employees, subtenants, agents, guests or invitees.

6.2. CONDITION OF PREMISES. Lessee hereby accepts the Premises in their condition existing as of the date of the execution hereof or in the condition described on the attached EXHIBIT "B," whichever is applicable, subject to all applicable laws, ordinances and regulations governing and regulating the use of the Premises, and subject to all matters disclosed thereby, Lessee acknowledges that neither Lessor nor Lessor's agents has made any representation or warranty as to the suitability of the Premises for the conduct of Lessee's business and that Lessee and its agents and contractors have been provided with an opportunity to thoroughly inspect the Premises and the Project

6.3. HAZARDOUS MATERIALS.

(a) As used herein, the term "Hazardous Material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the city in which the Premises arc located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Arizona Department of Environmental Quality, the Pima County Department of Environmental Quality, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any Hazardous Material in, on or adjacent to the Premises or in, on or adjacent to the Project without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such Hazardous Materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of Hazardous Materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the Premises concerning a Hazardous Material. Lessee acknowledges that Lessor, as the owner of the Premises, shall have the right, at its election, in its own name to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued by any applicable governmental authority with regard so a Hazardous Material released onto the Premises or the Project by Lessee.

(d) If Lessee's storage, use or disposal of any Hazardous Material in, on or adjacent to the Premises or the Project results in any contamination of the Premises, the Project, the soil, surface or groundwater thereunder or the air above and around the Premises and the Project (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels, in excess of de minimum levels, which are unacceptable to Lessor, in Lessor's reasonable discretion, Lessee agrees so clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees so indemnify, defend and hold Lessor harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to Hazardous Materials currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the Premises or the Project, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any Hazardous Materials on or about the Premises or the Project.

(e) Notwithstanding any other right of entry granted to Lessor under this Lease, Lessor shall have the right to enter the Premises or to have consultants enter the Premises throughout the Term at reasonable times and upon reasonable prior notice to Lessee for the purpose of determining: (1) whether the Premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the Premises; (2) whether Lessee has complied with this PARAGRAPH 6; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of Hazardous Materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the Premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the Term. If, during such inspections, it is found that Lessee's use of Hazardous Materials constitutes a violation of this Lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the Premises are contaminated with Hazardous Material as a result of a release(s) by Lessee or are in violation of any applicable environmental law, and such violation did not exist prior to the Commencement Date, Lessee shall, in a timely manner, at its expense, remove such Hazardous Materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this Lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the Premises shall not create a duty on Lessor's part to inspect the Premises, or liability of Lessor for Lessee's use, storage or disposal of Hazardous

Materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the Premises to Lessor upon the expiration or earlier termination of this Lease free of Hazardous Materials (other than those, if any, existing as of the Commencement Date) and in a condition which complies will, all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this PARAGRAPH 6 and all indemnification obligations of Lessee under this Lease shall survive the expiration or earlier termination of this Lease.

7. MAINTENANCE, REPAIRS AND ALTERATIONS.

7.1. LESSOR'S OBLIGATIONS. Subject to the provisions of PARAGRAPH 9 and except for damage caused by any negligent or intentional actor omission of Lessee, Lessee's agents, employees or invitees and except for Lessor's right to include certain costs as Total Common Area Charges pursuant to PARAGRAPH 11, Lessor, at Lessor's expense, shall keep in good order, condition, and repair the foundations, exterior and load bearing walls, and the exterior roof of the Premises (including the structural support thereof). Lessee expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Premises in good order, condition, and repair.

7.2. LESSEE'S OBLIGATIONS.

(a) Lessee shall, at its expense throughout the Term, maintain, service, replace, and keep in good repair the interior of the Premises except those items for which Lessor is specifically made responsible under SECTION 7.1, and mechanical equipment of the Premises, and all other aspects of the Premises including such items as floors, ceilings, walls, doors, glass, plumbing, paint, heating, ventilating and air conditioning equipment, partitions, electrical equipment, wires, and electrical fixtures, and surrender same upon the expiration of the Term in the same condition as received, ordinary wear and tear excepted. Lessee shall give Lessor prompt written notice of any defects or breakage in the structure, equipment, fixtures, or of any unsafe condition upon or within the Premises. Maintenance, repairs, and replacements to the mechanical, plumbing, electrical, and heating, ventilating and air conditioning systems serving the Premises shall be performed by licensed contractors, acceptable to Lessor in its reasonable discretion.

(b) Lessee shall enter into and keep in force during the Term a preventive maintenance contract with a licensed heating and air conditioning contractor acceptable to Lessor providing for the regular inspection and maintenance of the heating, ventilating and air conditioning equipment serving the Premises.

(c) On the last day of the Tern, or on any sooner termination, Lessee shall surrender the Premises to Lessor in the same condition as received, broom clean, ordinary wear and tear and damage by fire or other casualty excepted. Lessee shall repair any damage to the Premises occasioned by the removal of its trade fixtures, finishings and equipment pursuant to SECTION 7.3, which repair shall include without limitation the patching and filling of holes and repair of structural damage.

7.3. ALTERATIONS AND ADD-ONS.

(a) Alterations, improvements, additions, utility installations or removal of any fixtures may not be made to the Premises without the prior written consent of Lessor, and any alterations, improvements, additions or utility installations to the Premises, excepting movable furniture and machinery and trade fixtures, shall, at Lessor's option, become part of the realty and belong to Lessor upon the expiration or earlier termination of this Lease. However, this shall not prevent Lessee from installing trade fixtures, machinery, or other trade equipment in conformance with all applicable ordinances, regulations and laws. Lessee shall keep the Premises, the building in which the Premises are located, and the land on which the Premises are situated free from any liens arising out of any work performed for, material furnished to, or obligations incurred by the Lessee. It is further understood and agreed that under no circumstance is the Lessee to be deemed the agent of the Lessor for any alteration, repair, or construction within the Premises, the same being done at the sole expense of the Lessee. All contractors, materialmen, mechanics, and laborers are hereby charged with notice that they must look only to the Lessee for the payment of any charge for work done and materials furnished upon the Premises during the Term.

(b) Upon the expiration or sooner termination of the Tern, Lessee shall, upon written demand by Lessor, at Lessee's sole expense, with due diligence, remove any alteration, addition or improvement made by Lessee, designated by Lessor to be removed (except the Leasehold Improvements described in EXHIBIT "B"), and repair any damage to the Premises caused by such removal. Lessee shall remove all of its movable property and trade fixtures which can be removed without damage to the Premises at the expiration or earlier termination of this Lease and shall pay Lessor for all damages from injury to the Premises or Project resulting from such removal.

8. INSURANCE; INDEMNITY.

8.1. LESSEE'S LIABILITY INSURANCE. Lessee shall, at Lessee's expense, obtain and keep in force during the Term a policy of commercial general liability insurance written on an occurrence basis insuring Lessee against any liability arising out of the use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be primary and not contributing with any insurance maintained by Lessor, shall have a combined single limit of liability of $2,000,000 and shall name Lessor as an additional insured. The limits of said insurance shall not, however, limit the liability of Lessee hereunder. Said insurance shall have a Lessor's Protective Liability endorsement attached thereto, and shall contain a contractual liability endorsement covering all indemnification obligations of Lessee hereunder. If

Lessee shall fail to procure and maintain said insurance, Lessor may, but shall not be required to, procure and maintain the same, but at the expense of Lessee.

8.2. LESSEE'S PROPERTY INSURANCE. Lessee shall, at Lessees expense, obtain and keep in force during the Tenn a policy or policies of insurance covering loss or damage to Lessees personal property, merchandise, stock in trade, fixtures and equipment located on the Premises from time to time, in the amount of the full replacement value thereof, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils (special form).

8.3. LESSOR'S LIABILITY INSURANCE. Lessor shall obtain and keep in force during the Term a policy of commercial general liability insurance written on an occurrence basis insuring Lessor against any liability arising out of the ownership, use, occupancy, or maintenance of the Project including the Common Areas. Such insurance shall have a combined single limit of liability of at least $2,000,000.

8.4. LESSOR'S PROPERTY INSURANCE. Lessor shall obtain and keep in force during the Term a policy or policies of insurance covering loss or damage to the Project, in the amount of the fall replacement value thereof, exclusive of footings and foundations, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils (special form). Lessee understands and agrees that the insurance described in this SECTION 8.4 will not cover Lessees personal property, merchandise, stock in trade, trade fixtures and equipment

8.5. BUSINESS INTERRUPTION INSURANCE. Lessor may, at its option, obtain and keep in force during the Tern a policy of business interruption insurance in an amount sufficient to cover any loss of income from the Project fora period of twelve (12) months.

8.6. INSURANCE POLICIES. Insurance required hereunder shall be in companies rated "A-XII" or better by A. M. Best Co., in Best's Key guide. On or prior so the Commencement Date, Lessee shall deliver to Lessor copies of policies of liability insurance required under SECTION 8.1 and policies of casualty insurance required by SECTION 8.2 or certificates evidencing the existence and amounts of such insurance, and in the case of the liability insurance policy indicating that Lessor has been named an additional insured thereunder. All such policies and certificates of insurance shall state explicitly that such insurance shall not be cancelable or subject to reduction of coverage or other modification except upon at least thirty (30) day's advance written notice by the insurer to Lessor. Lessee shall furnish Lessor with renewals or "binders" thereof not less than ten (10) days prior to the cancellation or termination of any such policy, failing which, if Lessor does not receive such renewals or "binders" within one (1) business day after written request to Lessee, Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee upon demand. Lessee shall not do or permit to be done anything which shall invalidate the insurance policies referred to in SECTIONS 8.2 and 8.3. Either party may provide any required insurance under a so-called blanket policy or policies covering other parties and locations and may maintain

the required coverage by a so-called umbrella policy or policies, so long as the required coverage is not thereby diminished.

8.7. WAIVER OF SUBROGATION. Lessee and Lessor each hereby waives any and all rights of recovery against the other, or against the officers, partners, employees, agents, and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against and actually covered under any property insurance policy in forte at the time of such loss or damage, but such waiver extends only to the extent of the actual insurance coverage. Lessee and Lessor shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

8.8. INDEMNITY. Lessee shall indemnify, defend and hold harmless Lessor and its managers, members, agents and employees from and against any and all claims, losses, costs, liabilities and damages, including, without limitation, attorneys' fees and costs, arising from Lessee's use of the Premises, or from the conduct of Lessee's business or from any activity, work, or things done, permitted, or suffered by Lessee in or about the Premises, and shall further indemnify, defend and hold harmless Lessor from and against any and all claims arising from any breach or default in the performance of any obligation on Lessees part to be performed under the terms of this Lease or arising from any negligence of the Lessee, or any of the Lessee's agents, contractors or employees, and from and against all costs, attorneys' fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon, or about the Premises arising from any cause and Lessee hereby waives all claims in respect thereof against Lessor. Lessor shall indemnify, defend and hold harmless Lessee and its officers, directors, shareholders, agents and employees from and against any and all claims, losses, costs, liabilities and damages, including, without limitation, attorneys' fees and costs, arising from any accident, injury or damage occurring on the Common Areas, but only if and to the extent such claim, loss, cost, liability or damage is covered by Lessor's liability insurance provided for in SECTION 8.3 (or would have been covered by such insurance if Lessor fails to maintain same), and shall farther indemnify, defend and hold harmless Lessee from and against any and all claims arising from any breach or default in the performance of any obligation on Lessor's part to be performed under the terms of this Lease, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon.

8.9. EXEMPTION OF LESSOR FROM LIABILITY.

(a) Lessee hereby agrees that Lessor and its agents shall not be liable for injury to Lessee's business or any loss of income therefrom or for damage to the goods, wares, merchandise, or other property of Lessee, Lessee's employees, invitees, customers, or any other person in or about the Premises, nor shall Lessor be liable for injury to the person of Lessee, Lessee's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage,

leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or light fixtures, or from any other cause whether said damage or injury results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Lessee. Lessor shall not be liable for any damages arising from any actor neglect of any other lessee, if any, of the building in which the Premises are located.

(b) No individual partners, shareholders, directors, officers, employees or agents of Lessor or individual, member of a joint venture, tenancy in common, firm or partnership, general or limited, which may be the Lessor or any successor in interest shall be subject to personal liability with respect to any of the covenants or conditions of this Lease. The Lessee shall look solely to the equity of the Lessor in the Project, and the rents, issues and profits derived therefrom, and to no other assets of Lessor, for the satisfaction of the remedies of the Lessee in the event of a breach by the Lessor. Lessee will not seek recourse against the individual partners, shareholders, directors, officers, employees or agents of Lessor or an individual, member of a joint venture, tenancy in common, firm or partnership, general or limited, which may be the Lessor or any successor in interest or any of their personal assets for such satisfaction. It is mutually agreed that this clause is and shall be considered an integral part of this Lease.

8.10. LESSEE'S PROPORTIONATE SHARE OF INSURANCE PREMIUMS. Lessee shall pay during the Term, as additional rent and in addition to all other charges due hereunder, Lessee's proportionate share (calculated in the manner described in PARAGRAPH 12) of the premiums for the insurance required or permitted to be carried by Lessor hereunder (the "Insurance Amount"), whether the Insurance Amount shall be the result of the nature of Lessee's occupancy, any actor omission of Lessee, requirements of the holder of a mortgage or deed of trust covering the Premises, increased valuation of the Premises or the Project, or otherwise. Lessee shall pay Lessor in advance its monthly estimated share of the Insurance Amount together with all applicable rental taxes due thereon, within ten (10) days after receipt of an invoice from Lessor setting forth Lessors estimate of such amount. Within ninety (90) days following the end of each calendar year during the Term, or as soon thereafter is reasonably possible, Lessor shall furnish Lessee with a statement of all of Lessor's insurance costs for the Project for the previous calendar year indicating the computation of Lessee's proportionate share of such costs for such calendar year and the payments made by Lessee during such calendar year. If Lessee's aggregate estimated monthly payments actually paid to Lessor for the calendar year are greater than Lessee's proportionate share of all of Lessor's insurance costs for the Project for such calendar year, Lessor shall promptly pay the excess to Lessee or shall apply the excess to any past due amounts owing from Lessee to Lessor if the payments made are less than Lessees proportionate share, Lessee shall pay the difference so Lessor within ten (10) days of its receipt of such statement.

9. DAMAGE OR DESTRUCTION.

9.1. RECONSTRUCTION OF PREMISES. If during the Term all or past of the Premises should be destroyed partially or totally by fire or other casualty,

this Lease shall continue thereafter in fall force and effect, except as hereinafter provided, and the Lessor shall cause the reconstruction of the Premises within the one hundred eighty (180) days following such destruction to substantially the same condition in which it existed at the time immediately preceding such destruction. Lessee's obligation to pay rental to Lessor hereunder shall abate from the date of such destruction until completion of such reconstruction and the Term hereof shall be automatically extended for a period of time equivalent to that during which rent is abated as aforesaid. Should the Premises be partially damaged or destroyed, rent shall be abated in the same proportion as the destruction affects Lessee's ability to occupy and use the Premises for its intended purposes. Notwithstanding the foregoing, Lessor or Lessee shall have thirty (30) days following the total destruction of the Premises or the partial destruction of the Premises to the extent of fifty percent (50%) or greater of the full replacement value thereof, exclusive of footings and foundations, to elect in writing not to commence reconstruction, repair or replacement of the Premises. In the event of such an election by Lessor, this Lease shall be deemed terminated and of no farther force or effect. If Lessor determines that reconstruction of the Premises cannot be completed within one hundred eighty (180) days following such destruction, Lessor shall notify Lessee of such fact and this Lease shall thereupon be deemed terminated and of no farther force or effect.

9.2. FORCE MAJEURE. If Lessor is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required in SECTION 9.1 by reason of strikes, labor troubles, inability to procure materials or services, power failure, sabotage, rebellion, war, act of God, or other reason of a like nature, any of which must be beyond the reasonable control of Lessor, financial inability excepted, then the performance of that term, covenant or act is excused for the period of the delay and the reconstruction period shall be deemed correspondingly extended.

9.3. ABATEMENT SOLE REMEDY. Except for abatement of rent, if any, Lessee shall have no claim against Lessor for any damage suffered by reason of any such damage, destruction, repair or restoration of the Premises.

10. REAL PROPERTY TAXES.

10.1. PAYMENT OF LESSEE'S PROPORTIONATE SHARE OF TAXES. Lessor shall pay all real property taxes applicable to the Premises; provided, however, that Lessee shall pay, as additional rent hereunder and in addition to all other charges due hereunder, Lessee's proportionate share (as defined in PARAGRAPH 12) of real property taxes applicable to the Project (the "Real Property Tax Amount"). Lessee shall pay Lessor in advance its monthly estimated share of the Real Property Tax Amount, together with all applicable rental taxes due thereon, within ten (10) days after receipt of an invoice from Lessor setting forth Lessor's estimate of such amount. Within ninety (90) days following the end of each calendar year during the Term or as soon thereafter as is reasonably possible, Lessor shall furnish Lessee with a statement of all real property taxes relating to the Project for the previous calendar year indicating the computation of Lessee's proportionate share of such real property taxes for such calendar year and the payments made by Lessee during such calendar year. If Lessee's aggregate estimated monthly payments actually paid to Lessor for the calendar year are greater than Lessee's proportionate share of all real property

taxes relating to the Project for such calendar year, Lessor shall promptly pay the excess to Lessee or shall apply the excess to any past due amounts owing from Lessee to Lessor; if the payments made are less than Lessee's proportionate share, Lessee shall pay the difference to Lessor within ten (10) days of its receipt of such statement. If the Term does not commence or expire concurrently with the commencement or expiration of the tax year, Lessee's liability for real property taxes for the such partial year shall be prorated on an annual basis.

10.2. DEFINITION OF "REAL PROPERTY TAX". As used herein, the term "real property tax" shall include any form of assessment, fee, levy, penalty or tax (other than inheritance or estate taxes), imposed by any authority having the direct or indirect power to tax or assess, including any city, county, state, or federal government, any school, agricultural, lighting, drainage, or other improvement district thereof, as against any legal or equitable interest of Lessor in the Premises, the Project and the real property of which the Premises and the Project are a part.

10.3. PERSONAL PROPERTY TAXES.

(a) Lessee shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment, and all other personal property of Lessee contained in the Premises or elsewhere. When possible, Lessee shall cause said trade fixtures, furnishings, equipment, and all other personal property to be assessed and billed separately from the real property of Lessor.

(b) If any of Lessee's personal property shall be assessed and billed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee within ten (10) days after receipt of a written statement setting forth the taxes applicable to Lessees property.

