
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 24, 2010

Rush Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction
of incorporation)

0-20797

(Commission File Number)

74-1733016

(IRS Employer Identification No.)

**555 IH-35 South, Suite 500
New Braunfels, Texas**

(Address of principal executive offices)

78130

(Zip Code)

Registrant's telephone number, including area code: **(830) 626-5200**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

As previously announced, on March 19, 2010, Rush Enterprises, Inc. (the "Company") entered into an Asset Purchase Agreement (the "Purchase Agreement") and related agreements to acquire all or substantially all of the assets and real property of Lake City Companies, LLC and certain of its subsidiaries and affiliates (collectively, "Lake City International").

On May 24, 2010, the Company entered into Amendment #1 (the "Amendment") to the Purchase Agreement to, among other things, provide that the consummation of the acquisition of certain real property assets of Lake City International will take place on or before June 30, 2010, rather than May 24, 2010, as originally contemplated in the Purchase Agreement.

The foregoing is a summary of the material terms of the Amendment and does not purport to summarize or include all terms of the Amendment. The foregoing summaries of the Amendment and the Purchase Agreement are qualified in their entirety by reference to the full text of Amendment, attached hereto as Exhibit 2.1, and the Purchase Agreement, attached as Exhibit 2.1 to the Company's Current Report on Form 8-K, filed March 25, 2010, each of which is incorporated herein by reference.

Item 8.01 Other Events.

On May 26, 2010, the Company issued a press release announcing that it had completed the acquisition of certain assets of Lake City International. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

2.1 Amendment #1, dated as of May 24, 2010, to Asset Purchase Agreement, dated March 19, 2010.

2.2 Asset Purchase Agreement, dated March 19, 2010 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed March 25, 2010).

99.1 Press Release, dated May 26, 2010.

SIGNATURES

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

RUSH ENTERPRISES, INC.

By: /s/ Martin A. Naegelin, Jr.
Martin A. Naegelin, Jr.
Executive Vice President

Dated: May 26, 2010

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
2.1	Amendment #1, dated as of May 24, 2010, to Asset Purchase Agreement, dated March 19, 2010.
2.2	Asset Purchase Agreement, dated March 19, 2010 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed March 25, 2010).
99.1	Press Release, dated May 26, 2010.

**AMENDMENT #1 TO
ASSET PURCHASE AGREEMENT**

May 24, 2010

THIS AMENDMENT #1 TO ASSET PURCHASE AGREEMENT (this "Amendment") is made and entered into as of the date first set forth above in order to amend certain provisions of that certain Asset Purchase Agreement dated March 19, 2010 by and between the parties hereto (the "Purchase Agreement"). In addition, this Amendment is made and entered into in order to add Rush Truck Leasing, Inc., a Delaware corporation that is affiliated with the Purchasers under the Purchase Agreement, as an additional entity and additional "Purchasers" entity under the Purchase Agreement.

This Amendment is made and entered into between and among:

- (i) LAKE CITY COMPANIES, LLC,
- (ii) LAKE CITY IDEALEASE, LLC;
- (iii) LAKE CITY TRUCKS, LLC;
- (iv) LAKE CITY INTERNATIONAL TRUCKS ST. GEORGE, INC.; ((i) — (iv) are referred to herein, individually and collectively, as "Seller")
- (v) EDWARD S. PACE ("Member");
- (vi) RUSH TRUCK CENTERS OF UTAH, INC.;
- (vii) RUSH TRUCK CENTERS OF IDAHO, INC.;
- (viii) RUSH TRUCK CENTERS OF OREGON, INC.;
- (ix) RUSH TRUCK LEASING, INC.; and ((vi), (vii), (viii) and (ix) are referred to herein, individually and collectively, as the "Purchasers")
- (x) RUSH ENTERPRISES, INC.

In consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Unless otherwise defined herein, capitalized terms shall have the meanings given in the Purchase Agreement.

2. The following new Sections 2.1(l) shall be, and hereby is, deleted in its entirety and replaced with the following:

(l) Assumed Contracts. All of Seller's rights under the Assumed Contracts, including all of Sellers' deposits or prepayments with third parties under the Assumed Contracts.

3. Paragraph 1 of Schedule 2.2(e) shall be deleted in its entirety.

4. With respect to Section 2.4 of the Purchase Agreement:

(a) The sentence reading "The Closing shall be coordinated with the closing of the Agreements to Purchase Dealership Facilities and the Red Rock Purchase Agreement" shall be amended and restated to read as follows: "The Closing shall be coordinated with the closing of the Red Rock Purchase Agreement."

