COOPERATIVE ASSOCIATION OF TRACTOR DEALERS, INC.

2004 Annual Report

Company Profiles

Cooperative Association of Tractor Dealers, Inc. ("CATD") was incorporated in 1981, to provide Caterpillar Dealers with consistent, low cost, short term financing. CATD is owned by 2 non-domestic and 49 domestic Caterpillar Dealers. CATD issues commercial paper ("CP") under a dual series CP program and lends the money to its members.

Dealers Capital Access Trust, Inc. ("DCAT") was formed in 1992 as a bankruptcy remote special purpose corporation. DCAT provides loans to Caterpillar Dealers who do not qualify for the CATD program. DCAT is operated by CATD, under a management agreement.

Tuckahoe Funding Company ("Tuckahoe") was organized in 1996 as a bankruptcy remote special purpose corporation. Tuckahoe provides the backstop liquidity lines under a bank syndicate agented by Societe' Generale, for CATD to issue its dual series CP.

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July 2, 2004

To Shareholders of the Cooperative Association of Tractor Dealers, Inc.:

On behalf of the Board of Directors, let me begin by saying how much we appreciate your continued business. Enclosed you will find audited financial statements for fiscal year ending March 31, 2004 for Cooperative Association of Tractor Dealers, Inc. (“CATD”), Dealers Capital Access Trust, Inc. (“DCAT”), and Tuckahoe Funding Company (“Tuckahoe”). The Co-op continues fulfilling its mission as a reliable source of working capital for its Caterpillar Dealer members. The combined CATD and DCAT portfolio held steady at $1.2 billion in loans. The trend of dealers migrating from CATD to DCAT continues. CATD’s average portfolio decreased by 14% to $816 million, while DCAT’s average portfolio at $379 million was 45% greater than the prior year and has experienced 119% growth in two years.

CATD’s 2004 patronage dividends of $708,565 equate to 9 basis points (“bps”) on its average portfolio. DCAT borrowers do not receive patronage dividends, as their pricing is adjusted monthly to operate the program at breakeven.

Interest rates have remained at record lows with the 2004 weighted average effective cost on CATD and DCAT loans at 1.99% and 2.77% respectively.

In September 2004, Harry Craig from Martin Tractor Company and Chris Milton from Southworth-Milton, Inc. will retire from CATD’s board after six years of contributing their time and talents. We are very grateful for their dedicated service and guidance to our organization.

In September 2004, I will step down as chairman of CATD after serving in this capacity for the past three years. Rob Campbell of Wheeler Machinery has been elected as chair of CATD.

While plenty of challenges and opportunities lie ahead in the financial market in which we operate, the board and the staff of CATD look forward to the year ahead with confidence that along with CATD’s business partners we will remain your first choice for efficiently and competitively funding your business.

Sincerely,

Tee K. Ness
Chairman of the Board of Directors
Cooperative Association of Tractor Dealers, Inc.

Cooperative Association of Tractor Dealers, Inc.

Year Ended March 31
($ millions except dividends)

	2004	2003	2002	2001	2000
Revenue	$19	$26	$42	$68	$56
Patronage Dividends	$708,565	$434,279	$305,102	$532,862	$440,897
Average Loan Portfolio	$816	$951	$1,018	$947	$886
Loans Originated	$11,000	$22,300	$61,400	$87,800	$43,200
Number of Loans Originated	2,323	3,622	4,657	5,798	3,724
Average Loan Size	$4.7	$6.2	$13.2	$15.1	$11.6
Total Assets	$733	$894	$1,040	$1,051	$851
Credit Lines	$1,075	$1,204	$1,386	$1,236	1,075
Dealers with Credit Facilities	33	38	40	41	43
Prime Rate	4.06%	4.55%	5.95%	9.21%	8.23%
30-Day LIBOR	1.09%	1.57%	2.88%	6.22%	5.39%
30 Day All-in Loan Rate	1.80%	2.24%	3.53%	6.88%	6.08%
Portfolio All-in Loan Rate	1.83%	2.27%	3.67%	6.86%	5.92%
Dealer Effective Rate	1.99%	2.47%	3.84%	7.00%	6.03%
Dividend	9 bps	5 bps	3 bps	6 bps	5 bps
Spread Between Prime and Effective Rates	207 bps	208 bps	211 bps	221 bps	220 bps

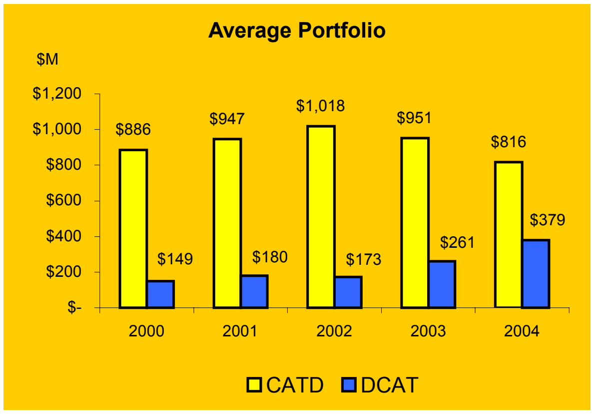
Dealers Capital Access Trust, Inc.

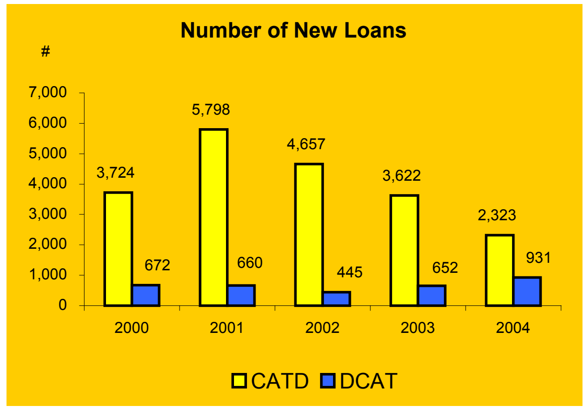
Year Ended March 31
($ millions)

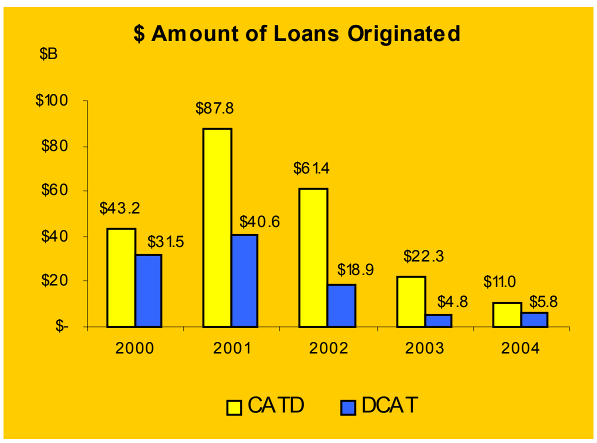
	2004	2003	2002	2001	2000
Revenue	$11	$9	$8	$14	$11
Average Loan Portfolio	$379	$261	$173	$180	$149
Loans Originated	$5,800	$4,800	$18,900	$40,600	$31,500
Number of Loans Originated	931	652	445	660	672
Average Loan Size	$6.2	$7.4	$42.5	$61.5	$46.9
Total Assets	$356	$303	$166	$174	$178
Credit Lines	$518	$361	$191	$183	$238
Dealers with Credit Facilities	8	7	5	5	5
30 Day All-in Loan Rate	2.77%	3.21%	4.57%	7.93%	7.18%
Portfolio All-in Loan Rate	2.77%	3.23%	4.69%	7.88%	6.97%
Spread Between Prime and Portfolio All-in	129 bps	132 bps	126 bps	133 bps	126 bps

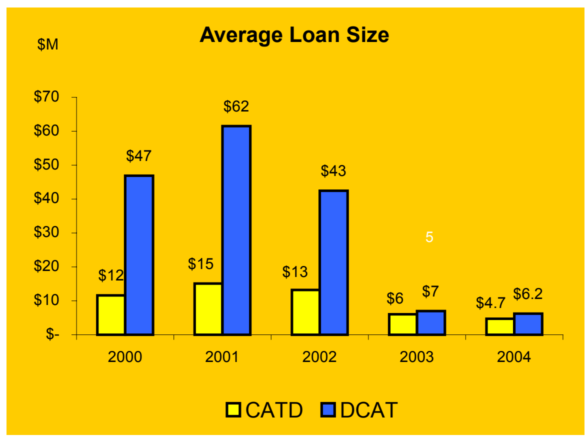
DCAT is not organized as a cooperative and does not pay patronage dividends to its borrowers.