11. COMMON AREA CHARGES.

11.1. GENERALLY. In addition to the rental and other charges herein provided to be paid by Lessee to Lessor, Lessee shall pay to Lessor, as additional rent and as Lessee's share of the cost of maintaining, operating, repairing and managing the Project, Lessee's proportionate share (as defined in PARAGRAPH 12) of the Total Common Area Charges (as hereinafter defined) for any calendar year during the Term (the "CAM Amount"). Lessee shall pay Lessor in advance its monthly estimated proportionate share (as described in PARAGRAPH 12) of the Total Common Area Charges, together with all applicable rental taxes due thereon, within ten (10) days after receipt of an invoice from Lessor setting forth Lessor's estimate of such amount. Within ninety (90) days following the end of each calendar year during the Term or as soon thereafter as is reasonably possible, Lessor shall furnish Lessee with a statement of all Total Common Area Charges for the Project for the previous calendar year indicating the computation of Lessee's proportionate share of the Total Common Area Charges for such calendar year and the payments made by Lessee during such calendar year (the "Actual Statement"). If Lessee's aggregate estimated monthly payments actually paid to Lessor for the calendar year are greater than Lessee's proportionate share of the Total Common Area Charges for such calendar year,

Lessor shall promptly pay the excess to Lessee or shall apply the excess to any past due amounts owing from Lessee to Lessor, if the payments made are less than Lessee's proportionate share, Lessee shall pay the difference to Lessor within ten (10) days of its receipt of such statement Total Common Area Charges shall consist of all costs and expenses of every type associated with the management, repair, maintenance, and insuring of the Common Areas including, without limitation, costs and expenses for the following: gardening and landscaping; utilities, water and sewer charges; premiums for liability, property damage and casualty insurance and workman's compensation insurance; all personal property taxes levied on or attributable to personal property used in connection with the Common Areas; straight line depreciation on personal property owned by Lessor which is consumed in the operation or maintenance of the Common Areas; rental or lease payments paid by Lessor for rented or leased personal property used in the operation or maintenance of Common Areas; fees for required licenses and permits; refuse disposal charges; repairing, resurfacing, repaving, maintaining, painting, lighting, cleaning, refuse removal, security and similar items; repair and maintenance of exterior roofs and exterior painting of the Project (except the initial painting of the exterior of the Project after the Commencement Date); fees paid to property managers; and other similar costs and expenses relating to the Common Areas. Said Total Common Area Charges shall farther include all charges for regular preventive maintenance service, repair and maintenance of mechanical equipment including, without limitation, healing, ventilating and air conditioning equipment, which serves the Common Areas, the cost of lighting, maintenance and repair of the Project identification signs, and the cost of repairing and maintaining the plumbing, electrical and other off-Premises facilities serving the Premises or the Project. Notwithstanding the foregoing to the contrary, Total Common Area Charges shall include costs of a capital nature (including, without limitation, capital improvements, capital replacements, capital repairs, capital equipment and capital tools) only to the extent of the amortization on a straight-line basis of the same over the useful life (together with interest at the rate of twelve percent (12%) per annum on the unamortized balance), but only if the same are: (i) reasonably intended to produce a reduction in operating charges or energy consumption; or (ii) required after the date of this Lease under any governmental law or regulation that was not applicable to the Project or any portion thereof at the Commencement Date; or (iii) for the repair or replacement of any equipment needed to operate the Project at the same quality level as prior to the replacement.

11.2. LESSEE'S AUDIT RIGHT. If Lessee disputes the amount of Total Common Area Charges set forth in any Actual Statement delivered by Lessor, Lessee shall have the right, to be exercised, if at all, not later than six (6) months following receipt of such Actual Statement, to cause Lessor's books and records with respect to the preceding calendar year to be audited by a certified public accountant mutually acceptable to Lessor and Lessee. The amounts payable under Section 11.1 by Lessor to Lessee or by Lessee to Lessor, as the case maybe, shall be appropriately adjusted on the basis of such audit. If such audit discloses a liability for farther refund by Lessor to Lessee in excess of five percent (5%) of the payments previously made by Lessee for such calendar year, Lessor shall pay for the cost of the audit; otherwise, Lessee shall pay for the cost of the audit. If Lessee fails to request an audit within the six (6) month period, such Actual Statement shall be conclusively binding upon Lessor and Lessee.

12. PROPORTIONATE SHARE. For purposes of SECTIONS 8.10 and 10.1 and PARAGRAPHS 11 AND 13, Lessee's proportionate share to be used to calculate the Insurance Amount, the Real Property Tax Amount the CAM Amount and Lessee's responsibility for any utilities supplied to the Premises which are not separately metered shall be a fraction, the numerator of which is the total first floor gross rentable square footage of the Premises, and the denominator of which is the total first floor gross rentable square footage of the entire Project, from time to time. The parties agree that as of the Commencement Date, Lessee's proportionate share will be 29.35 PERCENT, which figure is derived by dividing 18,048 SQUARE FEET by 61,492 SQUARE FEET. Lessees proportionate share as of the Commencement Date, as described above, is a negotiated figure and shall govern whether or not the actual rentable square footage of the Premises and/or the entire Project as of the Commencement Date is the same as that described above.

13. UTILITIES. Lessee shall pay for all water, gas, heat, light, power, telephone, and other utilities and services supplied to the Premises, together with any taxes thereon. If any utility supplied to the Premises is not separately metered, Lessee shall pay its proportionate share of the cost thereof as Total Common Area Charges.

14. ASSIGNMENT AND SUBLETTING.

14.1. LESSOR'S CONSENT REQUIRED. Lessee shall not voluntarily or by operation of law, assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessees interest in this Lease or in the Premises, without Lessor's prior written consent. Any attempted assignment, transfer, mortgage, encumbrance, or subletting without such consent shall be void, and shall constitute a breach of this Lease. Lessor shall not unreasonably withhold its consent to an assignment or sublease by Lessee.

14.2. NO RELEASE OF LESSEE. Regardless of Lessor's consent, no subletting or assignment shall release Lessee of Lessees obligation or alter the primary liability of Lessee to pay the rent and to perform all other obligations to be performed by Lessee hereunder. The acceptance of rent by Lessor from any other person shall not be deemed to be a waiver by Lessor of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

15. DEFAULTS; REMEDIES.

15.1. DEFAULTS. The occurrence of anyone or more of the following events shall constitute a material default and breach of this Lease by Lessee:

(a) The abandonment of the Premises by Lessee. For purposes hereof, Lessee shall not be deemed to have abandoned the Premises merely by vacating the same, so long as Lessee continues to comply with all of its obligations under this Lease, including its obligation to pay rent and other sums due hereunder.

(b) The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder within ten (10) days after written notice from Lessor that the same is due. Notwithstanding the foregoing to the contrary, Lessor shall not be required to give notice to Lessee that rent or any other payment required to be made by Lessee hereunder is due more than once in any twelve (12) month period. Thereafter, without notice, the failure by Lessee to make any such payment with ten (10) days of the date when due shall constitute a material default and breach of this Lease by Lessee.

(c) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than described in Subsection (b) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Lessor to Lessee; provided, however, if the nature of such failure is such that it cannot reasonably be cured within the thirty (30) day period, then Lessee shall have such additional time as is reasonably required to cure such failure, but in no event more than ninety (90) days after written notice thereof from Lessor to Lessee, provided Lessee commences to cure during the thirty (30) day period and proceeds to cure with diligence and continuity.

(d) (i) The making by Lessee of any general assignment or general arrangement for the benefit of creditors; (ii) the filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessees interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution, or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessees interest in this Lease, where such seizure is not discharged within thirty (30) days.

(e) The chronic delinquency by Lessee in the payment of monthly rental, or any other periodic payment required to be paid by Lessee under this Lease. "Chronic delinquency" shall mean failure by Lessee to pay monthly rental, or any other periodic payment required to be paid by Lessee under this Lease, within ten (10) days as described in SECTION 15.1(B) above, for any three (3) months (consecutive or nonconsecutive) during any twelve (12) month period. In the event of the chronic delinquency, at Lessor's option, Lessor shall have the additional right to require that monthly rental be paid by Lessee quarter-annually, in advance, for the remainder of the Term.

(f) A guarantor, if any, of this Lease revokes or otherwise terminates, or purports to revoke or otherwise terminate (by option of law or otherwise), any guaranty of all or any portion of Lessee's obligations under this Lease.

(g) Any default or breach by Lessee under the Standard Commercial-Industrial Triple Net Lease, dated December 16, 1996, between Lessor and Lessee concerning Suites B, C, D, E of the Project.

15.2. REMEDIES. In the event of any such material default or breach by Lessee, Lessor may as any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any other right or remedy which Lessor may have by reason of such default or breach:

(a) Terminate this Lease by any lawful means, in which case Lessee shall immediately surrender possession of the Premises to Lessor. In such event, Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default including, but not limited to, the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of die Premises, reasonable attorneys fees, and any real estate commission actually paid; the "worth at the time of award" established by the court having jurisdiction thereof of the amount by which the unpaid rent and other charges due for the balance of the Term after the time of Lessee's default exceeds the amount of such rental loss for the same period that Lessee proves by clear and convincing evidence could have been reasonably avoided; and that portion of the leasing commission paid by Lessor applicable to the unexpired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of 15% per annum. For purposes of this SECTION 15.2(A), "worth at the time of award" of the amount referred to above shall be computed by discounting each amount by a rate equal to the prime rate (or its equivalent) of Bank One, Arizona at the time of the award, but in no event more than an annual rete of ten percent (10%).

(b) Re-enter the Premises, without terminating this Lease, and remove any property from the Premises, in which case Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease, including the right to recover the rent and all other amounts due hereunder as they become due. No re-entry or taking possession of the Premises by Lessor pursuant to this SECTION 15.2 or other action on Lessor's part shall be construed as an election to terminate the Lease unless a written notice of such intention is given to Lessee or unless the termination thereof is decreed by a court of competent jurisdiction. Lessor's election not to terminate this Lease pursuant to this SECTION 15.2(B) or pursuant to any other provision of this Lease shall not preclude Lessor from subsequently electing to terminate this Lease or pursuing any of its other remedies.

(c) Maintain Lessee's right to possession, in which case this Lease shall continue in effect, whether or not Lessee shall have abandoned the Premises. In such event Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease, including the right to recover the rent and all other amounts due hereunder as they become due.

(d) Pursue any other or additional remedy now or hereafter available to Lessor under the laws or judicial decisions of the State of Arizona, including, without limitation, the imposition of a landlords lien against any property located within the Premises.

The remedies set forth herein shall be deemed cumulative and not exclusive.

15.3. DEFAULT BY LESSOR. Lessor shall not be deemed in default unless Lessor fails to perform obligations required of Lessor within a reasonable time,

but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Lessee in writing specifying wherein Lessor has failed to perform such obligations; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance, then Lessor shall not be in default if Lessor commences performance within such 30- day period and thereafter diligently prosecutes the same to completion. If Lessor does not perform, Lessor's mortgagee may perform in Lessor's place and Lessee must accept such performance. Except in the event of an actual or constructive eviction, in no event shall Lessee have the right to terminate this Lease as a result of Lessor's default, and Lessee's remedies shall be limited to damages and/or an injunction. Notwithstanding the preceding sentence to the contrary, if Lessor or its mortgagee fails to perform as required above in this SECTION 15.3, then Lessee shall be permitted to make reasonable repairs to the Premises as set forth in the default notice referred to above from Lessee. In the event Lessee exercises its rights hereunder, Lessor will reimburse Lessee the reasonable cost thereof within thirty (30) days following receipt of a copy of the invoice and lien waiver from the contractor performing such repairs. In the event Lessor fails to reimburse Lessee the cost of such repairs within thirty (30) days following Lessor's receipt of an invoice and lien waiver, then Lessee shall be permitted to withhold from the next installment of monthly base rental an amount equal to the lesser of (i) the reasonable cost for such repairs, or (ii) twenty-five percent (25%) of the monthly base rental otherwise due and payable for such month. In the event the reasonable cost of such repairs is greater than twenty-five percent (25%) of the monthly base rental payable for the month in question, then Lessee shall be permitted to withhold from future installments of monthly base rental an amount equal to twenty-five percent (25%) of the monthly base rental on a monthly basis until such time as the amount withheld equals the cost incurred by Lessee in making such repairs.

15.4 LATE CHARGES. Lessee hereby acknowledges that late payment by Lessee to Lessor of rent and other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited so, processing and accounting charges, and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or any other sum due from Lessee shall not be received by Lessor or Lessor's designee on or before the expiration of any applicable cure period, Lessee shall pay to Lessor a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount nor prevent Lessor from exercising any of the other rights and remedies granted hereunder.

16. CONDEMNATION. If less than twenty percent (20%) of the gross rentable floor area of the Premises is taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called condemnation"), this Lease shall terminates to the part so taken as of the date one (1) day prior to the earlier of the date when the condemning authority takes tide or possession. If twenty percent (20%) or more of the floor area of the

Premises is taken by condemnation, either Lessor or Lessee may terminate this Lease by providing the other with written notice thereof within ten (10) days following the date when the condemning authority takes title or possession, whichever first occurs. If neither Lessor or Lessee elects to terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the proportion that the gross rentable floor area taken bean to the total gross rentable floor area of the original Premises. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor, whether such award shall be made as compensation for diminution in value or the leasehold or for the taking of the fee, or as severance damages; provided, however, that Lessee shall be entitled to any award for loss or damage to Lessee's trade fixtures and removable property. In the event that this Lease is not terminated by reason of such condemnation, Lessor shall, to the extent of severance damages actually received by Lessor in connection with such condemnation, repair any damage to the Premises caused by such condemnation except to the extent that Lessee has been reimbursed therefor by the condemning authority. Lessee shall pay any amount in excess of such severance damages required to complete such repair. Lessor shall notify Lessee within ten (10) days after becoming aware of a potential condemnation.

17. GENERAL PROVISIONS.

17.1. ESTOPPEL CERTIFICATE.

(a) Lessee shall at any time upon not less than ten (10) days prior written notice from Lessor execute, acknowledge and deliver to Lessor a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges art paid in advance, if any; (ii) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of Lessor hereunder, or specifying such defaults if any are claimed; and (iii) setting forth such other statements with respect to this Lease as may be reasonably requested by Lessor. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Project.

(b) Lessee's failure to deliver such statement within such time shall be conclusive upon Lessee (i) that this Lease is in full force and effect, without modification except as may be represented by Lessor, (ii) that there are no uncured defaults in Lessor's performance, and (iii) that not more than one month's rent has been paid in advance.

(c) If Lessor desires to finance or refinance the Project, or any part thereof Lessee hereby agrees to deliver to any lender designated by Lessor such financial statements of Lessee as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Lessee. All such financial statements shall be received by Lessor in confidence and shall be used only for the purposes herein set forth.

17.2. LESSOR'S LIABILITY. The term "Lessor" as used herein shall mean only the owner or owners at the time in question of the fee title or a lessee's interest in a ground lease of the Premises. In the event of any transfer of such title or interest, Lessor herein named (and in case of any subsequent transfers the then grantor) shall be relieved from and after the date of such transfer of all liability as respects Lessor's obligations thereafter to be performed, provided that any funds in the hands of Lessor or the then grantor at the time of such transfer, in which Lessee has an interest, shall be delivered to the grantee. The obligations contained in this Lease to be performed by Lessor shall, subject as aforesaid, be binding on Lessor's successors and assigns, only during their respective periods of ownership.

17.3. SEVERABILITY. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

17.4. INTEREST ON PAST-DUE OBLIGATIONS. Except as expressly herein provided, any amount due to Lessor not paid when due shall bear interest at the rate of 15% per annum from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease.

17.5. TIME OF ESSENCE. Time is of the essence.

17.6. CAPTIONS. Section and paragraph captions not a part hereof.

17.7. INCORPORATION OF PRIOR AGREEMENTS; AMENDMENTS. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the pasties in interest at the time of the modification.

17.8. NOTICES AND PAYMENTS. All notices and demands which may be required or permitted to be given to either party hereunder shall be in writing, and all such notices and demands hereunder shall be sent by certified United States mail, return receipt requested, postage prepaid, or hand delivered to the addresses set out below or to such other person or place as each party may from time to time designate in a notice to the other. All payments due hereunder shall be sent by first class United States mail, postage prepaid or hand delivered to the address of the Lessor set out below or to such other person or place as Lessor may from time to time designate in a notice to Lessee. Notices and payments shall be deemed given and made upon actual receipt. Any notice, demand or payment required or permitted to be given or made hereunder shall be addressed to Lessor and Lessee, respectively, at the addresses set forth below:

If to Lessor: Holualoa Peoria Avenue Industrial, LLC
2813 E. Camelback Road, Suite 430
Phoenix, Arizona 85016
Attn: Sandy Alter

Holualoa Peoria Avenue Industrial, LLC
c/o Wessex Companies
2828 N. Central Avenue, Suite 1060
Phoenix, Arizona 85004
Attn: Susan Mahr

Holualoa Peoria Avenue Industrial, LLC
75-5706 Hanama Place, Suite 104
Kailua-Kona, Hawaii 96740
Attn: Lynn Taube

If to Lessee: Titan Motorcycle Co. of America
2222 W. Peoria Avenue
Phoenix, Arizona 85029
Attn: Frank Keery, CEO

17.9. MORTGAGEE PROTECTION

(a) If, in connection with obtaining financing for the Project or any portion thereof, Lessor's lender shall request reasonable modifications to this Lease as a condition to such financing, Lessee shall not unreasonably withhold, delay or defer its consent to such modifications, provided such modifications do not materially adversely affect Lessee's rights or increase Lessee's obligations under this Lease.

(b) Lessee agrees to give to any trust deed or mortgage holder ("Holder"), by prepaid certified mail, return receipt requested, at the same time as it is given to Lessor, a copy of any notice of default given to Lessor, provided that prior to such notice Lessee has been notified, in writing, (by way of notice of assignment of rents and leases, or otherwise) of the address of such Holder. Lessee further agrees that if Lessor shall have failed to cure such default within the time provided for in this Lease, then the Holder shall have an additional twenty (20) days after expiration of such period, or after receipt of such notice from Lessee (if such notice to the Holder is required by this SECTION 17.9(B)), whichever shall lass occur, within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such twenty (20) days, any Holder has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary, to effect such cure), in which event this Lessee shall not be terminated.

17.10. WAIVERS. No waiver by Lessor of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Lessee of the same or any other provision. Lessor's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to or approval of any subsequent act by Lessee. The acceptance of rent hereunder by Lessor shall not be a waiver of any preceding breach by Lessee of any provision

hereof, other than the failure of Lessee to pay the particular rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

17.11. RECORDING. Lessee shall not record this Lease without Lessor's prior written consent, and such recordation shall, at the option of Lessor, constitute a non-curable default of Lessee hereunder. At Lessee's request, Lessor shall execute and allow the recordation of a short form memorandum of this Lease, in form reasonably acceptable to Lessor, but only if prior to execution thereof by Lessor, Lessee executes and delivers to Lessor, in recordable form, a properly acknowledged quitclaim deed or other instrument extinguishing all of Lessee's rights and interests in and to the Project and the Premises, and designating Lessor as the grantee, which deed or other instrument shall be held by Lessor and may be recorded by Lessor upon the termination or expiration of this Lease.

17.12. HOLDING OVER. If Lessee remains in possession of the Premises or any part thereof after the expiration of the Term hereof, without the written consent of Lessor, such occupancy shall be a tenancy at sufferance, for which Lessee shall pay a monthly base real of one hundred twenty-five percent (125%) of the monthly base rental in effect immediately prior to the expiration of the Term plus all other charges payable hereunder, and upon all the terms hereof applicable to such a tenancy at sufferance.