(b) Two new sentences shall be added to the end of Section 2.4 as follows: "The sale and purchase of the Purchased Assets and the Transactions described in this Agreement (other than the Agreements to Purchase Dealership Facilities) shall be effective as of 12:01 a.m. on the Closing Date. The consummation of the transactions contemplated by the Agreements to Purchase Dealership Facilities shall take place on or before June 30, 2010, at 10:00 a.m., local time, at the offices of Seller's counsel in Salt Lake City, Utah.

5. The following new Section 2.5(a)(10) shall be, and hereby is, added to the Purchase Agreement and made a part thereof (as a continuation of existing subsections (1)-(9) of Section 2.5(a)):

2.5(a)(10) all liabilities and obligations of Seller under the following Contracts (even if they are not Assumed Contracts under the Agreement, and expressly including but not limited to repayment or early termination fees or obligations arising from any early termination or sale of assets by Seller):

All Contracts between Seller and Sherwin-Williams Automotive Finishes Corp.

6. The following new Paragraph 1(e) of Schedule 3.1 shall be, and hereby is, added to the Purchase Agreement and made a part thereof (as a continuation of existing subsections (a)-(d)):

(e) OEM Restricted Accounts Receivable shall be excluded (e.g., they shall not be included for purposes of the Estimated Closing Date Balance Sheet or the Final Closing Date Balance Sheet).

7. Section 9.4(a)(11) of the Purchase Agreement shall be deleted in its entirety and replaced with the following: "duly executed Assignment and Modification of Lease instruments, pursuant to which Seller shall transfer and Purchaser shall assume Seller's rights and duties as "Tenant" under those certain Commercial and Industrial Leases (Absolute Net) dated January 1, 2009 applicable to each of the Dealership Facilities to be sold and purchased under the Agreements to Purchase Real Estate Facilities, except that the Ontario, Oregon Dealership Property shall be subject to the specific Assignment and Modification of Lease instrument applicable to it.

8. The following new Section 9.4(a)(16) shall be, and hereby is, added to the Purchase Agreement and made a part thereof (as a continuation of existing subsections (1)-(15) of Section 9.4(a)):

9.4(a)(16) an instrument amending all of the Agreements to Purchase Dealership Facilities to extend the closing of the transactions contemplated thereby until on or before June 30, 2010, except that the Ontario, Oregon Dealership Property shall be subject to the specific extension instrument applicable to it.

9. The following new Sections 9.4(c)(10) and (11) shall be, and hereby are, added to the Purchase Agreement and made a part thereof (as a continuation of existing subsections (1)-(9) of Section 9.4(c)):

9.4(c)(10) duly executed Assignment and Modification of Lease instruments, pursuant to which Seller shall transfer and Purchaser shall assume Seller's rights and duties as "Tenant" under those certain Commercial and Industrial Leases (Absolute Net) dated January 1, 2009 applicable to each of the Dealership Facilities to be sold and purchased under the Agreements to Purchase Real Estate Facilities, except that the Ontario, Oregon Dealership Property shall be subject to the specific Assignment and Modification of Lease instrument applicable to it.

9.4(c)(11) an instrument amending all of the Agreements to Purchase Dealership Facilities to extend the closing of the transactions contemplated thereby until on or before June 30, 2010, except that the Ontario, Oregon Dealership Property shall be subject to the specific extension instrument applicable to it.

10. The Assignment and Modification of Lease instruments, as contemplated by Sections 6 and 8 of this Amendment, shall be in substantially the form attached to this Amendment as Exhibit D.

11. The instruments amending all of the Agreements to Purchase Dealership Facilities, as contemplated by Sections 7 and 8 of this Amendment, shall be in substantially the form attached to this Amendment as Exhibit E.

12. Section 10.12 of the Purchase Agreement shall be deleted in its entirety and replaced with the following:

10.12 Agreements to Purchase Dealership Facilities. Seller's Affiliates shall have executed and delivered to Purchasers the Agreements to Purchase Dealership Facilities.

13. Section 11.12 of the Purchase Agreement shall be deleted in its entirety and replaced with the following:

11.12 Agreements to Purchase Dealership Facilities. Purchasers shall have executed and delivered to Seller's affiliate the Agreements to Purchase Dealership Facilities.

14. Section 13.7 of this Agreement shall be deleted in its entirety and replaced with the following:

13.7 Limitation on Sellers' Indemnification Obligations. Sellers' obligations pursuant to the provisions of Article 13.1(d), to the extent arising solely from or any inaccuracy in or breach of any representation and warranty made by Sellers in this Agreement, shall be subject to the following limitations:

(a) The Purchasers Indemnified Parties shall not be entitled to recover for breach of such representations or warranties until the total amount which Purchasers Indemnified Parties would recover, but for this Article 13.7, exceeds \$500,000 (the "Basket Amount"), after which point Sellers will be obligated only to indemnify Purchasers Indemnified Parties from and against Purchasers Damages exceeding the Basket Amount; and

(b) The Purchaser Indemnitees shall not be entitled to recover for breach of such representations or warranties against the Seller to the extent that aggregate claims for which they are entitled to recover under this Article 13 exceeds the sum of \$1,000,000 (the "Cap Amount").