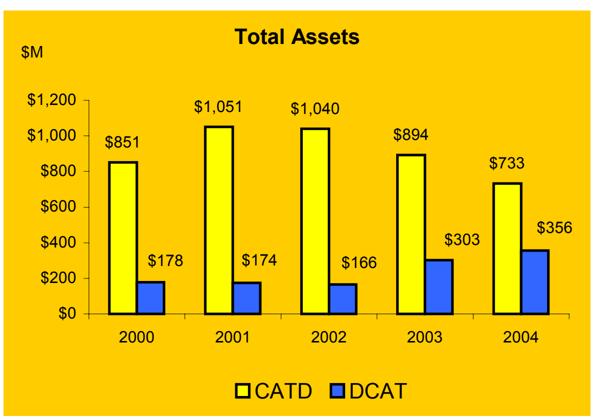
2000-2004
5 Year Review

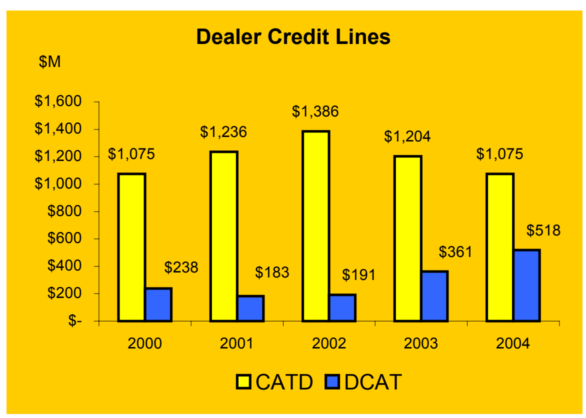












CATD OFFICERS AND DIRECTORS

Jamie C. Alban
Alban Tractor Co., Inc.

Robert Campbell -Vice Chairman
Wheeler Machinery Company

Harry Craig, Jr.
Martin Tractor Company, Inc.

Dolores Coutts
President

Perry Finney
Vice President

Len Grus
Assistant Treasurer

Jerry Jung
Michigan CAT

Shellie McCain
Secretary

Christopher G. Milton-
Treasurer
Southworth-Milton, Inc.

Ken Monroe
Holt of California, Inc.

Tee Ness-Chairman
Hawthorne Machinery Co.

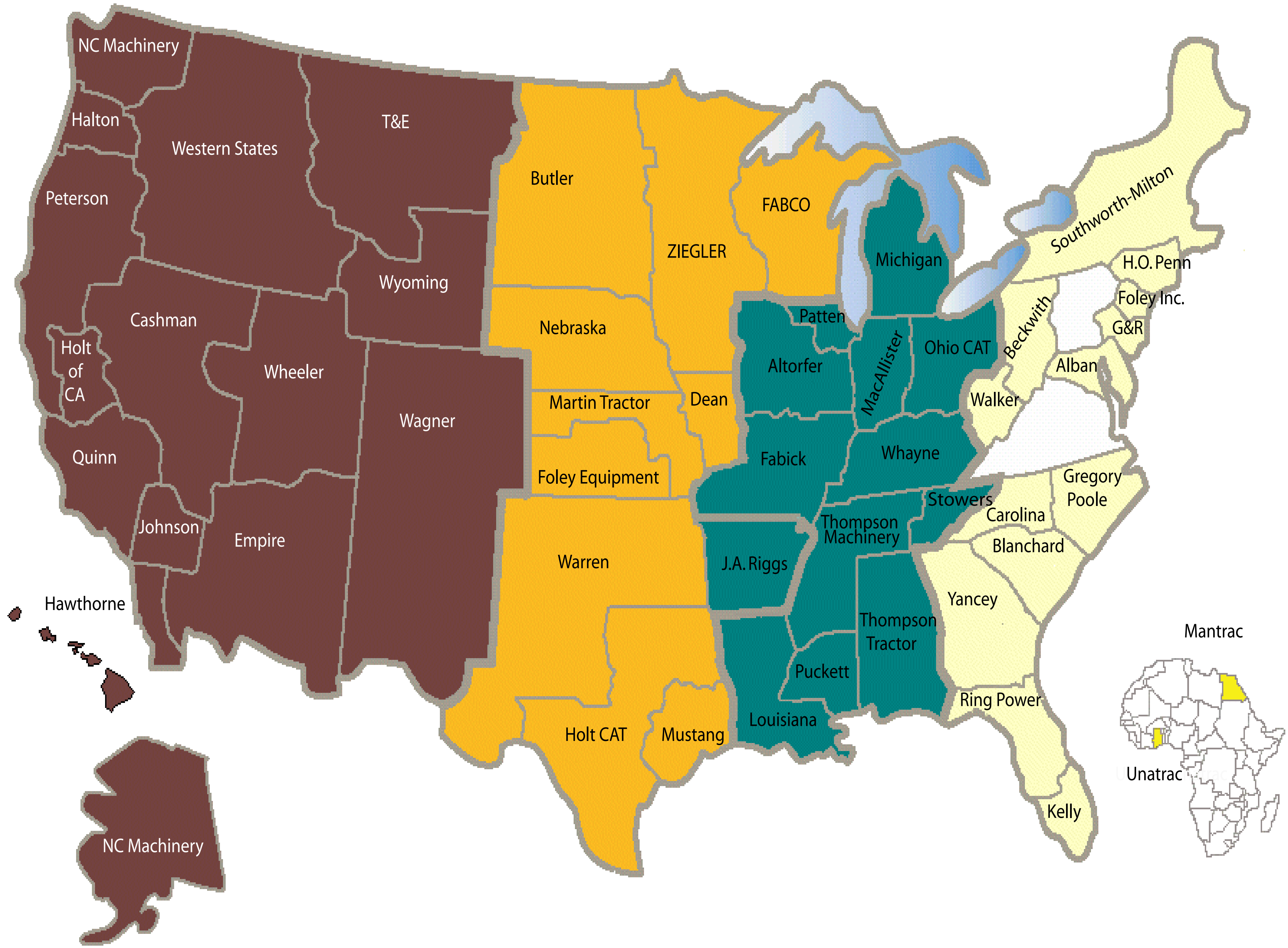
Harry W. Stowers
Stowers Machinery Corporation

Ken Taylor
Ohio CAT

Brad Tucker
Mustang Tractor & Equipment Co.