17.13. CUMULATIVE REMEDIES. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

17.14. COVENANTS AND CONDITIONS. Each provision of this Lease performable by Lessee shall be deemed both a covenant and a condition.

17.15. BINDING EFFECT; CHOICE or LAW. Subject to any provision hereof restricting assignment or subletting and subject to the provision of SECTION 17.2, this Lease shall bind the parties, their personal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Arizona.

17.16. SUBORDINATION.

(a) This Lease, at Lessor's option and upon written notice to Lessee, shall be automatically subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the Project and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, as to any ground lease, mortgage, deed of trust, or any other hypothecation for security hereafter placed upon the Project, such subordination shall be conditioned upon the ground lessor, mortgagee, beneficiary under deed of trust or holder of any other hypothecation recording a non-disturbance agreement in favor of Lessee in such party's customary form. If Lessor or any mortgagee, trustee, or ground lessor shall elect to have this Lease prior to the lien of a mortgage, deed of trust or ground lease, and shall give written notice

thereof to Lessee, this Lease shall be automatically deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust, or ground lease or the date of recording thereof.

(b) Lessee agrees to execute any commercially reasonable documents required to further evidence or effectuate such subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be, and failing to do so within ten (10) days after written demand, does hereby make, constitute, and irrevocably appoint Lessor as Lessee's attorney in fact and in Lessees name, place and stead, to do so.

17.17. ATTORNEYS' FEES. If either party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party shall be entitled to its reasonable attorneys' fees in any such action, on trial or appeal, to be paid by as fixed by the court.

17.18. LESSOR'S ACCESS. Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times and upon reasonable prior notice to Lessee between 8 a.m. and 5 p.m. weekdays for the purpose of inspecting the same, showing the same to prospective purchasers, lenders, consultants and other professionals and making such alterations, repairs, improvements, or additions to the Premises or to the building of which they are a part as Lessor may reasonably deem necessary or desirable. In connection with such entry and in connection with carrying out any of its responsibilities hereunder or its privileges as the owner of the Project, Lessor shall be entitled to erect such scaffolding and other necessary structures or equipment as reasonably may be required by the character of the work to be performed, provided that Lessor shall not unreasonably interfere with the conduct of Lessee's business. Except as specifically provided herein to the contrary, no entry by Lessor hereunder nor any work performed by Lessor to the Premises or the Project shall entitle Lessee to terminate this Lease or to a reduction or abatement of rent or other amounts owed by Lessee hereunder nor to any claim for damages. Lessor may at any time place on or about the Premises any ordinary "For Sale," and during the last six (6) months of the Term, "For Lease" signs. Lessor and Lessor's agent shall have the right to enter the Premises at any time in the case of an emergency.

17.19. SIGNS AND AUCTIONS. Lessee shall not place any sign upon the Premises or conduct any auction from the Premises without Lessor's prior written consent.

17.20. MERGER. The voluntary or other surrender of this Lease by Lessee or a mutual cancellation thereof shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.

17.21. AUTHORITY. If Lessee is a corporation, a limited liability company, partnership or other entity, each individual executing this Lease on behalf of said entity represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said entity, and that this Lease is binding upon said entity in accordance with its terms. If Lessee is a corporation, a limited company, partnership or other entity, Lessee shall deliver to Lessor, upon

Lessees execution of this Lease, evidence reasonably satisfactory to Lessor of the authority of the person(s) signing this Lease on behalf of Lessee to do so and that Lessee has approved entering into this Lease. Such evidence may include a certified copy of a resolution of the Board of Directors or members or partners of said entity authorizing or ratifying the execution of this Lease by a specific person(s) or other similar evidence. In the absence of such evidence, the individual(s) executing this Lease guarantees payment and fall performance of this Lease.

17.22. NSF CHECKS. There will be a 350.00 service charge payable to Lessor on all NSF checks, which charge shall be in addition to, and not in substitution for, any late charges and interest due hereunder.

18. PARKING AND COMMON AREAS. The Lessee, its agents, employees and invitees shall be entitled to park in common with other lessees of Lessor providing that it agrees not to overburden the parking facilities of the Project and agrees to cooperate with the Lessor and other lessees in the use of the parking facilities. Lessor specifically reserves the right, in its absolute discretion, to determine whether parking facilities are becoming overburdened and in such event to allocate the parking spaces among the Lessee and other lessees, their agents, employees, and business invitees using the parking facilities in proportion to each such lessees share of the space within the Project All loading operations for receipt or shipment of goods, wares and merchandise by the Lessee shall be done in the rear of the Premises or in such area therein which is specifically designated in writing by the Lessor.

19. SAFETY. Lessee shall maintain on the Premises at all times during the Term hereof an adequate number, size and type of fire extinguishers as are appropriate to Lessee's business. Lessee will at all times adhere to good safety practices or as may be required by safety inspectors. No goods, merchandise or materials shall be kept, stored or sold by Lessee on or about the Premises which are in any way hazardous. Lessee, at its sole expense, shall comply with any and all requirements of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance covering the Premises, the Projector any portion thereof,

20. ATTORNMENT. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust covering the Premises, the Lessee shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Lessor under this Lease.

21. NO ACCESS TO ROOF. Lessee shall have no right of access to the roof of the Premises or the building in which the Premises are located and shall not install, repair or replace any aerial, fan, air conditioner or other device on the roof of the Premises or the building in which the Premises are located without the prior written consent of Lessor. Any aerial, fan, air conditioner or device installed without such written consent shall be subject to removal, at Lessee's expense, without notice, at any time.

22. SUCCESSORS AND ASSIGNS. Subject to any provisions hereof restricting assignment or subletting and subject to the provisions of SECTION 17.2, the covenants and conditions herein contained, inure to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

23. FINANCIAL STATEMENTS. Within fifteen (15) days after Lessor's request, Lessee shall deliver to Lessor the current financial statements of Lessee, and financial statements of the two (2) years prior to the current financial statements year, including a balance sheet and profit and loss statement for the most recent prior year, all prepared in accordance with generally accepted accounting principles consistently applied. Such financial statement, balance sheet and profit and loss statement shall be certified as accurate by Lessee or a properly authorized representative of Lessee if Lessee is a corporation, partnership or other business entity. Lessor shall keep such financial statements of Lessee confidential and shall not copy or disclose their contents except to Lessor's manager, members, lenders, and prospective purchasers of the Project

24. NO ACCORD OR SATISFACTION. No payment by Lessee or receipt by Lessor of a lesser amount than the monthly rent and other sums due hereunder shall be deemed to be other than on account of the earliest rent or other sums due, nor shall any endorsement or statement on any check or accompanying any check or payment be deemed an accord and satisfaction; and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such rent or other sum or pursue any other remedy provided in this Lease.

25. ACCEPTANCE. This Lease shall only become effective and binding upon full execution hereof by Lessor and delivery of a fully executed copy to Lessee.

26. INABILITY TO PERFORM. This Lease and the obligations of the Lessee hereunder shall not be affected or impaired because the Lessor is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of the Lessor.

27. INTENTIONALLY DELETED.

28. ALTERATIONS AND COMMON AREAS. Lessor shall have the right to make changes in the Common Areas or any part thereof, including, without limitation, changes in the location of driveways, entrances, exits, vehicular parking spaces and the direction of nit flow, and designation of restricted areas, as Lessor deems necessary or advisable for the proper and efficient operation and maintenance of the Common Areas. Notwithstanding the foregoing, Lessor shall not make changes in the Common Areas which materially and adversely affect access to, or visibility of, the Premises, except temporarily during periods of construction.

29. REVISIONS OF EXHIBIT "A". It is expressly agreed that the depiction of the Premises, the Project and the Common Areas on Exhibit "A" does not constitute a representation, covenant, or warranty of any kind by Lessor, and Lessor reserves

the right to change the size, location, type and number of buildings within the Project and the location, type, design and dimensions of the Common Areas.

30. OTHER TENANTS. Lessor reserves the absolute right to permit such other tenancies and businesses in the Project as Lessor, in the exercise of its sole business judgment, shall determine to best promote the interests of the Project Lessee is not relying on the understanding, nor does Lessor represent, any specific lessee or number of lessees shall during the Term occupy any space in the Project Lessee hereby waives all defenses arising from, and Lessor shall not be liable for damages arising from, any actor neglect of any other lessee or from Lessor's acts or omissions in enforcing any provision of its lease against another lessee, whether or not Lessor has notice of the offending lessee's disturbing or unlawful actor the opportunity to cure the disturbance by invoking its powers under such other lease.

31. NAME OF PROJECT. Lessor shall have the right to change the name of the Project upon not less than thirty (30) days prior written notice to Lessee. Lessee agrees that the name of the Project shall be the sole property of and belong to Lessor. From and after the termination or expiration of the Term for any reason whatsoever, Lessee shall cease using the name of the Project for any purpose.

32. JOINT OBLIGATION. If there be more than one Lessee, the obligations hereunder imposed shall be join: and several.

33. CONSENTS AND APPROVALS. Except as specifically otherwise stated herein, all consents or approvals requested of Lessor hereunder may be granted or denied by Lessor in its sole and absolute discretion.

34. BASIC TERMS SHEET. The Basic Terms Sheet to which this Lease is attached is for the convenience of the parties in quickly referencing certain of the basic terms of the Lease. It is not intended to serve as a complete summary of the Lease. In the event of any inconsistency between the Basic Terms Sheet and the Lease, the applicable Lease provision shall prevail and control.

35. TRIPLE NET LEASE. Lessee acknowledges that this is a Triple Net Lease and that Lessee shall do all acts and make all payments connected with or arising out of its use and occupation of the Premises to the end that Lessor shall receive all rent provided for herein free and undiminished by any expenses, charges, fees, taxes and assessments, and Lessor shall not be obligated to perform any acts or be subject so any liabilities or to make any payments, except as otherwise specifically and expressly provided in this Lease.

The parties hereto have executed this Lease on the dates specified immediately adjacent to their respective signatures.

THIS LEASE HAS BEEN PREPARED FOR SUBMISSION TO YOUR ATTORNEY FAR HIS APPROVAL. NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE LESSOR OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL EFFECT OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION RELATING THERETO.

LESSOR:	LESSEE:
Holualoa Peoria Avenue Industrial, LLC, an Arizona limited liability company	Titan Motorcycle Co. of America, Inc., a Nevada corporation
By: Holualoa Arizona, Inc. an Arizona corporation Its: Manager	
By: /s/ Sandra M. Alter	By: /s/ Francis S. Keery
Name: Sandra M. Alter	Name: Francis S. Keery
Title: Authorized Agent	Title: CEO
Date: 8/7/97	Date: 8/7/97

EXHIBIT "A"

[Description of Location]

EXHIBIT "B"

[ATTACH WORK LETTER, IF APPLICABLE, RELATING TO TENANT IMPROVEMENTS TO BE MADE TO PREMISES.]

ADDENDUM TO STANDARD COMMERCIAL-INDUSTRIAL
TRIPLE NET LEASE

This Addendum to Standard Commercial-Industrial Triple Net Lease ("Addendum") is attached to and incorporated into that certain Standard Commercial-Industrial Triple Net Lease, dated as of August 7, 1997, between Holualoa Peoria Avenue Industrial, LLC, an Arizona limited liability company ("Lessor"), and Titan Motorcycle Co. of America, Inc., a Nevada corporation ("Lessee") (the "Lease"). In the event of any inconsistency between the terms of the Lease and this Addendum, the terms of this Addendum shall control. As hereinafter used, the term "Lease" means the Lease as amended by this Addendum.

36. INTENTIONALLY DELETED.

37. HVAC AND MECHANICAL EQUIPMENT. Notwithstanding the terms of PARAGRAPH 7 of the Lease to the contrary, during the first twelve (12) months of the Term, Lessor, shall, at its expense, maintain, service, replace and keep in good repair the heating, ventilating and air conditioning equipment and all mechanical equipment serving the Premises; provided, however, the foregoing obligation of Lessor shall in no event include any of the Leasehold Improvements described on EXHIBIT "B" to the Lease.

38. MONTHLY BASE RENT. The monthly base rental shall commence February 1, 1998 (the "Rental Start Date"). Monthly base rental for the ten (10) month period commencing on the Rental Start Date shall be Seven Thousand Three Hundred Nine and no/100 Dollars ($7,309.00) triple net; monthly base rental for the twenty (20) month period after the ten (10) month period following the Rental Start Date shall be Eight Thousand Five Hundred Seventy-Three and no/100 Dollars ($8,573.00) triple net; and monthly base rental for the second twenty (20) month period after the ten (10) month period following the Rental Start Date shall be Nine Thousand Eight Hundred Thirty-Six and no/100 Dollars ($9,836.00) triple net. Lessee shall have the right to occupy the Premises from the Commencement Date until the Rental Start Date rent free.

39. EXTENSION OPTION.

39.1 Lessor hereby grants to Lessee one (1) option (the "Extension Option") to extend the Term of the Lease for an additional period of five (5) years (the "Option Term"), on the same terms, covenants and conditions as provided for in this Lease during the initial Term, except: (a) the monthly base rent payable during the Option Term shall be the "fair market rental rate" for the Premises as defined and determined in accordance with the Fair Market Rental Rate Rider attached to this Lease as EXHIBIT "C," provided, however, in no event shall the monthly base rent payable during the Option Term be less than the Adjusted Monthly Base Rent in effect from time to time, determined pursuant to SECTION 39.4 below; (b) Lessor shall have no further right to extend the Term; and (c) the terms of EXHIBIT "B" shall be inapplicable to the Option Term.

39.2 The Extension Option must be exercised, if at all, by written notice ("Extension Notice") delivered by Lessee to Lessor no later than the date which is one hundred eighty (180) days prior to the expiration of the initial Term. The Extension Option shall, at Lessor's sole option, not be deemed to be properly exercised if, at the time such Extension Option is exercised or on the scheduled commencement date for the Option Term, Lessee is then in default or Lessee has been chronically delinquent during the initial Term as described in SECTION 15.1(E) of the Lease.

39.3 Notwithstanding the determination of fair market rental rate pursuant to EXHIBIT "C" or of Adjusted Monthly Base Rent pursuant to SECTION 39.4, in no event shall the monthly base rent payable during any month of the Option Term be less than the monthly base rent payable during the previous month.

39.4 Adjusted Monthly Base Rent shall be determined in accordance with the following formula on the first day of each of the five (5) years of the Option Term (the "Adjustment Date(s)") and shall be in effect for the subsequent 12 months:

Adjusted Monthly Base Rent = monthly base rent as of the day prior to applicable Adjustment Date x (CPI-2/CPI-1).

In applying the above, the following definitions shall be used:

39.4.1 "PRECEDING YEAR OF THE LEASE TERM" means the 12 months preceding the applicable Adjustment Date.

39.4.2 "BUREAU" means the U.S. Department of Labor, Bureau of Labor Statistics or any successor agency that shall issue the indices or data referred to in SECTION 39.1.13.

39.4.3 "CPI" means the monthly indices of the Consumer Price Index, All Urban Consumers (CPI-U), U.S. City Average, All Items (1982-84 equals 100), issued by the Bureau.

39.4.4 "CPI-l" means the monthly CPI for the calendar month three (3) months before the commencement of the Preceding Year of the Lease Term.

39.4.5 "CPI-2" means the monthly CPI for the calendar month three (3) months before the applicable Adjustment Date.

39.4.6 If at the time of the computations provided for in SECTION 39.4, no CPI is compiled and published by any agency of the federal government, the statistics reflecting cost of living increases, as compiled by any

institution or organization or individual generally recognized as an authority by financial and insurance institutions and acceptable to Lessor, shall be used as a basis for such adjustments.

39.4.7 If Adjusted Monthly Base Rent exceeds the fair market rental rate for the Premises, Lessor shall notify Lessee in writing of the Adjusted Monthly Base Rent. Such notice shall include all the data used by Lessor in calculating the Adjusted Monthly Base Rent. In the event that Adjusted Monthly Base Rent is not determined prior to the commencement of any year during the Option Term, Lessee shall continue to pay to Lessor the monthly base rent last in effect until Lessee is notified of the Adjusted Monthly Base Rent and that the same exceeds the fair market rental rate for the Premises. Upon such notice, Lessee shall commence paying Adjusted Monthly Base Rent at the time the next monthly base rent payment is due, at which time Lessee shalt also reimburse Lessor for the difference between the amount of rental paid during such interim period and the amount of the Adjusted Monthly Base Rent for said period.

40. Intentionally Deleted.

41. Intentionally Deleted.

42. Covenant of Quiet Enjoyment. Lessor covenants that so long as Lessee fulfills the conditions and covenants required of it to be performed under this Lease, Lessee will have peaceful and quiet possession of the Premises during the term hereof.

43. Brokers. Lessor and Lessee represent and warrant to each other that they have not had any dealings with any real estate brokers, finders or agents in connection with this Lease. Lessor and Lessee agree to indemnity, defend (with counsel selected by the indemnified party and reasonably acceptable to the indemnifying party) and hold the other party and the other parties' nominees, successors and assigns harmless from any and all claims, costs, commissions, fees, or damages by any person or firm whom the indemnifying party authorized or employed, or acted by implication to authorize or employ, to act for the indemnifying party in connection with this Lease.

LESSOR:

Holualoa Peoria Avenue Industrial, LLC,
an Arizona limited liability company

By: Holualoa Arizona, Inc., an Arizona corporation
Its: Manager

By: /s/ [illegible]

Its: Authorized Agent

LESSEE:

Titan Motorcycle Co. of America, Inc.,
a Nevada corporation

By: /s/ Francis S. Keery

Its: CEO

EXHIBIT "B"

WORK LETTER AGREEMENT

This Work Letter Agreement supplements the Standard Commercial-Industrial Triple Net Lease (the "Lease"), dated and executed concurrently herewith, by and between Lessor and Lessee, covering certain premises described in the Lease (the "Premises"). All terms not defined herein shall have the same meaning as set forth in the Lease.

1. Construction of Leasehold Improvements.

1.1. LEASEHOLD IMPROVEMENTS. Lessee shall furnish and install within the Premises those items of general construction (including any distribution to the Premises of any utilities and heating, ventilating and air conditioning service as is required to serve the Premises) shown on the plans and specifications finally approved by Lessor and Lessee pursuant to PARAGRAPH 2 below (the "Leasehold Improvements") in compliance with all applicable codes and regulations. The Leasehold Improvements shall be constructed substantially in accordance with the preliminary specifications and architectural renderings to be agreed to by the parties in writing (the "Preliminary Plans"). The Leasehold Improvements shall be constructed pursuant to this Work Letter Agreement by a general contractor chosen by Lessee, with the prior written consent of Lessor ("Lessee's Contractor"). Lessee's Contractor shall not be changed without the prior written consent of Lessor.

1.2. CONSTRUCTION REPRESENTATIVES. Lessor hereby appoints Sandy Alter as Lessor's representative ("Lessor's Representative") to act for Lessor in all matters covered by this EXHIBIT "B." Lessee hereby appoints Frank Keery as Lessee's representative ("Lessee's Representative") to act for Lessee in all matters covered by this EXHIBIT "B." All communications with respect to the matters covered by this EXHIBIT "B" shall be made to Lessor's Representative or Lessee's Representative, as the case may be. Either party may change its representative under this EXHIBIT "B" at any time by written notice to the other party.