15. Section 14.5 of this Agreement shall be deleted in its entirety and replaced with the following:

14.5 Limitation on Purchasers Indemnification Obligations. The Purchaser Indemnifying Parties obligations pursuant to the provisions of Article 14.1(c), to the extent arising solely from or any inaccuracy in or breach of any representation and warranty made by Purchasers in this Agreement, shall be subject to the following limitations:

(a) The Seller Indemnified Parties shall not be entitled to recover for breach of such representations or warranties until the total amount which Seller Indemnified Parties would recover, but for this Article 14.5, exceeds the Basket Amount, after which point Purchaser Indemnifying Parties will be obligated only to indemnify Seller Indemnified Parties from and against Seller Damages exceeding the Basket Amount; and

(b) The Seller Indemnified Parties shall not be entitled to recover for breach of such representations or warranties against the Purchaser Indemnifying Parties to the extent that aggregate claims for which they are entitled to recover under Article 14.1(c), exceeds the Cap Amount.

16. Those certain Autocar, LLC Authorized Dealer Agreements dated March 15, 2002 and December 4, 2002 are Excluded Assets but the parties will cooperate with each other to transition the dealer relationship to Purchasers.

17. "OEM Restricted Accounts Receivable" shall mean all accounts receivable (or specific items or credits constituting part of the accounts receivable balance), open account credits or other monies due arising from or related to dealer agreements listed on Exhibit 4.5-A as "Excluded Assets," including but not limited to dealer agreements with receivables, open account credits or other monies due from Cummins Rocky Mountain, LLC, Cummins Northwest, LLC, IC Bus, LLC, Autocar, LLC, Mitsubishi Fuso Truck of America, Inc., Kalmar Industries USA, LLC, d/b/a Kalmar Industries Corp., Collins Bus Corporation, Western States Equipment (Caterpillar), Smith Power Products Inc. (Allison transmission), Same Duetz-Fahr North America, Inc., Diamond Coach, Triolet, Harsh, Workhorse Sales Corp.

18. As of Closing, the parties agree that Book Equity pursuant to the Estimated Closing Date Balance Sheet is \$4,600,236.

19. For purposes of the Agreement (including §3.1(c)), the Goodwill Amount is, and shall be, \$6,500,000.

20. Except as amended as expressly set forth above, all other terms and conditions of the Purchase Agreement shall continue in full force and effect.

21. This Amendment constitutes the entire agreement and understanding of the parties hereto with respect to the amendment of the Purchase Agreement, and supersedes all prior agreements, arrangements and understandings related to the subject matter hereof.

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IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the date first set forth above.

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the Effective Date.

PURCHASERS:

RUSH TRUCK CENTERS OF UTAH, INC.

By: /s/ Martin A. Naegelin, Jr.
Martin A. Naegelin, Jr., Vice President

RUSH TRUCK CENTERS OF IDAHO, INC.

By: /s/ Martin A. Naegelin, Jr.
Martin A. Naegelin, Jr., Vice President

RUSH TRUCK CENTERS OF OREGON, INC.

By: /s/ Martin A. Naegelin, Jr.
Martin A. Naegelin, Jr., Vice President

RUSH TRUCK LEASING, INC.

By: /s/ Martin A. Naegelin, Jr.
Martin A. Naegelin, Jr., Vice President

RUSH ENTERPRISES, INC.

By: /s/ Martin A. Naegelin, Jr.
Martin A. Naegelin, Jr., Vice President

SELLER:

LAKE CITY COMPANIES, LLC

By: /s/ Edward S. Pace
Edward S. Pace, Manager

LAKE CITY IDEALEASE, LLC

By: Lake City Companies, LLC, as Manager

By: /s/ Edward S. Pace
Edward S. Pace, Manager of Lake City Companies, LLC

LAKE CITY TRUCKS, LLC

By: Lake City Companies, LLC, as Manager

By: /s/ Edward S. Pace
Edward S. Pace, Manager of Lake City Companies, LLC

LAKE CITY INTERNATIONAL TRUCKS ST. GEORGE, INC.