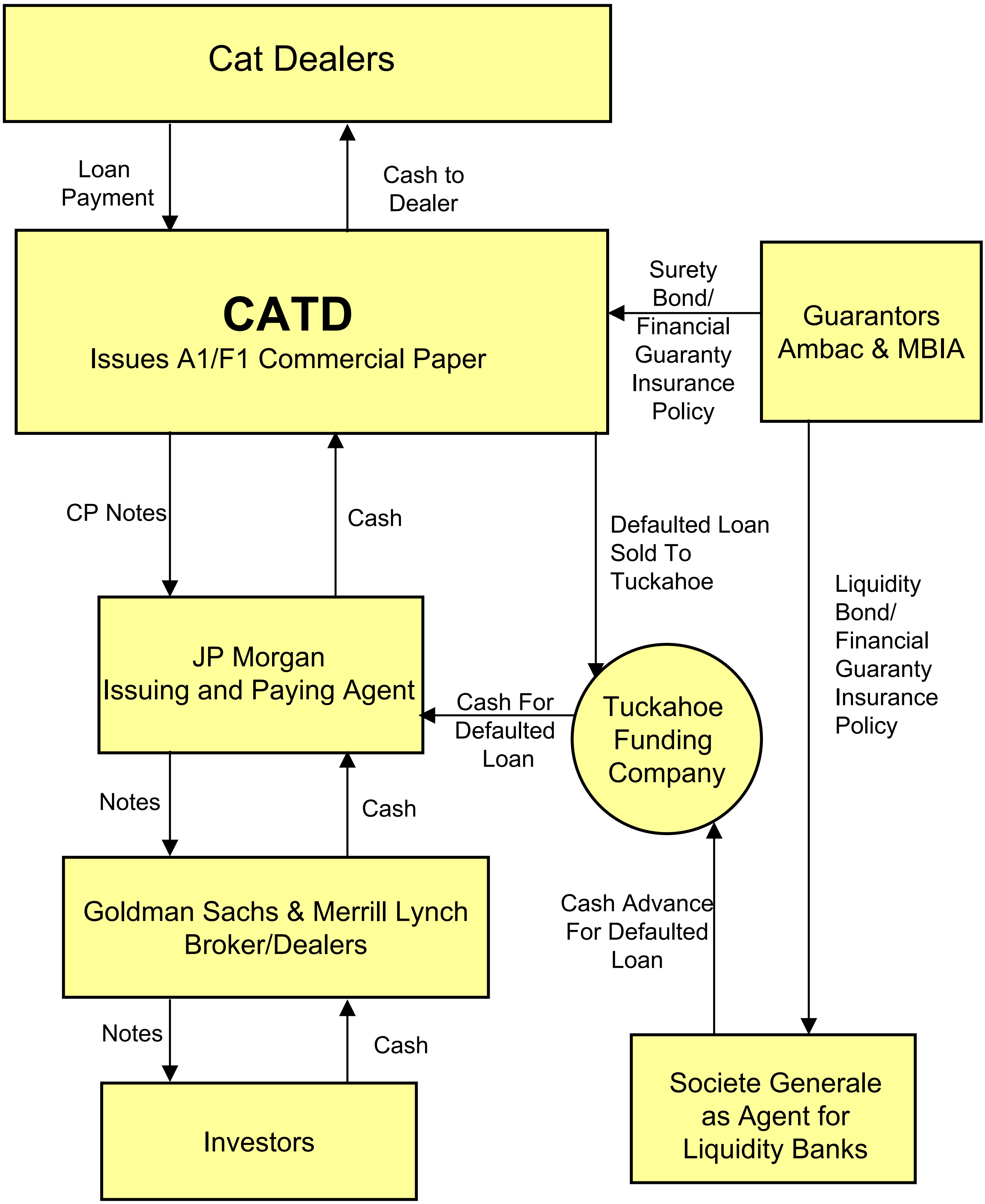
CATD SHAREHOLDERS

Western Region	Plains Region	Central Region	Eastern Region	Non-Domestic
Cashman Equipment Company	Butler Machinery Company	Altorfer Inc.	Alban Tractor Co., Inc.	Mantrac
Empire Southwest LLC	Dean Machinery Co.	John Fabick Tractor Company	Beckwith Machinery Company	Unatrac International
Hawthorne Machinery Co.	FABCO Equipment, Inc.	Louisiana Machinery Co., Inc.	Blanchard Machinery Company	
Holt of California	Foley Equipment Company	MacAllister Machinery Co., Inc.	Carolina Tractor	
Johnson Machinery	Holt CAT	Michigan CAT	Cecil I. Walker Machinery Co.	
NC Machinery Co.	J.A. Riggs Tractor Company	Ohio CAT	Foley, Incorporated	
Peterson Tractor Co.	Martin Tractor Company, Inc.	Patten Industries, Inc.	Giles & Ransome, Inc.	
Quinn Group, Inc.	Mustang Tractor & Equipment Co.	Puckett Machinery Company	Gregory Poole Equipment Co.	
The Halton Company	Nebraska Machinery Company	Stowers Machinery Corporation	H.O. Penn Machinery Co., Inc.	
Tractor & Equipment Company	Warren Power & Machinery, L.P.	Thompson Machinery Commerce Corporation	Kelly Tractor Co.	
Wagner Equipment Company	ZIEGLER Inc.	Thompson Tractor Co., Inc.	Ring Power Corporation	
Western States Equipment Co.		Whayne Supply Company	Southworth-Milton Inc.	
Wheeler Machinery Company			Yancey Bros. Co.	
Wyoming Machinery Company				



NC Machinery
Halton
T&E
Western States
Peterson
Butler
FABCO
ZIEGLER
Michigan
Wyoming
Cashman
Nebraska
Patten
Holt of CA
Wheeler
Altorfer
MacAllister
Ohio CAT
Martin Tractor
Dean
Wagner
Quinn
Foley Equipment
Fabick
Whayne
Johnson
Empire
Warren
J.A. Riggs
Thompson Machinery
Stowers
Hawthorne
Thompson Tractor
Puckett
Louisiana
Holt CAT
Mustang
NC Machinery
Southworth-Milton
H.O. Penn
Foley Inc.
G&R
Beckwith
Alban
Walker
Gregory Poole
Carolina
Blanchard
Yancey
Ring Power
Kelly
Mantrac
Unatrac

How It All Fits Together…



Glossary of Terms

Agent Bank - Bank responsible for various administrative tasks relating to Tuckahoe Funding Company's liquidity facility, including: (1) disbursement of loan advances under provisions of a credit agreement; (2) collection and distribution of fees to participant banks; (3) coordination of changes in amounts of bank lines; and (4) solicitation of banks, if necessary.

All-in Rate - The interest rate charged on a loan based on the effective cost of underlying commercial paper plus a percentage (the "add-on") that covers the costs of operating the loan program.

Ambac - Ambac Assurance Corporation, a Wisconsin stock insurance company, which is credit enhancer of Series B loans for the CATD program.

Commitment Fee - Payment to banks for providing committed bank lines that support CATD CP. The fee is expressed as basis points on the committed bank lines.

Commercial Paper ("CP") - A short-term unsecured debt of a corporate borrower.

Credit Enhancement - When repayment of a debt has been guaranteed by an outside entity.

Credit Facility Fee - Payment from borrower to CATD for providing a credit facility to the borrower. The credit facility fee is expressed as basis points on the credit facility available to the borrower, and is payable regardless of credit facility utilization.

Financial Guaranty Insurance Policy - There are 2 types: (1) obligation of MBIA to CATD which guarantees repayment of loans made to a borrower, and (2) obligation of MBIA to a bank that guarantees repayment of advances made by the bank under the credit agreement.

Guarantor - An entity which guarantees repayment of loans.

Guaranty Premiums or Guarantee Fees - Fees paid to a credit enhancer for providing a guarantee of loan repayment to the lender. Guaranty premiums are expressed as basis points on outstanding CP.

Liquidity Bank - Bank providing bank lines to support the CP program in event of dealer payment default.

Liquidity Bond - Obligation of Ambac that guarantees repayment of advances made by a bank under the credit agreement.

MBIA – MBIA Insurance Corporation, a New York corporation that assumed the rights and obligations of Capital Markets Assurance Corporation on August 12, 1998, and which is credit enhancer of Series A loans for the CATD program.

Patronage Dividends- CATD's distribution of earnings proportionate to loan interest income obtained from shareholders during the fiscal year.

Societe Generale - The agent bank for Tuckahoe Funding Company's liquidity facility.

Surety Bond - Obligation of Ambac to CATD, which guarantees repayment of loans made to a borrower.

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors and Shareholders
Cooperative Association of Tractor Dealers, Inc.
Chevy Chase, Maryland

We have audited the accompanying balance sheets of Cooperative Association of Tractor Dealers, Inc. (the Cooperative), as of March 31, 2004 and 2003, and the related statements of income and accumulated deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cooperative Association of Tractor Dealers, Inc., as of March 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Bethesda, Maryland
April 16, 2004

Cooperative Association Of Tractor Dealers, Inc.