2. Construction Plans for Premises.

2.1. PREPARATION OF SPACE PLANS. Lessee's Contractor shall prepare preliminary space plans for the Premises. Lessee's Contractor shall also prepare detailed space plans sufficient to convey the architectural design of the Premises and layout of the Leasehold Improvements therein ("Space Plans"). The Space Plans shall be submitted to Lessor for Lessor's reasonable approval. If Lessor shall disapprove of any portion of the Space Plans, Lessor shall advise Lessee in writing of such disapproval and the reasons therefor. Lessee shall then submit to Lessor for Lessor's reasonable approval, a redesign of the Space Plans, incorporating those revisions required by Lessor.

2.2. PREPARATION OF FINAL PLANS. Based on the approved Space Plans, Lessee shall cause an architect selected by Lessee and reasonably approved by

Lessor (the "Architect") to prepare complete architectural plans, drawings and specifications and complete engineering, mechanical, structural and electrical working drawings for all of the Leasehold Improvements for the Premises (collectively, the "Final Plans") showing: (a) the subdivision (including partitions and walls), layout, lighting, finish and decoration work (including carpeting and other floor coverings) desired by Lessee for the Premises; (b) all internal and external communications and utility facilities which will require conduiting or other improvements from the shell of the building of which the Premises are a part (the "Building") and/or within common areas; and (c) all other specifications for the Leasehold Improvements. The Final Plans shall be approved in the same manner as provided in SECTION 2.1 above for approval of Space Plans. Lessor need not approve Final Plans that would require material alterations of the Building shell.

2.3. REQUIREMENTS OF LESSEE'S FINAL PLANS. Lessee's Final Plans shall include locations and complete dimensions and shall: (a) be compatible with the Building shell and with the design, construction and equipment of the Building; (b) be compatible with and of at least equal quality to the existing improvements in the Building; and (c) comply with all applicable laws and ordinances, and the rules and regulations of all governmental authorities having jurisdiction, and all applicable insurance regulations.

2.4. CHANGES TO SHELL OF BUILDING. If the approved Final Plans or any amendment thereof or supplement thereto shall require material alterations of the Building shell (without implying any obligation on Lessor to approve of the same), such alterations shall be performed by Lessee's Contractor as part of the Leasehold Improvements and the cost of the Building shell work caused by such alterations shall be charged against the Allowance.

2.5. APPROVALS. Lessee shall be solely responsible for obtaining approval of the Final Plans by all governmental agencies having jurisdiction, including all necessary permits and the temporary and permanent certificate of occupancy (or other required, equivalent approval from the local governmental authority permitting occupancy of the Premises). Lessor shall reasonably cooperate with Lessee in obtaining such approvals.

3. ALLOWANCE FOR LEASEHOLD IMPROVEMENTS.

3.1. ALLOWANCE. Lessee shall receive from Lessor an allowance (the "Allowance") of up to, but not exceeding, $76,500.00, which Allowance shall be used solely to contribute toward payment of the Work Cost (as defined below) of the Leasehold Improvements. All items of Leasehold Improvements, whether or not the cost thereof is covered by the Allowance, shall become the property of Lessor upon expiration or earlier termination of the Lease and shall remain on the Premises at all times during the Term of this Lease, except as otherwise provided in SECTION 7.3 of the Lease.

3.2. EXCESS WORK COSTS. In the event that the actual Work Costs exceed the Allowance, Lessee shall pay such excess and Lessor shall have no responsibility therefor. If prior to or during the construction of the Leasehold

Improvements, Lessor reasonably estimates that the Work Cost will exceed the Allowance by more than $50,000.00, Lessor may, at its option, require Lessee to post a payment and performance bond or other surety satisfactory to Lessor for the estimated excess Work Cost. Such excess shall be paid in accordance with SECTION 3.4 below. If the Allowance exceeds the Work Cost, Lessee shall not be entitled to any payment, rent reduction or credit therefor.

3.3. CHANGES. In the event that changes to the Space Plans or Final Plans are requested by Lessee or required by any governmental agency subsequent to Lessor's approval thereof, such changes and the costs thereof shall be forwarded to Lessor for approval (which approval shall not be unreasonably withheld) prior to incorporation into the work. After Lessors approval of the changes and the costs thereof, the changes shall be incorporated into the work by means of a change order.

3.4. PAYMENT OF ALLOWANCE. The Allowance shall be paid by Lessor in accordance with this SECTION 3.4. Lessee or Lessee's Contractor shall provide Lessor by the fifteenth (15th) day of each calendar month with an invoice prepared by Lessee's Contractor (or Lessee's Architect with respect to design costs) setting forth the Work Cost payable since the last such invoice. Such invoice shall be accompanied by (i) a certificate from Lessee's Architect or Lessee's Contractor certifying that the Work Cost set forth in such invoice is accurate and that all Work Costs set forth in prior invoices have been paid, (ii) copies of all invoices from subcontractors setting forth the Work Cost on Lessee's Contractor's invoice, (iii) receipts from such subcontractors acknowledging payment of the Work Cost set forth in prior invoices, and (iv) copies of lien waivers, or conditional lien waivers, in both Lessor's and Lessee's favor, from Lessee's Contractor and subcontractors (such waivers shall be conditional with respect to the Work Cost set forth in the invoice which they are accompanying and final with respect to the Work Cost on prior invoices). Lessor's approval of all such invoices shall not be unreasonably withheld, conditioned, or delayed. Lessor shall pay to Lessee's Contractor, or to Lessee's Architect with respect to design costs, within ten (10) calendar days of receipt of all of the foregoing, the Work Cost set forth on the invoice, less the amount of the retention as described in SECTION 4.1 below, to the extent Lessor, in its reasonable judgment, deems such Work Cost to be accurate. Upon exhaustion of the Allowance it shall become Lessee's responsibility to pay the Work Cost as set forth on such invoices, also within such ten (10) calendar day period, and Lessee shall provide Lessor promptly upon Lessors request with reasonable evidence of such payment. Upon final completion of all work to be undertaken by Lessee (including all punchlist items), which final completion shall be certified by the Architect and which final completion shall occur not later than two (2) years after the Lease Commencement Date, Lessee shall execute and deliver to Lessor a written acknowledgment that the Leasehold Improvements are approved by Lessee and a written certificate setting forth the amount and nature of all costs and expenses billed to Lessee in connection with the design, permit approval and construction of the Leasehold Improvements. Within ten (10) days after Lessor's receipt of such certificate, accompanied by copies of all related bills, invoices, receipts and final conditional lien waivers of all lien rights, in recordable form, from Lessee's Contractor and all subcontractors, Lessor shall pay to Lessee the remaining amount of such cost and expenses, including the actual hold back provided in the construction contract, up to and including,

but not exceeding, the Allowance. Lessee shall receive no payment, rent reduction or credit for any unused portion of the Allowance. Lessor shall not be obligated to pay any portion of the Allowance for Work Cost incurred after the date that is two (2) years after the Lease Commencement Date.

4. CONSTRUCTION.

4.1. CONSTRUCTION CONTRACT. Not less than ten (10) days prior to commencement of construction of the Leasehold Improvements, Lessee shall enter into a construction contract with Lessee's Contractor, which contract shall provide for the retention of not less than ten percent (10%) of the monthly progress payments, and shall otherwise be approved in writing by Lessor, which approval shall not be unreasonably withheld or delayed. Lessee shall be solely responsible for the performance of the work of the Leasehold Improvements to be performed by Lessee's Contractor and any and all subcontractors, suppliers and the like performing services for Lessee and/or Lessee's Contractor.

4.2. CONSTRUCTION SCHEDULE. Prior to commencement of construction of any Leasehold Improvements, Lessee shall furnish to Lessor's Construction Representative for approval in writing a schedule setting forth projected completion dates.

4.3. PROSECUTION OF LEASEHOLD IMPROVEMENTS. Following Lessor's approval of the Final Plans, and Lessee and Lessee's Contractor's selection of subcontractors (as approved by Lessor) and execution of the construction contract pursuant to SECTION 4.1 above, Lessee shall direct Lessee's Contractor and such subcontractors to immediately commence and diligently complete construction of the Leasehold Improvements; provided, however, Lessee shall have up to two years after the Lease Commencement Date to finally complete construction of the Leasehold Improvements. All Leasehold Improvements work shall be carried out in accordance with reasonable rules and regulations promulgated by Lessor. Such work shall be performed diligently, in a first-class, workmanlike manner and in accordance with all applicable laws. Prior to commencing such work, Lessee shall furnish Lessor with sufficient evidence that Lessee and Lessee's Contractor are carrying worker's compensation insurance in statutorily-required amounts, comprehensive general liability insurance and all other insurance in compliance with the Lease. Lessor shall have the right to enter the Premises at all times to inspect the work and to post notices of nonresponsibility. Lessee shall ensure lien-free completion of the Premises, and Lessee shall comply with all provisions of the Lease regarding liens, including PARAGRAPH 15 thereof.

5. WORK COST. "Work Cost" means: (a) all design and engineering fees incurred in connection with the preparation of the Preliminary Plans, Space Plans and Final Plans (including the cost of Lessor's consulting engineers and other consultants); (b) costs of permits, fees and taxes; (c) testing and inspecting costs; (d) the actual costs and charges for material and labor, contractor's profit and contractor's general overhead incurred by Lessee in having the Leasehold Improvements done; and (e) all other costs expended in the construction of the Leasehold Improvements.

LESSOR:

Holualoa Peoria Avenue Industrial, LLC,
an Arizona limited liability company

By: Holualoa Arizona, Inc., an Arizona corporation
Its: Manager

By: /s/ [illegible]

Its: Authorized Agent

LESSEE:

Titan Motorcycle Co. of America, Inc.,
a Nevada corporation

By: /s/ Francis S. Keery

Its: CEO

EXHIBIT "C"

FAIR MARKET RENTAL RATE RIDER

This Fair Market Rental Rate Rider ("Rider") supplements the Standard Commercial-Industrial Triple Net Lease to which it is attached (the "Lease"). Any term not defined herein shall have the same meaning as set forth in the Lease.

1. The term "fair market rental rate" as used in the Lease shall mean the annual amount per rentable square foot, projected during the relevant period, that a willing, comparable, non-equity tenant (excluding sublease and assignment transactions) would pay, and a willing, comparable landlord of a comparable quality commercial-industrial building located in Phoenix, Arizona would accept, at arm's length for lease extensions or renewals (including what Lessor is accepting in current lease extension or renewal transactions for the Project), for space of comparable size, quality and floor height as the Premises, taking into account the age, quality and layout of the existing improvements in the Premises, and taking into account items that professional real estate appraisers customarily consider, including, but not limited to, rental rates, space availability, and tenant size, but excluding consideration of tenant improvement allowances, free rent and any other lease concessions, if any, then being charged or granted by Lessor or the landlords of such similar buildings, except if such lease concessions are then being offered in connection with lease renewals.

2. In the event where a determination of fair market rental rate is required under the Lease, Lessor shall provide written notice of Lessor's determination of the fair market rental rate not later than forty-five (45) days after the last day upon which Lessee may timely exercise the right giving rise to the necessity for such fair market rental rate determination. Lessee shall have fifteen (15) days ("Lessee's Review Period") after receipt of Lessor's notice of the fair market rental rate within which to accept such fair market rental rate or to reasonably object thereto in writing and respond with Lessee's determination of fair market rental rate. Failure of Lessee to so object to the fair market rental rate submitted by Lessor in writing within Lessee's Review Period shall conclusively be deemed Lessee's approval and acceptance thereof. In the event Lessee objects to the fair market rental rate submitted by Lessor within Lessee's Review Period, Lessor and Lessee shall attempt in good faith to agree upon such fair market rental rate using their best good faith efforts. If Lessor and Lessee fail to reach agreement on such fair market rental rate within fifteen (15) days following Lessee's Review Period (the "Outside Agreement Date"), then each party's determination shall be submitted to appraisal in accordance with the provisions of PARAGRAPH 3 below.

3. (a) Lessor and Lessee shall each appoint one (1) independent appraiser who shall by profession be a M.A.I. certified real estate appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of commercial-industrial properties in the area. The determination of the appraisers shall be limited solely to the issue of whether Lessors or Lessee's submitted fair market rental rate for the Premises is the closest to the actual fair market rental rate for Premises as determined by the

appraisers, taking into account the requirements specified in PARAGRAPH 1 above. Each such appraiser shall be appointed within fifteen (15) days after the Outside Agreement Date.

(b) The two (2) appraisers so appointed shall within fifteen (15) days of the date of the appointment of the last appointed appraiser agree upon and appoint a third appraiser who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two (2) appraisers.

(c) The three (3) appraisers shall within thirty (30) days of the appointment of the third appraiser reach a decision as to whether the parties shall use Lessor's or Lessee's determination of fair market rental rate, and shall notify Lessor and Lessee thereof in wilting.

(d) The decision of the majority of the three (3) appraisers shall be binding upon Lessor and Lessee. If either Lessor or Lessee fails to appoint an appraiser within the time period specified in SECTION 3(A) hereinabove, the appraiser appointed by one of them shall reach a decision based upon the same procedures as set forth above (i.e., by selecting either Lessors or Lessee's submitted fair market rental rate), and shall notify Lessor and Lessee thereof, and such appraiser's decision shall be binding upon Lessor and Lessee.

(e) If the two (2) appraisers fail to agree upon and appoint a third appraiser, both appraisers shall be dismissed and the matter to be decided shall be forthwith submitted to arbitration under the provisions of the American Arbitration Association Arbitration Rules for the Real Estate Industry based upon the same procedures as set forth above (i.e., by selecting either Lessor's or Lessee's submitted fair market rental rate).

(f) The cost of appraisal (and, if necessary, arbitration) shall be paid by Lessor and Lessee equally.

FIRST AMENDMENT TO
STANDARD COMMERCIAL-INDUSTRIAL TRIPLE NET LEASE

This First Amendment to Standard Commercial-Industrial Triple Net Lease ("First Amendment") is made between Holualoa Peoria Avenue Industrial, LLC, an Arizona limited liability company ("Lessor"), and Titan Motorcycle Co. of America, Inc., a Nevada corporation ("Lessee") with respect to the following recitals:

RECITALS

A. Lessor and Lessee entered into that certain Standard Commercial-Industrial Triple Net Lease, dated December 16, 1996 (the "Lease") for certain premises located at 2222 West Peoria Avenue, Suites B, C, D and E, Phoenix, Arizona (the "Premises").

B. On August 7, 1997, Lessor and Lessee entered into a separate Standard Commercial-Industrial Triple Net Lease (the "Expansion Lease") for certain premises located at 2222 West Peoria Avenue, Suite A, Phoenix, Arizona (the "Expansion Premises").

C. Lessor and Lessee wish to amend the Lease as set forth below.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. INCORPORATION OF RECITALS. The foregoing recitals are affirmed by the parties as true and correct and are incorporated hereby by this reference.

2. TERM. The Lease is amended by extending the Term for a twenty-four month period to end on March 31, 2004 (the "Extension Period").

3. MONTHLY BASE RENT. The monthly base rental shall be as specified in the Lease except that the monthly base rental for the Extension Period shall be Twenty Thousand Nine Hundred Six and no/100 Dollars ($20,906.00) triple net.

4. DEFAULT. Any default by Lessee under the Expansion Lease shall constitute a material default and breach of the Lease by Lessee.

5. FULL FORCE AND EFFECT. Except as expressly amended hereby, the Lease shall remain in full force and effect.

Dated: August 7, 1997.

LESSOR:

Holualoa Peoria Avenue Industrial, LLC, an Arizona limited liability

By: Holualoa Arizona, Inc., an Arizona corporation
Its: Manager

LESSEE:

Titan Motorcycle Co. of America, Inc., a Nevada corporation company

By: /s/ Francis S. Keery
Name: Francis S. Keery
Its: CEO
Date: 8/7/97

By: /s/ Sandra M. Alter
Name: Sandra M. Alter
Its: Authorized Agent
Date: 8/7/97

LEASE FOR TERM

ROUGH ICE, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, hereinafter called Landlord" and TITAN MOTORCYCLE CO. OF AMERICA hereinafter called Tenant agree as follows:

WITNESSETH:

1. THE LEASED PREMISES

In consideration of the rents and covenants hereinafter stated, Landlord does hereby let and lease to Tenant the portion of the real property located at 2225 West Mountain View Road, Described as Units(s) 14 & 15.

2. TERM

The term of this Lease shall be for two (2) years, commencing on Oct. 1, 1998, and terminating on Sept. 30, 2000, at midnight.

3. RENTAL

The Tenant agrees to pay to Landlord, as rent:

1ST year: the sum of $1,728.00 per month plus rental tax

2nd year the sum of $1,728.00 per month plus rental tax

3RD YEAR OPTION TO RENT at $1,872.00 per month plus rental tax given tenant is not in default of any terms or conditions of this lease agreement, for each month of the lease term, plus any tax (other than income tax) levied with respect to this transaction, and any rental payment is payable, in advance, on the 1st day of each month, commencing on Oct. 1, 1998 and continuing on the 1st day of each month thereafter during the term of this Lease. Tenant must notify landlord 60 days prior to this lease termination of intent to exercise this option. All rental payments shall be paid to Landlord at 2115 West Mountain View, Phoenix, Arizona 85021, unless Landlord otherwise directs Tenant in writing.

4. INITIAL RENT PAYMENT

Upon execution of this lease, the Tenant shall pay the landlord the first months rent and security deposit equaling one months rent for a total of $3,456.00 Dollars, plus all sales tax (1.9%). The security deposit may be applied to rent, damages or any other breach at the termination of this lease. This lease shall be construed to be a modified gross lease.

5. USE OF PREMISES

Tenant agrees to use the premises exclusively for a MOTORCYCLE AND PARTS MACHINING AND PROTOTYPE AND RELATED BUSINESS. Any other uses of premises shall not commence without prior consent of Landlord, which consent will not be unreasonably withheld. Tenant agrees to comply with all applicable Federal, State and Municipal laws, rules, ordinances, regulations and orders with respect to the occupancy and use of the leased premises.

6. ACCEPTANCE OF LEASED PREMISES

The landlord shall maintain roof and exterior walls.

Other than the foregoing maintenance, all tenant improvements, build-outs and utility service shall be the sole responsibility of Tenant. The Tenant agrees to accept the leased premises in an AS IS condition. From and after the commencement of the term of this Lease, Landlord shall not be obligated to make any repairs or to maintain the improvements on the leased premises, except for the items detailed above in this Section 6.

7. REPAIRS AND ALTERATIONS

Except as provided in paragraph 6 next above, during the term of this Lease, Tenant, at their own cost and expense, shall keep and maintain the leased premises, and buildings and improvements thereon, both inside and outside, in good order, condition and repair, hereby waiving all right to demand any repairs at the expense of Landlord. Tenant's covenant to repair shall include the agreement that the tenant shall promptly replace any broken plate glass windows and repair or replacement of HVAC, filters, electric and plumbing service. Tenant shall have the right, at their sole cost and expense, at any time, and from time to time, to make alterations and improvements to the building on the leased premises as they may see fit; provided, however, that no structural alterations shall be made without the written consent of the Landlord. Alterations to the roof are prohibited and will result in termination of lease and forfeiture of deposits. Any alterations, improvements or structures, other than trade fixtures, shall immediately become the property of, and title shall vest in, Landlord.