By: /s/ Edward S. Pace
Edward S. Pace, President

MEMBER:

EDWARD S. PACE

/s/ Edward S. Pace
Edward S. Pace



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**Rush Enterprises, Inc. Acquires Assets of Lake City
International; Forms New Navistar Division**

SAN ANTONIO, TX, May 26, 2010 — Rush Enterprises, Inc. (NASDAQ: RUSHA and RUSHB), which operates the largest network of commercial vehicle dealerships in North America and two John Deere construction equipment dealerships in southeast Texas, today announced that it has acquired certain assets of Lake City Companies, LLC and certain of its subsidiaries and affiliates (collectively, "Lake City International"), which operates a commercial truck and bus sales, service, parts, finance and leasing business representing multiple brands, including International, IC Bus, Autocar, Mitsubishi Fuso, Kalmar, Workhorse, and Idealease truck leasing.

Rush had audited revenues of \$1.2 billion for the year ending 2009 while Lake City International had unaudited revenues of \$121.9 million. The purchase price for the assets of Lake City International was approximately \$38.7 million for assets and goodwill less a \$2.0 million payment from an affiliate of Lake City International to Rush for assuming contingent liabilities. Rush Enterprises will finance approximately \$21.0 million of the purchase price under its floor plan, accounts receivable, and lease and rental truck financing arrangements. The Company intends to purchase the real estate, owned by an affiliate of Lake City International, in a separate transaction for approximately \$34.5 million. The Company expects to purchase the real estate no later than June 30, 2010, and to finance a portion of the purchase price of the real estate at the time of closing. The Company expects the transaction to be accretive to future earnings.

The acquisition expands the Company's contiguous network of Rush Truck Centers to 60 locations in 14 states. The newly acquired dealerships include five locations in Utah, five locations in Idaho and one location in Oregon. All will operate in their current locations as Rush Truck Centers. They offer International heavy- and medium-duty trucks, Autocar trucks, Mitsubishi Fuso medium-duty trucks, IC buses, Kalmar yard trucks and Workhorse chassis in addition to parts, service, body shop, financing and insurance capabilities. Rush Truck Leasing will operate Idealease truck rental and leasing franchises at existing locations in Salt Lake City, Utah, and Boise, Idaho.

Rush Enterprises also announced it has created a new Navistar division within the company, naming Richard J. Ryan to the position of Senior Vice President — Navistar Dealerships. Ryan will oversee the operations of Rush Truck Centers that sell and service Navistar products, including the newly acquired dealerships in Utah, Idaho and Oregon and a dealership in Charlotte, North Carolina. Ryan will report directly to W.M. “Rusty” Rush, President and Chief Executive Officer of Rush Enterprises. Ryan has been with Rush Enterprises for 8 years, most recently as Regional General Manager for Rush Truck Centers in Colorado. Prior to Rush, he was with Falding Capital Group and Detroit Diesel.

W. M. “Rusty” Rush said, “We are thrilled to complete the acquisition of Lake City International. This acquisition allows us to expand our geographic footprint further across the Western United States and provides us with a significant presence in Utah and Idaho. I have tremendous respect for the excellent reputation Ed Pace and the employees of Lake City Trucks have built in this region of the United States. We look forward to welcoming them into the Rush family.”

“Creating a new Navistar division is a milestone for our company. We are excited to build on the relationship we started with Navistar in 2008 when we acquired an International truck dealership in Charlotte, North Carolina. Rich Ryan has led Rush’s Colorado region to growth, successfully integrated acquired operations and established several innovative programs with suppliers and body builders in his region. I am confident in his leadership for the new Navistar division.”

About Rush Enterprises, Inc.

Rush Enterprises, Inc. owns and operates the largest network of commercial vehicle dealerships in the United States, representing truck and bus manufacturers including Peterbilt, International, Hino, Isuzu, Ford, UD, Blue Bird, IC, Diamond and Elkhart and two construction equipment dealerships in southeast Texas representing John Deere construction equipment. The Company’s vehicle and equipment centers are strategically located in high traffic areas on or near major highways in 14 states throughout the southern and western United States. These one-stop centers offer an integrated approach to meeting customer needs — from sales of new and used vehicles and equipment to aftermarket parts, service and body shop operations plus a wide array of financial services, including financing, insurance, leasing and rental. Rush Enterprises’ operations also provide vehicle up-fitting, chrome accessories and tires. For more information, please visit www.rushenterprises.com.

Forward-Looking Statements

Certain statements contained herein, including those concerning the acquisition of Lake City International, the acquisition's impact on the Company's earnings, and the Company's intention to finance a portion of the purchase price paid for the real estate are "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Because such statements include risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to, difficulty in integrating the services of Lake City International into the Company in an efficient and effective manner, competitive factors, general U.S. economic conditions, economic conditions in the new and used commercial vehicle markets, customer relations, relationships with vendors, product introductions and acceptance, changes in industry practices, the potential loss of the services of key employees of Lake City International, one-time events and other factors described herein and in filings made by the Company with the Securities and Exchange Commission.