Balance Sheets
March 31, 2004 and 2003

Assets		**2004**		2003
Cash and cash equivalents	**$**	**1,257,094**	$	1,153,341
Loans receivable		**728,370,290**		890,196,551
Interest receivable		**2,711,300**		2,244,626
Accounts receivable, related party		**47,565**		90,405
Accounts receivable, other		**162,298**		105,023
Prepaid expenses and other assets		**151,476**		166,224
	$	**732,700,023**	$	893,956,170

Liabilities and Stockholders' Equity				
Liabilities				
Notes payable	**$**	**728,153,345**	$	889,557,768
Accrued interest - notes payable		**1,756,686**		1,597,829
Accounts payable and accrued expenses		**680,797**		843,434
Patronage dividends payable		**708,565**		434,279
Deferred revenue		**667,893**		744,314
Total liabilities		**731,967,286**		893,177,624
Shareholders' Equity				
Common stock, no par value; 250 shares authorized, 56 shares in 2004 and 58 shares in 2003 issued and outstanding		**1,011,750**		1,013,750
Accumulated deficit		**(279,013)**		(235,204)
		732,737		778,546
	$	**732,700,023**	$	893,956,170

See Notes to Financial Statements.

Cooperative Association Of Tractor Dealers, Inc.

Statements Of Income And Accumulated Deficit
Years Ended March 31, 2004 and 2003

	2004	2003
Income		
Interest		
Loans	**$ 15,391,158**	$ 22,396,295
Investments	**9,767**	18,117
	15,400,925	22,414,412
Credit facility fees	**2,859,001**	3,116,779
Non-utilization fees	**437,915**	85,933
Other income	**76,497**	19,930
Total revenue	**18,774,338**	25,637,054
Expenses		
Interest - notes payable	**10,082,156**	16,887,681
Guaranty and liquidity expenses		
Borrower financial guaranty premiums	**4,088,968**	4,365,461
Borrower non-utilization fees	**437,915**	85,933
Liquidity bank commitment fees	**2,293,056**	2,680,826
Legal fees and costs	**12,106**	25,907
Other liquidity facility expenses	**76,507**	72,927
General and administrative	**1,106,222**	1,097,001
Total expenses	**18,096,930**	25,215,736
Operating income	**677,408**	421,318
Net management fee (loss)	**(12,652)**	(1,261)
Net income	**664,756**	420,057
Accumulated deficit:		
Beginning	**(235,204)**	(220,982)
Patronage dividends	**(708,565)**	(434,279)
Ending	**$ (279,013)**	$ (235,204)

See Notes to Financial Statements.

Cooperative Association Of Tractor Dealers, Inc.

Statements Of Cash Flows
Years Ended March 31, 2004 and 2003

	2004	2003
Cash Flows from Operating Activities		
Net income	**$ 664,756**	$ 420,057
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in:		
Interest receivable	**(466,674)**	2,117,995
Accounts receivable, related party	**42,840**	(76,457)
Accounts receivable, other	**(57,275)**	(57,097)
Prepaid expenses and other assets	**14,748**	(32,261)
Increase (decrease) in:		
Accrued interest - notes payable	**158,857**	(1,850,153)
Accounts payable and accrued expenses	**(162,637)**	158,800
Deferred revenue	**(76,421)**	59,436
Net cash provided by operating activities	**118,194**	740,320
Cash Flows from Investing Activities		
Loans made to stockholders	**(811,858,062)**	(940,955,358)
Principal collected on stockholder loans	**973,684,324**	1,085,293,587
Net cash provided by investing activities	**161,826,262**	144,338,229
Cash Flows from Financing Activities		
Proceeds from issuance of notes payable	**11,010,472,277**	22,311,886,397
Payments for maturing notes payable	**(11,171,876,701)**	(22,456,339,041)
Patronage dividends paid	**(434,279)**	(305,102)
Payment for redemption of stock	**(2,000)**	(1,000)
Net cash (used in) financing activities	**(161,840,703)**	(144,758,746)
Net increase in cash and cash equivalents	**103,753**	319,803
Cash and Cash Equivalents:		
Beginning	**1,153,341**	833,538
Ending	**$ 1,257,094**	$ 1,153,341
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	**$ 9,923,299**	$ 18,737,834
Supplemental Schedule of Noncash Financing Activities:		
Patronage dividends payable	**$ 708,565**	$ 434,279

See Notes to Financial Statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: The Cooperative Association of Tractor Dealers, Inc. ("CATD") is a private finance cooperative organized for the purpose of providing loans to its shareholders and other eligible patrons at optimum borrowing rates. The loans are funded through the issuance of CATD commercial paper ("CP"). Incorporated on February 6, 1981, under the laws of the State of Michigan, CATD commenced operations on July 29, 1981. CATD is governed by the Michigan Nonprofit Corporation Act and the Michigan General Corporation Act, and is a nonexempt cooperative under Section 1381, et al. of the Internal Revenue Code.

A summary of the CATD's significant accounting policies follows:

Cash and cash equivalents: For the purpose of reporting cash flows, CATD considers cash and cash equivalents to include bank deposits and highly liquid investments in a money market fund that invests exclusively in short term U.S. Treasury securities. The dollar-weighted average maturity of this money market fund is 90 days or less.

Loans receivable: CATD has a short-term loan program providing equipment financing to its borrowers. The loans receivable are stated at the amount of unpaid principal. Management believes that all loans are fully collectible and that no provision for loan loss is necessary. CATD does not bear any financial risk in the event of default by CATD borrowers (see Note 2).

Accounts receivable: Accounts receivable are carried at original invoice amount and all outstanding amounts are reviewed on a monthly basis. Management believes that all accounts receivable are fully collectible and that no provision for doubtful accounts is necessary.

Revenue recognition: CATD revenues represent interest on loans accruing based on the principal amounts outstanding of each borrower. Interest income is recognized as revenue when earned.

Deferred revenue represents credit facility fees collected in advance by CATD, which will be recognized as revenue when earned. From July 1, 2002 through March 31, 2004, the fee was equal to 0.25% of a CATD shareholder's borrowing facility. From April 1, 2002 through June 30, 2002, the fee was equal to 0.20% of a CATD shareholder's borrowing facility.

Patronage dividends: CATD distributes its taxable income to its shareholder borrowers in the form of patronage dividends. These dividends are recorded in the same period that the corresponding income is earned, with distribution no later than December 15, following the end of the fiscal year.

Financial credit risk: CATD maintains its cash in bank accounts, which generally exceed Federally insured limits. CATD has not experienced any losses in such accounts.

Fair value of financial instruments: CATD's financial instruments, including cash and cash equivalents, loans receivable, accounts receivable, notes payable, and accounts payable are carried at cost, which approximates their fair value because of the short-term maturity of these instruments.

Note 1. Nature of Business and Significant Accounting Policies (Continued)

Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Credit Arrangements

CATD manages a dual-series CP program. CATD Series A CP is credit enhanced by MBIA Insurance Corporation ("MBIA"). Series B CP is credit enhanced by Ambac Assurance Corporation ("Ambac"). (MBIA and Ambac are referred to hereafter as the "Guarantors").

CATD has a loan agreement with each of its borrowers (a "Loan Agreement") which defines the specific loan covenants for the individual borrower. As a condition of borrowing, each Loan Agreement requires that the borrower enter into a Financial Guaranty Agreement ("FGA") with CATD and a Guarantor, pursuant to which the Guarantors issue either a financial guaranty insurance policy, in the case of MBIA, or a surety bond, in the case of Ambac, to CATD. (Each a "Dealer Financial Guaranty Insurance Policy/Dealer Surety Bond", as the case may be.) Some borrowers are party to a FGA with both Guarantors, in which case MBIA will issue a Dealer Financial Guaranty Insurance Policy and Ambac will issue a Dealer Surety Bond to CATD with respect to the borrower.