8. UTILITY CHARGE

In addition to the rent herein agreed to be paid, Tenant agrees to pay, before delinquency, all charges for all utilities used by Tenant, or charged to said leased premises, including (without limiting the generality of the foregoing):

* Electric power as charged by assigned meter;

* Any water used in excess of rest rooms;

* Garbage pickup

Tenant agrees not to permit any charges of any kind to accumulate or become a lien against the premises.

9. TAXES AND ASSESSMENTS

Landlord shall pay all real property taxes and assessments levied on the premises. Tenant shall pay all personal property taxes and assessments and all business taxes and license fees.

10. MECHANICS AND OTHER LIENS

Tenant agrees that Tenant will pay when due all proper charges for labor and materials used by or furnished to Tenant in connection with the alteration, improvement or repair of the leased premises. Tenant further agrees to keep the leased premises free from any lien of any kind created by or due to Tenant's action or omission.

11. INSURANCE AND INDEMNITY

Tenant agrees to provide, pay for, and maintain public liability insurance with both Landlord and Tenant named as the additional insured, in amounts reasonably acceptable to Landlord, from time to time, with respect to bodily injury, death, accident and property damage, insurance for the protection of Landlord for any liability that may arise from any accident, or any injury to any person or damage to property of others on the leased premises, or any injury to persons or property arising out of or resulting from the conduct of Tenant, its employees or agents in amounts acceptable to Landlord and insurance against loss or damage to the leased premises caused by fire and lightning and against such risks as are included in the standard extended coverage endorsement and vandalism endorsement in an amount acceptable to Landlord. Said initial coverage amount shall be One Million ($1,000,000.00) Dollars. Tenant shall also insure the buildings on the premises against loss from fire or hazard in the initial amount of $100,000.00. Tenant covenants and agrees to indemnify and save and hold Landlord harmless from any and all loss, cost and damages arising or growing out of Tenant's use or occupancy of the demised premises, including but not limited to damage by fire, rain and pests.

12. REMOVAL OF TRADE FIXTURES

If Tenant is not then in default, it shall have the right, upon the expiration of the term hereof, to remove any personal property and equipment of Tenant, from the leased premises whether or not such personal property and equipment be attached to the leased premises; provided, however, Tenant shall be liable to Landlord for any damages caused to the leased premises by such removal and shall pay the same to Landlord promptly upon demand.

13. SURRENDER OF PREMISES UPON EXPIRATION OF TERM

Upon the expiration of the term of this Lease or its earlier termination, Tenant will forthwith surrender and deliver said leased premises and all improvements thereon to Landlord, in good condition and repair.

14. WAIVER

Neither any consent nor waiver by Landlord of any provision of this Lease or of any default by Tenant shall constitute a waiver of any other provision of this Lease or an excuse for any other default.

15. WARRANTIES OF LANDLORD

Landlord warrants and agrees to defend the title to the leased premises and to reimburse Tenant for all damages, expenses and costs suffered or incurred by Tenant as a result of any defect in Landlord's title to the premises.

16. ASSIGNING AND SUB-LETTING

Tenant shall not assign this Lease or any interest therein without the written consent of Landlord being first obtained, which consent shall not be unreasonably withheld. Any such assignment, however, made in accordance with the foregoing shall not release the original named Tenant or guarantors hereunder,

but Tenant and any such guarantor shall continue to be liable for all obligations, covenants, and provisions hereof to the end of the term hereof. In the event of any such assignment made with the consent of Landlord, any assignee shall also assume and be bound by, and be personally liable for all undischarged liabilities, obligations and promises of the named Tenant hereunder. Acceptance or taking possession of the leased premises by any such assignee shall be conclusive evidence of such assumption and liability and Tenant shall evidence such assumption and liability on the part of said assignee by appropriate written instrument delivered to Landlord.

17. TERMINATION IF LEGAL PROCEEDINGS FILED

If the Tenant shall at any time during the term of this Lease become insolvent, or shall be adjudged a bankrupt, or shall sign over its estate or effects for payment of debts, or if any sheriff, marshal, constable, or other officer takes possession thereof by virtue of any execution or attachment, or if a Receiver or Trustee shall be appointed of the property of Tenant, or if this Lease, by operation of law, other than by operation of the tenant's will or living trust, shall devolve upon or pass to any person or persons other than Tenant, then and in each of said cases it shall and may be lawfull for the Landlord, at its election to enter into and upon said leased premises, or property, or any part thereof, or the whole thereof, and to have, hold, possess and enjoy the same as Landlord's former estate, discharged from these presents, and this Lease shall thereupon be terminated, anything herein contained to the contrary notwithstanding, unless Tenant takes action to cause the seizure or other action to be lifted and prosecutes such action with diligence.

18. ATTORNEYS' FEES

If Landlord shall commence any legal proceedings against Tenant for the recovery of rent or to recover possession or for relief because of any default by Tenant and shall prevail therein, Tenant shall in each and every such instance pay to Landlord all expenses thereof including reasonable attorneys' fees. If landlord should employ the services of an attorney to give notice of default of any terms hereunder, then tenant shall compensate landlord for such expenses in an amount of not less that $250.00 for each such occurrence.

If any person not a party to this lease shall institute an action against a party in which the other party shall be made a party defendant, the party shall indemnify and hold the other party harmless from all liabilities by reason thereof, including reasonable attorneys' fees and all costs incurred by other party in such action.

19. DEFAULT OF TENANT

If at any time the rental or any money payments here under, or any part thereof, shall remain unpaid for a period of ten (10) days after the same becomes due, Landlord shall give written notice to Tenant of such default and intent to terminate the Lease in ten (10) days and shall allow Tenant to cure such default by making the rental or any money payments due together with a late charge of $500.00 dollars per each month's (or portion of a month) delinquency, plus the money due and any attorneys' fees detailed in Section 18. If the default is not corrected after this period, Landlord has all remedies available at law including the lockout provisions of ARS ss.33-361. If at any time Tenant is otherwise in breach of the Lease, Landlord shall give notice of such default to Tenant. If Tenant shall fail to pay the rental or any money payment plus the late charge, or fail to fulfill or perform any of the other agreements and provisions hereof obligatory upon Tenant, and if said nonpayment, nonfulfillment or nonperformance shall continue for a period of ten (10) days after written

notice thereof, Tenant shall be considered in default hereunder, and upon such default it shall be lawful and optional for Landlord to declare a termination of this Lease and to reenter upon said premises and to again repossess and enjoy the same and all improvements thereon, and thereupon this Lease shall terminate; and in addition thereto, upon such default Landlord shall be entitled to whatever remedies Landlord may have at law for the collection of any unpaid rental hereunder or for damages hereunder or for damages that Landlord may have sustained on account of Tenant's nonfulfillment or nonperformance of the agreements and provisions hereof or for any other sums that may be due according to the terms hereof.

20. ENTRY OF PREMISES BY LANDLORD

Landlord and its agents at any and all reasonable times shall have the right to go upon the leased premises for the purpose of ascertaining whether Tenant is complying with the term of this Lease or for any other necessary and proper purpose.

21. HEADINGS

The captions used as headings for the various paragraphs are for convenience only, and are not to be considered a part of this Lease, or used in determining the intent or context thereof.

22. NOTICES AND DEMAND

Any notices or demands which shall be required or permitted by law or by any of the provisions of this Lease, shall be in writing, and if the same is to be served upon Landlord may be personally delivered to Landlord, or may be deposited in the United States mail, certified, return receipt requested, postage prepaid, addressed to Landlord at 2115 West Mountain View Road, Phoenix, Arizona 85021 or at the place where the last installment of rental was payable or at such other address as Landlord may designate in writing. If such notices or demands are to be served upon Tenant, such notices or demands may be

personally delivered to Tenant or may be deposited in the United States mail, certified, return receipt requested, postage prepaid, addressed to Tenant at the demised premises, or at such other address as Tenant may designate in writing. If, at any time or from time to time, there shall be more than one Landlord, or more than one Tenant, service upon any one of them shall constitute service and shall be binding upon all of them.

All such notices or demands shall be deemed to have been fully given, made, or sent when delivered personally to the other party, or three (3) days after being mailed.

23. BINDING UPON SUCCESSORS, ETC.

The covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto, subject however to the provisions hereof with respect to assignment by Tenant.

24. ZONING

Tenant acknowledges that Tenant is familiar with the requirements imposed upon the owners or occupiers of the leased premises by the Zoning Department of the City of Phoenix and Tenant agrees to promptly comply with all such requirements.

25. GOOD FAITH AND DILIGENT RESPONSE

Each party shall act reasonably and in good faith toward the other party in the performance of this Lease.

Whenever a party to this Lease has the right to withhold consent to the act or omission of the other party, the party with the right to withhold consent shall not unreasonably withhold consent. Should the party with the right to withhold consent fail to give written notice to the other party within fourteen (14) days after a request for consent, specifying in detail the reasons for withholding consent, the consent will be deemed to have been given.

IN WITNESS WHEREOF, LANDLORD AND TENANT have executed this Lease and agreement by setting their hands hereto on this 1st day of October, 1998.

ROUGH ICE, L.L.C.
LANDLORD:

_____
TERRY SIMS, MEMBER

_____
DAVID HEJNA, MEMBER

TENANT

BY: /s/ Francis S. Keery

TITLE: CEO

BY:

TITLE:

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this _____ day of _____, 1998, by TERRY SIMS AND DAVID HEJNA.

_____
Notary Public

My Commission Expires:

_____

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ____ day of _____, 1998, by _____ AND _____.

_____
Notary Public

My Commission Expires:

_____

1. Recitals. The undersigned vendor (the "Vendor") intends to sell at wholesale to retail dealers or distributors various products which now or in the future may exist (the "Merchandise"). Certain dealers or distributors in Canada may require financial assistance from Bombardier Capital Ltd. ("BCL"), and certain dealers or distributors in the United States may require financial assistance from Bombardier Capital Inc. ("BCI") in order to make such purchases from Vendor. Retail dealers or distributors requiring such financial assistance are hereafter individually referred to as a "Buyer" and collectively as "Buyers," and BCI and BCL are each hereafter referred to as "BCG"; provided, however, that in all instances where the Buyer is located in Canada, BCG shall mean BCL, and in all instances where the Buyer is located in the United States, BCG shall mean BCI. To induce BCG to finance the acquisition of Merchandise by any Buyer, and in consideration of the financing enabling Vendor to sell Merchandise to Buyers, Vendor agrees that whenever a Buyer requests the shipment of Merchandise from Vendor and requests that BCG finance its purchase of the Merchandise in accordance with any plan of financing offered by BCG from time to time, Vendor may deliver to BCG a Wholesale Instrument (as hereafter defined) describing the Merchandise requested to be financed by BCG. As used herein, "Wholesale Instrument" shall mean, note, invoice, bill of sale, conditional sales contract, installment sales contracts, chattel mortgage, lease. trust receipt, chattel paper, security interest, or other evidence of indebtedness or obligation of payment arising out of the sale or delivery of Merchandise to a Buyer.

2. Warranties and Representations. By delivery of a Wholesale Instrument to BCG, Vendor shall evidence and warrant the following:

(a) That Vendor transfers to the Buyer all right, title, and interest in and to the Merchandise, contingent upon BCG's financing the transaction;

(b) That Vendor's title to the Merchandise is free and clear of all liens and encumbrances when transferred to the Buyer except for liens in favor of BCG;

(c) That the Merchandise has been the subject of a bona fide order by the Buyer placed with Vendor and accepted by Vendor and that the Buyer has requested that the transaction be financed by BCG;

(d) That the Merchandise is new, unused, and free of any defects; and

(e) That the Merchandise has been shipped to the Buyer no more than ten days prior to the Wholesale Instrument date, and that the Wholesale Instrument date is no more than twenty (20) days prior to delivery of the Wholesale Instrument to BCG.

In the event Vendor breaches any of the foregoing warranties, Vendor will immediately upon demand pay to BCG, in cash, an amount equal to the outstanding balance owed to BCG with respect to such Merchandise, plus the costs and expenses, if any, incurred by BCG in the enforcement of this Agreement.

3. Acceptance of Wholesale Instrument. This Agreement shall in no way bind BCG to finance the acquisition of any Merchandise, but shall apply only to transactions accepted by BCG in its sole discretion. BCG's final acceptance of a transaction shall be indicated only by BCG's issuance to Vendor of a draft or other instrument in an amount equal to the Merchandise Cost (as hereafter defined).

4. Payment of Wholesale Instrument. The amount due from BCG in connect ion with any Wholesale Instrument shall be the original wholesale price for the Merchandise covered by such Wholesale Instrument, minus any discount agreed to by the Vendor and BCG (the "Merchandise Cost").

5. Repurchase Obligations. If BCG pays the Wholesale Instrument (whether by check, draft, notice of set off authorized hereunder, or any other means), Vendor will repurchase such Merchandise from BCG on the following terms and conditions, whenever and for whatever reason Vendor comes into possession of the Merchandise or BCG demands repurchase:

(a) Vendor will accept delivery of and repurchase the Merchandise, or any portion of the Merchandise that may from time to time be delivered, in a condition that is new and unused except for normal wear and tear resulting from display or demonstration, at such location(s) as BCG may reasonably designate;

(b) Vendor will pay to BCG within thirty (30) days of Vendor's receipt of possession of the Merchandise or within ten (10) days of BCG's

repurchase demand, whichever occurs first, an amount equal to the total unpaid balance owed to BCG on the Merchandise plus any reasonable expenses, charges, or penalties incurred by BCG in connection with obtaining possession of the Merchandise, or in connection with storage of the Merchandise subsequent to repurchase demand, as well as all applicable duties and Canadian federal and provincial taxes (including, but not limited to, goods and services taxes) (the "Repurchase Price");

(c) The Repurchase Price shall be payable to BCG in lawful money of (i) the United States if the Merchandise was financed by BCI or (ii) Canada if the Merchandise was financed by BCL.

(d) Vendor's Obligation to repurchase Merchandise shall terminate on the 365th day after the date of Manufacturer's Wholesale Instrument covering such Merchandise.

In the event Vendor defaults in the payment of the Repurchase Price when due, interest shall immediately commence accruing on the unpaid portion of the Repurchase Price at the rate of eighteen percent (18%) per annum until fully paid. It is the intention of BCG to conform to all applicable laws governing the rates of interest that may be charged. If the amount contracted for, charged, or received, BCG exceeds the maximum amount permitted by law, it is agreed that such excess will be considered an error and canceled immediately and, if already paid, shall be refunded to Vendor or, at BCG's option, applied to other outstanding liabilities of Vendor to BCG. Merchandise repossessed by or in the possession of BCG may be sold or disposed of by BCG, its agents or affiliates, without prior repurchase demand.

6. Bailment and Transfer of Repurchased Merchandise. Until such time as BCG has received payment of the Repurchase Price, any Merchandise subject to this Agreement, or portion thereof, is held by Vendor solely as bailee for BCG and is subject to the superior possessory right of BCG. Immediately upon demand from BCG, Vendor shall surrender possession of any Merchandise pursuant to the instructions of BCG. Contemporaneously with full and final payment to BCG of the Repurchase Price; the bailment shall terminate and BCG shall transfer to Vendor any right, title, and interest BCG may have in and to the Merchandise; provided, however, that BCG makes no representation or warranty in connection with such transfer that BCG has any right in and to the Merchandise other than a right of possession.

7. Set Off and Extensions. Upon notice to Vendor, BCG may deduct, set off, withhold, or apply any sums or payments due from Vendor to BCG against any sums due from BCG to Vendor. If BCG is entitled to a set off under the terms of this Agreement at the time BCG receives a Wholesale Instrument from Vendor, or before such Wholesale Instrument falls due, then, to the extent of such entitlement, BCG's notice of set off delivered to Vendor shall constitute payment of the Wholesale Instrument. BCG may extend the time for payment of, modify, restructure, or defer the obligations of any Buyer without notice to Vendor and without altering Vendor's obligations hereunder.

8. Waiver. Vendor waives notice of non-payment, protest, and dishonor of any Wholesale Instrument, and all other notices Vendor might otherwise be entitled to by law. Vendor waives any rights Vendor may have to require BCG to proceed against the Buyer or to pursue any other remedy in BCG's power. BCG's delay in or failure to exercise any rights granted hereunder shall not operate as a waiver of those rights. Any delay by BCG in repossessing Merchandise that is subject to this Agreement shall not waive or modify Vendor's obligations hereunder, so long as BCG pursues repossession in good faith. In the event BCG is unable to enforce its security interest in any Merchandise as a result of bankruptcy proceedings or other litigation, mediation or arbitration affecting the Merchandise, any expiration of Vendor's repurchase obligations shall be stayed effective the commencement date of such bankruptcy proceedings or other litigation, mediation or arbitration. Such stay shall continue in effect for no less than sixty (60) days subsequent to the dismissal or other termination of the proceedings giving rise to the stay.

9 Financial Statements. Vendor will deliver to BCG Vendor financial statement for the fiscal year then most recently ended not later than twenty (20) days after the preparation of such financial statement, but in no event later than one-hundred-twenty (120) days after the expiration of each of Vendor's fiscal

years. In addition, Vendor will promptly deliver to BCG such interim financial Statements as BCG may reasonably request from time to time. All of Vendor's financial statements shall be prepared in accordance with generally accepted accounting principals.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of BCG and Vendor. All of BCG's obligations hereunder may be performed by any of BCG's subsidiary and/or affiliated companies, and all of the promises Vendor makes hereunder shall inure jointly and severally to BCG and each of BCG's subsidiary and/or affiliated companies as the same may exist from time to time. If BCG finances the acquisition of any Merchandise sold or shipped to a Buyer by any subsidiary, affiliated company, and/or distributor of Vendor, Vendor agrees that all of Vendor's promises and obligations shall remain in force as if such Merchandise had been sold or shipped by Vendor. BCG may assign its rights and obligations under this Agreement without prior notice to Vendor. Vendor may not assign its rights and obligations under this Agreement without the prior written consent of BCG.

11. Termination. Either party may terminate this Agreement by written notice to the other party, the termination to be effective thirty days after the date of delivery thereof, but such termination shall not affect Vendor's liability with respect to financial transactions entered into by BCG with any Buyer of Vendor's Merchandise prior to the effective date of termination, including, without limitation, transactions that will not be completed until after the effective date of termination.

12. Louisiana. With respect to transactions financed by BCG for Buyers located in the State of Louisiana, upon BCG'S payment for each item of Merchandise, Vendor hereby assigns and grants to BCG without warranty or recourse any vendor's privilege and lien on that item granted under Louisiana law to the fullest extent as if BCG had actually sold the Merchandise to the Buyer; provided, however, that nothing contained in this Agreement shall be deemed a representation or warranty by Vendor that any valid or enforceable vendor's lien or privilege exists under Louisiana law.

13. Miscellaneous. Vendor does not intend to enter into a joint venture with BCG and nothing contained in this Agreement shall be construed to establish a joint venture between BCG and Vendor. Notwithstanding any repurchase of Merchandise by Vendor pursuant to this Agreement, BCG shall retain a right superior to that of Vendor to collect any amounts owed by the Buyer to BCG in connection with such Merchandise.

14. Merger and Modification. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. Any contingent liabilities and/or indebtedness arising under any repurchase agreement previously executed by the parties hereto shall remain due and owing under and pursuant to this Agreement. This Agreement is specifically not intended to discharge any indebtedness owing under any previously executed repurchase agreement. No course of dealing, course of performance, or trade usage and no parol evidence of any nature shall be used to supplement or modify the terms of this Agreement. If at any time one or more provisions of this Agreement becomes invalid, illegal, or unenforceable in whole or in part in any jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in

any way be affected or impaired. This Agreement may not be modified except by written agreement signed by all parties hereto. Vendor agrees to provide to BCG such further writings, certificates, or other documentation as BCG may reasonably request in order to fulfill the intent of this Agreement.

15. Notices. All notices, other than repurchase demands, required or permitted to be delivered hereunder shall be in writing, and shall be deemed received three (3) days after mailed postage prepaid, certified mail, return receipt requested, to the business addresses for the parties as written below, or to such other addresses as the parties may designate in writing from time to time. All repurchase demands shall be in writing and shall be deemed received three (3) days after sent by fax or regular mail, postage prepaid, to the Vendor's address shown below, or to such other address as Vendor may designate in writing from time to time.

16. Counterparts and Headings. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall together constitute but one and the same agreement. The section headings in this Agreement are inserted for convenience of reference only and shall not limit or otherwise effect the meaning of any provision thereof.

17. English. The parties declare that they have requested that this Agreement be drawn up in the English language only. Les parties aux presentes declarent qu'elles ont exige que le present contrat soit redige en langue anglaise, seulement.

Notice of the acceptance of this Agreement is hereby waived.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by Vendor's undersigned agents, duly authorized.

Date: August 5, 1998

VENDOR:

Titan Motorcycle Co. of America

[Insert Name of Company]

By: /s/ Francis S. Keery

Title: Chief Executive Officer

[If a Corporation, two authorized officers must sign.]

By: /s/ Robert P. Lobban

Title: CFO

Address: 2222 West Peoria Avenue
Phoenix, AZ 85029

CERTIFICATE OF CORPORATE SECRETARY

The undersigned, Secretary of Titan Motorcycle Co. of America (the "Corporation") hereby certifies to BCG, its successors and assigns, that the foregoing FLOORPLAN REPURCHASE AGREEMENT was approved, and the execution thereof by Francis S. Keery and Robert P. Lobban, acting on behalf of the Corporation was authorized, by resolution of the board of directors of the Corporation duly adopted at a valid meeting of the board of directors of the Corporation held on August 4, 1998, which resolution has not been amended or revoked and remains in full forte and effect. I further certify that the signatures appearing above are in fact the signatures of the persons so authorized. In witness whereof, I have subscribed my name and attached the seal of the Corporation hereto this 5th day of August, 1998.

/s/ Barbara S. Keery

Secretary [seal]

ACCEPTED:

By: BOMBARDIER CAPITAL INC.

By: /s/ Michael S. Schirmer

Name: Michael S. Schirmer

Title: Operations Manager

Attn: Manufacturer Accounts Region
P.O. Box 991
1600 Mountain View Drive
Colchester, Vermont
U.S.A. 05446-0991

By: BOMBARDIER CAPITAL LTD.

By:

Name:

Title:

Attn: Manufacturer Accounts Region
5571 Saint Joseph Street
Valcourt, Quebec
Canada JOE 2L0

THOMAS & PERKINS

August 1, 1998

Mr. Frank Keery, CEO
Titan Motorcycle Company of America, Inc.
2222 West Peoria Avenue
Phoenix, AZ 85029

Dear Frank:

This letter will set forth the agreement reached between Titan Motorcycle Company of America, Inc., (hereafter "Company") and Thomas & Perkins, Inc. (hereafter "Agency") referring to advertising, public relations, and marketing communications counsel to be provided by Agency to Company subject to the following terms and conditions:

1. This agreement shall be effective beginning August 1, 1998. It may be canceled by either party upon sixty (60) days advance written notice to the other.

2. During the term of this Agreement and up to six months after its cancellation, Agency agrees it will not perform services for any other provider or manufacturer of motorcycles nor accept as a client any party requesting services that would or could be in conflict with the interests and objectives of the services to be provided to Company in the Company's sole discretion without Company's prior written consent.

3. Company considers all data, knowledge and other information regarding Company (collectively the "Information"), which is submitted or transferred to the Agency, to be confidential, proprietary, and/or trade secret information of the Company. Such Information and material shall be the sole and exclusive property of the originating party. Agency agrees to take every precaution to safeguard and treat the Information as confidential, proprietary, and/or trade secret: and further agrees that it will not disclose, publish or reveal (collectively, "Disclosure") any of the Information received from the Company to any other party whatsoever, except with the specific prior written consent of the Company. Notwithstanding the foregoing, it shall not be a breach of this paragraph to provide any such information or material upon lawful court order, provided the other party has been given such prior notice as is reasonable and an opportunity to object to disclosure. Agency agrees that it will not reproduce or make use of, either directly or indirectly, any of the information which is received or has been received by the Company, other than for the purpose for which such Information has been disclosed, except with the specific prior written consent of the Company. Agency agrees to return all such information to Company upon request by the Company or termination of this Agreement.

4. The following advertising services shall he made available to the Company. Company shall utilize said services at its sole discretion.

   a. Development and effectuation of advertising and/or promotion strategies and plans.

   b. Development of advertising conceptual theme and concept.

   c. Development of graphics including logo, ad design & layout, signage and other items related to an advertising campaign which are approved by Company and in accordance with Company's graphic standards.

   d. Developing of media plans/strategies, researching respective budgets and other related costs to the execution of those plans.

   e. Development and effectuation of an advertising campaign or program.

   f. Development of a brochure system, direct mail program and collateral communications media to facilitate marketing Company and its products or services.

   g. Development of homepage communications to be placed on the Internet.

5. The following marketing communications/public relations services shall be made available to the Company. Company shall utilize said services at its sole discretion.

   a. Development and effectuation of a public relations and marketing communications program as agreed upon by the parties.

   b. Development of a brochure system, direct mail program and collateral

communications media to help market Company.

c. Providing counsel to Company on other aspects of its public relations, sales promotions and marketing communications program.

d. Researching budgets on collateral media and other aspects of the public relations and marketing communications program.

e. Directing research-related activities for measurement of opinions, attitudes and perceptions.

6. Unless otherwise agreed by the parties in writing, the following Agency compensation and charges shall be applicable:

a. A monthly fee of $6,000 for account management services, traffic services, media services, account planning, creative services which include conceptual development, copyrighting, art direction, creative direction, pre-press, print production management, and broadcast producer services.

i. Should the scope of the relationship change and require more or less agency hours than currently planned and approved by Company or Company's ability to allocate more resources to marketing, then adjustments to the monthly fee structure will be mutually agreed upon by both parties and incorporated.

ii. For the sake of establishing value, the Agency's average hourly rate is discounted by twenty-five percent (25%) to a rate of $70 for Company. Company will receive well in excess of the few hours accounted for under the above monthly fee.

iii. Agency compensation may be exchanged for shares of restricted common stock of the Company. The Agency will bill the Company on monthly basis. The per share price of the shares will be determined by each calendar quarter average trading price discounted by fifteen (15%) percent. To determine the number of shares to be issued, the amount of fees billed for the quarter is divided by the determined price er share. For example, if the fees for the quarter were $20,000 and the average trading price of the Company's share was $10.00 per share, the 15% discount is then applied to the average price per share for the quarter and would equal $8.50. The fee of $20,000 is divided by $8.50 to determine the number of shares to be issued which would equal, in this example, 2353 shares. Fractional shares will be rounded up to the next whole share.

The Company reserves the right to pay due compensation in cash as opposed to stock at its sole discretion.

b. Net expenses incurred by Agency on behalf of Company which include, but are not limited to: communications (long distance telephone and postage); transportation and other travel expenses, including mileage; and messenger service.

c. All outside expenses incurred by Agency for Company will be billed at actual cost, unless otherwise agreed upon by both parties.

d. All media placement charges are billed at NET. There is no media mark-up.

e. All photocopies (black and white and color), special "comp" materials, and computer access and storage (Syquest disks) charges.

7. All creative services work developed for the Company by the Agency must be authorized by a signed cost estimate provided by the Agency. Should the scope or direction of the project change, the Company will receive a

revised cost estimate for its approval before the Agency proceeds with work. The Company will also receive various weekly reports which shall be hand-delivered or sent by electronic media detailing current activity in which the Agency is engaged on behalf of the Company. The reports may note action the Agency is taking on behalf of the Company. The Agency will not proceed with the noted action until notified by the Company to do so.

8. All materials prepared by Agency for Company will be shown to and approved by Company prior to Agency's release, printing, media insertions or external release. Agency shall not be responsible for any errors in materials approved by Company.

9. Company shall defend, indemnify and hold Agency harmless from and against and all claims, demands, Suits and/or judgments including all reasonable costs, expenses, and attorneys' fees based upon or arising out of Agency's and/or Company's use of any information or material supplied to Agency by company which ultimately is claimed or proven, and which was known by Company, to be in violation of any federal, state, or local law, regulation or order; or which violates the copyright or proprietary rights of a third party; or which is claimed or proven to contain matter that is libelous or scandalous; or invades any person's right to privacy, publicity, or other personal right. Company also agrees to reimburse Agency for all attorneys' and expert witness fees and expenses incurred in defending against or investigating any such claim including any such fees or expenses on appeal, but Company shall have no liability for such fees and expenses if it accepts the defense of Agency within ten days of the lender. The Agency agrees to indemnify the Company for all claims against the Company arising out of the Agency's conduct related to this Agreement. Nothing herein shall be construed to release Agency from responsibility for any loss, damage, injury or liability arising from failure to perform services furnished under this agreement according to ordinary advertising and public relations business standards.

10. In the event of cancellation of this agreement by either party, all fees, charges, and expenses billable, billed and incurred by Agency shall be paid immediately by Company.

11. Company and Agency intend that all property rights to any and all materials, text, documents, booklets, manuals, references, guides, brochures, advertisements, music, sketches, drawings, photographs, specifications, data, and any other recorded information created by Agency and paid for by Company pursuant to this Agreement, in preliminary and final forms and on any media whatsoever (collectively, the "Materials"), shall belong to Company. To the extent permitted by the U.S. Copyright Act, 17 USC ss. 101 ET SEQ., the Materials are a work-made-for-hire, and all ownership of copyright in the Materials shall vest in Company at the time the Materials are created. To the extent that the Materials are not a work-made-for-hire, Agency hereby sells, assigns and transfers all right, title and interest in and to the Materials to Company, including the right to secure copyright and other intellectual property rights throughout the world and to have and to hold such copyright and other intellectual property rights in perpetuity. As an exception, original artwork or photographs, contracted outside the Agency, that have not been initially negotiated (at the time of their creation) by Agency on behalf of Company for full copyright privileges and ownership of the Company, shall remain the exclusive property of their creators.

12. It is agreed the Company will pay the Agency for services rendered within thirty (30) days of receiving Agency's invoice. The Agency will bill the Company for its media placement in the month that it is placed, which traditionally occurs prior to the Agency receiving actual invoices from the various media vendors with whom it placed media with on behalf of the Company. This practice is done to facilitate timely payment to media vendors to ensure the Agency's ability to appropriately leverage effective placement and rates in serving the Company's objectives. It is also acknowledged that the Agency will not pay vendors it has contracted for work in behalf of the Company until the Company has paid the Agency (per section 13). A finance charge equal in amount to 12% annually will be charged each month by Agency on any unpaid balance due on invoices submitted by Agency to Company which exceed forty-five (45) days from the date of invoice. As security for any sum due on programs, projects or plans undertaken by the Agency for the Company, Agency shall have the right to retain possession of all advertising/marketing communications-related materials of Company currently within the possession of the Agency until the dispute is mutually resolved by both parties. Should a dispute occur, the Company will, in writing, inform the Agency of its concern. The Company will not be obligated to pay related invoices until the parties have mutually resolved the dispute.

13. SEQUENTIAL LIABILITY: Company acknowledges that, in placing its advertising with various media, the Agency will contract with such media on the basis of "sequential liability" pursuant to which the Agency shall be solely liable for payment to the extent that proceeds have cleared to the Agency from the Company as advertiser for advertising published or broadcast in accordance with the media contract. As advertiser, the Company will remain solely liable for sums owing but not cleared to the Agency in respect of such advertising. Accordingly, the Company hereby authorizes and agrees that the Agency may contract with media on its behalf on the basis of sequential liability, and that it will be solely liable to media and respect to payments for such space or time to the extent such payments have not cleared the Agency. To the foregoing extent, the Agency will act as agent for the Company as disclosed principal in entering into contracts with media, and a copy of this paragraph may be presented to media and/or other third parties as evidence of the Agency's authority to act in such capacity for such purposes.

14. If it becomes necessary for either party to commence any action or proceeding against the other party in order to enforce the provisions hereof, or to recover damages as a result of a breach of any of the provisions hereof the prevailing party shall be entitled to recover all reasonable costs incurred in connection therewith including reasonable attorney's fees.

15. This agreement shall be interpreted and construed in accordance with the laws of the State of Arizona.

16. Any notice, demand or communication under or in connection with this agreement which either party desires or is required to give to the other, shall be deemed delivered when deposited in the United States mail first class postage prepaid, or when personally served upon the other party.

17. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successor and assigns. Neither party shall have a right to assign its rights or obligations under this agreement without the prior written consent of the other. This agreement contains the entire understanding of the parties with respect to the subject matter herein contained. The parties may, from time to time during this agreement, modify, vary, or alter any of the provisions of this agreement by a writing executed by both parties.

18. Agency agrees to maintain accurate and satisfactory records and books in accordance with sound accounting principles. Said books and records shall present fairly all costs and expenses utilized either directly or indirectly in computing any charges to the Company under this agreement. Upon thirty (30) days' written notice. Agency shall allow the Company's auditors access to the records and books to determine whether the Agency is in compliance with the provisions of this agreement. The records and books will be made available during the term of the agreement, and for a period of twenty four (24) months thereafter.

19. Agency warrants and agrees that it will do the following throughout the term of this Agreement:

    a. Comply with all applicable laws, rules and regulations, whether federal, state or local, including without limitation, the federal and any state Occupational Safety and Health Act and worker's compensation acts.

    b. Pay all business, payroll, property, income and other taxes due upon or in connection with the operation of its independent business.

    c. Provide any and all insurance coverage necessary to protect its independent business and Company from all applicable risks, including but not limited to (i) workers' compensation coverage, (ii) unemployment insurance coverage, (iii) automobile insurance and (iv) comprehensive general liability insurance.

    d. Refrain from doing anything which would tend to discredit, dishonor, reflect adversely upon or in any way injure the good name or business of Company.

20. In the event of any one or more of the following events, Company shall be deemed to be in default under this agreement and Company shall be obligated to pay Agency any and all fees, damages, expenses, and losses actually incurred by Agency as a result of such default:

a. Company's failure to pay bills submitted to it by Agency after sixty (60) days from the date said bills are received by Company;

b. Upon Company's breach of any of the other terms and conditions of this agreement; or

c. Upon the bankruptcy or insolvency of Company.

21. The individuals who sign this agreement on behalf of the respective parties hereby represent and warrant that they have the right, power, legal capacity and appropriate corporate authority to enter this agreement on behalf of the corporation for which they sign below, if any.

If the foregoing accurately sets forth your understanding of our agreement, kindly indicate your approval by signing and dating the duplicate original of this letter and return it to me. This letter is for your files.

Sincerely,

THOMAS & PERKINS, INC.

	Approved and accepted:
/s/ [illegible]	By /s/ Francis S. Keery
---	---
Title: President	Title: CEO
Date: 8/7/98	Date: August 31, 1998

Addendum to Contract
Original Agreement - August 1, 1998
Titan Motorcycle Company of America, Inc.

Web site development or electronic media development services include development, launch and maintenance of electronic media, including but not limited to Internet web sites, marketing CD-ROMs, kiosks, intranets, extranets, custom software, floppy presentation mailers, virtual reality tours, simulated product, demonstrations, data base design and building, three dimensional renderings and animation.

In connection with the Agency's web site development for the Company, all non-compiled program code, scripts, and run-time code developed by the Agency, including but not limited to javascript, Pen code, Python ".py" code, databases (but not database engines), and HTML code that reside in the Company's root web Site directory (the "Root Directory Code"), to the extent owned by the Agency, shall remain the Agency's property. Upon final payment of all development fees and the reimbursement of all costs associated therewith, the Root Directory Code shall become jointly owned by the Agency and the Company. Each owner shall have the right to use, reuse and modify the Root Directory Code at their own discretion, provided, however, the Company may not transfer or assign its rights in and to the Root Directory Code, or any part thereof, without the prior, written consent of the Agency, which consent may be withheld in the Agency's discretion. The Agency may reuse the formatting and design elements inherent in the Root Directory Code and any other code developed for the Company at its discretion, but may not use any of the Company's copyrighted or proprietary material which may be contained within the Root Directory Code, without the prior, written consent of the Company, which consent may be withheld in the Company's discretion. Notwithstanding anything to the contrary set forth herein or elsewhere, all software used in web site development residing outside of the Company's root web site directory, including but not limited to database engines, server software and third party software, to the extent owned by the Agency, shall remain the sole property of the Agency and nothing herein shall be construed to convey or create any rights therein to the Company.

As another exception, in connection with the Agency's development of software for the Company other than in connection with web site development for the Company, all source code for compiled programs, including but not limited to Macromedia Shockwave, Macromedia Flash, Macromedia Director, Python ".pyc" flies and Java shall remain the property of the Agency. Upon final payment of all development fees and the reimbursement of all costs associated therewith, Agency hereby grants to the Company an irrevocable license to use, reuse and modify all compiled flies created by the Agency for the Company, at the Company's discretion. This license shall be strictly construed so as not to transfer any other rights other than those specifically described herein, and shall not be transferable without the prior, written consent of the Agency, which consent may be withheld in the Agency's discretion.

Thomas & Perkins, Inc.,	Approved and accepted by:
By_____	By_____
Title:_____	Title:_____
Date:_____	Date:_____

THOMAS & PERKINS

February 5, 1999

Mr. Frank Keery, CEO
Titan Motorcycle Company of America, Inc.
2222 West Peoria Avenue
Phoenix, AZ 85029

Dear Frank:

It was good to talk to you today. This letter confirms that Thomas & Perkins has agreed to be paid in shares of restricted common stock (in lieu of cash) for our services in developing, designing and programming a website for Titan Motorcycle Company of America. The cost of this website development is approximately $83,000, as detailed in our estimates. We agreed that the payment in stock will be made at the end of each phase -- in other words, three stock payments will be according to the schedule of phases noted in our plan. Each phase payment will use the same share value noted below.

We have verbally agreed that we will use today's closing price of $4.125 per share in our calculations. Per our contract, the per share price of the shares will be discounted by fifteen (15%) percent. When this discount is applied, the cost per share equals $3.51.