In each Dealer Financial Guaranty Insurance Policy/Dealer Surety Bond, as the case may be, the Guarantor guarantees the prompt payment to CATD of all amounts due on loans made to the relevant borrower, with the proceeds of the underlying CP credit enhanced by the Guarantor in the event that: (i) such loan is not paid when due; (ii) it is not feasible for CATD to issue new CP to raise funds to pay the maturing CP related to such loan, or 180 days have elapsed since such loan was due; and (iii) the loan is not purchased by Tuckahoe Funding Company ("Tuckahoe") pursuant to the arrangement described below. In addition, the Dealer Financial Guaranty Insurance Policy/Dealer Surety Bond, as the case may be, will protect CATD in the event of bankruptcy proceedings of a borrower. If any payments made by a borrower to CATD during the bankruptcy preference period are voided and recovered from CATD in a bankruptcy or similar proceeding, the responsible Guarantor must make CATD whole.

The aggregate face amount of Series A CP or Series B CP outstanding at any time does not exceed the aggregate face amount of the loans guaranteed by the Dealer Financial Guaranty Insurance Policies issued by MBIA, (in the case of Series A CP), or Dealer Surety Bonds issued by Ambac (in the case of Series B CP).

Note 2. Credit Arrangements (Continued)

CATD pays a monthly premium to the Guarantors on behalf of the borrowers to keep the Dealer Financial Guaranty Insurance Policies and Dealer Surety Bonds in force. For the period January 21, 2003 through March 31, 2004, CATD paid MBIA and Ambac a premium equal to 0.50% per annum of the daily average face amount of Series A CP and Series B CP outstanding, respectively. For the period April 1, 2002 through January 20, 2003, CATD paid MBIA and Ambac a premium equal to 0.45% per annum of the daily average face amount of Series A CP and Series B CP outstanding, respectively. For the years ended March 31, 2004 and 2003, CATD paid MBIA premiums of $2,485,680 and $2,752,776, respectively. For the years ended March 31, 2004 and 2003, CATD paid Ambac premiums of $1,603,288 and $1,612,685, respectively.

CATD is not a party to a credit agreement with any banks. In order to have liquidity to pay maturing CP if other funds are not available, CATD has entered into Cooperative Financing Agreements ("CFAs") with Tuckahoe. One CFA is among CATD, Tuckahoe, and MBIA and the other is among CATD, Tuckahoe, and Ambac. Both of the CFAs expire on January 20, 2009.

Tuckahoe is a special purpose, bankruptcy remote company not affiliated with CATD or the Guarantors through any common ownership. In the event CATD cannot pay maturing CP, Tuckahoe provides liquidity to CATD through the purchase of the loan or loans which were funded with the maturing CP. Pursuant to the terms of each CFA, Tuckahoe will purchase from CATD on a non-recourse basis any loans: (i) which are not paid when due, if it is not then feasible for CATD to sell new CP to raise the funds needed to pay the maturing CP related to such loans; or (ii) if 180 days have elapsed since such loans were due. The purchase price payable by Tuckahoe for any loan will be sufficient to repay the related CP issued by CATD.

Tuckahoe will borrow the money required to purchase such loans under a credit agreement (the "Credit Agreement") between Tuckahoe and certain banks (the "Banks") for which Societe Generale is acting as agent. CATD cannot have aggregate CP outstanding at any point in time in excess of the amount of the Banks' commitments to Tuckahoe under the Credit Agreement.

The Guarantors also guarantee the repayment of the Banks' advances to Tuckahoe. Each borrowing by Tuckahoe under the Credit Agreement is supported by either a financial guaranty insurance policy issued by MBIA, (a "Financial Guaranty Insurance Policy"), or a surety bond issued by Ambac (a "Liquidity Bond") that supports the loan purchased with the proceeds of such borrowing. The Banks' obligation to make advances under the Credit Agreement is subject to: (i) the continued effectiveness of the Financial Guaranty Insurance Policy/Liquidity Bond, as the case may be, of the Guarantor which issued the related Dealer Financial Guaranty Insurance Policy/Dealer Surety Bond, as the case may be; (ii) the absence of bankruptcy proceedings involving Tuckahoe or such Guarantor; and (iii) the absence of any failure of the Guarantor to make required payments under the Financial Guaranty Insurance Policy/Liquidity Bond, as the case may be, or any of its other financial guaranty insurance policies/surety bonds, as the case may be.

Note 2. Credit Arrangements (Continued)

The obligations of the Guarantors to CATD under the Dealer Financial Guaranty Insurance Policies/Dealer Surety Bonds, as the case may be, are not subject to the funding conditions set forth in the Credit Agreement. Accordingly, a Guarantor will be required to make payments under a Dealer Financial Guaranty Insurance Policy/Dealer Surety Bond, as the case may be, if Tuckahoe cannot purchase the loans from CATD under the related Cooperative Financing Agreement.

At March 31, 2004 and 2003, Tuckahoe had bank commitments under its Credit Agreement of $805 million and $1,010 million, respectively. These bank lines were available to provide funds for the purchase of loans from CATD. For the period July 19, 2002 through March 31, 2004, CATD paid Tuckahoe 25 basis points (“bps”) to reimburse Tuckahoe for the cost of its bank lines, plus all other expenses of Tuckahoe. For the period April 1, 2002 through July 18, 2002, CATD paid Tuckahoe 20 bps to reimburse Tuckahoe for the cost of its bank lines, plus all other expenses of Tuckahoe.

Note 3. Non-Utilization Fees

Effective January 21, 2003 the Guarantors began assessing a non-utilization fee to CATD borrowers on the unused portion of each borrower’s Dealer Financial Guaranty Insurance Policy or Dealer Surety Bond, as the case may be. CATD collects the non-utilization fees quarterly on behalf of the Guarantors. The fee equals 0.15% per annum of the daily amount of MBIA or Ambac non-utilization. MBIA non-utilization is defined as the difference between the amount of a borrower’s Dealer Financial Guaranty Insurance Policy and the face amount of a borrower’s Series A loans outstanding. Ambac non-utilization is defined as the difference between the amount of a borrower’s Dealer Surety Bond and the face amount of a borrower’s Series B loans outstanding. If the quarterly average amount of MBIA or Ambac non-utilization, as the case may be, is less than $1,000,000, the MBIA or Ambac non-utilization fee shall be waived for such quarter.

The non-utilization fee in no way alters the terms of the Loan Agreement, which states that these are not committed credit facilities.

Note 4. Loans Receivable and Notes Payable

For the period April 1, 2003 through March 31, 2004, the interest rates on loans were based on CATD’s effective cost on the underlying CP note, plus an add-on of 65 bps. For the period January 21, 2003 through March 31, 2003, the add-on was 62 bps. For the period April 1, 2002 through January 20, 2003, the add-on was 57 bps.

Borrowers under Series A and Series B must be approved by MBIA and Ambac, respectively. Repayment of all loans funded with Series A and Series B CP, including the principal and interest, is guaranteed by MBIA and Ambac, respectively. At March 31, 2004 and 2003, the aggregate amount of the Dealer Financial Guaranty Insurance Policies established by MBIA was $628.5 million and $752.75 million, respectively. At March 31, 2004 and 2003, the aggregate amount of the Dealer Surety Bonds established by Ambac was $446.0 million and $450.75 million, respectively.

Note 4. Loans Receivable and Notes Payable (Continued)

CP is issued on a discount basis to fund dealer loans and each CP note is credit enhanced by either MBIA or Ambac. At March 31, 2004, the face amount of Series A and Series B CP outstanding was $457.6 million and $274.0 million, respectively. At March 31, 2003, the face amount of Series A and Series B CP outstanding was $558.0 million and $334.9 million, respectively. CP issued by CATD and the related loans are on a matched maturity basis. The disparity between the cash flows from loans and CP is attributed to the refinancing of a majority of the loans.

From April 1, 2002 through March 31, 2004, quoted borrowing rates for Series A and Series B loans were identical. The March 31, 2004 and 2003 data presented in the remainder of this paragraph pertains to the combined portfolio of Series A and Series B loans. At March 31, 2004 and 2003, the weighted average interest rate charged on loans, including margins added by CATD as described in the first paragraph of this Note, was 1.82% and 1.99%, respectively. At March 31, 2004 and 2003, the weighted average number of days remaining to maturity on loans outstanding was 73 and 53 days, respectively. At March 31, 2004 and 2003, loans were funded with CP bearing a weighted average interest rate of 1.17% and 1.38%, respectively, and having a weighted average number of days remaining to maturity of 73 and 53 days, respectively. At March 31, 2004 and 2003, the CATD quoted borrowing rate for 30-day loans was 1.74% and 1.94%, respectively, while the prime rate was 4.00% and 4.25%, respectively.

Note 5. Shareholders' Stock

An entity described in (a) or (b) below is eligible to become a shareholder in CATD.

(a) A duly authorized dealer which sells to the public new heavy equipment supplied by Caterpillar Inc. (an “Operating Company”) and is (i) a party to a Sales and Service Agreement with Caterpillar Inc. which is full force and effect, (ii) a licensee of the right to do business under a Sales and Service Agreement with Caterpillar Inc. which is in full force and effect, pursuant to the terms of a license agreement which has been consented to, in writing, by Caterpillar Inc., or (iii) owned by a Holding Company (as defined in (b), below) which is a party to a Sales and Service Agreement with Caterpillar Inc. which is in full force and effect.

(b) A corporation or business entity which owns one hundred percent (100%) of the stock of an Operating Company (a “Holding Company”) and is a party to a Sales and Service Agreement with Caterpillar Inc. which is in full force and effect.

No shareholder can own more than one share of CATD stock. If a shareholder becomes ineligible to own stock in CATD, or if a shareholder acquires an excess share of CATD stock (whether by purchase, merger or otherwise), it may transfer its share (or excess share) to any other unrelated Holding Company or Operating Company which is eligible for membership under the rules described above. In either case, the transfer must be completed on or before the first anniversary of the date on which the shareholder became ineligible or acquired the excess share, whichever the case may be. Otherwise, the share (or excess share) will be redeemed by CATD for $1,000. The restriction on owning more than one share of CATD stock does not apply to any excess shares owned as of February 9, 2000.

Note 5. Shareholders' Stock (Continued)

The purchase of CATD's common stock is at a price established at the sole discretion of the CATD Board of Directors. At March 31, 2004 and 2003 the price per share was $35,000. At March 31, 2004 and 2003, 250 shares of common stock were authorized. At March 31, 2004 and 2003, 56 and 58 shares of common stock were outstanding, respectively. While CATD membership is not restricted to domestic Caterpillar Inc. dealers, all of its borrowers are located in the United States.

Note 6. Income Taxes

CATD is required under its Bylaws and Section 1381(a)(2) of the Internal Revenue Code of 1986 to distribute its taxable income to participating borrowers as patronage dividends by December 15th following the close of the fiscal year. Accordingly, dividends will be distributed on the basis of each borrower's patronage. Patronage dividends are allowable as deductions from CATD's taxable income. For the years ended March 31, 2004 and 2003, CATD has net management fee loss, which is not available for distribution as patronage dividends. (See Note 8).

Note 7. Retirement Plan

CATD maintains a "safe harbor" 401(k) plan, which provides that employees may elect to defer a portion of compensation, with CATD matching 100% of the employee's deferral amount up to 5% of compensation for years in which net profits of CATD exceed $25,000. Contributions are subject to Internal Revenue Service limitations. For the years ended March 31, 2004 and 2003, the amount of matching contributions paid by CATD was $20,001 and $19,671, respectively. CATD's 401(k) plan also contains a "non-elective" employer contribution feature to which CATD must contribute at least 3% of each employee's compensation. This contribution totaled $21,921 and $20,785 for the years ended March 31, 2004 and 2003, respectively, representing 5% of each employee's compensation.

Note 8. Related Party Transactions

During fiscal year 1993, CATD entered into a Management Agreement with Dealers Capital Access Trust, Inc. ("DCAT"), a special purpose bankruptcy remote corporation owned by the DCAT Trust, JH Holdings Corporation, Trustee. DCAT funds loans to its clients by issuing commercial paper that is credit enhanced by Caterpillar Financial Services Corporation ("CFSC"). The Management Agreement provides for CATD to provide all necessary management services to DCAT. While separately owned, CATD and DCAT are related parties because the Management Agreement allows CATD to significantly influence the operating policies of DCAT. A summary of the related party transactions for the years ended March 31, 2004 and 2003, are as follows:

	2004	2003
Management fee income (includes guarantee fee)	**$ 6,081,886**	$ 4,079,363
DCAT net expenses (includes guarantee fee)	**6,094,538**	4,080,624
Net management fee (loss)	**$ (12,652)**	$ (1,261)
Management fee receivable	**$ 47,565**	$ 90,405

Note 8. Related Party Transactions (Continued)

Included in CATD's management fee income and DCAT's expenses are guarantee fees paid by CATD to CFSC on DCAT's behalf, in the amount of $5,705,264 and $3,792,306 for the years ended March 31, 2004 and 2003, respectively.

Note 9. Accumulated Deficit

At March 31, 2004 and 2003 CATD's accumulated deficit was $279,013 and $235,204, respectively. The accumulated deficit represents the cumulative expenses that are not deductible for tax purposes from CATD's incorporation in 1981 through the balance sheet date. Non-deductible expenses increase taxable income by an equivalent amount, and CATD is required to distribute its taxable income attributable to patronage to participating borrowers as patronage dividends (See Note 6).

Note 10. Operating Lease

CATD rents office space under a 7-year lease expiring December 31, 2009. The lease provides for minimum annual rentals together with specified cost escalations. The rental expense for the years ended March 31, 2004 and 2003 under this lease was $51,532 and $12,786, respectively.

Future minimum lease payments, as of March 31, 2004, are as follows:

Years ending March 31,		
2005	$	53,078
2006		54,670
2007		56,311
2008		58,000
2009		59,740
Thereafter		45,806
	$	327,605

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors and Shareholder
Dealers Capital Access Trust, Inc.
Chevy Chase, Maryland

We have audited the accompanying balance sheets of Dealers Capital Access Trust, Inc. (DCAT), as of March 31, 2004 and 2003, and the related statements of income and accumulated deficit, and cash flows for the years then ended. These financial statements are the responsibility of DCAT's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dealers Capital Access Trust, Inc., as of March 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Bethesda, Maryland
April 16, 2004

Dealers Capital Access Trust, Inc.

Balance Sheets
March 31, 2004 and 2003

Assets	**2004**	2003
Cash	**$ 49,299**	$ 60,533
Loans receivable	**355,117,981**	302,406,638
Interest receivable	**1,241,021**	630,643
	$ 356,408,301	$ 303,097,814

Liabilities and Stockholder's Equity		
Liabilities		
Notes payable	**$ 355,861,231**	$ 302,711,639
Accrued interest on notes payable	**498,977**	295,242
Accounts payable - related party	**47,565**	90,405
Total liabilities	**356,407,773**	303,097,286
Stockholder's Equity		
Common stock, par value $1 per share; 1,000 shares authorized, issued, and outstanding	**1,000**	1,000
Accumulated deficit	**(472)**	(472)
	528	528
	$ 356,408,301	$ 303,097,814

See Notes to Financial Statements.

Dealers Capital Access Trust, Inc.

Statements Of Income And Accumulated Deficit
Years Ended March 31, 2004 and 2003

	2004	2003
Interest income	**$ 10,666,683**	$ 8,539,454
Expenses		
Interest expense	**4,584,797**	4,460,091
Management fee (Note 2)	**6,081,886**	4,079,363
	10,666,683	8,539,454
Net income	**-**	-
Accumulated deficit:		
Beginning	**(472)**	(472)
Ending	**$ (472)**	$ (472)

See Notes to Financial Statements.