$83,000 divided by $3.51 equals 23,647 shares of Titan stock. Please send us the original stock certificates via registered mail or another safe mode of transportation as we conclude each phase. The shares should be made out to Thomas & Perkins, Inc.

Frank, we are excited to be shareholders in your dynamic company. Please call me if you have any questions.

Sincerely,

/s/ Bryan J. Thomas
- ----------
Bryan J. Thomas
President

PROMOTIONAL AGREEMENT BETWEEN TITAN MOTORCYCLE CO. OF AMERICA (TITAN) AND PAISANO PUBLICATIONS INC. (PAISANO)

PAISANO agrees to supply to TITAN a total of $500,000 worth of promotional services over a two-year period beginning January 1, 1998 through December 31, 1999. These services will be selected purely at the discretion of TITAN.

TITAN will pay for these services by:

a) Transferring 60,000 shares of it's restricted treasury common stock to PAISANO.

b) Supplying $250,000 worth of TITAN motorcycles at regular dealer pricing and terms. Motorcycles will be supplied in two increments, the first $125,000 worth by December 31, 1997 and the second $125,000 worth in December 1998. Any invoice overages on these shipments will be invoiced and payment due at time of shipping.

PAISANO agrees to at all times maintain a continuous stock of new TITAN motorcycles offered for sale on the showroom floor of their Easyriders, Columbus, Ohio retail store (or any other such PAISANO owned retail store as they may choose).PAISANO further agrees that it shall exercise it's best efforts, consistent with good business practices to ensure that a mutually agreeable inventory of new TITAN motorcycles is continuously maintained throughout the two year agreement period.

TITAN agrees to sell five (5) TITAN motorcycles to PAISANO with delayed payment terms. Payment for these five (5) motorcycles will be made by PAISANO the sooner of the first of January, February, March, April, and May of 1998 or the date the specific motorcycle is sold.

Promotional services provided under this agreement will be at the following cost rates:

a) Magazine ad space (full page, four color, full bleed)

Easyriders Magazine	-	$13,966 per insertion
VQ	-	2,763 per insertion
Quick Throttle	-	1,789 per insertion
In the Wind	-	2,474 per insertion

b) Annual Buyers guide -- Ten (10) pages at best preferential rate minus fifteen percent (15%) agency discount. Placement in book to be first among other advertisers inclusive of front cover and first nine pages.

c) Rodeo and Convention circuit services -- at best discount granted to most favored Paisano customers.

d) Other magazines, special editions, events, etc. -- at best discount granted to most favored Paisano customers.

Should, in TITAN'S sole discretion the full $500,000 not be spent by the end of this agreement, PAISANO agrees to carryover any unused balance into the calendar year 2000 at the same rates as indicated in this agreement.

TITAN and PAISANO further agree to use their joint efforts to place a maximum number of feature articles in PAISANO publications with TITAN and TITAN MOTORCYCLES as their primary subject matter. Included would be a separate monthly listing of TITAN'S exhibition truck schedule and similar such TITAN promotional information.

AGREED UPON BY:

/s/ Brian Wood, President — 1/21/98
Brian Wood — Date
President
Paisano Publications, Inc.

/s/ Francis S. Keery — 1/27/98
Francis S. Keery — Date
Chairman, CEO
Titan Motorcycle Co. of America

PLAYBOY ENTERPRISES, INC.

June 17, 1998

Mr. Patrick Keery
President
TITAN MOTORCYCLE COMPANY OF AMERICA
2222 West Peoria Avenue
Phoenix, AZ 85029

RE: PLAYBOY 45TH ANNIVERSARY LIMITED EDITION MOTORCYCLES

Dear Mr. Keery:

This letter, when the enclosed copy has been signed, dated and returned by you, will evidence the agreement between Playboy Enterprises, Inc. ("Licensor") and Titan Motorcycle Company of America ("Licensee") concerning the manufacture, sale and distribution of motorcycles bearing trademarks and images owned by Licensor as described below. Our agreement is as follows.

1. Licensee acknowledges that Licensor owns the marks PLAYBOY, RABBIT HEAD DESIGN, PLAYBOY 2000, and the image of MARILYN MONROE (ON THE KNEES) in SILHOUETTE and other images from the Playboy art and photo archives (the trademarks and images are collectively referred to herein as the "Trademarks" and "Images" respectively) and recognizes and acknowledges that the Trademarks and Images are internationally well-known and recognized by the general public and are associated in the public mind with Licensor and are designations in which Licensor has acquired a considerable and valuable goodwill.

2. Except as hereinafter provided, Licensor hereby grants to Licensee and Licensee hereby accepts, a non-sublicensable, non-exclusive, non-assignable right (the "License") to utilize the Trademarks and Images in the design, manufacture, advertisement, distribution and sale of Playboy 45th anniversary limited edition motorcycles (the "Products") through, and only through, retail stores located in, and only in, the United States, Canada and Japan (the "Territory") or to wholesalers which will sell the Products to, and only to, retail stores located in the Territory. Under no circumstances may Licensee advertise, sell or distribute the Products outside of the Territory. Other countries may be added to the Territory on a case-by-case basis and only upon the prior written approval of Licensor.

3. Licensee may manufacture and produce no more than one hundred (100) Units of the Products for sale and distribution plus two (2) units which must be manufactured and produced at the start of production and which must be called PLAYBOY PROOFS (the "Proofs"). However, no more than twenty (20) units of the Products may be distributed and sold into Japan. The first Proof shall be numbered "1 of 2" and the second Proof shall be numbered "2 of 2." Both Proofs shall be given to Licensor free of charge no later than September 31, 1998.

4. Licensee's rights under this agreement will commence June 1, 1998 and will expire not later than December 31, 1999 unless sooner terminated as provided under this agreement.

5. For all purposes under this agreement, a "License Quarter" shall be each consecutive three (3) month period except that the first (1st) License Quarter shall be the four (4) month period commencing on June 1, 1998 and ending at midnight central standard time on September 30, 1998, and if the expiration or termination of the License and this agreement is effective other than on December 31, 1999, then the final period of less than four (4) or three (3) months ending on the effective date of such expiration or termination shall be deemed to be a License Quarter.

6. Subject to Licensor's prior approval as hereinafter required, Licensee shall commence the design, manufacture, advertising, promotion, sale and distribution of or for the Products as soon as practicable after June 1, 1998, but in no event later than September 1, 1998. If Licensee fails to do so by such date, Licensor may treat such failure as an incurable default under this agreement.

7. Within forty-five (45) days after the end of each License Quarter, including the "Sell-Off Period" (if any), Licensee shall pay to Licensor the following royalties ("Earned Royalties"):

   a. Two and one-half percent (2 1/2%) of "Net Sales" of the first twenty (20) units of the Products sold (specifically excluding the Proofs), but in no event will the Earned Royalties for such first twenty (20)

units be less than Seven Hundred and Seventy-Five United States Dollars (U.S.$775) per unit of the Products sold.

b. Five percent (5%) of Net Sales of the remaining units of the Products sold, but in no event will the Earned Royalties for the twenty-first (21st) through thirtieth (30th) units of the Products sold be less than One Thousand Five Hundred and Fifty United States Dollars (U.S.$1,550) per unit of such twenty-first (21st) through thirtieth (30th) units of the Products sold.

c. Five Percent (5%) of Net Sales of the Products on units thirty-one (31) through one hundred (100). Licensor and Licensee shall negotiate in good faith the establish a minimum Earned Royalty for each such unit sold. In the event Licensor and Licensee do not or cannot establish such minimum on or before ten (10) business days after the

sale of the thirtieth (30th) unit, the minimum Earned Royalty for each such unit will be One Thousand Five Hundred United States Dollars (U.S.$1,500) per unit sold.

Net Sales shall mean the invoice price charged by Licensee for the Products less: (i) refunds, credits and allowances actually made or allowed to customers for returned Products; (ii) customary trade discounts (including anticipations) afforded to and actually taken by customers against payment for the Products; and (iii) value added tax assessed on sales (only where applicable).

8. Along with each Earned Royalty payment remitted to Licensor, Licensee shall furnish to Licensor or its designee a complete and accurate statement in a format acceptable to Licensor and certified to be true by the Chief Financial Officer of Licensee (hereinafter referred to as the "Statement") showing for such License Quarter: (a) a listing of Licensee's accounts in the Territory and the units and description of all of the Products sold and distributed to each such account or otherwise disposed of by Licensee; (b) the computations of Net Sales on all such sales; and (c) the computation of Earned Royalties and the amount of Earned Royalties due and payable.

9. a. The Products to be sold and distributed will be of the highest quality. The Products will not be sold or distributed until Licensee has confirmed that Licensor has approved the Products, including any and all packaging, artwork, printing, advertising, sales, marketing and promotional materials, fixtures and displays (or any other items bearing the Trademarks or Images intended for use in connection with this agreement). Licensee shall submit samples of the Products and all marketing materials to Licensor for its approval prior to the sale, distribution or advertising thereof. If, within five (5) business days of Licensor's receipt of such samples, Licensor has not responded, then Licensor shall be deemed to have disapproved of such samples. If, however, Licensor has approved of such samples, then the Products and marketing materials thereafter will conform to the approved samples.

b. Licensee's policy of sale or distribution of the Products will never reflect adversely upon the good name of Licensor. Licensee shall not obtain any right, title or interest whatsoever in or to the Trademarks and Images by virtue of its use of the Trademarks and Images under this agreement or otherwise and all additional goodwill associated with the Trademarks and Images which is created through Licensee's use of such Trademarks and Images shall inure solely to the benefit of Licensor.

c. Licensee shall affix or imprint legibly on the Products or packaging for the Products such trademark and copyright notices, legends and disclaimers a Licensor directs. The Products shall contain no advertising unless approved in advance by Licensor.

d. All rights not specifically granted to Licensee under this agreement are reserved by Licensor.

10. Licensee shall: (i) keep accurate books of account and records (including but not limited to utilization of consecutively numbered invoices which reconcile to each Statement and Licensee's general ledger) covering all transactions relating to or arising out of this agreement (which books and records shall be maintained separately from Licensee's documentation relating to other items manufactured or sold by Licensee) and (ii) permit Licensor or its nominees, employees, agents or representatives to have full access to, to inspect such books and records at all reasonable hours of the day, to conduct an examination of and to copy (at Licensor's expense) all such books and records. Licensee shall maintain in good order and condition all such books and records for a period of two (2) years after the expiration or termination of this agreement or, in the event of a dispute between the parties hereto, until such dispute is resolved, whichever date is later. Receipt or acceptance by Licensor of any Statement furnished pursuant hereto or any sums paid by Licensee hereunder shall not preclude Licensor from questioning the correctness thereof at any time, and if one or more inconsistencies or mistakes are discovered by Licensor in such Statement, it or they shall be rectified in an amended Statement received by Licensor no later than ten (10) days after the date of receipt by Licensee of notice of that which should be rectified.

11. If any inspection or examination referred to in Paragraph 10. hereof discloses, or Licensor or Licensee otherwise discovers, an underpayment of Earned Royalties, the amount of such underpayment shall be paid by Licensee to Licensor no later than thirty (30) days after receipt of notice or knowledge thereof by Licensee. In the event of such an underpayment by Licensee in excess of nine percent (9%), then Licensor may elect to treat such occurrence as an incurable default by Licensee under this agreement. If such inspection or examination: (i) discloses or Licensor or Licensee otherwise discovers an overpayment of Earned Royalties the amount of such overpayment shall be credited against future payment of any Earned Royalties or, in the event of the expiration or termination of this agreement and there is or are no such future payments, such amount shall be paid by Licensor to Licensee not later than thirty (30) days after the discovery thereof by Licensor, subject to Licensor's rights of setoff, recoupment and counterclaim or (ii) reveals that for the period covered by such inspection or examination there is an error of five percent (5%) or more in the Earned Royalties previously reported on the Statement(s) as being due from Licensee, all expenses involved in the conducting of such inspection or examination shall be borne by Licensee. Licensee shall pay to Licensor the amount of such expenses no later than ten (10) days after Licensee's receipt of Licensor's invoice therefor. If such error is less than five percent (5%), such expenses shall be borne by Licensor.

12. Upon the expiration or termination of this agreement, and provided Licensee is in full compliance with the terms and conditions of this letter agreement, and provided Licensee is not in arrears in the payment of any Earned Royalties, Licensee may, for a period of five (5) months after the effective date of expiration or termination (the "Sell-Off Period"),

dispose of, through Licensee's existing, recognized network of distribution, any remaining inventory of the Products that have been approved by Licensor and that are in process or on hand at the effective date of such expiration or termination. Any new promotional, marketing or other materials used during the Sell-Off Period are subject to the approvals and conditions set forth in Paragraph 9. above. It is expressly understood and agreed by Licensee that the Sell-Off Period shall be considered a separate accounting period for the purpose of computing Earned Royalties due to Licensor for sales during such period. Such sales during the Sell-Off Period shall not be applied against any Earned Royalties due or payable prior to the Sell-Off Period.

13. Licensor shall have the option, in regard to any Products which remain unsold after the Sell-Off Period has ended, to require Licensee to, at Licensee's cost, either: (i) sell such remaining inventory to Licensor at cost; (ii) destroy such remaining inventory, in which case a certificate of destruction will be provided to Licensor signed by an authorized representative of Licensee; or (iii) remove from such inventory and destroy, at Licensee's sole cost all Trademarks and Images and provide Licensor with evidence of such removal and destruction.

14. Licensee will obtain and maintain, at Licensee's own expense, product liability insurance satisfactory to Licensor in the minimum amount of Twenty Million United States Dollars (U.S.$20,000,000) of primary and umbrella coverage from one or more insurance companies, each with a Best's rating of "A" (or better), and qualified to transact business in the Territory (each such insurance policy shall name each of the Indemnitees as additional insureds by reason of the indemnity contained in Paragraph 15.a. hereof and shall evidence the insurer's agreement that such insurance shall not be amended, canceled, terminated or permitted to lapse without thirty (30) days' prior written notice to Licensor), and provide Licensor with a certificate of such insurance upon execution of this agreement by Licensee and on each anniversary date of the grant or issuance of each such policy during the terms of this agreement and the Sell-Off Period evidencing that each such policy has not been altered with respect to the Indemnitees in any way whatsoever nor permitted to lapse for any reason, and evidencing the payment of premium of each such policy. Licensee will cause each such policy to be in full force and effect prior to the commencement of any design, manufacture, advertising, promotion, sale, distribution or dealing with any or all of the Products whatsoever and will cause each such policy to remain in effect for 10 years after the -- expiration or termination of this agreement. Failure by Licensee to obtain the required insurance prior to such commencement or failure by Licensee to adequately maintain such insurance during .the term of this agreement and the Sell-Off Period shall be an incurable default by Licensee under this agreement.

15. a. Except as provided in Paragraph 15.b. below, Licensee will indemnify, defend and hold Licensor, its parent, subsidiaries and affiliates, and its and their respective officers, directors, employees and shareholders harmless from any claims, suits, losses, injuries or damages (including without limitation attorneys' fees and litigation expenses) arising out of

or in connection with: (a) the design, manufacture, advertising, promotion, sale or distribution of or any other dealing whatsoever with the Products or Materials; (b) any alleged action or failure to act whatsoever by Licensee; (c) any alleged defect in any or all of the Products; (d) any alleged non-conformity to or non-compliance with any law pertaining to the design, quality, safety, advertising, promotion or marketing of any or all of the Products or advertising material; or (e) any breach by Licensee of any of its obligations hereunder.

b. Licensor will indemnify, defend and hold Licensee harmless against any claims or suits arising solely and directly out of the authorized use by Licensee of the Trademarks, Images or material received from Licensor as set forth under this agreement provided prompt notice is given to Licensor of any such claim or suit, but in no event shall such indemnification include consequential or incidental damages. Licensor shall have the option to settle or to undertake and conduct the defense of any suit so brought. Licensee expressly represents and agrees that no compromise or settlement of any claim or suit or any preliminary negotiations with respect to any such compromise or settlement, shall be made or entered into by Licensee except with and under the special written consent and instructions of Licensor. Licensee will cooperate fully with Licensor in defending any such action.

16. a. Except as otherwise provided in this agreement, if Licensee shall violate any of the terms or conditions hereof or default on any of its duties, obligations or warranties hereunder, Licensor shall have the right and option, but not the duty, to terminate the License and this agreement upon not less than ten (10) days' prior written notice, but no neglect or failure to serve such notice shall be deemed to be a waiver of any such violation or default. Such termination shall become effective unless such violation or default described in such notice shall be completely remedied to the satisfaction of Licensor within such ten (10) day period.

b. Notwithstanding the provisions of Paragraph 16.a. hereof, if such violation or default: (a) is of a kind that a remedy or cure cannot effectively restore the prior circumstances; or (b) is described in this agreement as an incurable default, then the License and this agreement shall terminate upon receipt by Licensee of written notice thereof without any period of remedy or cure whatsoever. The termination of the License and this agreement shall be without prejudice to any rights that Licensor otherwise has against Licensee under this agreement or under law.

17. The expiration or termination of this agreement shall not relieve Licensee of any obligations incurred prior or subsequent to such expiration or termination; nor shall expiration or termination impair or prejudice any of the rights of Licensor or Licensee, respectively, accruing prior or subsequent thereto.

18. Not more than ninety (90), but not less than thirty (30) days prior to the expiration of this agreement, or within ten (10) days after (i) receipt of notice of termination or (ii) the happening of any event that terminates this agreement where no such notice may be required, Licensee shall furnish to Licensor a complete and accurate statement showing the number and description of all Products on hand. Licensor or its authorized agents shall have the right to conduct a physical inspection and take inventory to ascertain or verify such inventory and statement. Licensor retains all other legal and equitable rights it may have in the circumstances, which rights are hereby reserved.

19. If Licensee files a petition in bankruptcy or is adjudicated a bankrupt or if a petition in bankruptcy is filed against Licensee, or if Licensee shall become insolvent or shall agree to make or makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, or if Licensee discontinues business, or it a receiver is appointed for Licensee, this agreement will automatically terminate without the necessity of any notice whatsoever. If this agreement is so terminated, Licensee or its receivers, representatives, agents or the like shall have no right to sell, exploit or enter into any deal with respect to the Products except with and under the special written consent and instruction of Licensor.

20. If any term or provision of this agreement or its application to any circumstances shall be adjudged illegal, unenforceable or invalid and such adjudication has become final and non-appealable, such provision or application shall be deemed deleted without affecting the remainder of this agreement.

21. Nothing herein contained shall be construed to place the parties in the relationship as partners or joint venturers and Licensee will have no power to obligate or bind Licensor in any manner whatsoever.

22. This agreement represents the entire understanding of the parties. None of the terms of this agreement can be waived or modified except by an express agreement in writing assigned by the parties and there are no representations, promises, warranties, covenants or undertakings other than those contained in this agreement. No custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Licensor's right to demand exact compliance with any of the terms or the delay by either party in enforcing, any of its rights under this agreement shall not be deemed as constituting a waiver or a modification thereof and either party may, within the time provided by applicable law, commence appropriate proceedings to enforce any or all such rights. No person firm, group or corporation other than Licensee, Licensor, their subsidiaries and affiliates shall be deemed to have acquired any rights by reason of anything contained in this agreement.