Dealers Capital Access Trust, Inc.

Statements Of Cash Flows
Years Ended March 31, 2004 and 2003

	2004	2003
Cash Flows from Operating Activities		
Net income	**$ -**	$ -
Adjustments to reconcile net income to net cash		
(used in) operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in:		
Interest receivable	**(610,378)**	(242,615)
Increase (decrease) in:		
Accrued interest on notes payable	**203,735**	81,090
Accounts payable - related party	**(42,840)**	76,457
Net cash (used in) operating activities	**(449,483)**	(85,068)
Cash Flows from Investing Activities		
Issuance of loans receivable	**(400,495,370)**	(317,050,338)
Principal collections on loans receivable	**347,784,028**	180,194,874
Net cash (used in) investing activities	**(52,711,342)**	(136,855,464)
Cash Flows from Financing Activities		
Proceeds from issuance of notes payable	**5,753,495,529**	4,846,426,882
Payments for maturing notes payable	**(5,700,345,938)**	(4,709,520,999)
Net cash provided by financing activities	**53,149,591**	136,905,883
Net (decrease) in cash	**(11,234)**	(34,649)
Cash:		
Beginning	**60,533**	95,182
Ending	**$ 49,299**	$ 60,533
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	**$ 4,381,062**	$ 4,379,001

See Notes to Financial Statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: Dealers Capital Access Trust, Inc. ("DCAT") is a bankruptcy remote special purpose corporation owned by the DCAT Trust, JH Holdings Corporation, Trustee. DCAT was incorporated in 1992 under the laws of the State of Tennessee for the purpose of providing loans to its clients at optimum borrowing rates. DCAT loans are funded through the issuance of DCAT commercial paper ("CP").

Borrowing status is limited to shareholders in the Cooperative Association of Tractor Dealers, Inc. ("CATD"), other eligible CATD borrowers, eligible Caterpillar Societe Anonyme Responsabilite Limitee ("CSARL") equipment dealers, including CSARL-approved dealer representatives, and eligible Caterpillar Inc. Forestry Product Dealers.

Borrowers who are not CATD shareholders may be charged a DCAT application fee.

A summary of DCAT's significant accounting policies follows:

Loans receivable: DCAT has a short-term loan program providing equipment financing to its borrowers. The loans receivable are stated at the amount of the unpaid principal. Management believes that all loans receivable are fully collectible and that no provision for loan loss is necessary. DCAT does not bear any financial risk in the event of default by DCAT borrowers (see Note 3 and Note 4).

Revenue recognition: DCAT revenues represent interest on loans accruing based on the principal amounts outstanding of each borrower. Interest income is recognized as revenue when earned.

Income taxes: DCAT is a C-Corporation under the Internal Revenue Code. DCAT has never had taxable income for either book or tax purposes. Consequently, these financial statements do not contain a provision for income taxes.

Fair value of financial instruments: DCAT's financial instruments, including cash, loans receivable, notes payable, and accounts payable are carried at cost, which approximates their fair value because of the short-term maturity of these instruments.

Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Related Party Transactions

DCAT is a party to a Management Agreement with CATD. The Management Agreement provides for CATD to provide all necessary management services to DCAT. While having separate ownership, CATD and DCAT are related parties because the Management Agreement allows CATD to significantly influence the operating policies of DCAT. For the years ended March 31, 2004 and 2003, DCAT's management fee expense was $6,081,886 and $4,079,363, respectively, of which $5,705,264 and $3,792,306 was paid to Caterpillar Financial Services Corporation ("CFSC") by CATD, on DCAT's behalf under terms of the Dealer Loan Purchase Agreement. (See Notes 3 and 4).

Note 3. Credit Arrangements

In May 1992, DCAT signed a three-year Dealer Loan Purchase Agreement with CFSC, under which CFSC agreed to repurchase DCAT loans up to individual approved borrowing limits in the event of a payment default by the borrower. The Dealer Loan Purchase Agreement has been extended and amended, and expires September 30, 2006. For the period April 1, 2002 through March 31, 2004, DCAT paid CFSC a fee equal to 1.45% per annum of the average face amount of CP outstanding that was originated prior to November 1, 2003. For the period November 1, 2003 through March 31, 2004 DCAT paid CFSC a fee equal to 1.65% per annum of the average face amount of CP outstanding that was originated after October 1, 2003. This fee is included in the management fee paid by DCAT to CATD (See Notes 2 and 4).

Note 4. Loans Receivable and Notes Payable

Interest rates on loans are based on DCAT's effective cost on the underlying CP note plus the following percentages (which include the guarantee fees paid by CATD to CFSC on DCAT's behalf):

Month	Add-On Percentage	Month	Add-on Percentage
April 2002	1.60%	April 2003	1.55%
May 2002	1.57%	May 2003	1.49%
June 2002	1.57%	June 2003	1.51%
July 2002	1.54%	July 2003	1.54%
August 2002	1.52%	August 2003	1.50%
September 2002	1.50%	September 2003	1.56%
October 2002	1.52%	October 2003	1.52%
November 2002	1.52%	November 2003	1.76%
December 2002	1.54%	December 2003	1.76%
January 2003	1.54%	January 2004	1.78%
February 2003	1.58%	February 2004	1.70%
March 2003	1.57%	March 2004	1.75%

Note 4. Loans Receivable and Notes Payable (Continued)

All DCAT borrowers must be approved by CFSC through the issuance of an Approval Letter. Repayment of all DCAT loans, including the principal amount and the interest, is assured by CFSC through the Dealer Loan Purchase Agreement. At March 31, 2004 and 2003, the aggregate amount of the borrowing limits ("Approved Amounts") established by CFSC was $518.0 million and $360.5 million, respectively.

CP is issued on a discount basis. At March 31, 2004 and 2003, the face amount of CP was $356.9 million and $303.3 million, respectively. CP issued by DCAT and the related loans are on a matched maturity basis. The disparity between the cash flows from loans and CP is attributed to the refinancing of the majority of loans. At March 31, 2004 and 2003, the weighted average interest rate charged on loans, including margins added by DCAT as described above, was 2.85% and 2.91%, respectively. At March 31, 2004 and 2003, the weighted average number of days remaining to maturity on loans outstanding was 49 and 27, respectively. At March 31, 2004 and 2003, loans were funded with CP bearing a weighted average interest rate of 1.12% and 1.34%, respectively and having a weighted average number of days remaining to maturity of 49 and 27 days, respectively. At March 31, 2004 and 2003, the DCAT quoted borrowing rate for 30-day loans was 2.84% and 2.89%, respectively.

McGladrey & Pullen
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholder
Tuckahoe Funding Company
Falls Church, Virginia

We have audited the accompanying balance sheets of Tuckahoe Funding Company (the Company), as of March 31, 2004 and 2003, and the related statements of income and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuckahoe Funding Company as of March 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Bethesda, Maryland
April 16, 2004

Tuckahoe Funding Company

Balance Sheets
March 31, 2004 and 2003

Assets	**2004**	2003
Cash	**$ 4,911**	$ 13,544
Accounts receivable	**2,904**	11,236
Prepaid expenses	**5,245**	4,932
	$ 13,060	$ 29,712

Liablities and Stockholder's Equity		
Liabilities		
Accounts payable	**$ 12,060**	$ 28,712
Commitments (Note 3)		
Stockholder's Equity		
Common stock; $.01 par value; 1,000 shares authorized; 100 shares issued and outstanding	**1**	1
Additional paid-in capital	**999**	999
Retained earnings	**-**	-
	1,000	1,000
	$ 13,060	$ 29,712

See Notes to Financial Statements.

Tuckahoe Funding Company

Statements Of Income And Retained Earnings
Years Ended March 31, 2004 and 2003

	2004	2003
Revenue		
Fee income	**$ 2,293,056**	$ 2,680,826
Reimbursement income	**88,612**	98,834
	2,381,668	2,779,660
Expenses		
Commitment fees	**2,293,056**	2,680,826
Agency fees	**50,000**	50,000
Legal fees	**12,106**	25,907
Other expenses	**26,506**	22,927
Total expenses	**2,381,668**	2,779,660
Net income	**-**	-
Retained Earnings:		
Beginning	**-**	-
Ending	**$ -**	$ -

See Notes to Financial Statements.

Tuckahoe Funding Company

Statements Of Cash Flows
Years Ended March 31, 2004 and 2003

	2004	2003
Cash Flows from Operating Activities		
Net income	**$ -**	$ -
Adjustments to reconcile net income to net cash (used in) operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	**8,332**	(11,236)
Prepaid expenses	**(313)**	(94)
Increase in:		
Accounts payable	**(16,652)**	3,968
Net cash (used in) operating activities	**(8,633)**	(7,362)
Net (decrease) in cash	**(8,633)**	(7,362)
Cash:		
Beginning	**13,544**	20,906
Ending	**$ 4,911**	$ 13,544

See Notes to Financial Statements.

Tuckahoe Funding Company

Notes To Financial Statements

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: Tuckahoe Funding Company ("Tuckahoe") is a special purpose, bankruptcy-remote company, the stock of which is owned by the Tuckahoe Trust, JH Holdings Corporation, Trustee. Tuckahoe was incorporated under the laws of the State of Delaware on December 16, 1996, and conducts its operations in Fairfax County, Virginia. Tuckahoe is not affiliated through ownership with the Cooperative Association of Tractor Dealers, Inc. ("CATD"), MBIA Insurance Corporation ("MBIA"), or Ambac Assurance Corporation ("Ambac"). (MBIA and Ambac are hereafter referred to as the "Guarantors").

Tuckahoe was formed to secure bank liquidity lines, which provide liquidity to CATD, if necessary, to pay maturing commercial paper ("CP") through the purchase of loans from CATD.

A summary of Tuckahoe's significant accounting policies follows:

Accounts receivable: Accounts receivable represent amounts owed by CATD to Tuckahoe, and are carried at original invoice amount. Based on management's evaluation of the collectibility of accounts receivable, no provision for an allowance for doubtful accounts has been made.

Fee income: CATD is the source of Tuckahoe's fee income. The fee income is equal to the liquidity bank commitment fee, and is recognized on an accrual basis.

Reimbursement income: CATD reimburses Tuckahoe for all expenses in excess of fee income earned.

Commitment fee: From July 19, 2002 through March 31, 2004, Tuckahoe paid a liquidity bank commitment fee equal to 0.25% of committed liquidity bank lines under the January 21, 1997 Credit Agreement between Tuckahoe, Societe Generale as agent for the liquidity banks, and certain banks. From April 1, 2002 through July 18, 2002, the commitment fee was 0.20%. The fee expense is recognized on an accrual basis.

Income taxes: Tuckahoe is a C-Corporation under the Internal Revenue Code. Tuckahoe has never had taxable income for either book or federal and state tax purposes. Consequently, these financial statements do not contain a provision for income taxes.

Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Credit Arrangements

CATD issues its CP to fund loans to its shareholders. An entity described in (a) or (b) below is eligible to become a shareholder in CATD.

Note 2. Credit Arrangements (Continued)

(a) A duly authorized dealer which sells to the public new heavy equipment supplied by Caterpillar Inc. (an "Operating Company") and is (i) a party to a Sales and Service Agreement with Caterpillar Inc. which is in full force and effect, (ii) a licensee of the right to do business under a Sales and Service Agreement with Caterpillar Inc. which is in full force and effect, pursuant to the terms of a license agreement which has been consented to, in writing, by Caterpillar Inc. or (iii) owned by a Holding Company (as defined in (b), below) which is a party to a Sales and Service Agreement with Caterpillar Inc. which is in full force and effect.

(b) A corporation or business entity which owns one hundred percent (100%) of the stock of an Operating Company (a "Holding Company") and is a party of a Sales and Service Agreement with Caterpillar Inc. which is in full force and effect.

No shareholder can own more than one share of CATD stock. If a shareholder becomes ineligible to own stock in CATD, or if a shareholder acquires an excess share of CATD stock, (whether by purchase, merger or otherwise), it may transfer its share (or excess share) to any other unrelated Holding Company or Operating Company which is eligible for membership under the rules described above. In either case, the transfer must be completed on or before the first anniversary of the date on which the shareholder became ineligible or acquired the excess share, whichever the case may be. Otherwise, the share (or excess share) will be redeemed by CATD for $1,000. The restriction on owning more than one share of CATD stock does not apply to any excess shares owned as of February 9, 2000.

In order to sell CP, CATD must have a source of liquidity to pay maturing CP if funds cannot be obtained from the sale of new CP or from loan repayments by its member borrowers. CATD does not maintain its own back-up bank lines of credit to provide such liquidity. In the event CATD cannot pay maturing CP, Tuckahoe provides this liquidity by purchasing from CATD, on a non-recourse basis, the loan or loans which were funded with the maturing CP.

Tuckahoe and CATD have entered into Cooperative Financing Agreements ("CFA's") with MBIA and Ambac, respectively. Pursuant to the terms of each CFA, Tuckahoe will purchase from CATD on a non-recourse basis any loans: (i) which are not paid when due, if it is not then feasible for CATD to sell new CP to raise the funds required to pay the maturing CP related to such loans; or (ii) 180 days have elapsed since such loans were due. The purchase price payable by Tuckahoe for any loan will be sufficient to repay the related CP issued by CATD. Each of the CFA's expires on January 20, 2009. Tuckahoe will borrow the money required to purchase such loans under a credit agreement (the "Credit Agreement") between Tuckahoe and certain banks (the "Banks"), for which Societe Generale is acting as agent. Generally, all advances under the Credit Agreement are non-recourse to Tuckahoe (with exceptions due to fraud, gross negligence, willful misconduct, or violations of Credit Agreement covenants) and are repayable to the Banks out of the proceeds of the purchased loans or from the Financial Guaranty Insurance Policies/Liquidity Bonds discussed below.

Note 2. Credit Arrangements (Continued)

MBIA and Ambac guarantee the repayment of the Banks' advances to Tuckahoe. Each borrowing by Tuckahoe under the Credit Agreement is supported by either a financial guaranty insurance policy issued by MBIA (a "Financial Guaranty Insurance Policy"), or a surety bond issued by Ambac (a "Liquidity Bond") issued by the same Guarantor that guaranteed repayment of the loan purchased with the proceeds of such borrowing. The Banks' obligation to make advances under the Credit Agreement is subject to: (i) the continued effectiveness of the Financial Guaranty Insurance Policy/Liquidity Bond of such Guarantor, as the case may be; (ii) the absence of bankruptcy proceedings involving Tuckahoe or such Guarantor; and (iii) the absence of any failure of the Guarantor to make required payments under the Financial Guaranty Insurance Policy/Liquidity Bond, as the case may be, or any of its other financial guaranty insurance policies/surety bonds, as the case may be.

Note 3. Commitments

On January 21, 1997, Tuckahoe entered into a Credit Agreement with a syndicate of banks led by Societe Generale ("Syndicate") to provide liquidity to CATD. On March 18, 2002, a subsyndicate of banks led by WestLB AG ("Subsyndicate") entered into the Credit Agreement. On March 31, 2004 and 2003, the Banks' aggregate commitment to Tuckahoe under the Credit Agreement, as amended, was $805 million and $1,010 million, respectively. The Banks' commitments expire January 14, 2005 ("Termination Date"). In the case of the Syndicate, at least 225 days prior to the Termination Date, Tuckahoe must notify Societe Generale of its desire to extend the Termination Date for a period of an additional 184 days. In the case of the Subsyndicate, at least 45 days prior to the Termination Date, Tuckahoe must notify WestLB AG of its desire to extend the Termination Date for a period of an additional 184 days.

Cooperative Association of Tractor Dealers, Inc.
Dealers Capital Access Trust, Inc.
Tuckahoe Funding Company

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