23. Licensor, in entering into this agreement, is relying upon the skills, reputation and personnel of Licensee. This agreement and all rights, and duties under this agreement are personal to Licensee and shall not, without the prior written consent of Licensor, be assigned, mortgaged or otherwise encumbered by Licensee.

24. Licensor may assign this agreement to any of its subsidiaries or affiliates or to any entity that succeeds to the interest of Licensor in the Trademarks or Images without the consent of Licensee and shall have the right to nominate any other person, company or corporation to receive royalty income or to undertake the obligations of Licensor under the terms of this agreement whether or not this agreement is so assigned.

25. a. In this agreement where the consent or approval of Licensor is required to any action of Licensee, such consent or approval shall only be effective if granted in writing by Licensor.

b. Unless otherwise expressly indicated in this agreement, each notice, request, approval, consent, payment and Statement (hereinafter referred to as a "Submission") specifically provided for in this agreement shall be in writing and shall be considered effective or received the earliest of: (i) five (5) days after the date when such Submission is mailed by certified or registered mail with postage prepaid to the party hereto at the address set forth below; (ii) two (2) business days after the date when such Submission is sent by overnight courier service addressed to such party at such address or the date indicated as received on the overnight courier service confirmation receipt, whichever is earlier; (iii), except for payments, when such Submission is sent by facsimile addressed to such party at such address and the sender thereof requests and receives written confirmation from such party that such Submission has been received and is legible; or (iv) when such Submission is actually received by such party at such address:

Licensor at: 680 North Lake Shore Drive
Chicago, IL 60611
Attention: David Oates

With a copy to: 680 North Lake Shore Drive
Chicago, Illinois 60611
Attention: General Counsel

Licensee at: 2222 West Peoria
Phoenix, AZ 85029
Attn: Mr. Patrick Keery, President
or Mr. Frank Keery, Chairman

26. This agreement shall be governed by and interpreted under the laws of the State of Illinois without regard to its conflicts of laws provisions. Licensee hereby submits to personal jurisdiction in Cook County, Illinois. The parties hereto agree that any and all disputes arising out of or relating in any way to this agreement shall be litigated only in courts sitting in Cook County, Illinois.

If the above is acceptable to you, please sign, date and return the enclosed copy of this letter.

ACCEPTED AND AGREED TO:	Very truly yours,
TITAN MOTORCYCLE COMPANY OF AMERICA	PLAYBOY ENTERPRISES, INC.
By: /s/ Francis S. Keery	By: /s/ [illegible]
Title: CEO	Title: V.P.
Date: 6/18/97	Date: 6/17/98

NONCOMPETITION AND NONDISCLOSURE AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT dated as of November 10, 1997, between Robert P. Lobban ("Employee") and TITAN MOTORCYCLE COMPANY OF AMERICA, INC., a Nevada corporation (the "Company").

RECITALS:

A. Employee is to become an employee of the Company and will derive substantial benefits as a result of being employed by the Company.

B. Employee's delivery to the Company of this Agreement is a condition to the Company's agreeing to employ Employee.

C. As an inducement to the employment of Employee, the parties hereto desire to enter into this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual covenants and premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. NONDISCLOSURE.

(a) CONFIDENTIAL INFORMATION. Employee acknowledges and agrees that the Confidential Information constitutes valuable, special, confidential and unique assets of the Company. For purposes of this Agreement, "Confidential Information" means any proprietary information, technical data, trade secrets or know-how of the Company, its subsidiaries or its affiliates, including without limitation research, product plans, products, services, customer lists and customers (including without. limitations customers of the Company with whom Employee becomes acquainted during the term of Employee's employment or on whom Employee calls during such term), employee lists and employees, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, marketing, finances, production methods, pricing information, purchasing information, or other business information of the Company, its subsidiaries or its affiliates. Confidential Information does, not include items which (i) become lawfully available to the public other than as a result of a disclosure by Employee or Employee's representatives or agents, (ii) was lawfully available on a nonconfidential basis prior to its disclosure by Employee or Employee's representatives or agents, or (iii) lawfully becomes available on a nonconfidential basis from a source other than Employee or Employee's representatives or agents.

(b) NONDISCLOSURE. Employee shall hold the Confidential Information in trust and the strictest confidence for the Company at all times. Employee shall not, either during or after the term of his or her employment, use to the detriment of the Company, or for the benefit of any other person or otherwise misuse the Confidential Information. Employee shall not directly or indirectly disclose, divulge, or communicate the Confidential Information to any person without the prior written consent of the Company. Employee acknowledges that the Confidential Information that employee acquired or developed while Employee was an employee of the Company is the property of the Company, and Employee shall treat the confidential information as a fiduciary of the Company. Employee agrees not to reproduce or remove from the Company any Company business records or the Confidential Information, without the prior written consent of the president or the chief executive officer of the Company or a duly authorized designee thereof.

(c) FORMER EMPLOYER INFORMATION. Employee shall not, during employment with the Company, improperly use or disclose any proprietary information or trade secrets of any former or concurrent employer or other person. Employee shall not bring onto the premises. of the Company any unpublished document or proprietary information belonging to any such employer or person, unless consented to in writing by such employer or person.

(d) THIRD-PARTY INFORMATION. Employee acknowledges and agrees that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Employee shall, hold all such confidential or proprietary information in trust and the strictest confidence. Employee shall not disclose to any person or use such information, except if necessary in carrying out Employee's work for the Company consistent with the Company's agreement with such third party.

2. INVENTIONS.

(a) INVENTIONS RETAINED AND LICENSED. Employee has attached hereto, as Exhibit A, a list describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by Employee prior to Employee's employment with the Company, which belong to Employee, which relate to the Company's proposed business, products or research and development, and which are not assigned to the Company hereunder (collectively referred to as "Prior Inventions"). If no such list is attached, Employee represents that there are no such Prior Inventions. If in the course of Employee's employment with the Company, Employee incorporates into a Company product, process or machine a Prior Invention owned by Employee or in which Employee has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to make, have made, modify, use and sell such Prior Invention as part or in connection with such product, process or machine.

(b) ASSIGNMENT OF INVENTIONS. Employee agrees that Employee will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assigns to the Company, or its designee, all Employee's right, title and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements or trade secrets, whether or not patentable or registrable under copyright or similar laws, which Employee may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of time Employee is in the employ of the Company (collectively, "Inventions"). Employee further acknowledges that all original works of authorship which are made by Employee (solely or jointly with others) within the scope of, and during the period of Employee's employment with the Company and which are protectible by copyright are "works made for hire," as that term is defined in the United States Copyright Act. Employee agrees to keep and maintain adequate and current written records of all Inventions made by Employee (solely or jointly with others) during the term of Employee's employment with the Company. The records will be in the form of notes, sketches, drawings, and any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

(c) PATENT AND COPYRIGHT REGISTRATIONS. Employee agrees to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in the Inventions and any copyrights, patents or other intellectual property rights relating thereto in any and all countries. Such assistance shall include the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Company shall deem necessary in order to apply for -and obtain such rights and in order to assign and convey to the Company, its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents or other intellectual property rights relating thereto. Employee's obligation to execute or cause to be executed, any such instrument or papers shall continue after the termination of this Agreement. In anticipation of the possibility that the Company might be unable in the future because of Employee's mental or physical incapacity or for any other reason to secure Employee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Inventions or original works of authorship assigned to the Company as above, Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney in fact, to act for and in Employee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of

copyright registrations thereon with the same legal force and effect as if executed by Employee.

3. CONFLICTING EMPLOYMENT. During the term of Employee's employment with the Company, Employee not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is involved. Employee shall not engage in any other activities that conflict with Employee's obligations to the Company.

4. LEAVING THE COMPANY. At the time of leaving the employ of the Company, Employee shall deliver to the Company (and shall not keep in Employee's possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items developed by Employee pursuant to Employee's employment with the Company or otherwise belonging to the Company, its successors or assigns. If Employee leaves the employ of the Company, Employee hereby grants consent to notification by the Company to Employee's new employer about Employee's rights and obligations under this Agreement.

5. COVENANT NOT TO COMPETE.

(a) GENERAL. Employee represents, acknowledges and covenants as follows:

(i) Concurrently with execution of this Agreement, Employee is becoming an employee of the Company.

(ii) This covenant shall be given the interpretation customarily and usually given to covenants given in connection with employment, to the end that the value of the business of the Company and the goodwill held by and inuring to the benefit of the Company shall not be derogated.

(iii) The restrictions and covenants hereinafter set forth are reasonable and necessary in order to protect the legitimate interests of the Company, taking into account all of the terms and conditions thereof and the circumstances extant at the present time.

(b) COVENANTS. Employee covenants and agrees that for the period commencing on the date hereof and terminating on the date which is one (1) year after the date upon which Employee's employment with the Company is terminated for any reason, within any county in which the Company or any subsidiary or affiliate of the Company conducts business, or in any other county in any state of the United States, or any country or political subdivision in the world, shall not directly or indirectly:

(i) Enter the employ of, manage, operate, control or render any services to, any person engaged in any business competitive with the business of the Company (other than the Company or a subsidiary or affiliate of the Company);

(ii) Act as advisor or consultant to any person engaged in the business in which the Company is engaged (other than the Company or a subsidiary or affiliate of the Company);

(iii) Induce any of the Company's customers to patronize any other person who competes with the business of the Company, or interfere, in any manner, with the Company's relationships with its customers;

(iv) Interfere in any manner with the Company's relationships with its suppliers, distributors, retailers or agents;

(v) Solicit, induce, recruit or encourage any of the Company's employees to leave their employment, or take away such employees, or attempt any of the foregoing,

(vi) Engage in such business on his own account;

(vii) Own, hold a financial interest in, participate in, or otherwise be or become interested in such business, directly or indirectly, as an individual, owner, proprietor, partner, shareholder, director, officer, manager, principal, agent, employee, trustee, consultant, independent contractor or any other relationship or capacity (other than the Company or a subsidiary or affiliate of the Company);

(viii) Disparage the Company.

For purposes of this Agreement, "the business of the Company" and "such business" shall mean the business of designing, manufacturing, assembling and selling motorcycles and parts, accessories and other items used in connection with or pertaining to motorcycles. Notwithstanding the foregoing provisions of this Section, nothing contained In this Section shall be deemed to prohibit Employee from acquiring, solely as an investment, less than 2% of the outstanding publicly-traded shares of capital stock of any corporation.

6. ENFORCEMENT.

(a) INADEQUATE LEGAL REMEDIES. Employee acknowledges and agrees that the purposes of this Agreement include without limitation the preservation and protection of the Company's valuable intangible and intellectual property rights, the value of which is not easily susceptible to measurement. Employee further acknowledges and agrees, therefore, that no remedy at law exists

adequately to protect the Company in the event Employee breaches any of the covenants contained herein. Accordingly, if the Company institutes any proceeding to enforce any provision hereof, Employee hereby waives the claim or defense that the Company has an adequate remedy at law.

(b) REMEDIES. If Employee commits a breach, or threatens to commit a breach, of any of the provisions of this Agreement, the Company shall have the following rights and remedies:

(i) The right and remedy to have the provisions hereof specifically enforced by any court having equity jurisdiction, including the right to enjoin the acts of Employee which constitute a breach of such covenant by temporary restraining order, injunction pendente lite and permanent injunction, and, where applicable and necessary to provide complete relief to the Company, by mandatory injunction.

(ii) The right and remedy to require Employee to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits (collectively, "Benefits") derived or received by Employee as the result of any transactions constituting a breach of any of the provisions of this Section. Employee hereby agrees to account for and pay over such Benefits to the Company.

(iii) In furtherance of and in addition to the foregoing, for each separately identifiable breach of a covenant set forth herein, Employee shall be obligated to pay to the Company as liquidated damages, and not as a penalty, the sum of $5,000. In the case of a continuing violation, each day thereof shall constitute a separately identifiable breach.

Each of the rights and remedies enumerated above shall be independent of the other, and shall be severally enforceable, and all of such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

7. SEVERABILITY.

(a) GENERAL. If any of the covenants contained herein, or any part thereof, is hereafter construed to be invalid or unenforceable, then (at the election of the Company) the same shall not affect the remainder of the covenant or covenants, which shall be given full effect, without regard to the invalid portions.

(b) AUTOMATIC REFORMATION. If a court of competent jurisdiction shall find that any of the covenants contained herein, or any part thereof, is excessively broad as to geographic area, time, duration, scope, activity or subject, the parties agree that such covenant shall be construed solely in a

manner that shall limit or reduce it (or any particular aspect or aspects thereof) so as to render the covenant enforceable to the maximum extent compatible with then applicable law. The court making such finding is hereby authorized, and shall have the power, to so limit or reduce such provision. In its limited or reduced form, said provision shall then be enforceable.

(c) TOLLING. In the event of any breach or violation of the restrictions contained herein, the time period specified herein shall abate during the time of any violation or breach hereof, and that portion remaining at the time of commencement of any violation shall not begin to run until such violation has been fully and finally cured.

(d) INDEPENDENCE. The covenants contained herein shall be construed as constituting agreements independent of any other agreements. given or made in connection with this Agreement, so that the existence. of any claim or cause of action by any party to any of the other agreements against the Company, whether predicated on this Agreement or any of the other agreements, or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants.

8. NO OTHER AGREEMENTS; CONSIDERATION. Employee represents and warrants that Employee is not a party to any other agreement which will interfere with Employee's full compliance herewith. Employee also represents and warrants that a significant portion of Employee's compensation constitute part of the consideration for the covenants and agreements made by Employee herein.

9. NON-ALIENATION. The covenants, agreements and representations of Employee contained herein are personal in nature, and Employee shall not, without the prior written consent of the Company, assign, delegate or transfer this Agreement or any rights or obligations hereunder, except that this Agreement shall insure to the benefit of and be binding upon Employee's estate, heirs and personal representatives. The Company shall be entitled to assign, delegate, or transfer this Agreement or any of the Company's rights or obligations hereunder to any person. In the case and to the extent of any such assignment, delegation or transfer by the Company, this Agreement shall subject to the provisions hereof, be binding upon and insure to the benefit of such person, and such person shall discharge and perform all the obligations of the Company hereunder. Employee shall not have any right to pledge, hypothecate, anticipate or in any way create a lien upon any interest of Employee in or arising under this Agreement. No benefits arising or payable hereunder shall be assignable by Employee in anticipation of payment either by voluntary or involuntary acts, or by operation of law.

10. COUNTERPARTS. This Agreement may be executed in any number of counterparts. Each counterpart shall be deemed an original instrument. All counterparts collectively shall be a single Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterparts.

11. BINDING EFFECT. Subject to the provisions hereof restricting assignment, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their legal representatives, successors and assigns.

12. APPLICABLE LAW; JURISDICTION. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona without giving effect to any choice of law provision or rule (whether of the State of Arizona or any other jurisdiction) that would cause the application of the law of any jurisdiction other than the State of Arizona. The parties agree that each of them is and shall remain subject to the exclusive in personam, in rem and subject matter jurisdiction of the courts of the State of Arizona (including the Federal District Court for the District of Arizona) for all purposes pertaining to this. Agreement and all documents and instruments executed in connection or in any way pertaining thereto.

13. HEADINGS. Title or captions contained in this Agreement are inserted only as a matter of convenience and for reference. Such titles and captions shall not be construed to define, limit, extend or describe the scope of this Agreement nor the intent of any provision thereof.

14. GENDER AND NUMBER. Whenever required by the context hereof, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

15. FURTHER INSTRUMENTS. Each party hereby agrees that it shall, from time to time and at such time as may be required, take such further actions and execute such further documents as may be reasonably required and necessary to effectuate the provisions hereof.

16. ATTORNEYS' FEES. In case of any action or proceeding to compel compliance with, or for a breach of, any of the terms and conditions of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party costs of such action or proceedings, including without limitation reasonable attorneys' fees, costs and disbursements.

17. TIME OF ESSENCE. Time is of the essence hereof.

18. COMPUTATION OF TIME. In computing any period of time pursuant to this Agreement, the day or date of the act, notice, event or default from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday or a legal holiday in the State of Arizona, in which event the period runs until the end of the next day which is not a Saturday, Sunday or such legal holiday.

19. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties. This Agreement supersedes any prior agreement or understanding among the parties and may not be modified or amended in any manner other than as set forth herein.

20. SURVIVAL. It is the express intention land agreement of the parties that all covenants, agreements, statements, representation and warranties made in this Agreement shall survive the execution and delivery of this Agreement.

21. WAIVERS. No modification or waiver of any provision of this Agreement shall be effective unless the same be in writing executed, by the party to be charged with such modification or waiver. Neither the. waiver by a party of a breach of or a default under any of the provisions of this Agreement, nor the failure of a party on one or more occasions to enforce any of the provisions of this Agreement or to exercise any right, remedy or privilege hereunder shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights remedies or privileges hereunder.

22. EXERCISE OF RIGHTS. No failure or delay on the part of a party in exercising any right, power or privilege hereunder and no course of dealing between the parties shall operate as a waiver or abandonment thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any other rights or remedies which party would otherwise have at law or in equity otherwise.

23. LIMITATION ON BENEFITS ON THIS AGREEMENT. It is the explicit intention of the parties that (a) no person or entity other than the parties (or their respective successors and assigns as permitted hereunder) is or shall be entitled to bring any action or enforce any provision of this Agreement against any party, and (b) the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties (or their respective successors and assigns as permitted hereunder).

24. NOTICES. Notices and other communications hereunder shall be sufficient if in writing and if sent by registered or certified mail, by express courier or

by hand-delivery to Employee at the last address Employee has filed in writing with the Company or to the Company at its principal executive offices, or at such other address as such party may advise the other party in writing.

25. AMENDMENT. This Agreement may be amended, supplemented or modified only by a written instrument signed by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

EMPLOYEE:

Signature: /s/ Robert P. Lobban

Print Name: Robert P. Lobban

COMPANY:

TITAN MOTORCYCLE COMPANY OF AMERICA, INC., a Nevada corporation

By /s/ Sandra Lahood

Its

Consent of PriceWaterhouseCoopers, LLP, Independent Accountants

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated April 2, 1999 relating to the financial statements, which appears in the 1999 Annual Report to Shareholders of Titan Motorcycle Co. of America, which is incorporated by reference in Titan Motorcycle Co. of America's Annual Report on Form 10-KSB for the year ended January 2, 1999. We also consent to the incorporation by reference of our report dated April 2, 1999 relating to the financial statement schedules, which appear in such Annual Report on Form 10-KSB. We also consent to the references to us under the heading "Experts" in such Registration Statement.

/s/ PriceWaterhouseCoopers, LLP

Phoenix, Arizona
October 15, 1999

[LETTERHEAD OF JONES, JENSEN & COMPANY]

CONSENT OF JONES, JENSEN & COMPANY, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related prospectus of Titan Motorcycle Co. of America for the registration of 3,322,031 shares of its common stock and to the incorporation by reference therein of our report dated March 12, 1998, with respect to the consolidated financial statements of Titan Motorcycle Co. of America included in its Annual Report (Form 10-KSB) for the fiscal year ended December 31, 1997, filed with the Securities and Exchange Commission.

/s/ Jones, Jensen & Company

Jones, Jensen & Company
Salt Lake City, Utah
October 12, 1999